# THIS OFFERING PLAN HAS BEEN AMENDED

CONDOMINIUM OFFERING PLAN
THE 30-48 SOUTH 2ND STREET CONDOMINIUM
30-48 SOUTH 2ND STREET
BROOKLYN, NEW YORK 11211

| | |
|---|---|
| Residential Units.....23 | $24,510,950.00 |
| Roof Units..... ....4 | $ 140,000.00 |
| Parking Units .....12 | $ 420,000.00 |
| Total Amount of Offering | $25,080,950.00 |

**SPONSOR AND SELLING AGENT:**

291 KENT PROPERTIES, LLC
266 Broadway
Brooklyn, New York 11211

Date of acceptance for filing of this Offering Plan is DECEMBER 21, 2009
This plan may not be used after DECEMBER 20, 2010 unless extended by a duly filed amendment.

THIS PLAN CONTAINS SPECIAL RISKS TO THE PURCHASER. SEE PAGE 1.

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

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

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

Prepared By:
Harold L. Gruber, Esq.
92 Prospect Place
Brooklyn, New York 11217
(718) 788-7722

**FIFTH AMENDMENT TO THE OFFERING PLAN**
**THE 46 SOUTH 2nd STREET CONDOMINIUM**
**46 SOUTH 2nd STREET, BROOKLYN, NEW YORK 11211**

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The Offering Plan for the condominium conversion of 30-48 South 2nd Street, Brooklyn, New York, is hereby amended as follows:

1) The Offering Plan indicated that there are lot line windows; and that these lot line windows may be used to provide required natural light and ventilation for enclosed rooms. The subject premises and the adjacent lots form a single zoning lot, so that these windows will not be blocked by an adjoining building. However, only some of the lot line windows fit within this description. There are other lot line windows that may not be used to provide required light and ventilation, since they do not adjoin lots which form a single zoning lot with the subject premises and may be blocked by a building on an adjoining premise. These windows are not utilized for providing required light and air; so their occlusion will not change the legal occupancy of the rooms in which they are located. Additionally, they are self closing windows and, if occluded, will not need to be removed; nor will the window opening need to be blocked.

   Attached hereto and made a part hereof as Exhibit I is an Addendum to the Architect's Report describing the foregoing, together with floor plans for the 2nd, 3rd, and 4th floor indicating the location of these lot line windows.

2) The purchase price for the following units are revised as follows:

| UNIT # | OLD PRICE | NEW PRICE |
|---|---|---|
| 2B | $875,000.00 | $885,000.00 |
| 3E | $530,000.00 | $540,000.00 |

   Attached hereto and made a part hereof as Exhibit II is a revised Schedule A reflecting the foregoing changes

3) There are no other changes to the Offering Plan.

DATED: October 28, 2011
BROOKLYN, NEW YORK

EXHIBIT I

**Demerara Engineering, P.L.L.C.**
Structural Engineering and Foundation Design
160 Pearl Street, 2nd Floor, New York City, NY 10005
Tel: 212-383-4897 Fax: 212-383-4899
www.DemeraraEng.com

Date: August 5, 2011

**ADDENDUM TO THE ENGINEER'S DESCRIPTION OF PROPERTY**
**Premises known as**
**46 South 2nd Street**
Brooklyn, New York 11211

This Addendum shall amend certain descriptions and floor plans of the Engineer's Report dated October 29, 2009.

There will be lot line windows.

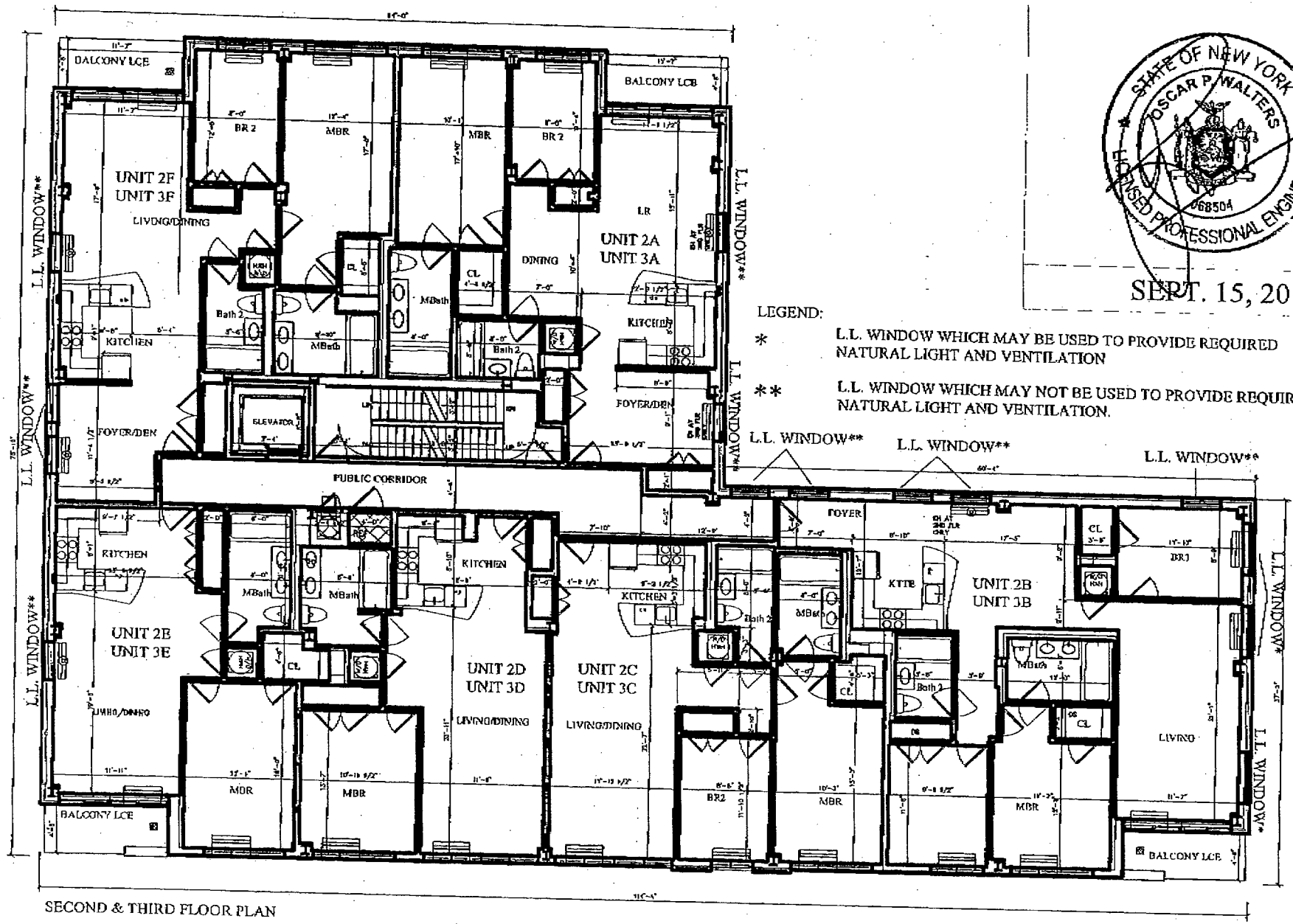
Several lot line windows may be used to provide required natural light and ventilation for enclosed rooms since the subject premises and the adjacent lots are 1 Zoning Lot.

However, certain lot line windows may not be used to provide required natural light and ventilation for enclosed rooms, and can be blocked at some point in the future by expansion of adjacent buildings. These windows are self-closing and are not considerate as windows for the purpose of light and air requirements in compliance with the NYC Building Code. If these windows are blocked, no action will need to be taken by the unit owner, since it shall not present an illegal condition.

See floor plans annexed hereto for location of lot line windows.

STATE OF NEW YORK
OSCAR P. WALTERS
068504
PROFESSIONAL ENGINEER

Oscar P. Walters, Jr., P.E.
Principal




SECOND & THIRD FLOOR PLAN

LEGEND:

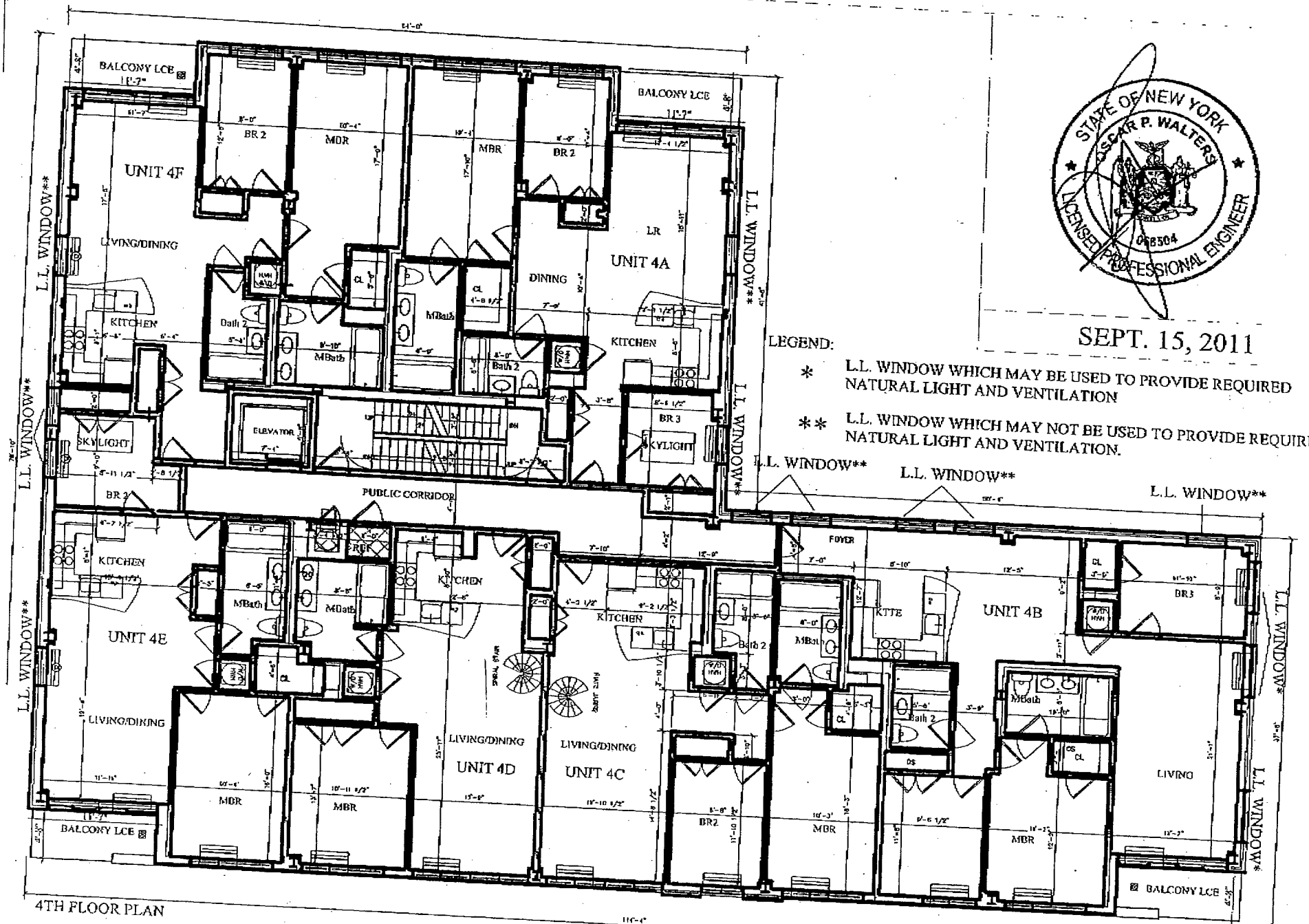
* L.L. WINDOW WHICH MAY BE USED TO PROVIDE REQUIRED NATURAL LIGHT AND VENTILATION

** L.L. WINDOW WHICH MAY NOT BE USED TO PROVIDE REQUIRED NATURAL LIGHT AND VENTILATION.

STATE OF NEW YORK
OSCAR P. WALTERS
068504
LICENSED PROFESSIONAL ENGINEER

SEPT. 15, 2011

# 46 SOUTH 2ND STREET, BROOKLYN, NY




4TH FLOOR PLAN

LEGEND:

* L.L. WINDOW WHICH MAY BE USED TO PROVIDE REQUIRED NATURAL LIGHT AND VENTILATION

** L.L. WINDOW WHICH MAY NOT BE USED TO PROVIDE REQUIRED NATURAL LIGHT AND VENTILATION.

STATE OF NEW YORK
OSCAR P. WALTERS
LICENSED PROFESSIONAL ENGINEER
068504

SEPT. 15, 2011

# 46 SOUTH 2ND STREET, BROOKLYN, NY

EXHIBIT II

SCHEDULE A

The 46 SOUTH 2nd STREET CONDOMINIUM

46 South 2nd Street, Brooklyn, NY 11211

PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST

First Year of Operation

April 1, 2011 - March 31, 2012

| Unit | Sq. Ftg. ( 1 ) | Bdrms/ Bths ( 2 ) | % of Common Interest ( 3 ) | Offering Price ( 4 ) | Monthly Common Charges (5) | With Tax Ben. Monthly Real Es. Taxes ( 6 ) | With Tax Ben. Carrying Charges ( 7 ) | Without Tax Ben. Monthly Real Es. Taxes ( 8 ) | Without Tax Ben. Monthly Carrying Charges ( 9 ) |
|---|---|---|---|---|---|---|---|---|---|
| 1A | 1,625 | 2/2.5 | 6.29% | $735,000.00 | $409.48 | $57.74 | $467.22 | 1,066.66 | $1,476.14 |
| 1B | 1,859 | 3/2.5 | 7.21% | $934,000.00 | $469.37 | $66.19 | $535.56 | 1,222.67 | $1,692.04 |
| 1C | 1,524 | 2/2.5 | 5.77% | $720,000.00 | $375.63 | $52.97 | $428.60 | 978.48 | $1,354.10 |
| 1D | 1,208 | 1/1.5 | 4.57% | $625,000.00 | $297.51 | $41.95 | $339.46 | 774.98 | $1,072.49 |
| 1E | 1,201 | 1/1.5 | 4.54% | $625,000.00 | $295.55 | $41.68 | $337.23 | 769.89 | $1,065.45 |
| 2A | 1,120 | 2/2 | 4.38% | $685,000.00 | $285.14 | $40.21 | $325.35 | 742.76 | $1,027.90 |
| 2B | 1,326 | 3/2 | 5.02% | $885,000.00 | $326.80 | $46.08 | $372.89 | 851.29 | $1,178.09 |
| 2C | 991 | 2/2 | 3.75% | $630,000.00 | $244.13 | $34.43 | $278.55 | 635.93 | $880.05 |
| 2D | 758 | 1/1 | 2.87% | $510,000.00 | $186.84 | $26.35 | $213.18 | 486.69 | $673.53 |
| 2E | 762 | 1/1 | 2.88% | $510,000.00 | $187.49 | $26.44 | $213.93 | 488.39 | $675.88 |
| 2F | 1,143 | 2/2 | 4.33% | $720,000.00 | $281.88 | $39.75 | $321.63 | 734.28 | $1,016.16 |
| 3A | 1,120 | 2/2 | 4.38% | $710,000.00 | $285.14 | $40.21 | $325.35 | 742.76 | $1,027.90 |
| 3B | 1,326 | 3/2 | 5.19% | $970,000.00 | $337.87 | $47.64 | $385.51 | 880.12 | $1,217.99 |
| 3C | 991 | 2/2 | 3.75% | $650,000.00 | $244.13 | $34.43 | $278.55 | 635.93 | $880.05 |
| 3D | 758 | 1/1 | 3.04% | $525,000.00 | $197.90 | $27.91 | $225.81 | 515.52 | $713.43 |
| 3E | 762 | 1/1 | 2.88% | $540,000.00 | $187.49 | $26.44 | $213.93 | 488.39 | $675.88 |
| 3F | 1,143 | 2/2 | 4.33% | $729,000.00 | $281.88 | $39.75 | $321.63 | 734.28 | $1,016.16 |

SCHEDULE A CONTINUED

The 46 SOUTH 2nd STREET CONDOMINIUM

46 South 2nd Street, Brooklyn, NY 11211

PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST

First Year of Operation

April 1, 2011 - March 31, 2012

| Unit | Sq. Ftg. ( 1 ) | Bdrms/ Bths ( 2 ) | % of Common Interest ( 3 ) | Offering Price ( 4 ) | Monthly Common Charges ( 5 ) | With Tax Ben. Monthly Real Es. Taxes ( 6 ) | With Tax Ben. Carrying Charges ( 7 ) | Without Tax Ben. Monthly Real Es. Taxes ( 8 ) | Without Tax Ben. Monthly Carrying Charges ( 9 ) |
|---|---|---|---|---|---|---|---|---|---|
| 4A | 1,120 | 3/2 | 4.24% | $810,000.00 | $276.02 | $38.92 | $314.95 | 719.02 | $995.04 |
| 4B | 1,326 | 3/2 | 5.02% | $999,000.00 | $326.80 | $46.08 | $372.89 | 851.29 | $1,178.09 |
| 4C | 1,027 | 2/2 | 3.89% | $735,000.00 | $253.24 | $35.71 | $288.95 | 659.67 | $912.91 |
| 4D | 794 | 1/1 | 3.00% | $565,000.00 | $195.30 | $27.54 | $222.84 | 508.74 | $704.04 |
| 4E | 890 | 2/1 | 3.34% | $665,000.00 | $217.43 | $30.66 | $248.10 | 566.40 | $783.83 |
| 4F | 1,027 | 2/2 | 3.89% | $750,000.00 | $253.24 | $35.71 | $288.95 | 659.67 | $912.91 |
| R4 | 513 | N/A | 0.18% | $35,000.00 | $11.72 | $1.65 | $13.37 | 30.52 | $42.24 |
| P1 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P2 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P4 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P7 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P8 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P9 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P10 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P11 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P12 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| TOTALS | 27,691 | | 100.00% | $16,577,000 | $6,510.00 | $918.00 | $7,428.00 | $16,958.00 | $23,468.00 |

SCHEDULE A CONTINUED

The 46 SOUTH 2nd STREET CONDOMINIUM

46 South 2nd Street, Brooklyn, NY 11211

PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST

First Year of Operation

April 1, 2011 - March 31, 2012

Notes:

1) Numerous units will have exclusive right to use and possession of a balcony or roof terrace as a limited common element, as indicated in the FLOOR PLANS in Part II of this Offering Plan. Additionallly, all units will include a cellar storage area as a limited common element. Units which are allocated balcony or roof terrace areas, as limited common elements, are as follows: balcony - 1A, 2A, 2B, 2E, 2F, 3A, 3B, 3E, 3F, 4A, 4B, 4E & 4F; roof terrace - 4A, 4C, 4D & 4E. Additionally Units 1A, 2A, and 3A will each have allocated as a limited common element a parking space, and Units 1B, 3B and 3D will have allocated as a limited common element a roof terrace area.

2) Annual Real Estates Taxes for all units, with and without tax benefits, are listed on the attached Exhibit I. The estimate in the event tax benefits are not obtained is based on the first full year of post completion assessed value.

3) In addition to the purchase price, there are additional closing costs assessed against each unit, such as document preparation fee ($1,100.00), reimbursement fee ($2,500.00), working capital fund contribution equal to one month's common charges, a reserve fund contribution equal to two months' common charges, title clearance fee ($350.00) and payment of transfer taxes. Additionally, Purchaser will pay their own title insurance costs, recording charges and mortgage recording taxes. Please see the CLOSING COSTS & ADJUSTMENTS section of this Offering Plan for a more complete explanation.

**FOURTH AMENDMENT TO THE OFFERING PLAN**
**THE 46 SOUTH 2nd STREET CONDOMINIUM**
**46 SOUTH 2nd STREET, BROOKLYN, NEW YORK 11211**

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The Offering Plan for the condominium conversion of 30-48 South 2nd Street, Brooklyn, New York, is hereby amended as follows:

1) The roof terrace unit previously designated as Unit R2 is no longer separately offered for sale. Said unit will be allocated as a limited common element to Unit 3B. Attached hereto and made a part hereof as Exhibit I is a revised roof plan reflecting the foregoing change.

2) As a result of the foregoing change, there has been an increase to the purchase price, allocation of common interest and projected common charges and taxes for the first year of condominium operation for Unit 3B. Attached hereto and made a part hereof as Exhibit II is a revised Schedule A and Exhibit I to Schedule A reflecting the foregoing change.

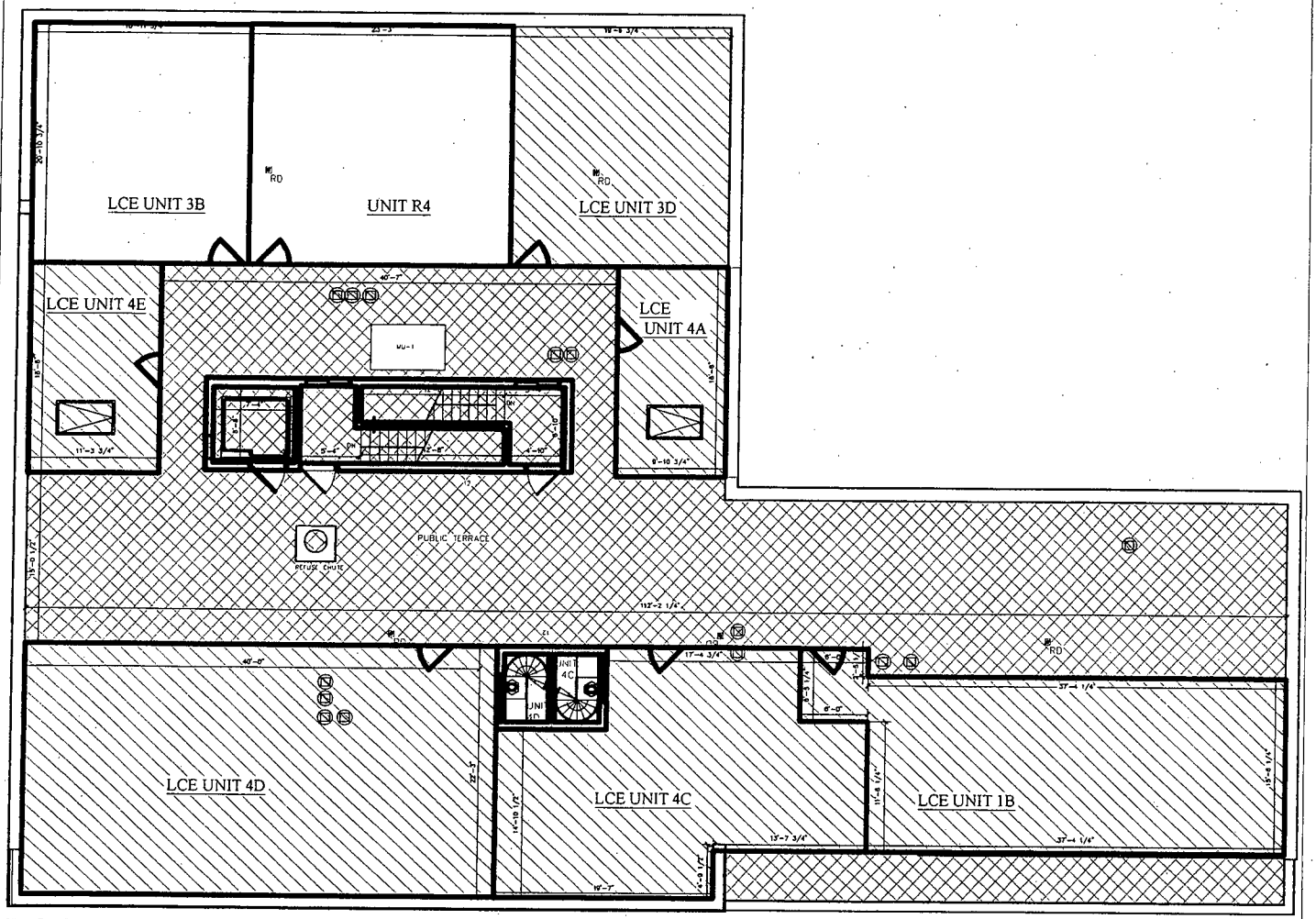
3) Section 25 of the Special Risks section of the Offering Plan incorrectly indicated that there would be a one (1) year roof warranty. In fact, as indicated in Item D at the top of Page Ar-7 in the original Offering Plan, there is a ten (10) year manufacturer's warranty with respect to defects arising; defects in materials or workmanship. Therefore, Special Risk 25 is deemed deleted.

4) There are no other changes to the Offering Plan.

DATED: August 1, 2011
BROOKLYN, NEW YORK

**EXHIBIT I**

# The 46 South 2nd Street Condominium
# 46 South 2nd Street
# Brooklyn, NY 11211




ROOF FLOOR PLAN

June 15, 2011

STATE OF NEW YORK
OSCAR P. WALTERS
068504
LICENSED PROFESSIONAL ENGINEER

Notes: Proposed changes are DOB compliant.

Demerara Engineering, PLLC
160 Pearl Street, 2nd Floor
New York, NY 10005
1212.383.4897

# EXHIBIT II

SCHEDULE A

The 46 SOUTH 2nd STREET CONDOMINIUM

46 South 2nd Street, Brooklyn, NY 11211

PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST

First Year of Operation

April 1, 2011 - March 31, 2012

| Unit | Sq. Ftg. ( 1 ) | Bdrms/ Bths ( 2 ) | % of Common Interest ( 3 ) | Offering Price ( 4 ) | Monthly Common Charges (5) | With Tax Ben. Monthly Real Es. Taxes ( 6 ) | With Tax Ben. Carrying Charges ( 7 ) | Without Tax Ben. Monthly Real Es. Taxes ( 8 ) | Without Tax Ben. Monthly Carrying Charges ( 9 ) |
|---|---|---|---|---|---|---|---|---|---|
| 1A | 1,625 | 2/2.5 | 6.29% | $735,000.00 | $409.48 | $57.74 | $467.22 | 1,066.66 | $1,476.14 |
| 1B | 1,859 | 3/2.5 | 7.21% | $934,000.00 | $469.37 | $66.19 | $535.56 | 1,222.67 | $1,692.04 |
| 1C | 1,524 | 2/2.5 | 5.77% | $720,000.00 | $375.63 | $52.97 | $428.60 | 978.48 | $1,354.10 |
| 1D | 1,208 | 1/1.5 | 4.57% | $625,000.00 | $297.51 | $41.95 | $339.46 | 774.98 | $1,072.49 |
| 1E | 1,201 | 1/1.5 | 4.54% | $625,000.00 | $295.55 | $41.68 | $337.23 | 769.89 | $1,065.45 |
| 2A | 1,120 | 2/2 | 4.38% | $685,000.00 | $285.14 | $40.21 | $325.35 | 742.76 | $1,027.90 |
| 2B | 1,326 | 3/2 | 5.02% | $875,000.00 | $326.80 | $46.08 | $372.89 | 851.29 | $1,178.09 |
| 2C | 991 | 2/2 | 3.75% | $630,000.00 | $244.13 | $34.43 | $278.55 | 635.93 | $880.05 |
| 2D | 758 | 1/1 | 2.87% | $510,000.00 | $186.84 | $26.35 | $213.18 | 486.69 | $673.53 |
| 2E | 762 | 1/1 | 2.88% | $510,000.00 | $187.49 | $26.44 | $213.93 | 488.39 | $675.88 |
| 2F | 1,143 | 2/2 | 4.33% | $720,000.00 | $281.88 | $39.75 | $321.63 | 734.28 | $1,016.16 |
| 3A | 1,120 | 2/2 | 4.38% | $710,000.00 | $285.14 | $40.21 | $325.35 | 742.76 | $1,027.90 |
| 3B | 1,326 | 3/2 | 5.19% | $970,000.00 | $337.87 | $47.64 | $385.51 | 880.12 | $1,217.99 |
| 3C | 991 | 2/2 | 3.75% | $650,000.00 | $244.13 | $34.43 | $278.55 | 635.93 | $880.05 |
| 3D | 758 | 1/1 | 3.04% | $525,000.00 | $197.90 | $27.91 | $225.81 | 515.52 | $713.43 |
| 3E | 762 | 1/1 | 2.88% | $530,000.00 | $187.49 | $26.44 | $213.93 | 488.39 | $675.88 |
| 3F | 1,143 | 2/2 | 4.33% | $729,000.00 | $281.88 | $39.75 | $321.63 | 734.28 | $1,016.16 |

SCHEDULE A CONTINUED

The 46 SOUTH 2nd STREET CONDOMINIUM

46 South 2nd Street, Brooklyn, NY 11211

PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST

First Year of Operation

April 1, 2011 - March 31, 2012

| Unit | Sq. Ftg. ( 1 ) | Bdrms/ Bths ( 2 ) | % of Common Interest ( 3 ) | Offering Price ( 4 ) | Monthly Common Charges '( 5 ) | With Tax Ben. Monthly Real Es. Taxes ( 6 ) | With Tax Ben. Carrying Charges ( 7 ) | Without Tax Ben. Monthly Real Es. Taxes ( 8 ) | Without Tax Ben. Monthly Carrying Charges ( 9 ) |
|---|---|---|---|---|---|---|---|---|---|
| 4A | 1,120 | 3/2 | 4.24% | $810,000.00 | $276.02 | $38.92 | $314.95 | 719.02 | $995.04 |
| 4B | 1,326 | 3/2 | 5.02% | $999,000.00 | $326.80 | $46.08 | $372.89 | 851.29 | $1,178.09 |
| 4C | 1,027 | 2/2 | 3.89% | $735,000.00 | $253.24 | $35.71 | $288.95 | 659.67 | $912.91 |
| 4D | 794 | 1/1 | 3.00% | $565,000.00 | $195.30 | $27.54 | $222.84 | 508.74 | $704.04 |
| 4E | 890 | 2/1 | 3.34% | $665,000.00 | $217.43 | $30.66 | $248.10 | 566.40 | $783.83 |
| 4F | 1,027 | 2/2 | 3.89% | $750,000.00 | $253.24 | $35.71 | $288.95 | 659.67 | $912.91 |
| R4 | 513 | N/A | 0.18% | $35,000.00 | $11.72 | $1.65 | $13.37 | 30.52 | $42.24 |
| P1 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P2 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P4 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P7 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P8 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P9 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P10 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P11 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P12 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| TOTALS | 27,691 | | 100.00% | $16,557,000 | $6,510.00 | $918.00 | $7,428.00 | $16,958.00 | $23,468.00 |

SCHEDULE A CONTINUED

The 46 SOUTH 2nd STREET CONDOMINIUM

46 South 2nd Street, Brooklyn, NY 11211

PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST

First Year of Operation

April 1, 2011 - March 31, 2012

Notes:

1) Numerous units will have exclusive right to use and possession of a balcony or roof terrace as a limited common element, as indicated in the FLOOR PLANS in Part II of this Offering Plan. Additionallly, all units will include a cellar storage area as a limited common element. Units which are allocated balcony or roof terrace areas, as limited common elements, are as follows: balcony - 1A, 2A, 2B, 2E, 2F, 3A, 3B, 3E, 3F, 4A, 4B, 4E & 4F; roof terrace - 4A, 4C, 4D & 4E. Additionally Units 1A, 2A, and 3A will each have allocated as a limited common element a parking space, and Units 1B, 3B and 3D will have allocated as a limited common element a roof terrace area.

2) Annual Real Estates Taxes for all units, with and without tax benefits, are listed on the attached Exhibit I. The estimate in the event tax benefits are not obtained is based on the first full year of post completion assessed value.

3) In addition to the purchase price, there are additional closing costs assessed against each unit, such as document preparation fee ($1,100.00), reimbursement fee ($2,500.00), working capital fund contribution equal to one month's common charges, a reserve fund contribution equal to two months' common charges, title clearance fee ($350.00) and payment of transfer taxes. Additionally, Purchaser will pay their own title insurance costs, recording charges and mortgage recording taxes. Please see the CLOSING COSTS & ADJUSTMENTS section of this Offering Plan for a more complete explanation.

## SCHEDULE A - EXHIBIT I

| Unit | Annual Real Estate Taxes with 421-a Tax Exemption | Annual Real Estate Taxes Without 421-a Tax Exemption |
|---|---|---|
| 1A | $692.91 | $12,799.90 |
| 1B | $794.25 | $14,672.06 |
| 1C | $635.62 | $11,741.72 |
| 1D | $503.43 | $9,299.77 |
| 1E | $500.13 | $9,238.72 |
| 2A | $482.50 | $8,913.12 |
| 2B | $553.00 | $10,215.50 |
| 2C | $413.10 | $7,631.10 |
| 2D | $316.16 | $5,840.34 |
| 2E | $317.26 | $5,860.68 |
| 2F | $476.99 | $8,811.38 |
| 3A | $482.50 | $8,913.12 |
| 3B | $571.73 | $10,561.44 |
| 3C | $413.10 | $7,631.10 |
| 3D | $334.89 | $6,186.28 |
| 3E | $317.26 | $5,860.68 |
| 3F | $476.99 | $8,811.38 |
| 4A | $467.08 | $8,628.23 |
| 4B | $553.00 | $10,215.50 |
| 4C | $428.52 | $7,915.99 |
| 4D | $330.48 | $6,104.88 |
| 4E | $367.93 | $6,796.77 |
| 4F | $428.52 | $7,915.99 |
| R4 | $19.83 | $366.29 |

## SCHEDULE A - EXHIBIT I CONTINUED

| Unit | Annual Real Estate Taxes with 421-a Tax Exemption | Annual Real Estate Taxes Without 421-a Tax Exemption |
|---|---|---|
| P1 | $15.42 | $284.89 |
| P2 | $15.42 | $284.89 |
| P4 | $15.42 | $284.89 |
| P7 | $15.42 | $284.89 |
| P8 | $15.42 | $284.89 |
| P9 | $15.42 | $284.89 |
| P10 | $15.42 | $284.89 |
| P11 | $15.42 | $284.89 |
| P12 | $15.42 | $284.89 |

**THIRD AMENDMENT TO THE OFFERING PLAN**
**THE 46 SOUTH 2nd STREET CONDOMINIUM**
**46 SOUTH 2nd STREET, BROOKLYN, NEW YORK 11211**

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The Offering Plan for the condominium conversion of 30-48 South 2nd Street, Brooklyn, New York, is hereby amended as follows:

1) The purchase price for the following units are increased as follows:

| UNIT | OLD PRICE | NEW PRICE |
|---|---|---|
| 1B | $899,000.00 | $934,000.00 |
| 1C | $699,000.00 | $720,000.00 |
| 1D | $599,000.00 | $625,000.00 |
| 1E | $599,000.00 | $625,000.00 |
| 2C | $615,000.00 | $630,000.00 |
| 2D | $485,000.00 | $510,000.00 |
| 2E | $499,000.00 | $510,000.00 |
| 2F | $699,000.00 | $720,000.00 |
| 4A | $799,000.00 | $810,000.00 |

Attached hereto and made a part hereof as Exhibit I is a revised Schedule A and Exhibit I to Schedule A reflecting the foregoing changes

2) Schedule A incorrectly indicated that the roof units contained bedrooms and bathrooms. This is incorrect and the Schedule A has been corrected accordingly.

3) The unit previously designated as Unit R3 is not now being offered separately for sale; but instead is a limited common element allocated to Unit 3D. Additionally, Unit R1 is no longer being separately offered for sale, but is instead a limited common element allocated to Unit 1B. The terrace formerly allocated to Unit 4F as a limited common element is now allocated to Unit 4E. Attached hereto and made a part hereof as Exhibit II is a revised roof plan reflecting said change. Said change is also reflected in Exhibit I.

4) There are no other changes to the Offering Plan.

DATED: May 25, 2011
BROOKLYN, NEW YORK

EXHIBIT I

SCHEDULE A

The 46 SOUTH 2nd STREET CONDOMINIUM

46 South 2nd Street, Brooklyn, NY 11211

PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST

First Year of Operation

April 1, 2011 - March 31, 2012

| Unit | Sq. Ftg. ( 1 ) | Bdrms/ Bths ( 2 ) | % of Common Interest ( 3 ) | Offering Price ( 4 ) | Monthly Common Charges (5) | With Tax Ben. Monthly Real Es. Taxes ( 6 ) | With Tax Ben. Carrying Charges ( 7 ) | Without Tax Ben. Monthly Real Es. Taxes ( 8 ) | Without Tax Ben. Monthly Carrying Charges ( 9 ) |
|---|---|---|---|---|---|---|---|---|---|
| 1A | 1,625 | 2/2.5 | 6.29% | $735,000.00 | $409.48 | $57.74 | $467.22 | 1,066.66 | $1,476.14 |
| 1B | 1,859 | 3/2.5 | 7.21% | $934,000.00 | $469.37 | $66.19 | $535.56 | 1,222.67 | $1,692.04 |
| 1C | 1,524 | 2/2.5 | 5.77% | $720,000.00 | $375.63 | $52.97 | $428.60 | 978.48 | $1,354.10 |
| 1D | 1,208 | 1/1.5 | 4.57% | $625,000.00 | $297.51 | $41.95 | $339.46 | 774.98 | $1,072.49 |
| 1E | 1,201 | 1/1.5 | 4.54% | $625,000.00 | $295.55 | $41.68 | $337.23 | 769.89 | $1,065.45 |
| 2A | 1,120 | 2/2 | 4.38% | $685,000.00 | $285.14 | $40.21 | $325.35 | 742.76 | $1,027.90 |
| 2B | 1,326 | 3/2 | 5.02% | $875,000.00 | $326.80 | $46.08 | $372.89 | 851.29 | $1,178.09 |
| 2C | 991 | 2/2 | 3.75% | $630,000.00 | $244.13 | $34.43 | $278.55 | 635.93 | $880.05 |
| 2D | 758 | 1/1 | 2.87% | $510,000.00 | $186.84 | $26.35 | $213.18 | 486.69 | $673.53 |
| 2E | 762 | 1/1 | 2.88% | $510,000.00 | $187.49 | $26.44 | $213.93 | 488.39 | $675.88 |
| 2F | 1,143 | 2/2 | 4.33% | $720,000.00 | $281.88 | $39.75 | $321.63 | 734.28 | $1,016.16 |
| 3A | 1,120 | 2/2 | 4.38% | $710,000.00 | $285.14 | $40.21 | $325.35 | 742.76 | $1,027.90 |
| 3B | 1,326 | 3/2 | 5.02% | $935,000.00 | $326.80 | $46.08 | $372.89 | 851.29 | $1,178.09 |
| 3C | 991 | 2/2 | 3.75% | $650,000.00 | $244.13 | $34.43 | $278.55 | 635.93 | $880.05 |
| 3D | 758 | 1/1 | 3.04% | $525,000.00 | $197.90 | $27.91 | $225.81 | 515.52 | $713.43 |
| 3E | 762 | 1/1 | 2.88% | $530,000.00 | $187.49 | $26.44 | $213.93 | 488.39 | $675.88 |
| 3F | 1,143 | 2/2 | 4.33% | $729,000.00 | $281.88 | $39.75 | $321.63 | 734.28 | $1,016.16 |

SCHEDULE A CONTINUED

**The 46 SOUTH 2nd STREET CONDOMINIUM**

**46 South 2nd Street, Brooklyn, NY 11211**

**PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST**

**First Year of Operation**

**April 1, 2011 - March 31, 2012**

| Unit | Sq. Ftg. ( 1 ) | Bdrms/ Bths ( 2 ) | % of Common Interest ( 3 ) | Offering Price ( 4 ) | Monthly Common Charges ( 5 ) | With Tax Ben. Monthly Real Es. Taxes ( 6 ) | With Tax Ben. Carrying Charges ( 7 ) | Without Tax Ben. Monthly Real Es. Taxes ( 8 ) | Without Tax Ben. Monthly Carrying Charges ( 9 ) |
|---|---|---|---|---|---|---|---|---|---|
| 4A | 1,120 | 3/2 | 4.24% | $810,000.00 | $276.02 | $38.92 | $314.95 | 719.02 | $995.04 |
| 4B | 1,326 | 3/2 | 5.02% | $999,000.00 | $326.80 | $46.08 | $372.89 | 851.29 | $1,178.09 |
| 4C | 1,027 | 2/2 | 3.89% | $735,000.00 | $253.24 | $35.71 | $288.95 | 659.67 | $912.91 |
| 4D | 794 | 1/1 | 3.00% | $565,000.00 | $195.30 | $27.54 | $222.84 | 508.74 | $704.04 |
| 4E | 890 | 2/1 | 3.34% | $665,000.00 | $217.43 | $30.66 | $248.10 | 566.40 | $783.83 |
| 4F | 1,027 | 2/2 | 3.89% | $750,000.00 | $253.24 | $35.71 | $288.95 | 659.67 | $912.91 |
| R2 | 445 | N/A | 0.17% | $35,000.00 | $11.07 | $1.56 | $12.63 | 28.83 | $39.90 |
| R4 | 513 | N/A | 0.18% | $35,000.00 | $11.72 | $1.65 | $13.37 | 30.52 | $42.24 |
| P1 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P2 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P4 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P7 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P8 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P9 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P10 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P11 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P12 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| TOTALS | 28,136 | | 100.00% | $16,557,000 | $6,510.00 | $918.00 | $7,428.00 | $16,958.00 | $23,468.00 |

SCHEDULE A CONTINUED

The 46 SOUTH 2nd STREET CONDOMINIUM

46 South 2nd Street, Brooklyn, NY 11211

PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST

First Year of Operation

April 1, 2011 - March 31, 2012

Notes:

1) Numerous units will have exclusive right to use and possession of a balcony or roof terrace as a limited common element, as indicated in the FLOOR PLANS in Part II of this Offering Plan. Additionallly, all units will include a cellar storage area as a limited common element. Units which are allocated balcony or roof terrace areas, as limited common elements, are as follows: balcony - 1A, 2A, 2B, 2E, 2F, 3A, 3B, 3E, 3F, 4A, 4B, 4E & 4F; roof terrace - 4A, 4C, 4D & 4E. Additionally Units 1A, 2A, and 3A will each have allocated as a limited common element a parking space, and Units 1B and 3D will have allocated as a limited common element a roof terrace area.

2) Annual Real Estates Taxes for all units, with and without tax benefits, are listed on the attached Exhibit I. The estimate in the event tax benefits are not obtained is based on the first full year of post completion assessed value.

3) In addition to the purchase price, there are additional closing costs assessed against each unit, such as document preparation fee ($1,100.00), reimbursement fee ($2,500.00), working capital fund contribution equal to one month's common charges, a reserve fund contribution equal to two months' common charges, title clearance fee ($350.00) and payment of transfer taxes. Additionally, Purchaser will pay their own title insurance costs, recording charges and mortgage recording taxes. Please see the CLOSING COSTS & ADJUSTMENTS section of this Offering Plan for a more complete explanation.

## SCHEDULE A - EXHIBIT I

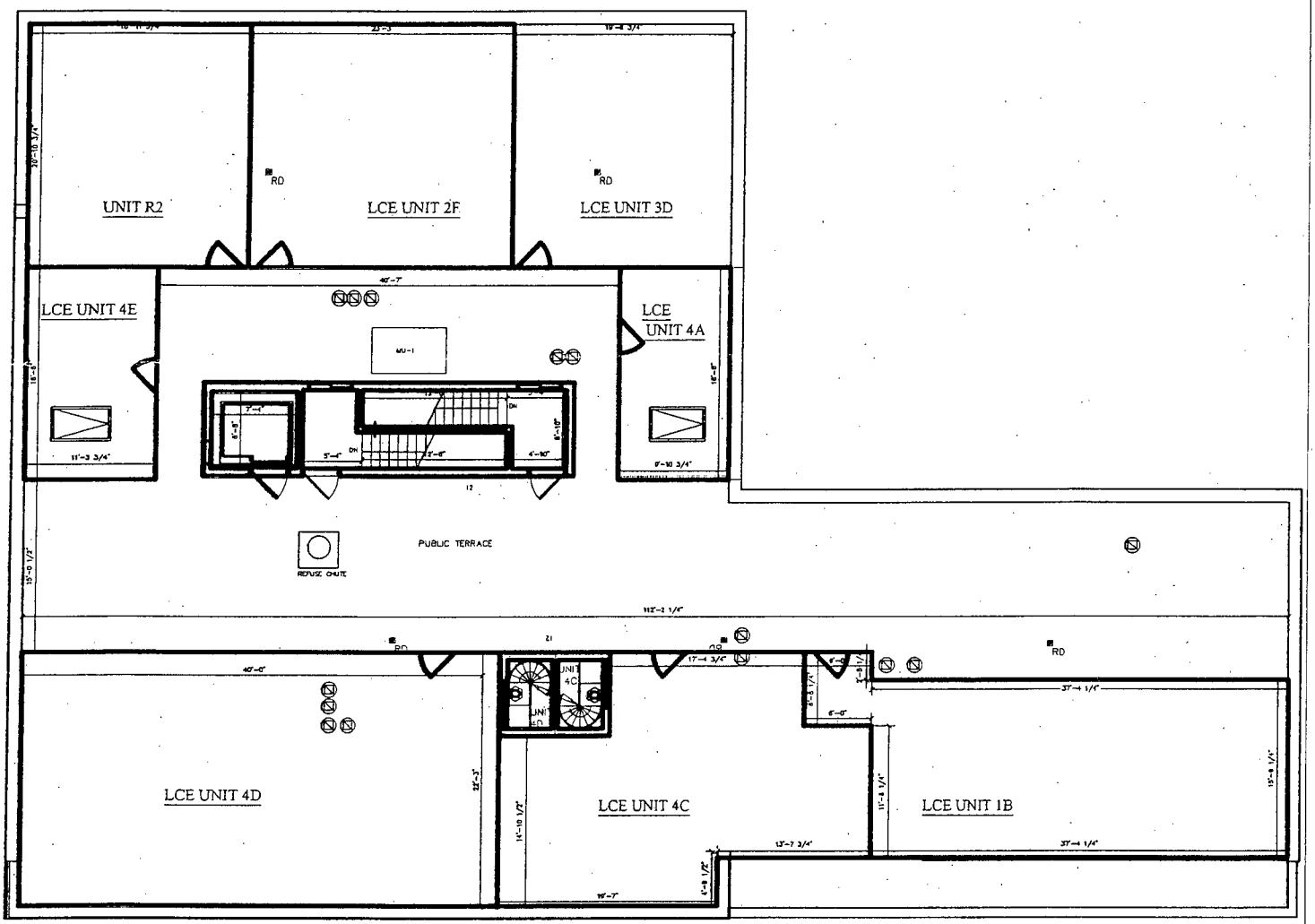
| Unit | Annual Real Estate Taxes with 421-a Tax Exemption | Annual Real Estate Taxes Without 421-a Tax Exemption |
|---|---|---|
| 1A | $692.91 | $12,799.90 |
| 1B | $794.25 | $14,672.06 |
| 1C | $635.62 | $11,741.72 |
| 1D | $503.43 | $9,299.77 |
| 1E | $500.13 | $9,238.72 |
| 2A | $482.50 | $8,913.12 |
| 2B | $553.00 | $10,215.50 |
| 2C | $413.10 | $7,631.10 |
| 2D | $316.16 | $5,840.34 |
| 2E | $317.26 | $5,860.68 |
| 2F | $476.99 | $8,811.38 |
| 3A | $482.50 | $8,913.12 |
| 3B | $553.00 | $10,215.50 |
| 3C | $413.10 | $7,631.10 |
| 3D | $334.89 | $6,186.28 |
| 3E | $317.26 | $5,860.68 |
| 3F | $476.99 | $8,811.38 |
| 4A | $467.08 | $8,628.23 |
| 4B | $553.00 | $10,215.50 |
| 4C | $428.52 | $7,915.99 |
| 4D | $330.48 | $6,104.88 |
| 4E | $367.93 | $6,796.77 |
| 4F | $428.52 | $7,915.99 |
| R2 | $18.73 | $345.94 |
| R4 | $19.83 | $366.29 |

## SCHEDULE A - EXHIBIT I CONTINUED

| Unit | Annual Real Estate Taxes with 421-a Tax Exemption | Annual Real Estate Taxes Without 421-a Tax Exemption |
|---|---|---|
| P1 | $15.42 | $284.89 |
| P2 | $15.42 | $284.89 |
| P4 | $15.42 | $284.89 |
| P7 | $15.42 | $284.89 |
| P8 | $15.42 | $284.89 |
| P9 | $15.42 | $284.89 |
| P10 | $15.42 | $284.89 |
| P11 | $15.42 | $284.89 |
| P12 | $15.42 | $284.89 |

EXHIBIT II

# The 46 South 2nd Street Condominium
# 46 South 2nd Street
# Brooklyn, NY 11211




## ROOF FLOOR PLAN

May 9, 2011

STATE OF NEW YORK
OSCAR P. WALTERS
LICENSED PROFESSIONAL ENGINEER
068504

Demerara Engineering, PLLC
160 Pearl Street, 2nd Floor
New York, NY 10005
1212.383.4897

Notes: Proposed changes are DOB compliant.

**SECOND AMENDMENT TO THE OFFERING PLAN**
**THE 46 SOUTH 2nd STREET CONDOMINIUM**
**46 SOUTH 2nd STREET, BROOKLYN, NEW YORK 11211**

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The Offering Plan for the condominium conversion of 30-48 South 2nd Street, Brooklyn, New York, is hereby amended as follows:

1) Purchase Agreements have been accepted for four (4) units constituting 17.39% of the units being offered for sale pursuant to the condominium offering plan. The plan has been declared effective by notice dated March 9, 2011, a copy of which is attached hereto as Exhibit A.

2) Attached hereto as Exhibit B, and made a part hereof is the Sponsor's Affidavit required pursuant to Section 13 N.Y.C.R.R. 20.5(e).

3) Parking Units P3, P5 and P6 which were previously offered for sale have now been reallocated as limited common elements to Units 1A, 2A and 3A. Former Parking Unit P3 is now a limited common element for Unit 1A; former Parking Unit P5 is now a limited common element to Unit 3A; and former Parking Unit P6 is now a limited common element to Unit 2A. Attached hereto and made a part hereof as Exhibit C is a revised plot plan setting forth this change.

4) As a result of the reallocation of limited common elements, there has been an increase in the common interest allocated to Units 1A, 2A, and 3A. Attached hereto and made a part hereof collectively as Exhibit D is a revised Schedule A and Exhibit I to Schedule A reflecting the foregoing change.

5) There are no other changes to the Offering Plan.

DATED: March 15, 2011
BROOKLYN, NEW YORK

**EXHIBIT A**

**DECLARATION OF EFFECTIVENESS**

**PURCHASE AGREEMENTS** have been accepted for four (4) units constituting 17.39% of the residential condominium units offered for sale located at 46 South 2nd Street, Brooklyn, NY; the condominium offering plan for said premises is hereby declared effective pursuant to its terms. An amendment has been submitted to the Department of Law confirming that the plan has been declared effective as of today's date; no closings will be scheduled until such time as said amendment is accepted for filing by the Department of Law, and a copy of same is served on each purchaser of an apartment unit.

DATED: March 9, 2011
Brooklyn, New York

# EXHIBIT B

## AFFIDAVIT PURSUANT TO 20.5 OF TITLE 13 N.Y.C.R.R.

STATE OF NEW YORK: COUNTY OF KINGS) ss.:

RE: OFFERING PLAN CD 09-0268
The 46 South 2nd Street Condominium
46 South 2nd Street, Brooklyn, New York 11211

I, Yidel Hirsch, being a Principal of the Sponsor of the condominium offering plan for the above captioned property, being duly sworn, depose and say that:

1. The above captioned offering plan was accepted for filing by the New York State Department of Law on December 21, 2009.

2. All purchasers who are counted for the purpose of declaring the plan effective are:

a) bona fide purchasers;

b) are not purchasing as an accommodation to, or for the count of, or benefit of, the sponsor, or principals of the sponsor; and,

c) have duly executed the purchase agreements and paid the full down payment as required per the PROCEDURE TO PURCHASE section of the offering plan.

3. There are no materials changes to the budget for the first year's operation, which have not been disclosed, in a duly filed amendment to the offering plan.

4. No purchaser is a sponsor or selling agent, principal of the sponsor or selling agent, or to any principal of the sponsor or selling agent, by blood, marriage, adoption or as a business associates, employee, shareholder or limited partner.

5. Appended hereto is a list of the purchases being counted to meet the minimum percentage of units that are needed under the terms of the plan to declare the plan effective. For each purchase on said list there is indicated the identity of the unit to be purchased and the date of the purchase agreement.

291 Kent Properties, LLC
By: _____
Yidel Hirsch

SWORN BEFORE ME THIS
9 DAY OF March, 2011

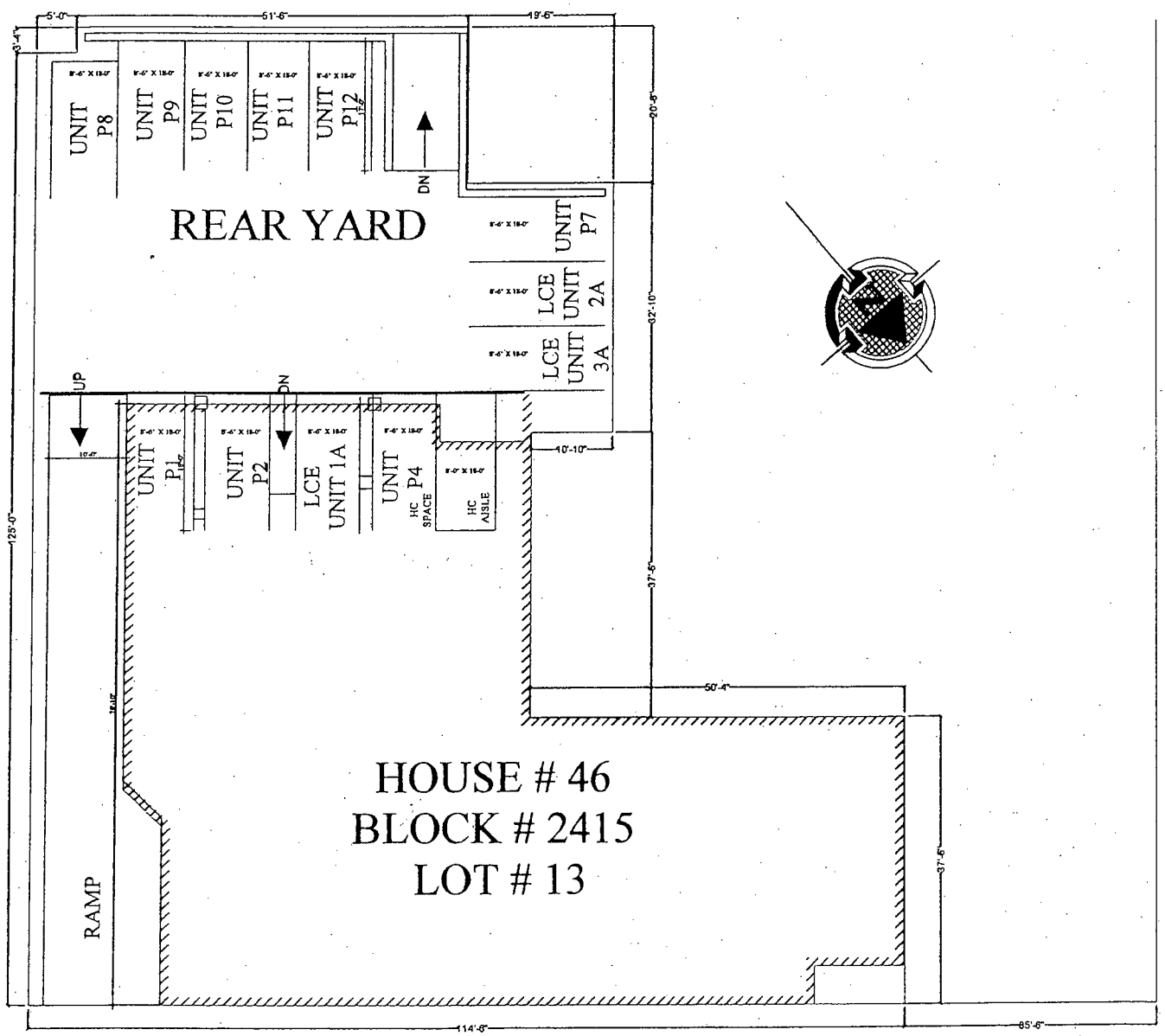
_____
NOTARY PUBLIC

SIMON M. NEUSTEIN
NOTARY PUBLIC, State of New York
NO. 01NE6052461
Qualified in Kings County
My Commission Expires Dec. 18, 2014

# PURCHASER LIST

| UNIT | DATE OF AGREEMENT |
|---|---|
| 1A | 2/18/11 |
| 2A | 1/26/11 |
| 3A | 1/11/11 |
| 4C | 1/28/11 |

EXHIBIT C


REAR YARD
UNIT P8
UNIT P9
UNIT P10
UNIT P11
UNIT P12
UNIT P7
LCE UNIT 2A
LCE UNIT 3A
UNIT P1
UNIT P2
LCE UNIT 1A
UNIT P4
HC SPACE
HC AISLE
UP
DN
RAMP
HOUSE # 46
BLOCK # 2415
LOT # 13
KENT AVENUE
SOUTH 2ND STREET
114'-6"
65'-6"
125'-0"
51'-6"
19'-6"
50'-4"
37'-5"
32'-10"
10'-10"

PLOT PLAN

EXHIBIT D

## SCHEDULE A
## PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST
## First Year of Operation
## April 1, 2011 - March 31, 2012

| Unit | Sq. Ftg. ( 1 ) | Bdrms/ Bths ( 2 ) | % of Common Interest ( 3 ) | Offering Price ( 4 ) | Monthly Common Charges (5) | With Tax Ben. Monthly Real Es. Taxes ( 6 ) | With Tax Ben. Carrying Charges ( 7 ) | Without Tax Ben. Monthly Real Es. Taxes ( 8 ) | Without Tax Ben. Monthly Carrying Charges ( 9 ) |
|---|---|---|---|---|---|---|---|---|---|
| 1A | 1,625 | 2/2.5 | 6.29% | $735,000.00 | $409.48 | $57.74 | $467.22 | 1,066.66 | $1,476.14 |
| 1B | 1,859 | 3/2.5 | 7.03% | $899,000.00 | $457.65 | $64.54 | $522.19 | 1,192.15 | $1,649.80 |
| 1C | 1,524 | 2/2.5 | 5.77% | $699,000.00 | $375.63 | $52.97 | $428.60 | 978.48 | $1,354.10 |
| 1D | 1,208 | 1/1.5 | 4.57% | $599,000.00 | $297.51 | $41.95 | $339.46 | 774.98 | $1,072.49 |
| 1E | 1,201 | 1/1.5 | 4.54% | $599,000.00 | $295.55 | $41.68 | $337.23 | 769.89 | $1,065.45 |
| 2A | 1,120 | 2/2 | 4.38% | $685,000.00 | $285.14 | $40.21 | $325.35 | 742.76 | $1,027.90 |
| 2B | 1,326 | 3/2 | 5.02% | $875,000.00 | $326.80 | $46.08 | $372.89 | 851.29 | $1,178.09 |
| 2C | 991 | 2/2 | 3.75% | $615,000.00 | $244.13 | $34.43 | $278.55 | 635.93 | $880.05 |
| 2D | 758 | 1/1 | 2.87% | $485,000.00 | $186.84 | $26.35 | $213.18 | 486.69 | $673.53 |
| 2E | 762 | 1/1 | 2.88% | $499,000.00 | $187.49 | $26.44 | $213.93 | 488.39 | $675.88 |
| 2F | 1,143 | 2/2 | 4.33% | $699,000.00 | $281.88 | $39.75 | $321.63 | 734.28 | $1,016.16 |
| 3A | 1,120 | 2/2 | 4.38% | $710,000.00 | $285.14 | $40.21 | $325.35 | 742.76 | $1,027.90 |
| 3B | 1,326 | 3/2 | 5.02% | $935,000.00 | $326.80 | $46.08 | $372.89 | 851.29 | $1,178.09 |
| 3C | 991 | 2/2 | 3.75% | $650,000.00 | $244.13 | $34.43 | $278.55 | 635.93 | $880.05 |
| 3D | 758 | 1/1 | 2.87% | $525,000.00 | $186.84 | $26.35 | $213.18 | 486.69 | $673.53 |
| 3E | 762 | 1/1 | 2.88% | $530,000.00 | $187.49 | $26.44 | $213.93 | 488.39 | $675.88 |
| 3F | 1,143 | 2/2 | 4.33% | $729,000.00 | $281.88 | $39.75 | $321.63 | 734.28 | $1,016.16 |

SCHEDULE A CONTINUED

| Unit | Sq. Ftg. ( 1 ) | Bdrms/ Bths ( 2 ) | % of Common Interest ( 3 ) | Offering Price ( 4 ) | Monthly Common Charges ( 5 ) | With Tax Ben. Monthly Real Es. Taxes ( 6 ) | With Tax Ben. Carrying Charges ( 7 ) | Without Tax Ben. Monthly Real Es. Taxes ( 8 ) | Without Tax Ben. Monthly Carrying Charges ( 9 ) |
|---|---|---|---|---|---|---|---|---|---|
| 4A | 1,120 | 3/2 | 4.24% | $799,000.00 | $276.02 | $38.92 | $314.95 | 719.02 | $995.04 |
| 4B | 1,326 | 3/2 | 5.02% | $999,000.00 | $326.80 | $46.08 | $372.89 | 851.29 | $1,178.09 |
| 4C | 1,027 | 2/2 | 3.89% | $735,000.00 | $253.24 | $35.71 | $288.95 | 659.67 | $912.91 |
| 4D | 794 | 1/1 | 3.00% | $565,000.00 | $195.30 | $27.54 | $222.84 | 508.74 | $704.04 |
| 4E | 890 | 2/1 | 3.34% | $665,000.00 | $217.43 | $30.66 | $248.10 | 566.40 | $783.83 |
| 4F | 1,027 | 2/2 | 3.89% | $750,000.00 | $253.24 | $35.71 | $288.95 | 659.67 | $912.91 |
| R1 | 628 | 2/4 | 0.18% | $35,000.00 | $11.72 | $1.65 | $13.37 | 30.52 | $42.24 |
| R2 | 640 | 2/5 | 0.17% | $35,000.00 | $11.07 | $1.56 | $12.63 | 28.83 | $39.90 |
| R3 | 457 | 2/6 | 0.17% | $35,000.00 | $11.07 | $1.56 | $12.63 | 28.83 | $39.90 |
| R4 | 513 | 2/7 | 0.18% | $35,000.00 | $11.72 | $1.65 | $13.37 | 30.52 | $42.24 |
| P1 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P2 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P4 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P7 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P8 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P9 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P10 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P11 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P12 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| TOTALS | 29,416 | | 100.00% | $16,436,000 | $6,510.00 | $918.00 | $7,428.00 | $16,958.00 | $23,468.00 |

## SCHEDULE A CONTINUED

Notes:

1) Numerous units will have exclusive right to use and possession of a balcony or roof terrace as a limited common element, as indicated in the FLOOR PLANS in Part II of this Offering Plan. Additionallly, all units will include a cellar storage area as a limited common element. Units which are allocated balcony or roof terrace areas, as limited common elements, are as follows: balcony - 1A, 2A, 2B, 2E, 2F, 3A, 3B, 3E, 3F, 4A, 4B, 4E & 4F; roof terrace - 4A, 4C, 4D & 4F. Additionally Units 1A, 2A, and 3A will each have allocated as a limited common element a parking space.

2) Annual Real Estates Taxes for all units, with and without tax benefits, are listed on the attached Exhibit I. The estimate in the event tax benefits are not obtained is based on the first full year of post completion assessed value.

3) In addition to the purchase price, there are additional closing costs assessed against each unit, such as document preparation fee ($1,100.00), reimbursement fee ($2,500.00), working capital fund contribution equal to one month's common charges, a reserve fund contribution equal to two months' common charges, title clearance fee ($350.00) and payment of transfer taxes. Additionally, Purchaser will pay their own title insurance costs, recording charges and mortgage recording taxes. Please see the CLOSING COSTS & ADJUSTMENTS section of this Offering Plan for a more complete explanation.

## SCHEDULE A - EXHIBIT I

| Unit | Annual Real Estate Taxes with 421-a Tax Exemption | Annual Real Estate Taxes Without 421-a Tax Exemption |
|---|---|---|
| 1A | $692.91 | $12,799.90 |
| 1B | $774.42 | $14,305.77 |
| 1C | $635.62 | $11,741.72 |
| 1D | $503.43 | $9,299.77 |
| 1E | $500.13 | $9,238.72 |
| 2A | $482.50 | $8,913.12 |
| 2B | $553.00 | $10,215.50 |
| 2C | $413.10 | $7,631.10 |
| 2D | $316.16 | $5,840.34 |
| 2E | $317.26 | $5,860.68 |
| 2F | $476.99 | $8,811.38 |
| 3A | $482.50 | $8,913.12 |
| 3B | $553.00 | $10,215.50 |
| 3C | $413.10 | $7,631.10 |
| 3D | $316.16 | $5,840.34 |
| 3E | $317.26 | $5,860.68 |
| 3F | $476.99 | $8,811.38 |
| 4A | $467.08 | $8,628.23 |
| 4B | $553.00 | $10,215.50 |
| 4C | $428.52 | $7,915.99 |
| 4D | $330.48 | $6,104.88 |
| 4E | $367.93 | $6,796.77 |
| 4F | $428.52 | $7,915.99 |
| R1 | $19.83 | $366.29 |
| R2 | $18.73 | $345.94 |
| R2 | $18.73 | $345.94 |
| R4 | $19.83 | $366.29 |

**FIRST AMENDMENT TO THE OFFERING PLAN**
**THE 30-48 SOUTH 2ND STREET CONDOMINIUM**
**30-48 SOUTH 2ND STREET, BROOKLYN, NEW YORK 11211**

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The Offering Plan for the condominium conversion of 30-48 South 2nd Street, Brooklyn, New York, is hereby amended as follows:

1) The first year of condominium operation is now projected to be April 1, 2011 through March 31, 2012.

2) As a result of an increase in the capital reserve fund, the projected budget for the first year of condominium operation has been increased. Attached hereto and made a part hereof collectively as Exhibit I are a revised Schedule B and Footnotes thereto reflecting the foregoing change; together with a new Certification of Adequacy of Budget.

3) As a result of the foregoing change, there has been an increase in the projected monthly common charges for the first year of condominium operation. Attached hereto and made a part hereof collectively as Exhibit II are a revised Schedule A, Exhibit I to Schedule A, and Footnotes thereto reflecting the foregoing change.

4) As a result of an increase in the New York City real property tax rate affecting the subject premises, there has been an increase in the projected real estate taxes for the first year of condominium operation, both with and without real estate tax benefits. Said increase is reflected in the aforementioned Exhibit II.

5) The offering prices have been reduced. This reduction is reflected in Exhibit II.

6) The name of the condominium is changed to be The 46 South 2nd Street Condominium with an address at 46 South 2nd Street, Brooklyn, New York 11211.

7) The offering plan indicates that the Sponsor will be represented at closing of individual condominium units by Bernard Shafran. Sponsor may also be represented at such closings by Joseph S. Scarmato. Mr. Scarmato is the Principal of Joseph S. Scarmato, PLLC which is located at 105 Lewis Drive, Upper Nyack, NY 10960. Mr. Scarmato will be the sole member of his firm authorized to withdraw funds from the escrow account. Mr. Scarmato expressly adopts all of the obligations imposed on the escrowee pursuant to the Procedure to Purchase section of the offering plan. Attached hereto and made a part hereof as Exhibit III is a Contract Deposit Escrow Agreement executed by Mr. Scarmato and the Sponsor in accord with the Attorney General's regulations.

8) The Offering Plan is extended for an additional period of six (6) months from the date hereof.

9) There are no other changes to the offering plan.

DATED: December 28, 2010
BROOKLYN, NEW YORK

EXHIBIT I

## SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
April 1, 2011 - March 31, 2012

| | |
|---|---|
| INCOME | |
| Common Charges | $ 78,120 |
| EXPENSES | |
| Heat and Hot Water (1) | $ 1,750 |
| Electricity (2) | $ 5,013 |
| Water and Sewer (3) | $ 16,000 |
| Repair and Maintenance Reserve (4) | $ 4,500 |
| Service and Supply Reserve (5) | $ 1,500 |
| Insurance (6) | $ 19,170 |
| Legal and Accounting Fees (7) | $ 1,900 |
| Labor (8) | $ 11,007 |
| Management (9) | $ 8,280 |
| Miscellaneous Reserve (10) | $ 1,000 |
| Capital Reserve (11) | $ 8,000 |
| Total | $ 78,120 |

Note: All figures are rounded to the nearest dollar.

IF THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATION IS TO BE DELAYED MORE THAN SIX (6) MONTHS BEYOND THE BUDGET YEAR PROJECTED IN THE OFFERING PLAN, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTION EXCEEDS ORIGINAL PROJECTIONS BY 25% OR MORE, THE SPONSOR MUST OFFER ALL PURCHASERS THE RIGHT TO RESCIND IN A REASONABLE PERIOD OF TIME THAT IS NOT LESS THAN 15 DAYS AFTER THE DATE OF PRESENTATION OF SAID AMENDED BUDGET, TO EXERCISE SAID RIGHT, WHETHER OR NOT SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION. SPONSOR MUST RETURN ANY DEPOSIT OR DOWN PAYMENT TO A PURCHASER WHO RESCINDS WITHIN 10 DAYS AFTER RECEIPT OF NOTICE OF RESCISSION.

ADDITIONALLY, PURCHASERS WILL BE OFFERED THE OPPORTUNITY TO RESCIND THEIR PURCHASE AGREEMENT IN THE EVENT CLOSING DOES NOT OCCUR WITHIN 12 MONTHS FROM THE COMMENCEMENT DATE OF THE PROJECTED BUDGET.

## FOOTNOTES TO SCHEDULE B

1. Heat and hot water for each unit are provided by separate facilities serving each unit. Each purchaser will pay separately for the heat and hot water supplied to their unit. See SCHEDULE B1 hereinafter set forth for an estimate of individual heat and hot water charges. Sponsor has obtained an estimate from Demerara Engineering, PLLC of 1,150 therms per year of gas usage for common area heating The projected cost in Schedule B is based on a current National Grid rate of $1.53/therm and includes a 10% allowance for inflation, and the cost of all applicable state and local taxes.

2. The Sponsor has obtained an estimate from Demerara Engineering PLLC, 160 Pearl Street, New York, New York 10005, of approximately 18,921 kilowatt hours per year of electrical usage for the common areas. The projected cost in SCHEDULE B is based on 26.5 cents per kilowatt hour, and includes a 10% allowance for inflation, and the cost of all applicable state and local taxes. Purchasers shall be responsible for individual utility costs for their own apartments.

3. Water is supplied to the building by the City of New York through a single water meter serving the entire building. Projected water and sewer costs are based upon a current New York City estimate of 400 gallons, or 53 cubic feet per day per residential unit, current charges of $2.08 per 100 cubic feet of water consumed, and sewer charges of $3.30 per 100 cubic feet of water consumed. Projected figure also includes a 10% allowance for inflation.

4. Repairs and maintenance to building: The budgeted figure is based on normal maintenance and repairs to the common elements of the building and its systems and equipment. Insofar as this is a newly constructed building 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. Individual unit owners will be responsible for the cost of interior repairs, and decorations, and painting of their respective apartments, including appliances. Anticipated costs of repairs and maintenance include the estimated of an elevator service contract.

5. Services and supplies: These include items expected to be consumed in the normal course of building operation, including light bulbs, cleaning supplies, paints, and hardware items.

6. Insurance: Sponsor has received a letter estimating the cost of coverage for the building via a package policy through JNR Associates, 426 Northlake Drive, Lakewood, New Jersey, 08701, in the following coverage amounts:

Building.....$4,260,000 "All Risk" agreed amount Replacement Value

Liability.....$1,000,000 per occurrence
$2,000,000 aggregate

Lost Common Charges.....One Month

Deductible.....$1,000

The foregoing insurance, including the public liability coverage included therein will be in effect at the time of closing. The insurance company has advised the Sponsor via letter that in its opinion, the amount of coverage is adequate to rebuild the building structure if totally destroyed by any insured peril; however, the policy does not guaranty the replacement of individual fixture and improvements installed by individual unit owners. This policy waives a standard co-insurance clause, so that no insured thereunder shall be a co-insurer. The policy will provide that:

(i) each unit owner will be an additional insured;
(ii) there will be no cancellation without notice to the board of managers and individual unit owners;
(iii) will waive subrogation;
(iv) will waive invalidity because of the acts of the insured and individual unit owners;
(v) and, will waive pro rate reduction if individual unit owners obtain additional individual coverage.

The policy does not include Officers and Directors liability coverage, umbrella coverage, boiler coverage, or blanket fidelity, which can be provided at extra cost. Purchasers are advised of the desirability of obtaining additional insurance, at their own cost and expense, to cover such risk as fire and casualty losses to unit contents, replacements, additions, upgraded fixtures and improvements, and liability coverage for occurrences within the unit or, where applicable, on the limited common elements pertinent to the units.

7. Legal and Accounting Fees: This figure is based on the estimate received from Mozes Guttmann, 741 Wythe Avenue, Brooklyn, New York, a certified public accountant by the Sponsor for preparation of a certified financial statement for the first year of operation and City, State and Federal tax returns, which estimate was $1,400.00. The balance of the budgeted figure,

$500.00, anticipates minor legal services during the first year of operation, but would be insufficient to cover any substantial litigation.

8. The budgeted figure anticipates one part-time superintendent working approximately 15 hours per week. The budget figure includes all applicable F.I.C.A, State and Federal Unemployment Insurance, Worker's Compensation and Disability Insurance. The budgeted figure anticipates the use of non-union personnel: union personnel would cost substantially more. The superintendent will be available on a 24 hour, 7 day a week basis for emergency service, for an additional charge of approximately $15.00 per hour. In the event utilization of emergency superintendent services exceeds the miscellaneous budget item, the condominium may be forced to increase common charges, or impose an assessment on individual units.

9. The Sponsor, or an entity designated by the Sponsor, will manage the building for the first year of condominium operation. The management fee charged by the Sponsor for the first year of condominium operation is consonant with the prevailing rates for similar services by managing agents for similar buildings in the same area.

The activities which the Managing agent will perform include maintenance of checking and savings accounts for the condominium; collection of monthly common charges; payment of all condominium common charges; processing of all individual unit sales; supervision and payment of building employees; building maintenance; review and resolution of any problems arising in the day-to-day operation of the building; compliance with all government laws and regulations affecting building operation, ownership and maintenance; filing of annual tax returns; enforcement of condominium-adopted rules and regulations including enforcement of maintenance obligations; seizure and sale of delinquent units; and response to individual unit owner complaints, questions or issues. In addition to the foregoing, any additional issues or problems arising out of the operation, maintenance, ownership, or occupancy of the building, will need to be dealt with by the Board of Managers.

10. The miscellaneous budgeted item is intended to provide a cushion for unforeseen costs and an opportunity for the condominium to accrue a reserve for future expense.

11. The budgeted figure represents the creation of a reserve fund for repair or replacement of major mechanical systems or structural items within the building and may not be used for general operating expenses; nor to reduce the common charges.

*King David international Realty*
Licensed Real Estate Broker
616 Williamsburg Station
Brooklyn, N.Y. 11211
Tel. (718) 222-1500 Fax. (718) 624-1497

11/24/10

CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY OF BUDGET PURSUANT TO SECTION 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

RE. 46 South 2nd Street, Brooklyn, New York

The sponsor of the condominium offering plan for the above captioned property retained me to review SCHEDULE B and SCHEDULE B-1 containing the projections of income and expenses for the first year of condominium operation. Our experience in the field includes being a licensed Real Estate Broker for over Five years; the management of approximately Ten buildings; and, the sale of numerous condominium and rental properties. We are familiar with prices, practices, and procedures in the area of this condominium.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in part 20, insofar as they are applicable to SCHEDULE B and SCHEDULE B-1. We have reviewed the SCHEDULES and investigated the facts set forth in the SCHEDULES, and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

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

We certify that the Schedules:

1. Set forth in detail the projected income and expense for the first year of condominium operation;
2. Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
3. Does not omit any material fact;
4. Does not contain any untrue statement of a material fact;
5. Does not contain any fraud, deception, concealment, or suppression;
6. Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. Does not contain any representation or statement which is false where we:
    a. Knew the truth;
    b. With reasonable effort, could have known the truth;

c. Made no reasonable effort to ascertain the truth; or,
d. Did not have the knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expense for the first year of condominium operation. This certification is made under the penalty of perjury for the benefit of all persons to whom this offering is made. We understand that violations are subject to civil and criminal penalties of the General and Business Law and Penal Law.

GIORGIO MAYER
Licensed Real Estate Broker

Affirmed to before me this
24 Day of NOV, 2010

NOTARY PUBLIC

**SIMON M. NEUSTEIN**
NOTARY PUBLIC, State of New York
**NO. 01NE6052461**
**Qualified in Kings County**
**My Commission Expires Dec. 18, 2014**

EXHIBIT II

SCHEDULE A

PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST

First Year of Operation

April 1, 2011 - March 31, 2012

| Unit | Sq. Ftg. ( 1 ) | Bdrms/ Bths ( 2 ) | % of Common Interest ( 3 ) | Offering Price ( 4 ) | Monthly Common Charges (5) | With Tax Ben. Monthly Real Es. Taxes ( 6 ) | With Tax Ben. Carrying Charges ( 7 ) | Without Tax Ben. Monthly Real Es. Taxes ( 8 ) | Without Tax Ben. Monthly Carrying Charges ( 9 ) |
|---|---|---|---|---|---|---|---|---|---|
| 1A | 1,625 | 2/2.5 | 6.15% | $735,000.00 | $400.37 | $56.46 | $456.82 | 1,042.92 | $1,443.28 |
| 1B | 1,859 | 3/2.5 | 7.03% | $899,000.00 | $457.65 | $64.54 | $522.19 | 1,192.15 | $1,649.80 |
| 1C | 1,524 | 2/2.5 | 5.77% | $699,000.00 | $375.63 | $52.97 | $428.60 | 978.48 | $1,354.10 |
| 1D | 1,208 | 1/1.5 | 4.57% | $599,000.00 | $297.51 | $41.95 | $339.46 | 774.98 | $1,072.49 |
| 1E | 1,201 | 1/1.5 | 4.54% | $599,000.00 | $295.55 | $41.68 | $337.23 | 769.89 | $1,065.45 |
| 2A | 1,120 | 2/2 | 4.24% | $685,000.00 | $276.02 | $38.92 | $314.95 | 719.02 | $995.04 |
| 2B | 1,326 | 3/2 | 5.02% | $875,000.00 | $326.80 | $46.08 | $372.89 | 851.29 | $1,178.09 |
| 2C | 991 | 2/2 | 3.75% | $615,000.00 | $244.13 | $34.43 | $278.55 | 635.93 | $880.05 |
| 2D | 758 | 1/1 | 2.87% | $485,000.00 | $186.84 | $26.35 | $213.18 | 486.69 | $673.53 |
| 2E | 762 | 1/1 | 2.88% | $499,000.00 | $187.49 | $26.44 | $213.93 | 488.39 | $675.88 |
| 2F | 1,143 | 2/2 | 4.33% | $699,000.00 | $281.88 | $39.75 | $321.63 | 734.28 | $1,016.16 |
| 3A | 1,120 | 2/2 | 4.24% | $710,000.00 | $276.02 | $38.92 | $314.95 | 719.02 | $995.04 |
| 3B | 1,326 | 3/2 | 5.02% | $935,000.00 | $326.80 | $46.08 | $372.89 | 851.29 | $1,178.09 |
| 3C | 991 | 2/2 | 3.75% | $650,000.00 | $244.13 | $34.43 | $278.55 | 635.93 | $880.05 |
| 3D | 758 | 1/1 | 2.87% | $525,000.00 | $186.84 | $26.35 | $213.18 | 486.69 | $673.53 |
| 3E | 762 | 1/1 | 2.88% | $530,000.00 | $187.49 | $26.44 | $213.93 | 488.39 | $675.88 |
| 3F | 1,143 | 2/2 | 4.33% | $729,000.00 | $281.88 | $39.75 | $321.63 | 734.28 | $1,016.16 |

SCHEDULE A CONTINUED

| Unit | Sq. Ftg. ( 1 ) | Bdrms/ Bths ( 2 ) | % of Common Interest ( 3 ) | Offering Price ( 4 ) | Monthly Common Charges ( 5 ) | With Tax Ben. Monthly Real Es. Taxes ( 6 ) | With Tax Ben. Carrying Charges ( 7 ) | Without Tax Ben. Monthly Real Es. Taxes ( 8 ) | Without Tax Ben. Monthly Carrying Charges ( 9 ) |
|---|---|---|---|---|---|---|---|---|---|
| 4A | 1,120 | 3/2 | 4.24% | $799,000.00 | $276.02 | $38.92 | $314.95 | 719.02 | $995.04 |
| 4B | 1,326 | 3/2 | 5.02% | $999,000.00 | $326.80 | $46.08 | $372.89 | 851.29 | $1,178.09 |
| 4C | 1,027 | 2/2 | 3.89% | $735,000.00 | $253.24 | $35.71 | $288.95 | 659.67 | $912.91 |
| 4D | 794 | 1/1 | 3.00% | $565,000.00 | $195.30 | $27.54 | $222.84 | 508.74 | $704.04 |
| 4E | 890 | 2/1 | 3.34% | $665,000.00 | $217.43 | $30.66 | $248.10 | 566.40 | $783.83 |
| 4F | 1,027 | 2/2 | 3.89% | $750,000.00 | $253.24 | $35.71 | $288.95 | 659.67 | $912.91 |
| R1 | 628 | 2/4 | 0.18% | $35,000.00 | $11.72 | $1.65 | $13.37 | 30.52 | $42.24 |
| R2 | 640 | 2/5 | 0.17% | $35,000.00 | $11.07 | $1.56 | $12.63 | 28.83 | $39.90 |
| R3 | 457 | 2/6 | 0.17% | $35,000.00 | $11.07 | $1.56 | $12.63 | 28.83 | $39.90 |
| R4 | 513 | 2/7 | 0.18% | $35,000.00 | $11.72 | $1.65 | $13.37 | 30.52 | $42.24 |
| P1 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P2 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P3 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P4 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P5 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P6 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P7 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P8 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P9 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P10 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P11 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| P12 | 153 | N/A | 0.14% | $35,000.00 | $9.11 | $1.29 | $10.40 | 23.74 | $32.86 |
| TOTALS | 29,875 | | 100.00% | $16,541,000 | $6,510.00 | $918.00 | $7,428.00 | $16,958.00 | $23,468.00 |

## SCHEDULE A CONTINUED

Notes:

1) Numerous units will have exclusive right to use and possession of a balcony or roof terrace as a limited common element, as indicated in the FLOOR PLANS in Part II of this Offering Plan. Additionallly, all units will include a cellar storage area as a limited common element. Units which are allocated balcony or roof terrace areas, as limited common elements, are as follows: balcony - 1A, 2A, 2B, 2E, 2F, 3A, 3B, 3E, 3F, 4A, 4B, 4E & 4F; roof terrace - 4A, 4C, 4D & 4F.

2) Annual Real Estates Taxes for all units, with and without tax benefits, are listed on the attached Exhibit I. The estimate in the event tax benefits are not obtained is based on the first full year of post completion assessed value.

3) In addition to the purchase price, there are additional closing costs assessed against each unit, such as docume preparation fee ($1,100.00), reimbursement fee ($2,500.00), working capital fund contribution equal to one month's common charges, a reserve fund contribution equal to two months' common charges, title clearance fee ($350.00) and payment of transfer taxes. Additionally, Purchaser will pay their own title insurance costs, recording charges and mortgage recording taxes. Please see the CLOSING COSTS & ADJUSTMENTS section of this Offering Plan for a more complete explanation.

## SCHEDULE A - EXHIBIT I

| Unit | Annual Real Estate Taxes with 421-a Tax Exemption | Annual Real Estate Taxes Without 421-a Tax Exemption |
|---|---|---|
| 1A | $677.48 | $12,515.00 |
| 1B | $774.42 | $14,305.77 |
| 1C | $635.62 | $11,741.72 |
| 1D | $503.43 | $9,299.77 |
| 1E | $500.13 | $9,238.72 |
| 2A | $467.08 | $8,628.23 |
| 2B | $553.00 | $10,215.50 |
| 2C | $413.10 | $7,631.10 |
| 2D | $316.16 | $5,840.34 |
| 2E | $317.26 | $5,860.68 |
| 2F | $476.99 | $8,811.38 |
| 3A | $467.08 | $8,628.23 |
| 3B | $553.00 | $10,215.50 |
| 3C | $413.10 | $7,631.10 |
| 3D | $316.16 | $5,840.34 |
| 3E | $317.26 | $5,860.68 |
| 3F | $476.99 | $8,811.38 |
| 4A | $467.08 | $8,628.23 |
| 4B | $553.00 | $10,215.50 |
| 4C | $428.52 | $7,915.99 |
| 4D | $330.48 | $6,104.88 |
| 4E | $367.93 | $6,796.77 |
| 4F | $428.52 | $7,915.99 |
| R1 | $19.83 | $366.29 |
| R2 | $18.73 | $345.94 |
| R3 | $18.73 | $345.94 |
| R4 | $19.83 | $366.29 |

## SCHEDULE A - EXHIBIT I CONTINUED

| Unit | Annual Real Estate Taxes with 421-a Tax Exemption | Annual Real Estate Taxes Without 421-a Tax Exemption |
|---|---|---|
| P1 | $15.42 | $284.89 |
| P2 | $15.42 | $284.89 |
| P3 | $15.42 | $284.89 |
| P4 | $15.42 | $284.89 |
| P5 | $15.42 | $284.89 |
| P6 | $15.42 | $284.89 |
| P7 | $15.42 | $284.89 |
| P8 | $15.42 | $284.89 |
| P9 | $15.42 | $284.89 |
| P10 | $15.42 | $284.89 |
| P11 | $15.42 | $284.89 |
| P12 | $15.42 | $284.89 |

## FOOTNOTES TO SCHEDULE A

1. The square footage is calculated by the standard mathematical formula of multiplying the length of an area by the width of an area; and adding together for each apartment all of the areas contained therein. Unit boundaries are calculated using a "gross" square footage method which incorporates as part of the unit exterior walls; walls separating the unit from common elements; and one half of the wall separating the unit from an adjoining unit. As a result, the usable floor area of the unit may be significantly smaller then the square footage indicated in the Offering Plan. The estimated square footage of each unit is based on the FLOOR PLANS and ARCHITECT'S DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan, and may vary, within reasonable tolerances, from the "as-built" square footage as subsequently described in the condominium Declaration.

2. The room count is based on the method suggested by the Real Estate Board of New York. This method counts each fully partitioned room as one room, and each bathroom containing a sink, toilet, and shower or bath as a full bathroom. Multi-use rooms, such as living/dining rooms are counted as a single room. Baths which do not include a tub or shower are counted as half baths. See the section entitled DESCRIPTION OF PROPERTY AND BUILDING CONDITION, and FLOOR PLANS, both of which are included in Part II of this Offering Plan, for a more complete description of each apartment. Additionally, the square footage set forth in SCHEDULE A is approximate, and may differ, from the square footage specified for this unit in Schedule B to the Condominium Declaration.

3. The determination of percentages of Common Interest allocated to each unit is based upon floor space, subject to such other items of relative value as the location of the space in the condominium, uniqueness of the unit, the availability of limited common elements for exclusive or shared use, and the overall dimensions of a particular unit, as per Section 339(i)(1)(iv) of the New York State Real Property Law.

4. Across-the-board changes in unit prices, advertised price changes, and increase in individual unit prices may be made only by an amendment duly-filed with the New York State Department of Law; however, individually negotiated reductions in the purchase price of a unit may be made without prior amendment. Purchasers will also incur certain closing costs in connection with the purchase of their unit. See CHANGES IN PRICES IN UNITS and CLOSING COSTS sections of this Offering Plan.

5. Projected Common Charges for the first year of operation include only those expenses which are enumerated in SCHEDULE B. Maintenance charges do not include such expenses as repairs to the interior of the owner's unit, and the owner's individual gas, electricity, and telephone expenses; individual costs for heat and hot water for each apartment is set forth in SCHEDULE B1 of this Offering Plan. Moreover, if the purchaser should obtain financing for the purchase, the debt service on that loan will be an additional expense not covered by the Common Charges. Common Charges are arrived at by allocating to each unit a share of the Monthly Charges proportionate to the Common Interest which that unit bears in the condominium.

6. 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 Real Estate Tax Benefits pursuant to Section 421-a of the New York State Real Property tax law. 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 twenty-one (21) years, with the full assessment thereafter being phased in over a five (5) year period. Sponsor has obtained an estimate from Metropolitan Realty Exemptions, Inc., 118 Middleton Street, Brooklyn, NY 11206 as to the likely effects of Sponsor's application for Real Estate Tax Benefits; Purchasers are directed to the section of this Offering Plan entitled REAL ESTATE TAX BENEFITS OPINION for a complete explanation.

The anticipated date of completion of construction is March of 2011.

Calculations of Real Estate Taxes are arrived at by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct proportion to the allocation of 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 $82,473.00.00. In the event tax exemption benefits are not obtained, the assessed value used for calculations is the $1,523,925.00 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 13.353%, which is the current tax rate. See TAX OPINION hereinafter set forth for a more complete discussion.

7. Monthly carrying charges are composed of the monthly common charges and the monthly real estate taxes projected against each unit. Monthly carrying charges do not include debt service on any

individual mortgage financing obtained by the purchaser. This will represent an additional expense to unit purchasers.

8. While Sponsor is applying for real estate tax benefits, and the expert opinion included in this Offering Plan projects that such benefits are available and will be granted no guarantee can be, or is made, that said benefits will be obtained, or will continue to be available. Therefore, Sponsor has projected in Schedule A the real estate taxes in the event no such benefits are obtained.

9. Monthly carrying charges in the event benefits are not obtained are composed of the monthly common charges plus the monthly real estate taxes without benefits as set forth in column 8. Unit owners who itemize their deductions should, for federal income tax purposes, be entitled to a deduction for real estate ~~taxes~~ in the year in which same are paid or accrued. The projected tax deduction 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, tax rates, or the method of assessing real property; or from changes in the tax laws governing deductibility of mortgage interest and real estate taxes. Please see the TAX OPINION LETTER set forth in this Offering Plan for a more complete explanation.

EXHIBIT III

# ESCROW AGREEMENT FOR CONTRACT DEPOSIT

**AGREEMENT** made this 24th day of November, 2010, between 291 KENT PROPERTIES, LLC, ("Sponsor") as Sponsor of the Offering Plan, and JOSEPH S. SCARMATO PLLC ("Escrow Agent") as escrow agent.

WHEREAS, 291 KENT PROPERTIES, LLC is the Sponsor of an Offering Plan to convert to condominium ownership the premises located at 30-48 South 2nd Street, Brooklyn, New York, which premises are known as THE 30-48 SOUTH 2nd STREET CONDOMINIUM; and,

WHEREAS, JOSEPH S. SCARMATO PLLC is authorized to act as an Escrow Agent hereunder in accordance with General Business Law ("GBL") Section 352-3(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 JP Morgan Chase Bank, at its branch located at 20 North Broadway, Nyack, NY 10960.

1.2 The name of the account is JOSEPH S. SCARMATO, ESQ. IOLA TRUST ACCOUNT.

1.3 Escrow Agent is the sole signatory 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 an IOLA established pursuant to Judiciary Law Section 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 JOSEPH S. SCARMATO, PLLC as Escrow Agent for THE 30-48 SOUTH 2nd STREET 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 (5) 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 deposited of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with 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 release pursuant to the regulations of the Attorney General pertaining to release of escrow funds.

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

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

## 4. RECORDKEEPING.

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

4.2 Upon the dissolution of a law firm which was Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm, or by the successor firm and shall notify the Department of Law of such transfer.

4.3 Escrow Agent shall make available to the Attorney General, upon his request, all books and records of Escrow Agent relating to the funds deposited and disbursed hereunder.

## 5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 Escrow Agent shall maintain the accounts called for in this Agreement under the direct supervision and control of Escrow Agent.

5.2 A fiduciary relationship shall exist between Escrow Agent and purchasers, and Escrow Agent acknowledges its fiduciary obligations.

## 6. RESPONSIBILITIES OF SPONSOR.

6.1 Sponsor agrees that Sponsor and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to Escrow Agent.

6.2 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

## 7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled, by either:

(a) Written notice given by Sponsor to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment 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 its 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.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT
JOSEPH S. SCARMATO, PLLC

by: _____
JOSEPH S. SCARMATO, ESQ.

SPONSOR
291 KENT PROPERTIES, LLC

by: _____
YIDEL HIRSCH

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JOSEPH S. SCARMATO, PLLC

by: _____
JOSEPH S. SCARMATO, ESQ.

SPONSOR
291 KENT PROPERTIES, LLC

by: _____
YIDEL HIRSCH

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## SPECIAL RISKS

1) The Sponsor will file an application for real estate tax benefits pursuant to section 421-a of the New York State Real Property Tax Law of the State of New York, and shall make all filings necessary to obtain such benefits. Upon closing, the Sponsor will make all tax benefit documents available to the Condominium for inspection and copying for the life of the benefits. The Sponsor will timely file all applications and timely comply with all procedures required to properly process and maintain the benefits. Sponsor will make the application at his own cost and expense. Sponsor will use his best efforts to obtain the real estate tax benefits set forth herein. While Sponsor will file for a Preliminary Certificate of Eligibility at the earliest opportunity, due to processing delays at the Department of Housing Preservation and Development, it is unlikely that a Preliminary Certificate of Eligibility will be obtained prior to the closing of the first unit. If real estate tax benefits cannot be obtained, the offering plan will be amended, prior to any closings, to disclose the unavailability of real estate tax benefits; and the purchaser will be offered a right of rescission. It is anticipated that benefits will commence within one year after said date, but will apply retroactively to the date on which the Certificate of Occupancy was obtained; so that a Purchaser who pays real estate taxes in excess of the amount due after benefits may be entitled to a refund or remission. As a result of the foregoing, if a Purchaser acquires his unit after the effective date of commencement of benefits, a portion of the benefits will have expired and be unavailable to the Purchaser.

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 HEREIN WILL BE OBTAINED. IN THE EVENT THE BENEFITS ARE NOT OBTAINED, OR IN THE EVENT THERE ARE INCREASES IN THE TAX RATE, OR THE PROPERTY'S ASSESSED VALUATION, OR IN THE STATUTES GOVERNING THE TAX BENEFITS, REAL ESTATE TAXES MAY 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.

Prospective purchasers are urged most strongly to read the section entitled REAL ESTATE TAX BENEFITS OPINION included herein.

2) Closing will not take place, and no individual condominium apartment will be sold until a permanent or temporary Certificate of Occupancy has been obtained for the premises. In the event closing occurs after the issuance of a temporary Certificate of Occupancy, but prior to the issuance of permanent Certificate of Occupancy, then it will remain the obligation of the Sponsor to, at its own cost and expense, obtain such permanent Certificate, and the Certificate must be obtained within two (2) years from date of closing. Prior to obtaining the permanent Certificate of Occupancy, the Sponsor is required to either: a) maintain all deposits and funds in a special escrow account required by GBL-352e (2)(b) unless the Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain the permanent Certificate of Occupancy, in which case the sum exceeding the amount so certified may be released; or, b) deposit with an escrow agent an unconditional, irrevocable letter of credit, or post a surety bond, in the aforesaid specified amount, in accord with the regulations of the New York State Department of Law. Purchasers are advised to visit the "Department of Buildings Website/Consumer Tips" for its recommendations when buying units in a condominium that does not have a Final Certificate of Occupancy. See RIGHTS AND OBLIGATIONS OF THE SPONSOR section of this Offering Plan.

3) There are numerous time constraints imposed in the Purchase Agreement set forth in Part II of this Offering Plan. **Time is of the essence** as to all such time constraints. This means that if the Purchaser fails to perform within the applicable time frame, he may waive substantive rights, or incur a forfeiture of substantial sums of money. Thus, a purchaser who fails to cure a default within thirty (30) days after receipt of written notice of said default, will both have the Contract canceled, and lose his downpayment. Similarly, a purchaser who fails to notify the Sponsor in the event he has failed to obtain mortgage financing within forty (40) days after receiving a fully executed copy of the Purchase Agreement from the Sponsor, will be required to proceed to closing, notwithstanding the fact that purchaser has failed to obtain mortgage financing; and, if such purchaser fails to proceed to closing, the down payment may be retained by the Sponsor. Purchasers are advised to consult with their attorney concerning all terms of this offering. Please see section of this Plan entitled PROCEDURE TO PURCHASE, and the PURCHASE AGREEMENT, set forth in Part II, for a statement of all applicable time limitations.

4) The terms of this Offering Plan transfer the statutory obligation to pay New York City Real Property transfer taxes (1% of purchase price for residential units, and New York State Documentary Stamp Taxes ($4.00 per thousand) to the Purchaser, so that the cost of such taxes represent an additional closing cost to the Purchaser, and an additional item of consideration on which transfer taxes must be paid. Additionally, the Purchaser is responsible for paying to the Sponsor's attorney a document preparation fee of $1,100.00, and may be responsible for certain other fees such as travel fees and default fees. Finally, Purchaser will pay Sponsor a fee of $2,500.00 as partial reimbursement for the cost of preparing and filing the Offering Plan for the Condominium conversion of the subject premises. See section of the Offering Plan entitled CLOSING COSTS AND ADJUSTMENTS.

5) While all apartments will be equipped for installation of washers and dryers, no such appliances will be supplied by the Sponsor. To the extent the Purchaser elects to install such appliances in their unit, same will represent an additional cost of purchasing the unit. See DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan.

6) At the earlier of the fifth anniversary of the first closing date, or such time as less than fifty percent of the units of the Condominium constitute unsold units, control of the Condominium shall be transferred to a Board of Managers elected by unit owners other than Sponsor. Prior to that time, the Condominium will be controlled by a Board of Managers elected by the Sponsor. There are certain limitations on actions which can be taken by the Sponsor while he remains in control of the Board of Managers, which limitations are set forth in the CONTROL BY THE SPONSOR of this Offering Plan.

7) Until the earlier of five (5) years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less than 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those expenses described in Schedule B or expenses required to comply with applicable laws or regulations, to remedy any notice of violation or to remedy any work order by an insurer; or for any repair or replacement necessary for the preservation or safety of the building; or for the safety of occupant of the building; or required to avoid the suspension of any necessary service to the building. Additionally, so long as the sponsor retains ownership of at least one unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the

Sponsor. See section of the Offering Plan entitled CONTROL BY THE SPONSOR for a more complete explanation.

See section of the Offering Plan entitled CONTROL BY THE SPONSOR for a more complete explanation.

8) Sponsor is liable for all common charges, special assessments, and real estate taxes with respect to unsold units, and represents that Sponsor has financial resources to meet these obligations. However, no bond, escrow account, or other security has been furnished to secure the Sponsor's obligations. Please see section of the Offering Plan entitled RIGHTS AND OBLIGATIONS OF THE SPONSOR for a more detailed explanation.

9) Pursuant to existing law and regulation, the Sponsor may declare the plan effective by entering into a contract for a minimum of 15% of the apartments in the building. In the event purchase agreements counted towards the minimum number of unit sales required to declare the plan effective fail to close, it is possible that the building will be converted to condominium status with less than 15% of the apartments in the building actually sold to purchasers. Please see EFFECTIVE DATE section of this Offering Plan.

10) 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 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 after 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 PROCEDURE TO PURCHASE section of Offering Plan.

11) The Sponsor is not limiting the conditions under which it will rent rather than sell units. There is no commitment to sell more units than the 15% necessary to declare the plan effective. Owner-Occupants, therefore, may never gain effective control and management of the condominium. See the INTRODUCTION, RIGHTS AND OBLIGATIONS OF THE SPONSOR, CONTROL BY SPONSOR and BOARD OF MANAGERS sections of this Offering Plan for a more complete explanation.

12) The By-Laws do not include a provision that after the

end of the initial Sponsor control period, a majority of the Board of Managers must be Owner-Occupants or member of an owner occupant's household, who are unrelated to the Sponsor and its Principals. Owner-Occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home, as opposed to purchase as an investment. See the INTRODUCTION, RIGHTS AND OBLIGATIONS OF THE SPONSOR, CONTROL BY SPONSOR and BOARD OF MANAGERS sections of this Offering Plan for a more complete explanation.

13) All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account set forth herein. However, Purchaser 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 the Purchaser is entitled to a rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. See PROCEDURE TO PURCHASE Section of this Offering Plan.

14) All down payments will be placed in an IOLA account. The account (but not necessarily individual deposits) will be federally insured up to $250,000. To the extent that the total contract deposits exceed $250,000, they will not be federally insured. The FDIC maximum insurance amount will be reduced to $100,000.00 as of January 1st, 2014, under current applicable laws. All funds maintained by a depositor at an institution will be aggregated for purposes of the $250,000.00 threshold. IOLA stands for "interest on lawyer accounts," and is a special type of escrow account maintained by an attorney. Interest earned on an IOLA account does not accrue to the benefit of either the buyer or the seller but is paid over to the state of New York. Please see PROCEDURE TO PURCHASE section of this Offering Plan.

15) Numerous units in the subject premises will have allocated as limited common elements, a balcony or balconies. No structures may be built on these balcony areas without the express written permission of the Managers, other than temporary structures such as a "succha" or removable screened porch. Unit owners shall be responsible for regular items of maintenance such as painting, brush sweeping and surface repairs. The Condominium shall remain responsible for structural repairs such as girders, beams, etc. Additionally, these areas may not be enclosed for use as habitable dwelling spaces. Use of these spaces as habitable dwelling spaces may result in a violation being placed against the building, which would be the responsibility of the individual unit owner to remove at their own cost and expense. Please see the RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS in Part I of this Offering Plan, DESCRIPTION OF PROPERTY AND

BUILDING CONDITION included in Part II of this Offering Plan and the ARCHITECT'S REPORT in Part II of the Offering Plan for a more complete explanation.

16) The projected insurance coverage for the building does not include officers and director's liability. Officer's and director's liability is a type of coverage which protects members of the Board of Managers, or officers of the condominium, from any liability engendered by performance of their functions, to the extent such activities are within the scope of their designated capacity, and does not constitute a criminal act by such officer or manager. In the event the condominium wishes to extend such insurance coverage to its directors and managers, this will represent an additional cost on the amount projected for insurance coverage in Schedule B. Please see SCHEDULE B and FOOTNOTES thereto for a more complete explanation.

17) Several units will include as a limited common element a roof terrace. The owners of roof terrace areas will be responsible for the repair and maintenance of the roof terrace surface, including cleaning and repair and replacement of roofing paper, sealants or covering, and flashing. The condominium will remain responsible for structural elements such as rafters and bulkheads. No structures may be built on the roof without the express written permission of the Board of Managers other than protective decking and temporary removable structures such as screen porches and screened tents which are not affixed to the roof's surface. Additionally, these areas may not be enclosed for use as habitable dwelling spaces. Use of these spaces as habitable dwelling spaces may result in a violation being placed against the building, which would be the responsibility of the individual unit owner to remove at their own cost and expense. Please see the RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS in Part I of this Offering Plan, DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan and the ARCHITECT'S REPORT in Part II of the Offering Plan for a more complete explanation.

18) One parking unit in the subject premises is designated as handicapped accessible parking. Unless sold to a person who qualifies as handicapped under the New York City Building Code, this will be the last units sold. In the event that the unit is sold to a person who does not qualify as handicapped, there are certain restrictions which may require such person to "trade" parking units with a handicapped owner of a non-handicapped accessible parking space. Please see HANDICAPPED PARKING section this Offering Plan for a more complete explanation.

19) All units include cellar accessory storage space. This space may not be used as a bedroom, living room, dining room or

other habitable room. Use of this space as a dwelling room may result in a violation being placed against the building, which it would be the responsibility of the individual unit owner to correct and remove. The existence of violations on the building may result in fines and in unit owners, including those not responsible for the violations, being unable to sell or refinance their units. Please see DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan for a more complete explanation.

20) There are four (4) "roof" units being offered for sale. Roof Units consist of opened, unenclosed areas of the roof of the subject premises, which will be divided by low fence or other means of demarcation in accord with the Floor Plans set forth in Part II of this offering plan. These areas may not be enclosed or utilized as habitable dwelling space. To do so may result in a violation being placed against the building, which it would be the responsibility of the individual unit owner to correct and remove at their own cost and expense. The existence of violations on the building may result in fines and in unit owners, including those not responsible for the violations, being unable to sell or refinance their units. Please see DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan for a more complete explanation.

21) The square footage set forth in SCHEDULE A is based upon a "gross" square footage measurement, which includes as part of the unit the entirety of any exterior walls; the entirety of any wall dividing the unit from any common element; and ½ of walls dividing units from each other. As a result, the actual floor area of the unit may be significantly smaller than the square footage indicated in SCHEDULE A. Please see footnotes to SCHEDULE A and the ARCHITECT'S REPORT and FLOOR PLANS for a more complete explanation.

22) While Sponsor has no plans to do so, Sponsor is reserving the right to reallocate portions of the common spaces of the building to individual units as limited common elements; or to allow portions of the building to be utilized for the benefit of individual units pursuant to a license agreement. This right shall not apply to portions of the building necessary for ingress or egress to any unit; or to any portion of the common areas designated specifically for common use, such as a common laundry, gymnasium or recreation room. This reallocation of common space shall not be deemed a material change in the Offering Plan giving rise to a right of rescission. No unit's allocation of common interest shall be materially altered as a result of any such reallocation of common interest.

23) While there are currently no development rights available for this property in excess of the development rights being utilized to erect the structure contemplated by this Offering Plan, Sponsor reserves the right, in the event a rezoning of the property creates additional development rights; or in the event a miscalculation is discovered and there are unused development rights; to sell, transfer or assign such development rights to an entity of Sponsor's choosing; and the sale, transfer or assignment of such development rights shall not be deemed a material change to this offering giving rise to a right of rescission. The discovery of such unused air or development rights may not result in the building, which is the subject of this Offering Plan being expanded or limited. The expansion of an adjoining building may affect light and air going to the subject building. In the event such sale, transfer or assignment of such development rights is to an adjacent property which results in a larger structure being built on said property than would otherwise be buildable, Sponsor shall amend the Offering Plan to reflect such change; and if such a sale, transfer or assignment of development rights results in a buildable structure that is more than 10% larger than the structure which could have been built without such development rights, Sponsor shall offer a right of rescission to all persons who have executed Purchase Agreements for units in this building.

24) In the event that a child under the age of 11 lives, or resides temporarily in a unit, the owner of such unit must notify the Board of Managers in writing of such a fact. Such unit owner shall be obligated at their own cost and expense, to install window guards in all windows of the unit, and may not remove them until such child ceases to reside, or dwell in the unit. Failure to do so is not only a safety hazard, but is a violation of the New York City Administrative Code, may result in a violation being placed against the building, which would be the responsibility of the individual unit owner to remove at their sole cost and expense. Please see the DESCRIPTION OF PROPERTY AND BUILDING CONDITION section in PART II of this Offering Plan for a more complete explanation.

25) The roof of the subject premises will be warranted for one year from the date of the first closing against any defect arising from materials or workmanship. This warranty will not continue beyond the one year period. In the event the roof requires repairs at any time after the expiration of the warranty, the condominium will be responsible for making such repairs at their own cost and expense, which may require an increase in maintenance or an additional assessment.

## INTRODUCTION

This is an Offering Plan for the sale of condominium apartments at 30-48 South 2nd Street, Brooklyn, New York. The purpose of this plan is to fully set forth all material terms of the offer. This plan may be amended from time to time, if such amendment is filed with the New York State Department of Law. Any such amendments will be served on all prospective Purchasers who have executed a Purchase Agreement for any apartment, all unit owners, and all other persons entitled to service pursuant to local law or statute.

The Sponsor of this offering is 291 KENT PROPERTIES, LLC. The Principals of the Sponsor are Toby Hirsch and Yidel Hirsch. The Sponsor acquired title to the property on September 11th, 2007. Units will be conveyed free and clear of any mortgages, liens, or other encumbrances. Units will be conveyed by delivery of a UNIT DEED set forth in Part II of this Offering Plan.

The prices contained in this offering, as set forth in SCHEDULE A, are set by the Sponsors, and are not subject to approval by the New York State Department of Law, or any other governmental agency.

This Condominium will be subject to, and in compliance with, the New York State Condominium Act, Article 9-B of the New York Real Property Law.

This plan, including all schedules and exhibits submitted herewith, constitutes the entire Offering Plan. Copies of the plan and Parts A, B, C and D of the exhibits will be available for inspection to potential purchasers and their attorneys at the office of the Sponsor indicated on the front cover of this Offering Plan, and the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, New York, New York, without charge; and for copying, at a reasonable charge.

The condominium consists of a single building, comprised of four stories and a cellar, and containing in aggregate twenty-three (23) residential units. Additionally, there are four (4) "roof" units, which are unenclosed sections of the roof divided as per the Floor Plans set forth in Part II of this offering plan. There are twelve (12) parking units, situated in a parking facility shared with the adjoining building, which will be separately offered for sale as individual condominium units. One parking space is designated as handicapped accessible. The property is located in the Williamsburg section of Brooklyn. There will be no on-site laundry facilities. While all apartments will be equipped for installation of washers and dryers, no such appliances will

be supplied by the Sponsor. To the extent the Purchaser elects to install such appliances in their unit, same will represent an additional cost of purchasing the unit.

This offering is made only to individuals over the age of 18.

In accordance with the provisions of the Laws of the City of New York, the Sponsor represents that neither the Sponsor, nor the Condominium nor the Selling Agent will discriminate against any person because of his race, creed, color, sex, sexual orientation, national origin, ancestry, or any other reason prohibited by civil rights law in the sale of apartments offered by this Plan, or in the leasing of any apartment in the Building. Unit owners have an unrestricted right to lease, sell or mortgage units. Use of units is limited to residential use, and appurtenant home office use.

This is a newly constructed building. Work on the building is scheduled for completion in December of 2009. As of the date hereof, foundation work and exterior walls have been completed.

Ownership of a Condominium Unit resembles in many ways ownership of a private home. Basic aspects of condominium ownership include:

(1) Each purchaser owns his unit outright and is entitled to exclusive possession of his unit. Each purchaser also has an interest, and a right to use common elements and limited common elements of the building. However, each unit owner is obligated to comply with the Declaration, By Laws, rules and regulations, and any other requirements of the Board of Managers.

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

Limited Common Elements are those areas appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units, but which are not owned by that unit owner. Thus, in this condominium, numerous units shall have allocated as a limited common element a balcony or terrace, as indicated on the FLOOR PLANS in Part II of this Offering Plan. All units will have allocated, as a limited common element, a cellar storage area.

(3) After filing of the Declaration, each unit will be separately taxed and may be separately mortgaged; each unit owner may deduct from adjusted gross income for income tax purposes, real estate taxes and mortgage interest. No unit owner will be responsible for payment of, or any lien arising out of nonpayment of, real estate taxes assessed against any other unit in the building.

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

(5) Each unit owner must pay common charges in accordance with the New York Condominium Act (Real Property Law Sections 339 (i) and (m)), and any applicable state or local law. The common charges payable under the By-Laws will be based strictly on the projected cash requirements of ownership and operation of the Property and may include an allowance for contingencies, replacements, and/or repairs. Furthermore, the Board of Managers may impose special assessments in order to meet emergencies, contingencies, or other unforeseen events, which will become the financial obligation of each purchaser of a Condominium Apartment. These assessments will be levied in direct proportion to the percentage of common interest allocated to each apartment.

(6) Individual purchasers should explore obtaining insurance coverage, which would be at their own cost and expense, to insure them for such risks as fire and casualty losses in their apartments to their personal contents therein, as well as liability insurance for each occurrence which might occur within their respective apartments.

(7) Unit owners are responsible for maintenance and repairs to their individual units.

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

(9) Each unit owner is obligated to comply with the DECLARATION, the BYLAWS, rules and regulations, and any other requirements of the Board of Managers.

The unit purchase prices, and estimated Common Charges and Real Estate Taxes for the first year of Condominium operation are set forth in SCHEDULE A. The projected budget for the first year of Condominium operation is set forth in SCHEDULE B.

While the Sponsor will make good faith efforts to sell rather than rent units, the Sponsor is not limiting the conditions under which it will rent rather than sell units. There is no commitment to sell more units than the 15% necessary to declare the plan effective. Owner-Occupants, therefore, may never gain effective control and management of the condominium. Additionally, the By-Laws do not include a provision that after expiration of the initial Sponsor control period, a majority of the Board of Managers must be Owner-Occupants or member of an owner occupant's household, who are unrelated to the Sponsor and its Principals. Owner-Occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home, as opposed to purchase as an investment. If the Sponsor makes a bulk sale of all or some of its unsold units, the transferee successor is bound by Sponsor's representation regarding its commitment to sell units.

**THE PURCHASE OF A CONDOMINIUM APARTMENT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND CONSULT WITH AN ATTORNEY BEFORE SIGNING AN AGREEMENT TO PURCHASE A CONDOMINIUM.**

## DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The condominium consists of a single building, comprised of four stories and a cellar, and containing in aggregate twenty-three (23) residential units. Additionally, there are four (4) "roof" units, which are unenclosed sections of the roof divided as per the Floor Plans set forth in Part II of this offering plan. There are twelve (12) parking units, situated in a parking facility shared with the adjoining building, which will be separately offered for sale as individual condominium units. One parking space is designated as handicapped accessible. The property is located in the Williamsburg section of Brooklyn. There shall be a common recreation facility located on the rooftop of the building, as indicated in the FLOOR PLANS in Part II of this Offering Plan, which will be demarcated by fencing or other material. There will be no on-site laundry facilities. While all apartments will be equipped for installation of washers and dryers, no such appliances will be supplied by the Sponsor. To the extent the Purchaser elects to install such appliances in their unit, same will represent an additional cost of purchasing the unit. All cabinetry and fixtures in kitchens and baths will be new. See DESCRIPTION OF PROPERTY AND BUILDING CONDITION included in Part II of this Offering Plan.

This is a newly constructed building. Work on the building is scheduled for completion in December of 2009. As of the date hereof, foundation work and exterior walls have been completed.

The Sponsor will complete the work set forth in this plan relating to the building, and the apartments contained therein, all applicable zoning and building laws, including, but not limited to, the New York City Administrative Code and the Zoning Resolution of 1961 as amended, and subject to procurement of all applicable and proper permits which are required.

Common elements are parts of the Property, in addition to his/her own Unit, which a Unit Owner owns in common with the owners of all other Units, such as entryways, stairways, hallways, utility areas, and similar elements of the building, which serve all Unit Owners. A Unit Owner will share the non-exclusive right to use the Common Elements with all other unit owners. Limited Common Elements are those areas appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units, but which are not owned by that unit owner. Thus, in this condominium, numerous units shall have allocated as a limited common element a balcony, ledge or terrace, as indicated on the FLOOR PLANS in Part II of this Offering Plan. Balconies are composed or concrete decks cantilevered beyond the building

face by steel supporting columns and equipped with railings and lighting. Ledges are balconies of two feet or less. Terraces consist of the area above the roof of a level accessed through individual dwelling units. Additionally, all units will include, as a limited common element, a cellar storage area, which may be used as habitable dwelling space.

The Sponsor hereby adopts the detailed description of property and building condition set forth in the section entitled DESCRIPTION OF PROPERTY, SPECIFICATIONS, and BUILDING CONDITION of this Offering Plan. With reference to such material, a licensed architect prepared the description of property and building condition contained therein. Prospective purchasers are urged to refer to said section for a more complete understanding of the physical condition of the subject property and building.

## LOCATION AND AREA INFORMATION

The premises is composed of one building, which is located on South 2nd Street, in the Williamsburg 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. Police, Fire, Water, Sanitation, snow removal, and road maintenance are provided by the City of New York. The closest library is the Williamsburgh Branch Library on Division Avenue. The 90th Police Precinct is located one mile from the subject premises on Union Avenue. The local Medical center is the Alvarez Medical Center located 1.5 miles away. Students living in the premises will be located in School District 14 and will be eligible to attend either Public School 084 or any of the local religiously oriented schools. The local Junior High School is JHS 050; The Local High School is Harry Van Arsdale High School. The Q, N, & F subway lines serve the area. The B59 & B61 busses serve this area.

Zoning for the area in which this building is located is M3-1, which allows heavy manufacturing. The residential structure which is the subject of this offering plan is being erected pursuant to a variance granted by the Board of Standards and Appeals. There is no landmark designation of the site. While the subject site is currently vacant, vacant buildings and lots surround the property, and are found across the street. There are no adjoining undeveloped areas of the site. Neither the Sponsor nor any principals of the Sponsor own in whole or in part, or have an option or right to acquire in whole or in part, any adjacent areas, which are not fully developed.

## SCHEDULE A

## PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST

### First Year of Operation

### January 1, 2010 - December 31, 2010

| Unit | Sq. Ftg. ( 1 ) | Bdrms/ Bths ( 2 ) | % of Common Interest ( 3 ) | Offering Price ( 4 ) | Monthly Common Charges (5) | With Tax Ben. Monthly Real Es. Taxes ( 6 ) | With Tax Ben. Carrying Charges ( 7 ) | Without Tax Ben. Monthly Real Es. Taxes ( 8 ) | Without Tax Ben. Monthly Carrying Charges ( 9 ) |
|---|---|---|---|---|---|---|---|---|---|
| 1A | 1,625 | 2/2.5 | 6.15% | $1,543,750 | 399.19 | $50.43 | $449.62 | 931.60 | $1,330.79 |
| 1B | 1,859 | 3/2.5 | 7.03% | $1,766,050 | 456.31 | $57.65 | $513.96 | 1,064.90 | $1,521.21 |
| 1C | 1,524 | 2/2.5 | 5.77% | $1,447,800 | 374.52 | $47.31 | $421.83 | 874.04 | $1,248.56 |
| 1D | 1,208 | 1/1.5 | 4.57% | $1,147,600 | 296.63 | $37.47 | $334.10 | 692.26 | $988.89 |
| 1E | 1,201 | 1/1.5 | 4.54% | $1,140,950 | 294.68 | $37.23 | $331.91 | 687.72 | $982.40 |
| 2A | 1,120 | 2/2 | 4.24% | $1,064,000 | 275.22 | $34.77 | $309.99 | 642.28 | $917.49 |
| 2B | 1,326 | 3/2 | 5.02% | $1,259,700 | 325.85 | $41.16 | $367.01 | 760.43 | $1,086.28 |
| 2C | 991 | 2/2 | 3.75% | $941,450 | 243.41 | $30.75 | $274.16 | 568.05 | $811.46 |
| 2D | 758 | 1/1 | 2.87% | $720,100 | 186.29 | $23.53 | $209.83 | 434.75 | $621.04 |
| 2E | 762 | 1/1 | 2.88% | $723,900 | 186.94 | $23.62 | $210.56 | 436.26 | $623.20 |
| 2F | 1,143 | 2/2 | 4.33% | $1,085,850 | 281.06 | $35.51 | $316.57 | 655.91 | $936.97 |
| 3A | 1,120 | 2/2 | 4.24% | $1,064,000 | 275.22 | $34.77 | $309.99 | 642.28 | $917.49 |
| 3B | 1,326 | 3/2 | 5.02% | $1,259,700 | 325.85 | $41.16 | $367.01 | 760.43 | $1,086.28 |
| 3C | 991 | 2/2 | 3.75% | $941,450 | 243.41 | $30.75 | $274.16 | 568.05 | $811.46 |
| 3D | 758 | 1/1 | 2.87% | $720,100 | 186.29 | $23.53 | $209.83 | 434.75 | $621.04 |
| 3E | 762 | 1/1 | 2.88% | $723,900 | 186.94 | $23.62 | $210.56 | 436.26 | $623.20 |
| 3F | 1,143 | 2/2 | 4.33% | $1,085,850 | 281.06 | $35.51 | $316.57 | 655.91 | $936.97 |

## SCHEDULE A CONTINUED

| Unit | Sq. Ftg. ( 1 ) | Bdrms/ Bths ( 2 ) | % of Common Interest ( 3 ) | Offering Price ( 4 ) | Monthly Common Charges ( 5 ) | With Tax Ben. Monthly Real Es. Taxes ( 6 ) | With Tax Ben. Carrying Charges ( 7 ) | Without Tax Ben. Monthly Real Es. Taxes ( 8 ) | Without Tax Ben. Monthly Carrying Charges ( 9 ) |
|---|---|---|---|---|---|---|---|---|---|
| 4A | 1,120 | 3/2 | 4.24% | $1,064,000 | 275.22 | $34.77 | $309.99 | 642.28 | $917.49 |
| 4B | 1,326 | 3/2 | 5.02% | $1,259,700 | 325.85 | $41.16 | $367.01 | 760.43 | $1,086.28 |
| 4C | 1,027 | 2/2 | 3.89% | $975,650 | 252.50 | $31.90 | $284.40 | 589.26 | $841.76 |
| 4D | 794 | 1/1 | 3.00% | $754,300 | 194.73 | $24.60 | $219.33 | 454.44 | $649.17 |
| 4E | 890 | 2/1 | 3.34% | $845,500 | 216.80 | $27.39 | $244.19 | 505.94 | $722.74 |
| 4F | 1,027 | 2/2 | 3.89% | $975,650 | 252.50 | $31.90 | $284.40 | 589.26 | $841.76 |
| R1 | 628 | 2/4 | 0.18% | $35,000 | 11.68 | $1.48 | $13.16 | 27.27 | $38.95 |
| R2 | 640 | 2/5 | 0.17% | $35,000 | 11.03 | $1.39 | $12.43 | 25.75 | $36.79 |
| R3 | 457 | 2/6 | 0.17% | $35,000 | 11.03 | $1.39 | $12.43 | 25.75 | $36.79 |
| R4 | 513 | 2/7 | 0.18% | $35,000 | 11.68 | $1.48 | $13.16 | 27.27 | $38.95 |
| P1 | 152 | N/A | 0.14% | $35,000 | 9.09 | $1.15 | $10.24 | 21.21 | $30.29 |
| P2 | 145 | N/A | 0.14% | $35,000 | 9.09 | $1.15 | $10.24 | 21.21 | $30.29 |
| P3 | 142 | N/A | 0.14% | $35,000 | 9.09 | $1.15 | $10.24 | 21.21 | $30.29 |
| P4 | 145 | N/A | 0.14% | $35,000 | 9.09 | $1.15 | $10.24 | 21.21 | $30.29 |
| P5 | 154 | N/A | 0.14% | $35,000 | 9.09 | $1.15 | $10.24 | 21.21 | $30.29 |
| P6 | 154 | N/A | 0.14% | $35,000 | 9.09 | $1.15 | $10.24 | 21.21 | $30.29 |
| P7 | 154 | N/A | 0.14% | $35,000 | 9.09 | $1.15 | $10.24 | 21.21 | $30.29 |
| P8 | 153 | N/A | 0.14% | $35,000 | 9.09 | $1.15 | $10.24 | 21.21 | $30.29 |
| P9 | 145 | N/A | 0.14% | $35,000 | 9.09 | $1.15 | $10.24 | 21.21 | $30.29 |
| P10 | 140 | N/A | 0.14% | $35,000 | 9.09 | $1.15 | $10.24 | 21.21 | $30.29 |
| P11 | 140 | N/A | 0.14% | $35,000 | 9.09 | $1.15 | $10.24 | 21.21 | $30.29 |
| P12 | 140 | N/A | 0.14% | $35,000 | 9.09 | $1.15 | $10.24 | 21.21 | $30.29 |
| TOTALS | 29,803 | | 100.00% | $25,070,950 | $6,491.00 | $820.00 | $7,310.96 | $15,148.00 | $21,638.96 |

## SCHEDULE A CONTINUED

Notes:

1) Numerous units will have exclusive right to use and possession of a balcony or roof terrace as a limited common element, as indicated in the FLOOR PLANS in Part II of this Offering Plan. Additionallly, all units will include a cellar storage area as a limited common element. Units which are allocated balcony or roof terrace areas, as limited common elements, are as follows: balcony - 1A, 2A, 2B, 2E, 2F, 3A, 3B, 3E, 3F, 4A, 4B, 4E & 4F; roof terrace - 4A, 4C, 4D & 4F.

2) Annual Real Estates Taxes for all units, with and without tax benefits, are listed on the attached Exhibit I. The estimate in the event tax benefits are not obtained is based on the first full year of post completion assessed value.

3) In addition to the purchase price, there are additional closing costs assessed against each unit, such as docume preparation fee ($1,100.00), reimbursement fee ($2,500.00), working capital fund contribution equal to one month's common charges, a reserve fund contribution equal to two months' common charges, title clearance fee ($350.00) and payment of transfer taxes. Additionally, Purchaser will pay their own title insurance costs, recording charges and mortgage recording taxes. Please see the CLOSING COSTS & ADJUSTMENTS section of this Offering Plan for a more complete explanation.

**SCHEDULE A - EXHIBIT I**

| Unit | Annual Real Estate Taxes with 421-a Tax Exemption | Annual Real Estate Taxes Without 421-a Tax Exemption |
|---|---|---|
| 1A | $605.16 | $11,179.22 |
| 1B | $691.75 | $12,778.85 |
| 1C | $567.77 | $10,488.48 |
| 1D | $449.69 | $8,307.16 |
| 1E | $446.74 | $8,252.63 |
| 2A | $417.22 | $7,707.30 |
| 2B | $493.97 | $9,125.16 |
| 2C | $369.00 | $6,816.60 |
| 2D | $282.41 | $5,216.97 |
| 2E | $283.39 | $5,235.15 |
| 2F | $426.07 | $7,870.90 |
| 3A | $417.22 | $7,707.30 |
| 3B | $493.97 | $9,125.16 |
| 3C | $369.00 | $6,816.60 |
| 3D | $282.41 | $5,216.97 |
| 3E | $283.39 | $5,235.15 |
| 3F | $426.07 | $7,870.90 |
| 4A | $417.22 | $7,707.30 |
| 4B | $493.97 | $9,125.16 |
| 4C | $382.78 | $7,071.09 |
| 4D | $295.20 | $5,453.28 |
| 4E | $328.66 | $6,071.32 |
| 4F | $382.78 | $7,071.09 |
| R1 | $17.71 | $327.20 |
| R2 | $16.73 | $309.02 |
| R3 | $16.73 | $309.02 |
| R4 | $17.71 | $327.20 |

## SCHEDULE A - EXHIBIT I CONTINUED

| Unit | Annual Real Estate Taxes with 421-a Tax Exemption | Annual Real Estate Taxes Without 421-a Tax Exemption |
|---|---|---|
| P1 | $13.78 | $254.49 |
| P2 | $13.78 | $254.49 |
| P3 | $13.78 | $254.49 |
| P4 | $13.78 | $254.49 |
| P5 | $13.78 | $254.49 |
| P6 | $13.78 | $254.49 |
| P7 | $13.78 | $254.49 |
| P8 | $13.78 | $254.49 |
| P9 | $13.78 | $254.49 |
| P10 | $13.78 | $254.49 |
| P11 | $13.78 | $254.49 |
| P12 | $13.78 | $254.49 |

## FOOTNOTES TO SCHEDULE A

1. The square footage is calculated by the standard mathematical formula of multiplying the length of an area by the width of an area; and adding together for each apartment all of the areas contained therein. Unit boundaries are calculated using a "gross" square footage method which incorporates as part of the unit exterior walls; walls separating the unit from common elements; and one half of the wall separating the unit from an adjoining unit. As a result, the usable floor area of the unit may be significantly smaller then the square footage indicated in the Offering Plan. The estimated square footage of each unit is based on the FLOOR PLANS and ARCHITECT'S DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan, and may vary, within reasonable tolerances, from the "as-built" square footage as subsequently described in the condominium Declaration.

2. The room count is based on the method suggested by the Real Estate Board of New York. This method counts each fully partitioned room as one room, and each bathroom containing a sink, toilet, and shower or bath as a full bathroom. Multi-use rooms, such as living/dining rooms are counted as a single room. Baths which do not include a tub or shower are counted as half baths. See the section entitled DESCRIPTION OF PROPERTY AND BUILDING CONDITION, and FLOOR PLANS, both of which are included in Part II of this Offering Plan, for a more complete description of each apartment. Additionally, the square footage set forth in SCHEDULE A is approximate, and may differ, from the square footage specified for this unit in Schedule B to the Condominium Declaration.

3. The determination of percentages of Common Interest allocated to each unit is based upon floor space, subject to such other items of relative value as the location of the space in the condominium, uniqueness of the unit, the availability of limited common elements for exclusive or shared use, and the overall dimensions of a particular unit, as per Section 339(i)(1)(iv) of the New York State Real Property Law.

4. Across-the-board changes in unit prices, advertised price changes, and increase in individual unit prices may be made only by an amendment duly-filed with the New York State Department of Law; however, individually negotiated reductions in the purchase price of a unit may be made without prior amendment. Purchasers will also incur certain closing costs in connection with the purchase of their unit. See CHANGES IN PRICES IN UNITS and CLOSING COSTS sections of this Offering Plan.

5. Projected Common Charges for the first year of operation include only those expenses which are enumerated in SCHEDULE B. Maintenance charges do not include such expenses as repairs to the interior of the owner's unit, and the owner's individual gas, electricity, and telephone expenses; individual costs for heat and hot water for each apartment is set forth in SCHEDULE B1 of this Offering Plan. Moreover, if the purchaser should obtain financing for the purchase, the debt service on that loan will be an additional expense not covered by the Common Charges. Common Charges are arrived at by allocating to each unit a share of the Monthly Charges proportionate to the Common Interest which that unit bears in the condominium.

6. 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 Real Estate Tax Benefits pursuant to Section 421-a of the New York State Real Property tax law. 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 twenty-one (21) years, with the full assessment thereafter being phased in over a five (5) year period. Sponsor has obtained an estimate from Metropolitan Realty Exemptions, Inc., 118 Middleton Street, Brooklyn, NY 11206 as to the likely effects of Sponsor's application for Real Estate Tax Benefits; Purchasers are directed to the section of this Offering Plan entitled REAL ESTATE TAX BENEFITS OPINION for a complete explanation.

The anticipated date of completion of construction is December of 2009.

Calculations of Real Estate Taxes are arrived at by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct proportion to the allocation of 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 $82,473.00.00. In the event tax exemption benefits are not obtained, the assessed value used for calculations is the $1,523,925.00 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. See TAX OPINION hereinafter set forth for a more complete discussion.

7. Monthly carrying charges are composed of the monthly common charges and the monthly real estate taxes projected against each unit. Monthly carrying charges do not include debt service on any

individual mortgage financing obtained by the purchaser. This will represent an additional expense to unit purchasers.

8. While Sponsor is applying for real estate tax benefits, and the expert opinion included in this Offering Plan projects that such benefits are available and will be granted no guarantee can be, or is made, that said benefits will be obtained, or will continue to be available. Therefore, Sponsor has projected in Schedule A the real estate taxes in the event no such benefits are obtained.

9. Monthly carrying charges in the event benefits are not obtained are composed of the monthly common charges plus the monthly real estate taxes without benefits as set forth in column 8. Unit owners who itemize their deductions should, for federal income tax purposes, be entitled to a deduction for real estate taxes in the year in which same are paid or accrued. The projected tax deduction 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, tax rates, or the method of assessing real property; or from changes in the tax laws governing deductibility of mortgage interest and real estate taxes. Please see the TAX OPINION LETTER set forth in this Offering Plan for a more complete explanation.

## SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
January 1, 2010 - December 31, 2010

| | |
|---|---|
| INCOME | |
| Common Charges | $ 77,220 |
| EXPENSES | |
| Heat and Hot Water (1) | $ 1,750 |
| Electricity (2) | $ 5,013 |
| Water and Sewer (3) | $ 16,000 |
| Repair and Maintenance Reserve (4) | $ 4,500 |
| Service and Supply Reserve (5) | $ 1,500 |
| Insurance (6) | $ 19,170 |
| Legal and Accounting Fees (7) | $ 1,900 |
| Labor (8) | $ 11,007 |
| Management (9) | $ 8,280 |
| Miscellaneous Reserve (10) | $ 1,000 |
| Capital Reserve (11) | $ 7,100 |
| Total | $ 77,220 |

Note: All figures are rounded to the nearest dollar.

**IF THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATION IS TO BE DELAYED MORE THAN SIX (6) MONTHS BEYOND THE BUDGET YEAR PROJECTED IN THE OFFERING PLAN, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTION EXCEEDS ORIGINAL PROJECTIONS BY 25% OR MORE, THE SPONSOR MUST OFFER ALL PURCHASERS THE RIGHT TO RESCIND IN A REASONABLE PERIOD OF TIME THAT IS NOT LESS THAN 15 DAYS AFTER THE DATE OF PRESENTATION OF SAID AMENDED BUDGET, TO EXERCISE SAID RIGHT, WHETHER OR NOT SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION. SPONSOR MUST RETURN ANY DEPOSIT OR DOWN PAYMENT TO A PURCHASER WHO RESCINDS WITHIN 10 DAYS AFTER RECEIPT OF NOTICE OF RESCISSION.**

**ADDITIONALLY, PURCHASERS WILL BE OFFERED THE OPPORTUNITY TO RESCIND THEIR PURCHASE AGREEMENT IN THE EVENT CLOSING DOES NOT OCCUR WITHIN 12 MONTHS FROM THE COMMENCEMENT DATE OF THE PROJECTED BUDGET.**

## FOOTNOTES TO SCHEDULE B

1. Heat and hot water for each unit are provided by separate facilities serving each unit. Each purchaser will pay separately for the heat and hot water supplied to their unit. See SCHEDULE B1 hereinafter set forth for an estimate of individual heat and hot water charges. Sponsor has obtained an estimate from Demerara Engineering, PLLC of 1,150 therms per year of gas usage for common area heating The projected cost in Schedule B is based on a current National Grid rate of $1.53/therm and includes a 10% allowance for inflation, and the cost of all applicable state and local taxes.

2. The Sponsor has obtained an estimate from Demerara Engineering PLLC, 160 Pearl Street, New York, New York 10005, of approximately 18,921 kilowatt hours per year of electrical usage for the common areas. The projected cost in SCHEDULE B is based on 26.5 cents per kilowatt hour, and includes a 10% allowance for inflation, and the cost of all applicable state and local taxes. Purchasers shall be responsible for individual utility costs for their own apartments.

3. Water is supplied to the building by the City of New York through a single water meter serving the entire building. Projected water and sewer costs are based upon a current New York City estimate of 400 gallons, or 53 cubic feet per day per residential unit, current charges of $2.08 per 100 cubic feet of water consumed, and sewer charges of $3.30 per 100 cubic feet of water consumed. Projected figure also includes a 10% allowance for inflation.

4. Repairs and maintenance to building: The budgeted figure is based on normal maintenance and repairs to the common elements of the building and its systems and equipment. Insofar as this is a newly constructed building 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. Individual unit owners will be responsible for the cost of interior repairs, and decorations, and painting of their respective apartments, including appliances. Anticipated costs of repairs and maintenance include the estimated of an elevator service contract.

5. Services and supplies: These include items expected to be consumed in the normal course of building operation, including light bulbs, cleaning supplies, paints, and hardware items.

6. Insurance: Sponsor has received a letter estimating the cost of coverage for the building via a package policy through JNR Associates, 426 Northlake Drive, Lakewood, New Jersey, 08701, in the following coverage amounts:

Building.....$4,260,000 "All Risk" agreed amount Replacement Value

Liability.....$1,000,000 per occurrence $2,000,000 aggregate

Lost Common Charges.....One Month

Deductible.....$1,000

The foregoing insurance, including the public liability coverage included therein will be in effect at the time of closing. The insurance company has advised the Sponsor via letter that in its opinion, the amount of coverage is adequate to rebuild the building structure if totally destroyed by any insured peril; however, the policy does not guaranty the replacement of individual fixture and improvements installed by individual unit owners. This policy waives a standard co-insurance clause, so that no insured thereunder shall be a co-insurer. The policy will provide that:

(i) each unit owner will be an additional insured;
(ii) there will be no cancellation without notice to the board of managers and individual unit owners;
(iii) will waive subrogation;
(iv) will waive invalidity because of the acts of the insured and individual unit owners;
(v) and, will waive pro rate reduction if individual unit owners obtain additional individual coverage.

The policy does not include Officers and Directors liability coverage, umbrella coverage, boiler coverage, or blanket fidelity, which can be provided at extra cost. Purchasers are advised of the desirability of obtaining additional insurance, at their own cost and expense, to cover such risk as fire and casualty losses to unit contents, replacements, additions, upgraded fixtures and improvements, and liability coverage for occurrences within the unit or, where applicable, on the limited common elements pertinent to the units.

7. Legal and Accounting Fees: This figure is based on the estimate received from Mozes Guttmann, 741 Wythe Avenue, Brooklyn, New York, a certified public accountant by the Sponsor for preparation of a certified financial statement for the first year of operation and City, State and Federal tax returns, which estimate was $1,400.00. The balance of the budgeted figure,

$500.00, anticipates minor legal services during the first year of operation, but would be insufficient to cover any substantial litigation.

8. The budgeted figure anticipates one part-time superintendent working approximately 15 hours per week. The budget figure includes all applicable F.I.C.A, State and Federal Unemployment Insurance, Worker's Compensation and Disability Insurance. The budgeted figure anticipates the use of non-union personnel: union personnel would cost substantially more. The superintendent will be available on a 24 hour, 7 day a week basis for emergency service, for an additional charge of approximately $15.00 per hour. In the event utilization of emergency superintendent services exceeds the miscellaneous budget item, the condominium may be forced to increase common charges, or impose an assessment on individual units.

9. The Sponsor, or an entity designated by the Sponsor, will manage the building for the first year of condominium operation. The management fee charged by the Sponsor for the first year of condominium operation is consonant with the prevailing rates for similar services by managing agents for similar buildings in the same area.

The activities which the Managing agent will perform include maintenance of checking and savings accounts for the condominium; collection of monthly common charges; payment of all condominium common charges; processing of all individual unit sales; supervision and payment of building employees; building maintenance; review and resolution of any problems arising in the day-to-day operation of the building; compliance with all government laws and regulations affecting building operation, ownership and maintenance; filing of annual tax returns; enforcement of condominium-adopted rules and regulations including enforcement of maintenance obligations; seizure and sale of delinquent units; and response to individual unit owner complaints, questions or issues. In addition to the foregoing, any additional issues or problems arising out of the operation, maintenance, ownership, or occupancy of the building, will need to be dealt with by the Board of Managers.

10. The miscellaneous budgeted item is intended to provide a cushion for unforeseen costs and an opportunity for the condominium to accrue a reserve for future expense.

11. The budgeted figure represents the creation of a reserve fund for repair or replacement of major mechanical systems or structural items within the building and may not be used for general operating expenses; nor to reduce the common charges.

**SCHEDULE B1**

January 1, 2010 - December 31, 2010

Heat and hot water are provided to each individual unit by separate boilers and hot water heaters serving each such unit. The attached Exhibit A includes estimates for the annual cost of providing electricity, heat and hot water for each residential unit. The costs do not include an estimate of domestic cooking gas.

The estimate assumes the following:

(a) Current National Grid gas rate of 1.53 cents per therm;
(b) Estimate of 16 hours per day at 70 degrees;
(c) Estimate of 8 hours per night at 60 degrees;
(d) Current Con Edison rates of 26.5 cents per kilowatt hour.

Taxes are based on current New York City and New York State sales taxes applicable to the sale of natural gas use for home heating purposes and to electricity.

A 10% inflation factor has been included with regard to heating and electrical costs.

The cost of providing hot water for domestic use (washing, bathing, etc.) is based on normal estimated usage for a family of 5, and is highly dependent both on the number of people located in the apartment, and their pattern of usage.

The table includes only gas use for heating and hot water and does not include gas used for cooking or any other purpose.

## SCHEDULE B1 EXHIBIT A

## First Year of Operation
## January 1, 2010 - December 31, 2010

| Unit | Electrical Cost | Electrical Usage (kwh) | Heating Cost | Heating Usage (therms) | Hot Water Cost | Hot Water Usage (therms) | Inflation | Taxes | Total |
|---|---|---|---|---|---|---|---|---|---|
| 1A | $1,463.00 | 5,521 | $1,300.00 | 850 | $600.00 | 392 | $336.30 | $134.52 | 3,833.82 |
| 1B | $1,673.00 | 6,313 | $1,487.00 | 972 | $600.00 | 392 | $376.00 | $150.40 | 4,286.40 |
| 1C | $1,372.00 | 5,177 | $1,219.00 | 797 | $600.00 | 392 | $319.10 | $127.64 | 3,637.74 |
| 1D | $1,087.00 | 4,102 | $966.00 | 631 | $600.00 | 392 | $265.30 | $106.12 | 3,024.42 |
| 1E | $1,081.00 | 4,079 | $961.00 | 628 | $600.00 | 392 | $264.20 | $105.68 | 3,011.88 |
| 2A | $1,008.00 | 3,804 | $896.00 | 586 | $600.00 | 392 | $250.40 | $100.16 | 2,854.56 |
| 2B | $1,193.00 | 4,502 | $1,061.00 | 693 | $600.00 | 392 | $285.40 | $114.16 | 3,253.56 |
| 2C | $892.00 | 3,366 | $793.00 | 518 | $600.00 | 392 | $228.50 | $91.40 | 2,604.90 |
| 2D | $682.00 | 2,574 | $606.00 | 396 | $600.00 | 392 | $188.80 | $75.52 | 2,152.32 |
| 2E | $686.00 | 2,589 | $610.00 | 399 | $600.00 | 392 | $189.60 | $75.84 | 2,161.44 |
| 2F | $1,029.00 | 3,883 | $914.00 | 597 | $600.00 | 392 | $254.30 | $101.72 | 2,899.02 |
| 3A | $1,008.00 | 3,804 | $896.00 | 586 | $600.00 | 392 | $250.40 | $100.16 | 2,854.56 |
| 3B | $1,193.00 | 4,502 | $1,061.00 | 693 | $600.00 | 392 | $285.40 | $114.16 | 3,253.56 |
| 3C | $892.00 | 3,366 | $793.00 | 518 | $600.00 | 392 | $228.50 | $91.40 | 2,604.90 |
| 3D | $682.00 | 2,574 | $606.00 | 396 | $600.00 | 392 | $188.80 | $75.52 | 2,152.32 |
| 3E | $686.00 | 2,589 | $610.00 | 399 | $600.00 | 392 | $189.60 | $75.84 | 2,161.44 |
| 3F | $1,029.00 | 3,883 | $914.00 | 597 | $600.00 | 392 | $254.30 | $101.72 | 2,899.02 |
| 4A | $1,008.00 | 3,804 | $896.00 | 586 | $600.00 | 392 | $250.40 | $100.16 | 2,854.56 |
| 4B | $1,193.00 | 4,502 | $1,061.00 | 693 | $600.00 | 392 | $285.40 | $114.16 | 3,253.56 |
| 4C | $924.00 | 3,487 | $817.00 | 534 | $600.00 | 392 | $234.10 | $93.64 | 2,668.74 |
| 4D | $715.00 | 2,698 | $630.00 | 412 | $600.00 | 392 | $194.50 | $77.80 | 2,217.30 |
| 4E | $801.00 | 3,023 | $712.00 | 465 | $600.00 | 392 | $211.30 | $84.52 | 2,408.82 |
| 4F | $924.00 | 3,487 | $822.00 | 537 | $600.00 | 392 | $234.60 | $93.84 | 2,674.44 |

## MANAGEMENT AGREEMENT

On closing, the condominium Board of Managers will enter into a management agreement with the Sponsor for an initial period of one year from the date of closing. The agreement will provide that it shall be automatically renewed at the expiration of each one-year period unless either party has notified the other in writing not less than 90 days prior to the expiration of the agreement term that the agreement will not be renewed. In addition, during the term of the agreement, the managing agent shall have the right to terminate same on 90 days written notice to the condominium; the condominium shall have the right to terminate same with or without cause on 30 days written notice to the managing agent. Upon termination of the managing agreement by either party, for any reason whatsoever, the managing agent shall be required to transfer all books and records in its possession to the condominium Board of Managers or to any successor managing agent named by the condominium Board of Managers.

In consideration of managing the premises, the managing agent shall receive monthly compensation of $690.00. In addition, the managing agent shall have the right to establish reasonable fees for the processing of lease or sale applications, review of requests for permission to make improvements on individual units, and any other activity outside the normal course of building management. In addition, the managing agent shall be entitled to provide services (such as repair and maintenance) to individual unit owners where requested, and shall be entitled to charge such individual unit owners (but not the condominium) for such services.

The major duties to be provided by the managing agent shall include, but not be limited to maintenance of all condominium books and records; collection of monthly common charges and any special assessments levied by the condominium; payment of all condominium expenses from condominium funds; maintenance of condominium checking accounts; or keeping, payroll and tax reporting functions; repair and maintenance of common elements; and the hiring and firing of condominium employees. In addition, the managing agent shall be entitled to, where in its sole and exclusive discretion such is needed, retain the services of outside professionals such as accountants, attorneys, etc., which expense shall be borne by the condominium. Additionally, where required items of repair or maintenance exceed the

capabilities of building employees, the managing agent shall be entitled to contract for such services, which shall be paid for from condominium funds.

In addition to the compensation set forth above, the managing agent shall be entitled to reimbursement for expenses incurred in the normal course of its functions, such as messenger and delivery charges, travel expenses, etc. In addition, the condominium shall indemnify the managing agent against any liability or obligation incurred for acts properly performed by it pursuant to the management agreement.

The management agreement may not be assigned by the agent except to a successor entity composed of the same principals as the current ~~management~~ agent.

## CHANGES IN PRICES AND UNITS

Across-the-board changes in unit prices, advertised price changes, and increase in individual unit prices may be made only by an amendment duly-filed with the New York State Department of Law. However, prices are negotiable, and 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 prior to entering such agreement, as per FOOTNOTES TO SCHEDULE A.

No change will be made in the size or number of units, and/or their respective percentage of common interest; and no material change will be made in the size or quality of common elements; except by amendment to the Plan and when applicable, to the Declaration. Unless an effected purchaser consents, no material change will be made in unit size, layout or percentage of common interest, if a Purchase Agreement has been executed and delivered to the Sponsor for that unit and the Purchaser is not in default. Unless all purchasers consent, no material change will be made in the size, and no material adverse change will be made in the quality, of common elements. No change of any type set forth in this paragraph shall be made except by amendment duly filed with the New York State Department of Law.

*King David international Realty*
Licensed Real Estate Broker
616 Williamsburg Station
Brooklyn, N.Y. 11211
Tel. (718) 222-1500 Fax. (718) 624-1497

11/18/09

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i (1) (iv)

RE: 30-48 South 2nd Street, Brooklyn, New York

Dear Sirs:

You have requested an opinion from us with regards to your allocation of common interest to units in your proposed condominium at 30-48 South 2nd Street, Brooklyn, New York, with Section 339-i (1) (iv) of the New York Real Property Law. You have informed us that common interest is allocated 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 shared or exclusive use, and the overall dimensions of the particular Unit. Based on our review of the foregoing factors, we have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339-i (l) (iv) of the New York Real Property Law.

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

Sincerely

GIORGIO MAYER
Licensed Real Estate Broker

## HANDICAPPED PARKING

One space at the subject premises has been designated as a handicapped accessible parking space. This will be the last parking space to be sold. Ownership of a parking space designated as handicapped accessible is subject to the following terms and conditions which shall be set forth in the deed:

1. In the event the present or future owner of a residential unit, or a member of his or her immediate family occupying the residential unit, becomes handicapped and acquires New York City SPI handicapped plates for his or her vehicle; and said residential unit owner is the owner of a parking unit; said handicapped residential unit owner has the right to demand that the owner of a handicapped parking space "trade spaces," by delivering to the now handicapped residential unit owner the deed for the handicapped accessible parking space in question and receiving from said handicapped owner the deed for the parking space they currently own.

2. In the event the condition set forth in Item 1 occurs, and the now-handicapped unit owner does not own a parking space, said handicapped unit owner has the right to compel the owner of a handicapped accessible space to sell them their parking space at fair market value. If the parties cannot agree within thirty (30) days on the fair market value of the handicapped accessible parking unit, then the matter shall be referred to the American Arbitration Association for binding arbitration pursuant to Article 9 of the Bylaws set forth in Part II of the Offering Plan. Arbitration before the American Arbitration Association (located at 140 West 51st Street, New York, New York 10020, phone number 212-484-4000) is commenced by submitting to said Association a request for mediation containing a brief statement of the dispute; names, addresses, and telephone numbers of all parties; and the names of the representatives of the party if any. The initiating party must simultaneously file two (2) copies of the request with the American Arbitration Association, and send one copy by regular mail to every other party to the dispute. The Association will thereafter contact the named parties to arrange arbitration procedure. A copy of the American Arbitration Association rules setting forth the forms and procedures can be obtained from said association at the address and phone number indicated above. The results of said arbitration shall be binding and may be legally enforceable by either party.

3. All costs and expenses entailed in the transfer of title to a parking space pursuant to either of the foregoing clauses shall be borne by the party requesting the transfer. Such costs and expenses shall include, but not be limited to: costs of arbitration, title abstract, title insurance, New York City and New York State transfer taxes and recording fees, attorney's fees for either party, the condominium, or any mortgage lender reviewing the documents; and any fee charged by a mortgage lender for release of the parking unit or for substitution of collateral.

4. The owner of a handicapped accessible parking space shall comply with a demand pursuant to this section within thirty (30) days after receipt of written notice thereof. Notice pursuant to this section shall be delivered by hand delivery, certified or registered mail, return receipt requested or overnight delivery service. Alternative means may be used where written acknowledgment of such delivery is delivered by the party receiving such notice.

## INTERIM LEASE

The Sponsor may, at Sponsor's option extend an interim lease to any purchaser who has executed a contract of sale for a unit in the subject premises and is not in default thereon. It shall be in the Sponsor's sole and exclusive discretion as to whether or not to offer an interim lease. The Sponsor may, for any reason or for no reason, refuse to offer an interim lease to any purchaser. Interim leases or short term leases shall not be offered to any party who has not executed a Purchase Agreement for a unit. The interim lease shall not create a landlord-tenant relationship but shall be deemed the use and occupancy agreement and part of the contract. No rental protection laws are applicable to the interim leases. The interim lease will provide that in the event the contract is cancelled, or the Plan is abandoned Interim Lessee will move out on 30 days written notice. Interim lease will further provide that an uncured default under the purchase agreement is a default under the interim lease, and that an uncured default under the interim lease is a default under the purchase agreement. Notwithstanding the foregoing, before the Sponsor can utilize a default under the interim 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 interim lessee; unless the interim lessee has vacated the unit. Interim lessee has 30 days to vacate the unit after receipt of written notice of a default; after delivery to the Sponsor of written notice of exercise of right of rescission; or after delivery to the purchaser of written notice that the Plan has been abandoned.

## PROCEDURE TO PURCHASE

Persons desiring to purchase condominium units will be required to execute a Purchase Agreement in the form contained in Part II of this Plan and return it to the selling agent, together with a check in the amount of 10% of the purchase price, as a down-payment, drawn to the order of BERNARD A. SHAFRAN, ESQ., AS ATTORNEY. Sponsor reserves the right to accept a lesser downpayment to accommodate Purchasers, but in no case will the downpayment be less than 5% of the purchase price.

The prospective purchaser must have the Offering Plan and all filed amendments in his possession at least three (3) business days prior to executing the Purchase Agreement. In the event Purchaser has not had said Offering Plan in his possession for at least three (3) business days prior to execution, Purchaser may rescind the Purchase Agreement by mailing Notice of Rescission to Sponsor or selling agent, or by hand delivering notice, within seven (7) days after executing same. Notice by mail will be effective if it postmarked within seven (7) days of executing Purchase Agreement. Purchase Agreement shall not be binding on any party until accepted by the Sponsor. Within twenty (20) days after the prospective purchaser has delivered to the selling agent a signed Purchase Agreement, together with the required downpayment, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart, or reject the Purchase Agreement and refund in full any down payment taken. The Plan will expire twelve (12) months from the date on which it is accepted by the New York State Department of Law, unless extended by a duly filed amendment.

All down payments will be placed in an account in conformity with the disclosure contained in this Plan.

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-3(2-b) and 352-h, and the Attorney General's regulations promulgated pursuant thereto.

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 purchase. 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 BERNARD A. SHAFRAN, ESQ. of FRENKEL HERSHKOWITZ & SHAFRAN LLP, whose address is 1716 Coney Island Avenue, Brooklyn, New York, and whose telephone number is (718)258-1110. The signatory on this account authorized to withdraw funds is: BERNARD A. SHAFRAN, ESQ. The name of the account is FRENKEL HERSHKOWITZ & SHAFRAN LLP IOLA/TRUST ACCOUNT, located in JP Morgan Chase Bank, at its branch located at 270 Park Avenue, New York, NY 10017. This bank is covered by federal bank deposit insurance to a maximum of $250,000.00. To the extent deposits in the account exceed $250,000.00 they will not be federally insured. The FDIC maximum insurance amount will be reduced to $100,000.00 as of January 1st, 2014, under current applicable laws. All funds maintained by a depositor at an institution will be aggregated for purposes of the $250,000.00 threshold. If the escrow agents are replaced or funds are transferred to a new escrow 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.

This account will be an IOLA account with no interest accrued to the benefit of either the purchaser or the Sponsor. An IOLA is a special segregated escrow account maintained by an attorney. Interest on an IOLA account is paid to the State of New York.

All instruments shall be made payable to or endorsed to the order of BERNARD A. SHAFRAN, ESQ., as Escrow Agent.

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 and the initial interest rate, if applicable. 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. Such purchaser may also 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 and requisite notice was timely mailed to the purchaser in conformity with the Attorney General's regulations.

Since all contracts are contingent upon the Plan 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 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.

Any notice required to be given hereunder may be given to the Attorney for the respective parties if an attorney is designated in the contract of sale. A notice may also be given by fax and regular mail, or by overnight delivery service, and will be deemed given when actually received or when delivery is attempted. Contracts may not be assigned or recorded. Any attempt to assign or record a contract will be a breach thereunder, entitling the Seller to cancel the contract and retain the downpayment deposited pursuant thereto.

Purchasers and escrow agent <u>may</u> apply to the Attorney General in the event of a dispute for a determination on the disposition of

the downpayment and any interest thereon. The Sponsor must 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 this Offering Plan, and is also available at the New York State Department of Law, 120 Broadway, New York, NY. A party applying the Department of Law for determination on the disposition of a downpayment must also contemporaneously send a copy of the application to all other parties.

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 interest earned thereon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action from which preliminary relief is granted. The Attorney General shall act on 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 the written direction signed by both Sponsor and Purchaser; or ii) judgment or order of a court of competent jurisdiction is served on the escrow agent; or iii) escrow agent deposits the disputed amount with the court.

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

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

The escrow agent will maintain all records concerning the escrow account for seven years after the release of funds. The Department of Law may perform random reviews and audits of all such records involving escrow accounts to determine compliance with the statute and regulations.

The Sponsor may apply to the Attorney General to use security in the form of surety bonds or a letter of credit, in accordance with the regulations of New York State Department of Law, in lieu of escrow of such funds. In the event the Sponsor elects to use

such alternative security, an amendment to that effect will be filed in the Offering Plan fully complying with all provisions of the Department of Law for proof of satisfactory insurance of said funds.

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 the Sponsor.

Purchase Agreements will be contingent on Purchaser obtaining a firm written commitment for financing. Purchaser shall have 40 days from the date on which a signed and executed Purchase Agreement is delivered to such Purchaser within which to obtain such financing. If a Purchaser fails to obtain a firm written ~~commitment for~~ financing within such 40 day period, and fails to notify Sponsor's attorney within five days thereafter, time being of the essence thereto, Purchaser shall conclusively be deemed to have waived the financing contingency and will be required to proceed to closing, or forfeit his downpayment, whether or not a mortgage commitment is obtained. If Purchaser, after a good faith attempt to do so, fails to obtain a firm written commitment for financing, and notifies Sponsor within the prescribed time period, then Sponsor will return the downpayment or deposit within 10 days after receipt of such notice. In the event Purchaser obtains a firm written commitment for financing, and the terms of such commitment are changed prior to closing, such change in terms shall not be an allowable reason for Purchaser to cancel the contract. Similarly, if the commitment expires prior to closing, Purchaser shall be under a good faith duty to take all required actions necessary to extend such commitment, including the payment of any extension fee required by the lending institution; however in the event Purchaser has made such good faith effort to extend the commitment, and is unable to do so, then, provided that Purchaser notifies Sponsor within 10 days after receipt of a notice from a lending institution that it will not under any circumstances extend the commitment, that Purchaser is exercising his right to rescind the contract, Sponsor will return the downpayment.

Certain provisions of the Purchase Agreement are "time of the essence". This means that failure to strictly comply with the time requirements of said provisions may result in the Purchaser losing his right to complete the purchase, and forfeiting his down payment hereunder. Thus, a Purchaser who fails to cure a default within thirty (30) days after receipt of written notice of said default, will both have the Contract canceled, and lose his downpayment; however, Sponsor must make written demand for payment after default at least 30 days before forfeiture the deposit may be declared. Similarly, a Purchaser who fails to

notify the Sponsor in the event he has failed to obtain mortgage financing within forty (40) days after executing the Purchase Agreement, will be required to proceed to closing, notwithstanding the fact that purchaser has failed to obtain mortgage financing; and, if such purchaser fails to proceed to closing, the down payment may be retained by the Sponsor.

After the Plan has been declared effective, the Sponsor will fix dates for closing title to all units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such purchaser's closing date. Such notice will be served in compliance with the Attorney General's rules no less than 30 days prior to the closing date set therein. Sponsor will permit Purchasers to waive this 30 day provision by delivering to Sponsor's attorney written notice that Purchaser wishes to close prior to the expiration of the 30 day notice period.

The first closing of a Unit is expected to occur in January of 2010. If such closing is delayed more than twelve (12) months beyond the originally scheduled date, purchaser will be offered the right to rescind this contract. On closing, purchaser will be required to sign a Power of Attorney in favor of the Board of Managers as otherwise set forth in this Offering Plan.

The Purchase Agreement may not contain, or be modified to contain, a provision waiving Purchaser's rights or abrogating Sponsor's obligations under the Offering Plan or Article 23-A of the General Business Law. Any conflict between the Purchase Agreement and the Offering Plan shall be resolved in favor of the Offering Plan. Sponsor will not permit the assignment or transfer of Purchase Agreements.

## EFFECTIVE DATE

The offer to sell embodied in this Offering Plan is contingent upon the Plan being declared effective in accord with its terms and conditions, and the terms and conditions imposed by law.

The Plan will only be declared effective by a duly filed amendment, or by personal service of notice to all Purchasers. If declared effective by notice, an amendment to that effect, specifying the date on which the plan was declared effective, shall be filed within five (5) days thereafter with the New York State Department of Law. No closing on any individual unit will be held prior to the acceptance for filing of such amendment by the New York State Department of Law.

The Plan may be declared effective upon the execution of Purchase Agreements for 15% (in number, not common interest) of the units in the building to bona fide purchasers, including investors. A minimum of four (4) residential units must be sold to declare the Plan effective. The count of Purchase Agreements towards the minimum number for effectiveness shall not include those: signed by Purchasers granted a right of rescission which has neither expired nor been waived; a Purchaser who has not been afforded the protections required by 13NYCRR20.3(o)(15), to wit, the Purchaser must either have three (3) business days to review the Offering Plan and all the filed amendments prior to executing a purchase agreement, or seven (7) days after delivering an executed purchase agreement, together with the required deposit, to rescind the purchase agreement and have the full deposit refunded promptly; with any Purchaser who is the Sponsor, the selling agent, or the managing agent, or is a principal for the Sponsor, the selling agent, or the managing agent, or is related to the Sponsor, the selling agent, or the managing agent, or to any principal of the Sponsor, or the selling agent, or the managing agent by blood, marriage, or adoption, or as a business associate, employee, shareholder, or a limited partner; except that such a Purchaser, other than the Sponsor or a principal of the Sponsor, may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

The Plan must be declared effective upon the execution of Purchase Agreements for 80% (in number, not common interest) of the units, which, in the case of this Plan means nineteen (19) units. Prior to the sale of 80% of such Units, or prior to being declared effective, the Plan may be abandoned by the Sponsor at his option. In such case, the Sponsor will return all monies paid by Purchasers, together with interest earned, if any, within ten business days. The Sponsor will also file with the New York State

Department of Law an amendment abandoning the Plan and form RS-3, detailing why the Plan was abandoned, and explaining all disbursements of funds.

The Sponsor may not abandon the Plan after it has been declared effective for any reason other than: a defect in title which cannot be cured without litigation, or expenditure of an amount in excess of one-half (1/2) of one percent (1%) of the total offering price, or substantial damage or destruction of the building by fire or other casualty, which cannot be cured for less than one-half (1/2) of one percent (1%) of the total offering price, or the taking of any material portion of the property by condemnation or eminent domain; however, any stated dollar amount relied upon as a basis for abandonment after effectiveness must exclude any attorney's fees. Such title defects, violations, or substantial damage or destruction of the building by fire or other casualty, or determinations of any authority or regulatory association, which exist on the date of the presentation of the plan, and are either known to the Sponsor, or a matter of public record shall be excluded from calculations under this section. Additionally, any dollar amount relied on as a basis for abandonment after effectiveness must exclude any attorney's fees.

## TERMS OF SALE

On closing, Sponsor will deliver to Purchaser a Bargain and Sale Deed with Covenants Against Grantor's Acts in the proper form for recording as set forth in Part II of this Offering Plan. Title, together with the appurtenant interest in the Common Elements will be conveyed at closing, free and clear of all liens, encumbrances, the Condominium Declaration, and any state of facts an accurate survey may show, provided same does not render title unmarketable. The premises are currently encumbered by a construction loan. The construction lender will release its lien upon any condominium unit being conveyed (together with such unit's interest in the common elements) on closing of each unit.

Risk of loss from fire or other casualty remains with the Sponsor until title is passed, ~~unless~~ and until the Purchaser is given the right of possession of that unit pursuant to a written agreement with the Sponsor. Upon Purchaser acquiring right of possession of the unit, all risk of loss, to the extent not covered by building insurance, passes to Purchaser, and Sponsor shall not thereafter be responsible to repair any damage, which occurs after possession but before closing. No closing will occur unless and until a partial temporary or permanent Certificate of Occupancy for the unit to be closed has been issued.

All personal property located within the unit on the date the Purchase Agreement is signed, or located within the Common Elements on the date the Declaration is filed, which property is owned by the Sponsor or the Owner of the property, is included in the conveyance unless specifically excepted elsewhere in this Offering Plan.

A closing will take place only concurrently with the issuance of a temporary or permanent certificate of occupancy for the entire project or, issuance of a partial, temporary or permanent certificate of occupancy for the unit closed or the building in which the unit is located.

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

With regards to the mortgage encumbering the property, said mortgagee will release each unit, together with that unit's common interest from the lien of said mortgage, at the time of each closing.

## 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:

(a) If a purchaser elects to obtain fee title insurance, the purchaser will pay the premium thereof which will vary depending upon the Purchase Price of the Unit. Rates set by the New York Board of Title Underwriters are currently $1,117.00 on a Purchase Price up to $200,000.00 and approximately $4.00 for each additional thousand dollars or fraction thereof. Mortgage title insurance is currently $806.00 on a mortgage of $160,000.00 and $3.50 for each additional thousand dollars or fraction thereof; however, where mortgage and fee title are obtained simultaneously the charge for mortgage insurance is reduced to 30% of the usual applicable rate, up to the amount of the fee insurance. Title insurance will be available through Fiduciary Title Agency, 43 North Broadway, Nyack, NY 10960, (845) 358-6020; notwithstanding the foregoing, purchasers are free to order title from any company of their choosing.

(b) Fees for recording the Deed and Power of Attorney are $42.00 for the first two pages, plus $5.00 per page for every page thereafter, and a $50.00 service charge per instrument. Additionally, there is a $25.00 charge for recording the Real Property Transfer Tax Return along with the deed.

(c) If the purchaser obtains a mortgage loan, the purchaser will pay a mortgage tax of 2.05% of the principal amount of the mortgage if the mortgage is under $500,000.00, and 2.175% if the mortgage is over $500,000.00. If the mortgage is from an institutional lender, the lender will be required to pay a portion of that mortgage tax equal to .25%, thus reducing the effective mortgage tax to 1.80% on a mortgage of $500,000.00 or under; and 1.925% on a mortgage which is over $500,000.00. If a mortgage tax credit is or becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure to the benefit of the Sponsor. Accordingly, at closing, the Purchaser will reimburse the Sponsor for any mortgage tax credit allowed; and will pay the balance of the mortgage recording tax as provided by law.

(d) All legal costs, fees and expenses charged by the purchaser's attorney will be the sole responsibility of each purchaser.

(e) New York City Real Property Transfer taxes, currently one (1%) of the Purchase Price of up to $499,999; 1.425% for those priced $500,000 or above, will be the sole responsibility of the purchaser. Payment of the New York City Real Property transfer tax by the Purchaser is deemed an additional consideration to the Seller, and so is in and of itself taxable, which will result in a "tax on a tax" effect.

(f) New York State Documentary Stamp taxes are presently $4.00 per $1,000.00 of the Purchase Price of a Unit, less existing and continuing mortgage, will be the sole responsibility of the purchaser. Payment of the New York State Documentary tax stamps by the Purchaser is deemed an additional consideration to the Seller, and so is in and of itself taxable, which will result in a "tax on a tax" effect.

(g) Each purchaser will be required to make a contribution to the Working Capital Fund in an amount equal to one month's Common Charges for his unit; and a contribution to the Capital Reserve Fund in an amount equal to two months' common charges.

(h) All costs with regard to any mortgage that the purchaser will place on his/her Unit (i.e., loan origination fees, commitment fees, application fees, appraisal fees, credit reports, survey fees, bank attorney fees, tax service fees, bank document preparation fees, etc.) will be his own and sole responsibility.

(i) All purchasers will be required to make a $2,500.00 payment to the Sponsor at closing as partial reimbursement for costs which Sponsor has incurred in preparing and submitting the Offering Plan, including preparation fees filing fees, registration fees, recording fees, etc.

(j) All closings will occur at the office of the Sponsor's Attorney. Under no circumstances will Sponsor be required to close at any place other than the offices of Sponsor's Attorney. In the event that Sponsor consents to a closing outside of the office of Sponsor's Attorney, there will be an attendance fee of $500.00 for closings in Kings or New York counties; $850.00 for closings in any other location.

(k) An apartment with a purchase price of $1,000,000.00 or higher will be required to pay the New York State Mansion Tax of 1% of the purchase price. The purchase price will be "grossed up" to reflect the payment, by the purchaser, or any

New York City or New York State real property transfer taxes; and the Mansion Tax will be due on this "grossed up" amount.

**ALL COSTS FOR RECORDING CHARGES, MORTGAGE, TRANSFER, AND OTHER TAXES, ARE SUBJECT TO CHANGE. THESE CHARGES ARE NOT SET BY THE SPONSOR, AND SPONSOR SHALL NOT BE LIABLE ON ACCOUNT OF ANY INCREASE IN SUCH CHARGES.**

Purchasers shall pay to the Sponsor's Attorney at closing a fee of $1,100.00 for the preparation of closing documents. If a purchaser fails to close on the date set for first closing, or adjourns a scheduled closing date on less than three (3) days notice, there shall be a late closing adjournment fee of $150.00 added to the above. Purchaser will also pay a Title Clearance Fee of $350.00. In the event Purchaser fails to fulfill their terms of the Purchase Agreement and Sponsor's Attorney mails a Notice of Default, there will be a $100.00 charge for such notice. The above closing fees are cumulative to the extent applicable to an individual closing.

If the Units have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Unit, the Sponsor will place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes (or estimates thereof based on current assessments) due for the next ensuing six months (or until the Units are separately assessed, whichever is shorter), provided, however, that as closings occur, the portion of such funds held in escrow which represent the portion allocable to the Unit being sold shall be released; and interest accrued on such escrow, if any, shall inure to the benefit of, and belong to, the Sponsor. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable; the Sponsor shall be entitled to reimbursement from unit owners for any taxes paid on their behalf.

Except as specifically set forth herein, the Sponsor will pay all costs and expenses incurred in connections with this Plan, the creation of the Condominium and the initial sale of units.

A numerical example of closing costs allocable to a typical Unit are set forth below.

SAMPLE CLOSING COSTS

Unit 3F

$1,085,850.00 Purchase Price
$868,680.00 Mortgage

| | |
|---|---|
| A. Mortgage and Fee Title Insurance | $ 4,935.00 |
| B. Deed and Power of Attorney Recording | $ 223.00 |
| C. Mortgage Recording Tax | $16,692.00 |
| D. New York City Transfer Tax | $15,756.00 |
| E. New York State Documentary Stamp Tax | $ 4,424.00 |
| F. Working Capital Fund Contribution | $ 280.74 |
| G. Reserve Fund Contribution | $ 561.48 |
| H. Document Preparation Fee | $ 1,100.00 |
| I. Reimbursement Fee | $ 2,500.00 |
| J. Title Clearance Fee | $ 350.00 |
| K. Mansion Tax | $10,859.00 |
| **Total:** | **$57,681.22** |

In addition to the foregoing, the purchaser will, of course, be responsible for any fees charged by his own bank; his own Attorney; and additional fees incurred because of Default or failure to close at the scheduled time or place. Purchaser will also be responsible for the mortgage recording charge which is calculated on the basis of $42.00 for the first two pages, plus $5.00 per page for every page thereafter, and a $50.00 service charge.

## RIGHTS AND OBLIGATIONS OF THE SPONSOR

The Sponsor is using its own capital to complete the construction of the building as set forth herein.

The Sponsor will complete the work set forth in this Plan relating to the building and the apartments contained therein in conformity with and in accordance with the Building Plans and Specifications, and all applicable New York City Administrative Code requirements, and subject to procurement of all applicable and proper permits which are required, if any. Insofar as this is a newly constructed building, there are currently no housing, building, or fire department violations; however, in the event any housing, building or fire department violations arise prior to closing, all such violations, if any, will be cured prior to closing. The Sponsor may make changes in design, layout, and arrangement of apartments, and substitute equipment and materials, except that the Sponsor may not (i) substitute materials or equipment of lesser quality or design, or (ii) change the size, location of buildings or units, other improvements, or common elements, if such changes adversely affect the public areas, or affect the percentage of common interest, or adversely affect the value of, any unit to which title has been closed, or for which a Purchase Agreement has been fully executed and is in effect, unless all affected unit owners consent in writing to such change, and all affected purchasers are given the opportunity to rescind their contracts and receive a refund of the deposit or downpayment given to the Sponsor. All representations under the Offering Plan, and all obligations pursuant to the GBL, and any additional obligations under the Offering Plan which are to be performed subsequent to the closing date, will survive delivery of the Deed.

Closing will not take place, and no individual condominium apartment will be sold until a permanent or temporary Certificate of Occupancy has been obtained for the premises. In the event closing occurs after the issuance of a temporary Certificate of Occupancy, but prior to the issuance of permanent Certificate of Occupancy, then it will remain the obligation of the Sponsor to, at its own cost and expense, obtain such permanent Certificate, and the Certificate must be obtained within two (2) years from date of closing. Prior to obtaining the permanent Certificate of Occupancy, the Sponsor is required to either: (a) maintain all deposits and funds in a special escrow account required by GBL-352e(2)(b) unless the Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain the permanent Certificate of Occupancy, in which case the sum exceeding the amount so

certified may be released; or (b) deposit with an escrow agent an unconditional, irrevocable letter of credit, or post a surety bond, in the aforesaid specified amount. In the event option "(b)" is employed, posting of the surety bond or letter of credit must be in compliance with the applicable laws and rules of the New York State Department of Law, and previously disclosed in a filed amendment to the plan. Notwithstanding the foregoing, alterations or improvements to the common areas and public portions of the building will be completed before the closing of the first unit.

The Sponsor gives no warranty as to materials or workmanship that shall survive sale of a unit, except as required by the New York State Housing Merchant Implied Warranty Law. New York State General Business Law requires the builder of new dwelling consisting of five stories or less to provide a warranty to the Purchaser as follows:

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

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

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

Sponsor will have no liability of any kind for any visible damage to a unit which might be readily ascertained by a visual inspection of the property, and which is not reported prior to closing. A purchaser is under the obligation to inspect the unit prior to closing. Each prospective purchaser may have the building and apartments therein inspected by an architect or engineer of their own choosing, and at their own expense, to determine the quality of materials and workmanship.

Unless the plan has been abandoned pursuant to the EFFECTIVE DATE section of this offering plan, Sponsor will repair any damage from casualty or other cause that occurs prior to the closing of a unit. A Purchaser is under the obligation to inspect the unit prior to closing. Sponsor will have no liability of any kind for any damage to a unit not reported prior to closing. With regard to damage to a unit which is reported prior to closing, Sponsor will, as set forth above, repair all such damage within fifteen (15) days after closing (or such longer time as is required to

accommodate the delivery of materials which must be ordered to complete any such repairs). In the event Sponsor fails to perform such obligation, Purchaser may enforce same in a court of competent jurisdiction.

The Sponsor will pay for the authorized and proper work involved in the conversion of the property that the Sponsor is obligated to complete under the Plan. All mechanic's liens that are lodged against the property by virtue of work done by the Sponsor, or in the Sponsor's behalf, will be promptly discharged or appropriately bonded. Sponsor guarantees payment of all common charges and assessments with respect to unsold units. Such guarantees will remain in effect until all units are sold. Sponsor warrants and represents that he has adequate financial resources to meet its obligations with respect to any unsold unit.

The Sponsor agrees to pay all common charges, special assessments, and real estate taxes with regards to unsold units, and has financial resources to meet its obligations with respect to such unsold units, which source of funding includes both proceeds of the sale of units and existing financial resources of the Sponsor. No bond or other security has been furnished to secure Sponsor's obligations. In addition, no escrow account has been created to guarantee payment of common charges. In the event of dissolution or liquidation of the Sponsor, or transfer of 20% or more of the total number of residential 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.

Any suits or proceedings instituted against the Sponsor, which may result in a lien against the property and any suits or proceedings against the condominium arising from the Sponsor's acts or omissions, will be defended by the Sponsor, and the Sponsor does hereby indemnify the condominium, the Board of Managers, and individual unit owners therefore. Nothing contained herein shall limit the rights of the condominium which are granted pursuant to law and statute.

In the event the work on the building as set forth herein is not fully completed at the time the building becomes occupied, the Sponsor will have the right to enter the premises to complete its obligations under this Plan. Such entry shall be conducted in such a manner so as to produce a minimum of discomfort to those purchasers already in possession.

In the event the Sponsor finds it necessary to enter the property after closing of title to complete work, then such work will be

accommodate the delivery of materials which must be ordered to complete any such repairs). In the event Sponsor fails to perform such obligation, Purchaser may enforce same in a court of competent jurisdiction.

The Sponsor will pay for the authorized and proper work involved in the conversion of the property that the Sponsor is obligated to complete under the Plan. All mechanic's liens that are lodged against the property by virtue of work done by the Sponsor, or in the Sponsor's behalf, will be promptly discharged or appropriately bonded. Sponsor guarantees payment of all common charges and assessments with respect to unsold units. Such guarantees will remain in effect until all units are sold. Sponsor warrants and represents that he has adequate financial resources to meet its obligations with respect to any unsold unit.

The Sponsor agrees to pay all common charges, special assessments, and real estate taxes with regards to unsold units, and has financial resources to meet its obligations with respect to such unsold units, which source of funding includes both proceeds of the sale of units and existing financial resources of the Sponsor. No bond or other security has been furnished to secure Sponsor's obligations. In addition, no escrow account has been created to guarantee payment of common charges. In the event of dissolution or liquidation of the Sponsor, or transfer of 20% or more of the total number of residential 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.

Any suits or proceedings instituted against the Sponsor, which may result in a lien against the property and any suits or proceedings against the condominium arising from the Sponsor's acts or omissions, will be defended by the Sponsor, and the Sponsor does hereby indemnify the condominium, the Board of Managers, and individual unit owners therefore. Nothing contained herein shall limit the rights of the condominium which are granted pursuant to law and statute.

In the event the work on the building as set forth herein is not fully completed at the time the building becomes occupied, the Sponsor will have the right to enter the premises to complete its obligations under this Plan. Such entry shall be conducted in such a manner so as to produce a minimum of discomfort to those purchasers already in possession.

In the event the Sponsor finds it necessary to enter the property after closing of title to complete work, then such work will be

## CONTROL BY THE SPONSOR

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

The By-Laws are reproduced in Part II, beginning on page CBL-1. A summary of certain pertinent provisions of these By-Laws is set forth below. The By-Laws limit the number of Board of Managers (hereinafter called "Managers") to not less than three (3). The first Board of Managers to be elected by the Unit Owners shall consist of three (3) members.

At the time of the First Closing there will be three Managers designated by the Sponsor. However, the Managers will resign in favor of Managers who will be elected by the purchasers at a meeting to be convened within 60 days after First Closing. If the Sponsor still owns 50% or more of the units in the building at this time, a majority of the new Board of Managers may be Sponsor-appointees.

The By-Laws provide that at such time as the Unsold Units constitute less than Fifty (50%) percent of the Condominium, but in no event later than the fifth anniversary of the first Closing Date, not less than a majority of Managers to be elected at all subsequent annual meetings of Unit Owners shall be elected by Unit Owners other than the Sponsor. Notwithstanding the foregoing, the Sponsor may vote for unit owners of his choice. A meeting to elect a new Board of Managers will be held within thirty (30) days after the sale of the third unit or the fifth anniversary of the first Closing Date, whichever is sooner.

So long as a majority of the Board of Managers consists of managers elected by the sponsor or holders of unsold units, the board:

1. Shall not eliminate or reduce the number of employees, insurance coverages or any service to a level less than that provided in Schedule B unless a majority of board members elected by bona fide unit purchasers vote in favor thereof.
2. Shall, to the extent of their authority as Board Members, use all reasonable efforts to cause the Building (including its equipment, services and installations) to be kept operational, clean, and, in a good state of repair and condition;
3. Shall not veto expenditures required to comply with applicable laws or regulations and/or expenses necessary to

remedy notice of violations of law or order of an insurance carrier.

The Sponsor may exercise veto power over other expenses 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 25% of the common interest, whichever is sooner. Additionally, the By-Laws do not include a provision that a majority of the Board of Managers must be owner occupants or members of an owner occupant's household who are unrelated to the Sponsor and its Principal after the end of the initial Sponsor control period.

Until such time as the Sponsor has sold more than 50% of the units in the subject premises, or five years subsequent to the first closing (whichever is earlier), Sponsor may control the Board of Managers. Additionally, the By-Laws do not include a provision that a majority of the Board of Managers must be owner occupants or members of an owner occupant's household who are unrelated to the Sponsor and its Principal after the end of the initial Sponsor control period.

Until the earlier of five years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less that 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in SCHEDULE B, or which are required to comply with applicable laws or regulations; remedy any notice of a violation; remedy any work order from an insurer; or for any repair or replacement necessary for the preservation or safety of the building, or for the safety of occupants of the building, or is required to avoid the suspension of any necessary service to the building. Additionally, so long as the Sponsor retains ownership of at least one unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

All Board Members shall serve without compensation. Any member of the Board of Managers, who is a designee of the Sponsor, may contract or deal with Sponsor, or a partner, affiliate or entity controlled by the Sponsor; however, such Board members shall remain under a fiduciary duty to act in the best interest of the condominium. Additionally, such Board Members shall be required to disclose the nature of their relationship in dealing with the Sponsors to all unit owners; Sponsor designated Board members are also required to disclose to unit owners the terms of contracts and/or transactions/contracts entered into when dealing with Sponsor or Sponsor affiliate.

## BOARD OF MANAGERS

The Condominium shall be governed according to the By-Laws in Part II, beginning on page CBL-1.

The By-Laws limit the number of Managers to not less than three (3) members. The first Board of Managers shall consist of Toby Hirsch and Yidel Hirsch, the principals of the Sponsor, and Pessy Hirsch, the wife of Yidel Hirsch. However, these Officers and Managers will resign in favor of Officers and Managers which will be elected by the Unit Owners at a meeting to be convened within 60 days after the First Closing; they may however, be re-elected at such time. The By-Laws do not include a provision that a majority of the Board of Managers must be owner occupants or members of an owner occupant's household who are unrelated to the Sponsor and its Principal after the end of the initial Sponsor control period.

Managers shall be elected by a plurality of the votes at a meeting at which a quorum shall be present. When voting for Managers, each Unit Owner shall be entitled to cast one vote for each .01% of common interest in the condominium appurtenant to such Owner's Unit, which may be cast all for one nominated manager or divided among any number of candidates. At such time as the Unsold Units constitute less than fifty percent of the Condominium, but in no event later than the second anniversary of the Closing Date, not less than a majority of Managers shall be unit owners other than, and unrelated to, the Sponsor. Members of the Board of Managers shall serve without compensation, except for reimbursement for expenses actually incurred in the course of any furtherance of business for the Board of Managers.

The Board of Managers shall meet at least annually, and at such regularly scheduled times as shall be adopted by resolution by the Board. Special meetings may be called on five (5) days written notice by any two Managers.

The Board Managers will be responsible for the operations of the affairs of the Condominium including, but not limited to, the fiscal operation, repairs and maintenance of the common areas of the Property, replacement and capital improvements to the common areas of the Property; the hiring, supervision and discharging of employees and Managing Agent (if any), and the enforcement of the provisions of the By-Laws, and shall have the powers and duties necessary for the administration of such affairs. The Managers shall serve without compensation or remuneration.

Any Manager may be removed from office at any time with or without cause upon the affirmative vote of the Unit Owners whose aggregate votes are at least 51% of the votes of the Condominium at a Unit Owner's meeting duly called for the purpose; provided, however, that the Manager(s) elected by the Holder(s) of Unsold Units can be removed only for cause by vote of a majority of the Unit Owners or without cause by the Holders of the Unsold Units.

The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers against any liability or claims except those arising out of the bad faith or willful misconduct of a member of members of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers, or out of the aforesaid indemnity in favor of the members of the Board of Managers, shall be limited to such proportion of the total liability thereunder as his/her interest in the Common Elements of all Unit Owners.

The principal officers of the Condominium shall be the President, the Vice President, Secretary and Treasurer, all whom shall be elected by the Board of Managers. All officers shall serve without compensation or remuneration. The officers shall be elected annually by the Board of Managers; and, each officer shall hold office at the pleasure of the Board of Managers or until succession, resignation, or death. Upon the vote of a majority of the Board of Managers, any officer may be removed, with or without cause.

The President shall be the chief executive officer of the Condominium, and shall have all of the general powers and duties which are incident to the office of a president pursuant to Section 9B of the Real Property Law of the state of New York (New York's Condominium Act).

The Vice-President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be imposed upon his/her by the Board of Managers or by the President.

The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers, and shall have charge of such books and papers as the Board of Managers may direct; and shall, in general, perform all the duties incident to the office

of a secretary pursuant to Section 9B of the Real Property Law of the state of New York (New York's Condominium Act).

The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for: keeping full and accurate financial records and books of account; and, deposit of all moneys and other valuable effects in the name of the Board of Managers, or the Managing Agent, in such depositories as may from time to time be designated by the Board of Managers.

The Board of Managers, or the Secretary, shall keep detailed records of the actions and minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and, financial records and books of account of the Condominium. In addition, an annual audited financial statement of the Condominium, and an income tax deduction statement certified by an independent Certified Public Accountant, shall be rendered by the Board of Managers to all Unit Owners March 1 of each calendar year.

The Secretary shall mail a notice of each annual or special meeting to all Unit Owners of record. The notice shall state the purpose of the meeting as well as the time and place where it is to be held, and the notice will be given at least ten (10), but not more than forty (40) days prior to such meeting.

Each Unit Owner and each mortgagee of a Unit shall, upon prior request, be permitted to examine the books of account of the Condominium and other records of the Condominium during normal business hours on business days at the office of the Condominium.

Both the Declaration and the By-Laws may be modified or amended by the vote of two-thirds (2/3) of the Unit Owners, as that term is defined in Article II, Section 8 of the By-Laws, at a meeting of Unit Owners duly held for such purpose. Anything herein contained to the contrary notwithstanding, so long as the Sponsor is the owner of one or more unsold units, the By-Laws may not be altered, amended, repealed, or added to, without the consent of the Sponsor.

The Board of Managers shall be required to maintain hazard and casualty insurance on the building in an amount sufficient to ensure that the condominium shall not be a co-insurer (which generally means that the policy must be retained at replacement value); and it shall also maintain liability insurance in an amount which it deems appropriate. The proceeds of the hazard and fire insurance policy shall be payable to the condominium Board in the event of a loss amounting to $100,000 or less and to the insurance trustee, if the loss exceeds $100,000. Such proceeds shall be applied to the repairing, restoring or rebuilding the

building unless otherwise determined by unit owners. In no event shall the proceeds of any such insurance policy be paid to the holder of any mortgage on a unit unless there has been a determination by unit owners not to rebuild the building. The insurance trustee, if any, shall be a bank or trust company having an office in the city and state of New York.

The Condominium shall continue, unless terminated by reason of casualty, loss, or by condemnation, until such time as the Condominium shall be legally abandoned and terminated as a result of the vote of Unit Owners owning at least eighty (80%) percent of the total votes of the Condominium, at which time the Property shall be subject to an action for partition by any Unit Owner, or any lienor, as if owned in common, and the net proceeds of the sale resulting therefrom shall be divided among all Unit Owners in proportion to their respective interests in the Common Elements, after first applying the share of the net proceeds of such sale otherwise payable to each Unit Owner to the payment of any liens on his/her Unit in the order of the priority of such liens.

Copies of the Declaration and By-Laws are set forth in Part II of the Plan.

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

Unit Owners will have the right to sell, lease, or mortgage units, without restriction, except as set forth herein, subject to the requirements that all Common Charges are current. A Unit Owner may only sell or lease the entire Unit. A Unit Owner may not sell or rent only a portion of a Unit. The Board of Managers does not have a right of first refusal with regards to the sale or lease of a unit. While lease of a condominium unit, like any other contract, is subject to regulation by certain state laws (General Obligations Law, Multiple Dwelling Law, etc.) the terms of the lease (including rent) will not be subject to any state or local rent regulatory laws. The Board of Managers does not have a right of first refusal with regards to the sale or lease of any unit.

The By-Laws provide that the use of the Units shall be restricted to and be in accordance with the following provisions:

(a) A Unit Owner may only use his/her Unit for a purpose consistent with any applicable ordinance or statute, or regulation of a government authority that has jurisdiction over the Condominium, but in no event for a use that violates the By-Laws of the Condominium.

(b) The Common Elements shall be used for the furnishing of services and facilities for which they are reasonably suited and capable, and which are incident to the use and occupancy of Units.

(c) No nuisances shall be allowed on the Property, nor shall any use or practice be allowed which interferes with the peaceful possession, or use of the Property, by its residents or occupants.

(d) No improper, offensive, or unlawful use shall be made of the Property nor any part thereof. Violations of laws, orders rules, regulations, or requirements, of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated by, and at the sole expense of, the respective Unit Owners or by the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property, or comply with such laws.

(e) Each Unit Owner shall keep his Unit in a good state of cleanliness and repair in accordance with the provisions of the By-Laws, and the rules and regulations of municipal departments or agencies having jurisdiction thereof.

Each Unit Owner will have an undivided interest in the Common Elements in the respective percentages set forth in SCHEDULE A in Part I. Subject to the provisions of the By-Laws and Rules and Regulations the Common Elements are appurtenant to, serve and benefit each Unit to the extent of such Unit's percentage share of the Common Elements, and the Common Elements are for the common use of all Unit Owners.

Further restrictions on the use of Units are set forth in the By-Laws, and in Rules and Regulations made in accordance with the By-Laws, which are set forth in Part II of the Plan. Rules and Regulations concerning the use of the Units may be promulgated and amended from time to time by the Board of Managers as provided in the By-Laws. Such restrictions include a restriction that the unit shall be used for private residence only, or any home occupation use permitted under applicable zoning law, ordinances, building codes or other governmental regulations. Units may also be used as a professional office by a resident thereof, provided such professional use does not violate zoning regulations. Units may not be used for any unlawful purpose and any use which amounts to a violation of law or to rules, regulations or requirements of any governmental agency having jurisdiction thereover shall be eliminated at the sole expense of the unit owner.

The Board of Managers shall from time to time, but at least annually, prepare a budget for the Condominium determining the amount of the Common Charges payable by the Unit Owners. Common charges will be established by determining the operating budget for the coming year of condominium operation and allocating to each unit owner a percentage of that budget in accordance with their percentage of ownership for common interest in the condominium. The Common expenses include, among other things, the cost of all insurance premiums on all policies of insurance required to be, or which have been, obtained by the Board of Managers. The Common Expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property including, without limitation, an amount of working capital and a general operating reserve. The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges payable by each of them, and shall furnish copies of each budget on which such Common Charges are based to all Unit Owners and to their mortgagees of record, if requested.

Under the provisions of Section 339-z of the Condominium Act, the Board of Managers on behalf of the Unit Owners shall have a lien on each Unit for unpaid Common Charges assessed against such Unit by the Board of Managers, together with interest thereon. Such

lien shall be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on the first mortgage or record of such Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of a notice thereof in the Kings County Office of the City Register, and until all sums secured thereby with the interest thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the Unpaid Common Charges without foreclosing the lien. In the event the Sponsor is more than thirty (30) days in arrears on Common Charges for any unsold Unit during the time the Sponsor is in control of the Board of Managers, Sponsor will cause the Board of Managers to file a lien as provided for in section 339-aa of the Real Property law.

Under section 339-kk of the New York State Real Property Law, the board of managers has the right to require the tenant in an apartment owned by a non-occupying owner to make rental payments directly to the board of managers where such non-occupying owner is in default on payments of common charges, assessments or late fees for such unit for a period of 60 days after the expiration of any grace period after they are due. Payments by such rental tenant to the condominium pursuant to this statute relieves such rental tenant from the obligation to pay such rent to such non-occupying owner, and is an absolute defense in any nonpayment proceeding commenced by such non-occupying owner. The procedures by which the board of managers may enforce this right, including required notice, means of protest, and termination are set forth in the aforementioned section which is recited at page RE1 of this Offering Plan.

No Unit Owner may exempt himself from liability for Common Charges or Expenses by waiver of the use, or enjoyment of any of the Common Elements, or by abandonment of his Unit. The liability of each Unit Owner for the payment of the Common Charges and Expenses thereafter assessed or becoming due against the Unit shall terminate upon a permissible sale, transfer or other conveyance of such Unit, and the appurtenant interests in the Common Elements. In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, convey his/her Unit together with the said appurtenant interests to the Board of Managers or its nominee on behalf of all other Unit Owners, and in such event be exempt from all Common Charges and Expenses thereafter assessed.

All maintenance, repair or replacement to any Unit or portion thereof, ordinary or extraordinary, and to the doors and windows (except the painting and decoration of the side of the elevator doors and stairwell doors which do not face into a unit), electrical (except common elements), within the unit or belonging to the unit owner, shall be at the Unit Owner's expense, except for structural elements as specifically required herein. All maintenance, repairs, and replacements to the Common Elements (including the exterior walls of the Building) and the painting and decorating of the side of the elevator doors and stairwell doors which do not face into a Unit shall be made at the direction of the Board of Managers, and be proportionately charged to all the Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Unit owners who enjoy use of a limited common element are responsible for regular repair and maintenance of such limited common element such as cleaning, painting, repair to surface damage, etc. Damage to the structural or mechanical systems serving such limited common element (except where directly caused by act or omission of the unit owner, their agents, employees or invitees) are the responsibility of the condominium through the Board of Managers.

No Unit Owner may make any structural addition, alteration or improvement in his Unit, except cosmetic work such as surface restoration or repainting, and replacement or repair of cabinetry and appliances, without the prior written approval of the Board of Managers. As a condition of the granting of its consent to the above acts, the Board of Managers may require the Unit Owner to execute an agreement in form and substance satisfactory to the Board of Managers setting forth the terms and conditions under which such alteration, addition, improvement, or repair, may be made, including without limitation, the days and hours during which any work may be done. No application shall be filed with any governmental authority for a permit covering an addition, alteration, or improvement to be made in a Unit, unless approved and executed by the Board of Managers; such approval, however, shall not result in liability on the part of the Board of Managers or any of them, to a contractor, subcontractor, materialman, architect or engineer, by reason of such addition, alteration, or improvement, or to any person having any claim for injury to person, or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Unit, provided that any alterations to such Unsold Units shall be in accordance with, and only as permitted, by the Condominium Act and all governmental regulations. Non-structural alterations and improvements to Residential Units that do not affect the exterior of the Building, or the value of other Units, may be made without prior approval of the Board of Managers.

Unit owners may perform all standard repair and maintenance items within their apartment and standard home improvements items without permission of the Board of Managers. Thus, unit owners may repair or replace fixtures, equipment, cabinetry, flooring, sheetrock, etc., without permission of the Board of Managers. However, unit owners may not relocate plumbing, heating, electric or other service lines effecting other units in the building during the course of such repairs or improvements without receiving Board permission.

The Board of Managers shall obtain and maintain, to the extent determined by them to be appropriate; (1) hazard insurance, with extended coverage, insuring the Building and Units (but not including furniture, furnishings or other personal property supplied to, or installed by, Unit Owners), together with all service machinery contained therein covering the interests of the Condominium, the Board of Managers, and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the insured property without deduction for depreciation; (2) machinery insurance; (3) water damage legal liability insurance; (4) liability insurance for personal injury or property damage in an amount not less than one million dollars; (5) officer's and director's insurance covering the board of managers; and (6) such other insurance as the Board of Managers may determine. Each of the policies shall contain a New York standard mortgage clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interests may appear, subject, however, to the loss payment provisions in favor of the Board of Managers in the event of casualty or condemnation. Unit Owners shall be entitled to carry casualty insurance protection for their furniture and the interior of their Units and for personal liability coverage for their own benefit at their own expense, provided that such policies contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any other insurance carried by a Unit Owner.

The proceeds of the hazard and fire insurance policy shall be payable to the condominium Board of Managers in the event of a loss amounting to $100,000.00 or less, and to the insurance trustee, if the loss exceeds $100,000.00. Such proceeds shall be applied to the repairing, restoring, or rebuilding of the subject premises unless otherwise determined by unit owners. In no event shall the proceeds of any insurance policy be paid to the holder of any mortgage on a unit unless there has been a determination by unit owners not to rebuild the building. The insurance

trustee, if any, shall be a bank or trust company having an office in the City and State of New York.

A Unit Owner by acceptance of a Deed for a Unit shall have granted a right of access to the Unit and to all appurtenant areas, if any, to the Managing Agent and/or any other person authorized by the Board of Managers of the Managing Agent, for the purposed of performing installations, alterations or repairs to the mechanical or electrical services of other Common Elements in his/her Unit or elsewhere in the Building in which the Unit is located, to remove violations, cure defaults by a Unit Owner, and for any other purpose provided in the Plan, Declaration, or as may be required by law or governmental regulation, provided that requests for entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner. In case of emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, such entry shall not render the Board of Managers or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Each Unit Owner will deposit with the President of the Board of Managers a key to his/her Unit to allow for entry in an emergency. The Board of Managers may designate responsible individual(s) to hold such keys.

Each Unit Owner shall be required to pay the Common Charges and Expenses levied by the Board of Managers. All Unit Owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner, are subject to the By-Laws, the Declaration and the Rules and Regulations. A copy of the Declaration and By-Laws and Rules and Regulations appear in Part II of this Plan. The violation of any of the Rules and Regulations or the breach of any By-Laws or provision of the Declaration shall give the Board of Managers, in addition to other rights set forth in specific provisions of the By-Laws, the right to: (i) enter any Unit in which, or as to which, such violations or breach exists and to abate and/or remove same summarily, at the expense of the defaulting Unit Owner. The Board of Managers shall not thereby be deemed guilty or liable for trespass nor be liable for any damage to the Unit, nuisances or fixtures incurred in connection with such rights unless such damage is caused by negligence on the part of the Board of Managers; or (ii) enjoin, abate or remedy by appropriate legal proceedings, the continuance of any such violation or breach. The costs incurred by the Board by virtue of the exercise of its rights to correct such breaches or violations, including attorney's fees, shall be due upon demand from the Unit Owner in question, and shall constitute a Common Expense against his/her Unit.

As part of purchase of the Unit, Purchaser will be required to execute a broad Power of Attorney in favor of the Board of Managers of the Condominium. This Power of Attorney will give the board of Managers the right to acquire and otherwise administer defaulted, abandoned or foreclosed units in the name of the condominium. It will also give the board of Managers the right to execute amendments to the Condominium Declaration, Deeds conveying condominium property, filing for severance of tax lots and other functions reasonable or necessary to effectuate the purposes set forth in the Condominium Declaration, on behalf of all of the unit Owners. Purchaser must sign the Power of Attorney at closing; failure to sign the Power of Attorney will be deemed a default and will result in cancellation of the transaction and possible loss of the downpayment. Please see the POWER OF ATTORNEY set forth in Part II of this Offering Plan.

## REAL ESTATE TAXES AND TAX BENEFITS

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

The Property is taxed by the City of New York which, through the Department of Finance, has assessed the property at a pre-construction value of $82,473.00, and imposes a tax rate of 13.053%. The real estate taxes payable in SCHEDULE A are determined by applying the applicable tax rate to the non-exempt portion of the assessment as set forth in the attached letter from Metropolitan Realty Exemptions, Inc., and then allocating the amount due in conformity with the allocation of Common Interests. The City of New York is not bound by the allocation of Common Interests, and may allocate on a different basis. All figures are estimates.

There are no tax certiorari proceedings currently pending. Individual owners may challenge the assessment of their property by filing a tax protest in accord with the rules of the New York City Tax Commission. The Board of Managers may also file a protest on behalf of all Unit Owners. While there is no specific section of the By-Laws dealing with review of real estate tax assessment, the general grant of power in the Board of Managers to operate the property in the best interest of unit owners is sufficient to delegate to the Board of Managers a right to file tax protests on behalf of all unit owners. The Building benefits from the limitations imposed by Sections 581 (which prevents a building from being assessed at a higher level than similarly situated rental properties merely because of its status) and 1805 (which limits the annual increases due to changes in market value) of the Real Property Tax Law.

The Sponsor has applied for Real Estate Tax Exemption Benefits pursuant to Section 421-a of the Real Property Tax Law of the State of New York. The benefits provided pursuant to this section are stated in more particularity in the letter, included in this Offering Plan from Metropolitan Realty Exemptions, Inc., who have filed an application on behalf of the Sponsor. Briefly stated, however, the program provides an exemption from any increase in assessed value of the property for real estate tax purposes, to the extent that such increase results from the reasonable cost of alteration or improvement to the building, for a period of twenty-one (21) years after granting of the exemption. Thereafter, the exemption declines by 20% per year until, after the fifteenth ($15^{th}$) year, real estate taxes will be based on the full assessed value of the property. Sponsor has obtained an estimate from Metropolitan Realty Exemptions, Inc. of a post-completion assessed value of $1,523,925.00, commencing in the July 2009 tax year. SCHEDULE A includes the estimated tax payments in the event 421-a Tax Benefits are not obtained. This projection is based on a full year of post-completion assessed value. The following table indicates the application and expiration of benefits:

| YEAR | ASSESSED VALUE | TAXES |
|---|---|---|
| 1-21 | $ 82,473.00 | $ 10,765.00 |
| 22 | $ 370,763.00 | $ 48,396.00 |
| 23 | $ 659,053.00 | $ 86,026.00 |
| 24 | $ 947,343.00 | $ 123,657.00 |
| 25 | $ 1,235,633.00 | $ 161,287.00 |
| 26 | $ 1,523,925.00 | $ 198,918.00 |

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

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

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

The explanation and projection prepared by the Sponsor's tax abatement expert, who prepared the 421-a 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

June 30, 2009

Yidel Hirsch
266 Broadway, Suite B04
Brooklyn, NY 11211

RE: 291 Kent Properties LLC
46 South 2nd Street
Brooklyn, NY 11211
**Block & Lot: 2415 – 13**

Opinion letter regarding 421-a Real Estate Tax Exemption benefits and Tax liabilities:

Dear Sir:

You have requested us to advise you with our opinion in respect to the applicability of the above properties for partial real estate tax exemption under Section 421-a of the Real Property Tax Law of the State of New York ("Section 421-a") 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 available to eligible properties under Section 421-a are as follows:

- During the period of construction, which will not exceed three years, multiple dwellings, which have met all requirements of Section 421-a and the regulations and have received a Preliminary Certificate of Eligibility, shall be exempt from real property taxes, other than assessments for local improvements, upon any increase in assessed valuation attributable to construction over the prior assessed valuation (the assessed valuation in effect during the tax year preceding the commencement of construction), provided that taxes shall be paid in each tax year in which full or partial exemption is in effect.

- After the first taxable status date immediately following the completion of construction, any increase in assessed valuation over the prior assessed valuation of eligible multiple dwellings which have received a Final Certificate of Eligibility shall be exempt from real property taxes, other than assessments for local improvements, for either ten, fifteen, twenty or twenty-five consecutive tax years. In addition, full taxes must be paid on the prior assessed valuation.

In the instant application, after the completion of construction as described above, any increase in the properties assessed valuation, resulting from the construction of the building will be exempt from taxation for a period of twenty-five years, with 100% exemption for twenty one years

followed by a 20% phase-out in each of the succeeding four years. The current assessed value is not to be exempt from real estate taxes.

All interested parties should realize that the State Legislator and Senate have voted to extend and amended the 421-a tax code, the amended tax code will affect construction commenced after Jun 30th '08.

Furthermore, please be advised that the assessed valuation of the various units is determined by the Real Property Assessment Department of the New York City Department of Finance. The tax rate is determined by the New York City Council who publishes the rate annually, usually in June.

In rendering this opinion, we have relied upon the following facts and assumptions that were confirmed to us by you:

1. Based upon information received from you and your architect, 1 multiple dwelling building will be constructed with a total of 23 residential Condominiums.

2. The building will be constructed substantially in accordance with the plans and specifications approved by the New York City Department of Buildings, and comply with the requirements of section 421-a, the Regulations and HPD, and HPD is notified of any modifications to plans for the building or the "sell-out" price.

3. The temporary and final Certificates of Occupancy, and the Preliminary and Final Certificates of Eligibility, will be filed with the appropriate New York City agencies during the appropriate time periods.

4. An application for Preliminary Certificate of Eligibility for 421-a benefits will be filed after the commencement of construction but prior to the issuance of either a Temporary Certificate of Occupancy for all residential areas or a Permanent Certificate of Occupancy upon prescribed forms and applications prepared by the New York City Department of Housing Preservation and Development.

5. An application for Final Certification of Eligibility for 421-a benefits will be filed prior to the occupancy of the building, but no earlier than the date of the application for a Preliminary Certificate of Eligibility. Additionally, the application must be completed within ninety (90) days following the issuance of the Permanent Certificate of Occupancy or the Temporary Certificate of Occupancy covering all residential space.

6. The premises, or any portion thereof, was "underutilized" (pursuant to the provisions of Section 421-a) 36 months prier commencement of construction.

7. The premises does not result from the conversion of a private dwelling.

8. The building will be substantially used for dwelling purposes for a period of at least twenty-five years following its completion.

9. There will be no real estate taxes, water or sewer charges or payments in lieu of taxes due and owing as of the last day of the tax quarter preceding the submission date of the application to the Department of Finance, or at any time during the application process or the benefit period.

10. All records requested by the New York City Department of Housing Preservation and Development, pursuant to the regulations, will he provided.

Based upon the foregoing information furnished to us by you and your architect, and subject to your timely completion of work and filing of all documentation pursuant to Section 421-a of the Real Property Tax Law and applicable rules and regulations as is required to obtain the benefits thereof, and assuming presently applicable Section 421-a provisions apply, it is our opinion that:

- The premises, after construction is completed, will be eligible for partial real estate tax exemption under Section 421-a.
- All Section 421-a partial real estate tax benefits may be revoked or reduced if the application misstates or omits to state a material fact and/or for non-payment or underpayment of taxes and for certain other reasons.

Real Estate Tax liabilities due in reference to the above mentioned structure are as follows:

The total assessed value of the structure (i.e., the aggregate assessment of all units) following completion of construction, is estimated to be $1,523,925.00, approximately. Using the foregoing estimate of assessed value, assuming a residential tax rate of 13.053% (i.e., $13.053 per $100 of assessed value, the final 2008/09 tax rates), the total real estate tax liabilities due, will be approximately as follows.

**Tax liabilities without 421-a benefits**

| | |
|---|---|
| Residential Assessed Value | $1,523,925.00 |
| Residential tax liabilities | $181,773.77 |
| Total tax liabilities | $181,773.77 |

**Tax liabilities with 421-a benefits**

| | |
|---|---|
| Residential Assessed Value | $82,473.00 |
| Residential tax liabilities | $9,837.38 |
| Total tax liabilities | $9,837.38 |

You are advised that this projection is an estimate, as it is unlikely that the post-construction assessed value or tax rate will remain constant for the 25 year Section 421-a exemption period. Thus, the actual assessment and real estate tax for each Unit may be more or less than the Unit's proportionate share of the total assessment and tax amount shown.

This letter was prepared at the Sponsor's request. However, we make no representation that Section 421-a benefits will be obtained if any items in the application are not true, or if the assumptions above listed are incorrect, or if the 421-a law, either statutory or decisional, or 421-a rules and regulations, or present interpretations are modified or changed at the time the construction of the building is completed. In no event will my firm, the Sponsor, the Sponsors' counsel, the Condominium Board or any other person be accountable if the assessed valuation when actually made is lesser or greater than predicted.

Sincerely yours,

Martin Joseph

Martin Joseph
*Metropolitan Realty Exemptions, Inc.*

**118 Middleton Street Brooklyn, NY 11206 Tel: (718) 387-3004 Fax: (718) 228-3503**

## DEDUCTIONS TO UNIT OWNERS, AND TAX STATUS OF CONDOMINIUM

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

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

The statements set forth herein are based upon an analysis of the Internal Revenue Code of 1986, as amended (the "Code"), New York State Tax Law, the Administrative Code of the City of New York, the applicable regulations promulgated or proposed thereunder, the current position of applicable administrative agency, in particular, the position of the IRS stated in published Revenue Rulings and Revenue Procedures, and judicial decisions. It is emphasized, however, that legislative, judicial or administrative changes may be made which would require modification of such statements, or that, the IRS or other applicable administrative agency may disagree with Counsel's interpretations and conclusions. A more detailed statement of the tax factors involved may be found in the COUNSEL'S TAX OPINION; however, each purchaser should consult with his or her own attorney with regard to tax consequences of this transaction.

# HAROLD L. GRUBER, P.C.

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## COUNSEL'S TAX OPINION LETTER

December 2, 2009

**291 KENT PROPERTIES, LLC**
**266 Broadway**
**Brooklyn, New York 11211**

**Re: Offering Plan for the Conversion to Condominium Ownership of Premises: THE 30-48 SOUTH 2ND STREET CONDOMINIUM 30-48 South 2nd Street, Brooklyn, New York**

To Whom It May Concern:

You have requested my opinion concerning (i) the availability of certain deductions for Federal, New York State, and New York City Income Tax purposes to persons who purchase units for residential use ("Unit Owners") under the Offering Plan for THE 30-48 SOUTH 2ND STREET CONDOMINIUM (the "Plan"), and (ii) the Federal Income Tax Treatment of the Common Charges received by the condominium association of the condominium (the "Condominium").

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

## FACTS

You have advised me that, to the best of your knowledge, the following statements are an accurate summary of the relevant facts, and my opinion is conditioned upon the accuracy of such facts.

The Sponsor will submit to the Kings County Office of the Register of the City of New York a declaration establishing the premises located at 30-48 South 2nd Street, Brooklyn, New York, as a condominium pursuant to the provisions of New York's Condominium Act (Article 9-B of the Real Property Law of the State of New York). This condominium shall consist of twenty-three (23) units allocated for residential use; four (4) "roof" units; and twelve (12) parking units which are separately for sale. Each holder of a Unit will own his own Unit plus an interest in the elements common to all Units (the "Common Elements"). Each unit owner will be entitled to the exclusive ownership and possession of his unit and will receive a separate deed to the Unit.

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

## DISCUSSION

### I. Deductibility of Mortgage Interest and Real Estate Taxes

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

The deductibility of the mortgage interest and real estate taxes paid or accrued by the Unit Owner during his or her taxable year will be governed by sections 163 and 164 of the I.R.S. 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.

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

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

I note that a taxpayer who purchases a Unit for investment may find his interest deduction limited by Code Section 163(d). Under this Section a taxpayer other than a corporation will be subject to a ceiling on his deduction for investment interest. Investment interest is defined as interest paid or accrued on indebtedness incurred or continued to purchase or carry property for investment. To the extent that the taxpayer has investment income (defined as the gross income from interest, dividends, rents, royalties, net short term capital gains and recapture income), he or she increases his or her ceiling on the deduction for investment interest. See generally Code Section 163(d).

I also note that Code Section 265(2) may impact on the interest deduction otherwise allowable to a taxpayer in the event that he/she incurs debt to finance his/her purchase of a Unit rather than liquidate his or her portfolio of tax exempt securities. Under these circumstances Code Section 265(2) may disallow the taxpayer's interest deduction since he or she would be deemed to have incurred the debt to "continue to carry" the tax exempt

obligations. However, revenue rulings have made an exception for debt incurred to purchase the taxpayer's principal residence.

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

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

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

The foregoing discussion applies primarily to residential unit owners. Referenced sections of the IRS code are not applicable to owners of commercial units, if any, or owners of units for investment or resale, if any. However, insofar as the owners of the commercial units will be using the unit for business purposes, other sections of the code may allow such deductions. Purchasers of commercial units are strongly urged to consult with their own accountants with regards to the deductibility of the mortgage interest and real estate taxes.

II. Common Charges-Federal Income Taxation of the Condominium:

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

The Treasury Regulations in Section 301.7701-2(a)(i) set forth six factors to be considered in determining whether an association will be treated as an un-incorporated association for

Federal Income Tax purposes. Of these factors, the Condominium possesses five (an objective to carry on business, divide the gains, centralization of management, continuity of life, free transferability of interest). Since an un-incorporated organization will be treated as a corporation if it has more corporate characteristics than non-corporate characteristics, (see Treas. Regs. Section 301.7701-2(a)(3), Philip G. Larson, 66 T.C. 159 (1976) acq., Rev. Rul. 79-106, 1979-1 C.B. 448), it is my opinion that, although there exists no direct authority on this point, the condominium will be treated as an association taxable as a corporation for Federal Income tax purposes. In such event, and in the absence of any specific exception, the Condominium would be subject to Federal Corporate Income Tax.

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

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

The By-Laws provide that the Board of Managers will act as the agent of the Unit Owners. If Common Charges for special capital

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

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

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

It should be noted that if the special assessment are treated as contributions to the capital of the Condominium, the subsequent expenditure of these funds (together with any other funds accumulated by the Condominium) may be viewed by the Service as a distribution to the Unit Owners, taxable under Section 301 of the Code. Each Unit Owner may therefore be subject to tax on his pro-rata share of the amounts expended. Rev. Rul. 75-371 went on to distinguish special assessments from assessments collected for

the purpose of normal operating expenses and excess assessments, which could be returned directly to the individual unit owner-stockholders. These general assessments and the excess assessments which are not credited to subsequent taxable years or returned to the unit-owners, were held to constitute gross income to the condominium under Section 61 of the Code. I note, however, that to the extent to which the Condominium will be deemed to have service income by virtue of its performance of its management functions, it will be entitled to deduct as business expenses its expenditures required to provide such services from its gross income. See Concord Village, Inc., 65 T.C. 142, 157 (1975); Park Place, 57 T.C. 767, 778 (1972). Thus, it will have taxable income only in the amount of the excess of its income from all sources over its allowable deductions.

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

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

presumed to be operated for such purpose. See Treas. Regs. Section 1.528-2(a).

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

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

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

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

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

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

III. Real Estate Tax Benefits:

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

IV. Compliance With Real Property Law Section 339 (i):

I have received and reviewed the letter heretofore set forth from the Sponsor's expert concerning allocation of the common interest to the units in the premises. The determination of Common Interest allocated to each unit shall be based on floor area, subject to such other items of relative value as location of the unit within the building, uniqueness of the unit, availability of limited common elements for shared or exclusive use, and overall dimensions of the unit, pursuant to Real Property Law (RPL) Section 339(i)(1) subparagraph (iv). The method employed is permissible pursuant to the RPL and is in compliance therewith.

## CONCLUSION

I express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those tax consequences and aspects explicitly discussed in this opinion, or as to the tax consequences of the Plan under the laws of any other State or foreign jurisdiction. This opinion does not discuss the tax consequences which may result from the ownership or the leasing of a Unit to another, in connection with a Unit Owner's trade or business, for purposes of investment, or for the production of income, or tax consequences which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not consider the tax consequences which may arise if Units are acquired and/or leased by the Board of Managers, or the issue of whether a Unit Owner may be deemed to be a resident of New York State due to ownership of a Unit. I, therefore, advise each person contemplating the purchase of a Unit to consult his/her own tax advisor as to all such tax matters, as well as with respect to the tax matters discussed in this opinion.

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

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

Very truly yours,

Harold L. Gruber
HLG/eap

## CAPITAL RESERVE FUND

At closing of title to each residential Unit, the Unit Owner for such Unit will contribute an amount equal to two months Common Charges to the Capital Reserve Fund of the condominium (see CLOSING COSTS AND ADJUSTMENTS). Thus, there will be a $12,982.00 Capital Reserve Fund created on closing. Sponsor will make the required contribution for all unsold units at the time of the closing of the first unit, and will be reimbursed therefore on each subsequent closing of a unit by the unit purchaser. This Capital Reserve Fund will be used to for repair or replacement of major mechanical systems or structural elements of the condominium and may not be used for general operating expenses; nor to reduce the monthly common charges.

The Capital Reserve Fund will not be reduced by any closing adjustments to the Sponsor. No representation is made that the Capital Reserve Fund will be adequate to cover current or future expenses. If additional funds are required over and above the Capital Reserve Fund, it may be necessary to increase Common Charges or separately assess all Unit Owners. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Capital Reserve Fund.

## WORKING CAPITAL FUND

At closing of title to each residential Unit, the Unit Owner for such Unit will contribute an amount equal to one month's Common Charges to the Working Capital Fund of the condominium (see CLOSING COSTS AND ADJUSTMENTS). Thus, there will be a $6,491.00 working capital fund created on closing. Sponsor will make the required contribution for all unsold units at the time of the closing of the first unit, and will be reimbursed therefore on each subsequent closing of a unit by the unit purchaser. This Working Capital Fund will be used to make repairs and improvements, and for other appropriate purposes as determined by the Board of Managers, particularly to meet emergencies not budgeted for in SCHEDULE A. While the Sponsor controls the Board of Managers (see CONTROL BY THE SPONSOR), the Working Capital Fund will not be used to reduce estimated Common Charges.

The Working Capital Fund will not be reduced by any closing adjustments to the Sponsor. All closing adjustments to the Sponsor will be paid in equal monthly installments over the twelve (12) month period following closing. All adjustments represent reimbursement for prepayment of expenses already included in the budget set forth herein as Exhibit B, and therefore do not represent an additional expense to Condominium Purchasers.

No representation is made that the Working Capital Fund will be adequate to cover current or future expenses. If additional funds are required over and above the Working Capital Fund, it may be necessary to increase Common Charges or separately assess all Unit Owners. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

## IDENTITY OF PARTIES

SPONSOR: The Sponsor of this project is 291 KENT PROPERTIES, LLC, a New York Limited Liability Company formed June 29th, 2005 with offices located at 131 Tehama Street, Brooklyn, New York 11218. The Principals of the Sponsor are Yidel Hirsch and Toby Hirsch. Mr. Hirsch is an organizer of catering events, and Ms. Hirsch is a housewife. The Sponsor has not previously been the Sponsor of an Offering Plan in the State of New York. However, the Principals of the Sponsor have also been the Principals of the Sponsor for the Offering Plans set forth below:

A. THE MUSE CONDOMINIUM (CD05-0372)
96 WOODPOINT ROAD, BROOKLYN, NY
SUBMITTED 8/9/2005; ACCEPTED FOR FILING 1/19/2006; DECLARED EFFECTIVE 12/26/2007

B. THE MAZE CONDOMINIUM (CD05-0371)
447 HUMBOLDT STREET, BROOKLYN, NY
SUBMITTED 8/9/2005; ACCEPTED FOR FILING 1/19/2006; DECLARED EFFECTIVE 1/10/2008

C. THE 275 SOUTH 1st STREET CONDOMINIUM (CD06-0443)
275 SOUTH 1ST STREET, BROOKLYN, NY
SUBMITTED 7/11/2006; ACCEPTED FOR FILING 4/15/2007; NOT YET DECLARED EFFECTIVE

D. THE SOUTH 2ND/3RD CONDOMINIUM (CD08-0435)
29-35 SOUTH 3RD STREET & 30-48 SOUTH 2ND STREET, BROOKLYN, NY
SUBMITTED 8/22/08; ACCEPTED FOR FILING 11/4/08; NOT YET DECLARED EFFECTIVE

Additionally, Yidel Hirsch has also been the Principal of the Sponsor, or the Sponsor, of these following Offering Plans:

A. THE 821 HALSEY STREET CONDOMINIUM (CD 08-0164)
821 HALSEY STREET, BROOKLYN, NY
SUBMITTED 3/24/2008; NOT YET ACCEPTED FOR FILING

B. THE 1060 PUTNAM AVENUE CONDOMINIUM (CD06-0657)
1060 PUTNAM AVENUE, BROOKLYN, NY
SUBMITTED 10/4/2006; ACCEPTED 3/5/2007; NOT YET DECLARED EFFECTIVE

The above mentioned Offering Plans are available for inspection at the office of the New York State Department of Law.

There are no felony convictions, bankruptcies, judgments or injunctions against the Sponsor, or the Principals of the Sponsor.

The Sponsor and Principal of the Sponsor are current on their financial obligations to any of the listed properties in which they own 10% or more of the unsold units.

COUNSEL: Sponsor has engaged Harold Gruber, Esq., 92 Prospect Place, Brooklyn, New York, 11217, to prepare this Offering Plan. The Sponsor will be represented in all other matters arising out of or pertaining to the conversion of the premises by BERNARD A. SHAFRAN, ESQ. of FRENKEL HERSHKOWITZ & SHAFRAN LLP. Mr. Gruber and Mr. Shafran represent the Sponsor, not the condominium, which is not represented by counsel.

ARCHITECT: The architect, Oscar P. Walters, principal of Demerara Engineering, PLLC, has offices at 580 8th Avenue, 4th Floor, New York, New York, has examined the physical condition of the property and has rendered his report thereof as set forth in Part II starting at Page AR1. Mr. Walters has been an architect in excess of 15 years and has prepared in excess of 30 such reports. The architect has no financial interest in the property, Sponsor, condominium, selling agent, or any other party interested in this transaction, except for his fee for services rendered in connection with his report.

SELLING AGENT: The Sponsor is the selling agent for this Offering Plan. Both Mr. Hirsch and Ms. Hirsch have been the Selling Agents for the 275 SOUTH 1ST STREET CONDOMINIUM, THE MAZE CONDOMINIUM, and THE MUSE CONDOMINIUM Mr. Hirsch has also been the Selling Agent for the 821 HALSEY STREET CONDOMINIUM and the 1060 PUTNAM AVENUE CONDOMINIUM.

## GENERAL

The Plan does not knowingly omit any material fact or contain any untrue statement of any material fact. Exact copies are contained in Part II hereof of the Condominium Declaration, Purchase Agreement, Condominium By-Laws, and form of Unit Deed.

There are no lawsuits or other proceedings now pending, or any judgments outstanding, either against the Sponsor or any other person or persons which might become a lien against the Property or which may materially affect this offering, the Property, Sponsor's capacity to perform all obligations under the Plan, the Condominium, or the operation of the Condominium.

No units in this building are occupied by residential or commercial tenants. No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the units offered pursuant to the Offering Plan. No deposits or advances of funds have been taken by, or on behalf of, the Sponsor in connection with the reservation, sale, or transfer of any units offered pursuant to this Offering Plan.

The Property has not been the subject of any prior cooperative or condominium offerings. There are no preliminary binding agreements entered with any purchasers, nor has any money been collected from any perspective purchasers. There has been no market test pursuant to Cooperative Policy Statement No. 1.

In accordance with the provisions of the laws of the State and City of New York, the Sponsor represents that the Sponsor, and the Selling Agent will not discriminate against any person because of race, creed, color, sex, sexual orientation, disability, age, marital status, national origin or ancestry in the sale of the units offered by the Plan, or in the leasing of any apartment in the building.

Operable smoke detectors and carbon monoxide detectors will be installed in all apartments as per the New York City Administrative Code.

If there is a material amendment to the Offering Plan that adversely affects a purchaser, purchaser shall have the right to rescind his purchase agreement within fifteen (15) days after the date of presentation by the Sponsor, which rescission shall be made by CERTIFIED MAIL - RETURN RECEIPT REQUESTED, and shall be deemed made on the date when notice of rescission is deposited with the United States Post Office. Sponsor shall return the deposit on contract to any purchaser who validly rescinds.

No person has been authorized to make a representation which is not expressly contained herein. This Plan may not be changed or modified orally.

## DOCUMENTS ON FILE

Sponsor shall keep copies of the Offering Plan, all documents referred to in the Offering Plan, and all exhibits submitted to the Department of Law in connections with the Offering Plan on file and available for inspection without charge, and for copying at a reasonable charge, at the Sponsor's office as set forth in this Offering Plan, or at the office of the Sponsor's attorney, for a period of six (6) years from the date of first closing. The Sponsor shall deliver to the Board of Managers of the Condominium, a copy of all documents filed with the appropriate recording office at the time of the first closing of a condominium unit.

## REPORT TO UNIT OWNERS

The Board of Managers of the Condominium shall give annually to each and every Unit Owner:

1) On or before March 1st of each year a financial statement. During the period the Sponsor is in control of the Board of Managers, there shall be a certified financial statement prepared by a certified public accountant or public accountant.

2) Prior notice of the annual Unit Owners meeting, which notice shall be no less than thirty (30) days prior to the scheduled meeting.

3) A copy of the proposed annual budget of the Condominium, no less than thirty (30) days prior to the date set for adoption thereof by the Board of Managers. During the time the Board is controlled by the Sponsor, this budget shall be certified by a qualified budget expert.

## SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor hereby adopts the DESCRIPTION OF PROPERTY set forth in Part II of this Offering Plan. With reference to such material, a licensed architect prepared the description of property and building condition contained therein.

The Sponsor represents that it does not know of any defect or need for major repairs except as hereinafter set forth, and that, to the best of the Sponsor's knowledge, the following description accurately states the condition of the building and its equipment (see DESCRIPTION OF PROPERTY AND BUILDING CONDITION in Part II of the Plan).

The Property will be offered in its condition as described in this plan. Neither the Sponsor nor the Condominium will have any obligation to make repairs or improvements except as set forth in this plan. The Sponsor will cure, or cause to be cured, all violations of record against the Property on the closing date and eliminate all known dangerous or hazardous conditions, and comply with all work orders from mortgagees.

# PART II

**PURCHASE AGREEMENT**

Purchaser(s) _____

Address _____

Home Telephone _____ Business Telephone _____

Purchaser's S.S.No _____

Attorney _____

Attorney's Address _____

Attorney's Telephone No _____

Broker _____ Telephone No _____

Unit _____ Common Interest _____% Common Charges $_____

Cash Purchase Price $_____

Down Payment (herewith) $_____

Balance Due on Closing $_____

I RECEIVED THE PLAN, AS AMENDED, AT LEAST THREE FULL BUSINESS DAYS, AND HAVE READ BOTH PARTS I AND II OF THE PLAN, BEFORE EXECUTION HEREOF BY ME.

1. OFFERING PLAN READ. As Purchaser, I have received and read the Offering Plan of Condominium Organization (the Plan) with respect to premises located at 30-48 South 2nd Street, Brooklyn, New York.

The Offering Plan for said premises, including all documents set forth in Part II thereof and any amendments thereto, is incorporated herein by reference with the same effect as if set forth at length. I hereby accept and approve the Plan (and all of said amendments thereto, if any) and agree to abide and be bound by the terms and conditions thereof. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

2. AGREEMENT TO PURCHASE. I hereby agree to purchase the above apartment and a _____ percent of undivided appurtenant interest in the Common Elements of the Condominium in said premises.

3. DOWN PAYMENT AND BALANCE. Submitted herewith is my check to the order of "BERNARD A. SHAFRAN, ESQ. of FRENKEL HERSHKOWITZ & SHAFRAN LLP" for the amount of the above stated Down Payment. I agree that after the Plan becomes effective, as therein provided, I will pay the above-stated balance of said Cash Purchase Price on closing. The payment due on closing shall be by certified check or official check drawn on a New York City bank which is a member of the New York City Clearing Housing System to the order of "BERNARD A. SHAFRAN, ESQ. of FRENKEL HERSHKOWITZ & SHAFRAN LLP". The check shall be delivered to the seller.

The Seller will give me prompt written notice thereof when the Plan either becomes effective or is abandoned, unless same has already been declared effective by a duly filed amendment to the ~~Plan~~ submitted to me.

4. MANNER OF PAYMENT AND BALANCE. Provided that I shall have paid the full Cash Purchase Price for said apartment, as provided herein, and shall not be in default hereunder, I am to receive a Deed for the apartment, at the Closing to this apartment. The date of the commencement of my obligations under such Deed, including the payment of Common Charges, shall be the date on which I acquire title to such apartment. At the time the deed is delivered, I shall execute the Power of Attorney to the Board of Managers of the Condominium in the form contained in the Plan and whatever other documents are reasonably necessary to convey the Unit to me, such as real property transfer tax forms.

5. PAYMENTS HELD IN TRUST AT NAMED BANK. The Seller will hold all monies received by it directly or through its agents, employees or escrow agent, in trust, in compliance with the trust fund provisions of section 352-h and section 352-e(2)b of the General Business Law, until actually employed in connection with the consummation to the Offering Plan. All such monies will be deposited with JP Morgan Chase Bank, at its branch located at 270 Park Avenue, New York, NY 10017, under the name of "FRENKEL HERSHKOWITZ & SHAFRAN LLP IOLA/TRUST ACCOUNT". The funds so deposited will be released by the escrow agent, an attorney at law, only for the purposes of, and in conformity with the consummation of this Plan, or returned to me as herein provided. Unless the escrow account is of an IOLA type, I shall be entitled to any interest earned on the sums deposited by me unless otherwise agreed to by the parties hereto. However, it is not anticipated that any interest will be earned.

6. ACCEPTANCE OF CONDITION. My signing of this Purchase Agreement shall constitute my acceptance of said apartment "As Is", except for those matters which are the responsibility of the Sponsor as stated in the Plan.

7. THIS AGREEMENT IS CONTINGENT. It is agreed that this Purchase Agreement is contingent upon the Plan being declared effective.

8. ABANDONMENT OF PLAN. The Plan may be abandoned by the Seller at any time prior to its being declared effective, and thereafter only for reasons heretofore set forth in the Plan. The Plan shall be abandoned by amendment duly filed with the Department of Law of the State of New York and upon notice to all prospective purchasers who have signed the Purchase Agreement.

9. DEFAULT AND LIQUIDATED DAMAGES. I agree that if I shall fail to pay the balance of the Cash Purchase Price when due, as herein provided, or, if I am otherwise in default hereunder as such term is defined herein, the Seller may elect to cancel this Agreement by written notice to me at my residence or at the address stated above, by certified mail, and at the expiration of 30 days after the date of mailing thereof (unless I shall have theretofore paid the balance of the Cash Purchase Price in full) said notice shall be effective and this Agreement shall be deemed canceled and all rights of the parties thereunder shall terminate except that the amount of my Down Payment shall be paid over to the Seller as liquidated damages, such liquidated damages not to exceed 10% of the Cash Purchase Price plus the cost of any special work in the apartment ordered by me, together with any interest earned thereon. However, it is not anticipated that any interest will be earned. TIME IS OF THE ESSENCE TO REMEDY SUCH DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD. The notice of default is hereby deemed a notice to vacate as well if I occupy the apartment under the terms of an Interim Lease. In the event of such cancellation, the Seller shall have the right to sell said Units to another purchaser as though this Agreement had never been made and without accountability to me for the proceeds received on any sale to another.

10. TITLE INSURANCE. Intentionally Omitted.

11. CLOSING DATE AND PLACE. The closing of title shall occur on the date and at the time and place in the City and State of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days' prior written notice. Sponsor shall have the right, from time to time, to adjourn such time and date 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.

In the event that a Purchaser does not close on the Closing Date set forth in the Notice of Closing, the 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 amount owing towards the full purchase price.

12. APPORTIONMENT OF CHARGES. At the Closing, the parties shall apportion, as of the day preceding the date of actual closing, the Common Charges, real estate taxes and other charges under the By-Laws, utility charges (if any) due to the Condominium and the use and occupancy charge, if any, to the Apartment. Assessments will not be apportioned and will be payable by the party who is the owner of the Unit when the same became due and payable. A letter from the Condominium or its Managing Agent as to status of Common Charges, utility or other charges shall be sufficient for purposes of determining the adjustments as herein described.

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the New York Condominium Act, it is specifically understood that such credit will inure to the benefit of the Sponsor. Accordingly, on the Closing Date, I will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount financed, if any. The Sponsor will be reimbursed to the extent of any mortgage tax credit allowed.

13. CLOSING COSTS. Purchaser shall be responsible for paying all costs as outlined in the Section of this Offering Plan entitled Closing Costs and Adjustments.

14. ENTIRE AGREEMENT, OPPORTUNITY TO EXAMINE, NON-ASSIGNABILITY. The entire contract between the parties hereto as set forth herein and in the Plan and as the Plan may be amended from time to time. The only representations made to me are those contained herein and in the Plan, as may be amended. I have not relied upon any representations, statements or warranties, written or oral, as to any matter or estimate, that is not set forth herein and in the Plan. I have had at least three days to read and review the Offering Plan and all amendments and have had the opportunity to examine all the documents filed as Exhibits, volume A, B and C to the Plan. This Agreement is not assignable by me without prior written consent of the Seller and shall bind and apply to the parties hereto and their personal legal representatives, successors and assigns and may not be amended, changed or discharged orally.

15. CONFLICTS WITH THE PLAN. Conflicts between this Agreement and the Plan shall be resolved in favor of the Plan.

16. CONDITIONS FOR BINDING AGREEMENT. This Agreement shall not be binding on me or on the Seller until a fully executed copy thereof shall have been delivered to me. If this Agreement shall not be accepted within twenty (20) days of the date hereof by the delivery to me of such endorsed and fully signed copy, this Purchase Agreement shall be deemed to be rejected and canceled and my deposit shall be promptly refunded to me.

17. CONDITIONS FOR CLOSING. It is a condition of this closing that:

(a) There shall be no claims or liens against the Unit at the time of the Closing, except for Permitted Encumbrances as described in the Plan; and
(b) The Seller has full right and authority to sell and transfer the Units.

18. WHEN TITLE PASSES. I shall acquire no right, title or interest in the aforesaid Unit until (i) the entire Cash Purchase Price has been paid in accordance with the terms hereof, and (ii) I have otherwise performed, observed and complied with the terms and conditions of this Agreement.

At the Closing of Title the Seller shall deliver to me a bargain and sale deed, with covenants against the grantor's acts, conveying the Unit to me such deed to be in the form contained in Part II of the Plan, executed and acknowledged by the Seller in form for recording.

19. IDENTIFICATION OF PURCHASER. I represent that I am a person over 18 years of age. The term "I" shall read as "we" and "purchaser" shall be read as "purchasers" if more than one person are purchasers, in which case our obligations shall be deemed joint and several. I further represent to the Condominium and to all of the persons to who are Unit Owners that I am purchasing the Unit for my own account and that Sponsor will have no interest, direct or indirect, in the Unit being purchased hereunder.

20. BONA FIDE PURCHASER. I certify that I have agreed in good faith to purchase the above-described Apartment with no discriminatory re-purchase Agreement or other discriminatory inducement.

21. AGREEMENT SUBJECT TO MORTGAGES. I agree that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, incidental thereto, or to protect the security thereof, to the full extent hereof without the execution of any further legal documents by me. The subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this paragraph, however, on the Closing Date the only mortgage to which the Unit will be subject will be the mortgage(s) obtained by me.

22. MORTGAGE FINANCING. This Contract will be conditional on Purchaser obtaining such loan in an amount not less than $ from an institutional lender. Purchaser shall apply for said loan within five (5) days after receipt of a fully executed copy of this Contract, and shall have forty (40) days from the signing of said Contract to obtain said mortgage commitment. Purchaser agrees to accept any commitment offered by the aforementioned lending institution provided same is in at least the amount set forth above. In the event Purchaser fails to obtain such commitment within forty (40) days from the date on which a fully executed copy of the Purchase Agreement is delivered to the purchaser by the seller, either party may cancel this Purchase Agreement on five (5) days written notice to the other party, whereupon this Purchase Agreement shall become null and void, and the down payment shall be returned to the Purchaser. **IN THE EVENT THAT SPONSOR'S ATTORNEY DOES NOT RECEIVE SUCH NOTICE OF FAILURE TO OBTAIN FINANCING WITHIN FIVE DAYS AFTER EXPIRATION OF THE FORTY-DAY-PERIOD SET FORTH ABOVE (OR ANY EXPIRATION THEREOF), PURCHASER SHALL BE REQUIRED TO CLOSE WHETHER OR NOT PURCHASER RECEIVES FINANCING.**

Purchaser's failure to provide information to the lender promptly upon request therefore, or failure to accept a commitment offered, shall be a default for which the Seller shall have the right to cancel this Purchase Agreement and retain the down payment. Once a bank commitment is issued, Purchaser will be required to use due diligence in obtaining any and all extensions necessary to maintain such commitment in force, notwithstanding that such extension may be at a higher interest rate or require payment of additional fees, or include other changes. Failure to maintain such commitment will constitute a default under the

Purchase Agreement, except that if the bank refuses to extend such commitment on any rates or terms, Purchaser may cancel the Contract, and receive return of his down payment hereunder.

23. AMENDMENTS. After acceptance of my Purchase Agreement and so long as I am not in default hereunder, there shall be no change in the amount of the Cash Purchase Price, size or layout of the apartment I intend to purchase, without my written consent first being obtained. If there is an amendment to the Offering Plan, I shall be given written notice thereof by certified mail, return receipt requested, and I shall have fifteen (15) days therefrom to rescind my Purchase Agreement and obtain return of my Down Payment by so notifying the Sponsor or Selling Agent in writing by certified mail, return receipt requested. Notice of an amendment may also be given by overnight delivery service, or fax, and regular mail, and shall be deemed made when received, or when delivery is attempted. Notice of an amendment hereunder may be made by delivering a copy thereof and notice of its acceptance for filing to the attorney for the purchaser rather than directly to the purchaser in the form or manner set forth above.

24. CAPTIONS. The captions used herein are inserted only as a matter of convenience and for reference and in no way define, limit or described the scope of this Purchase Agreement or the intent of any provision hereof.

25. RECORDING OF DEED AND POWER OF ATTORNEY. At the Closing of Title, I will deliver the executed deed received from Seller and an executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, County of Kings. Such deed and power of attorney will be in the form set forth in the Plan.

26. JURY WAIVER. INTENTIONALLY OMITTED.

27. SURVIVAL. The Closing of Title to the Unit and the delivery and the delivery of the deed thereto shall be deemed full compliance by the Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom.

28. EXECUTION OF FORMS. It shall be a conditions of this contract that I shall execute and deliver to the Sponsor's attorney all forms and papers required by the State of New York and City of New York in connection with the purchase of the Unit including but not limited to the "RPT" form.

29. LAWS. The laws of the State of New York shall govern this transaction.

30. PURCHASER'S REMEDIES. In the event that the Sponsor shall for any reason (except for willful default) be unable to convey and deliver the apartment in accordance with 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 downpayment with interest plus the cost of title searches, if any.

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 the Plan shall be construed to waive a Purchaser's right to abrogate Sponsor's obligations under Article 23-A of the GBL.

31. 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. Residential Units will be offered with surface treatments as are specified in the DESCRIPTION OF PROPERTY AND BUILDING CONDITION set for the in the Offering Plan. Purchaser will be responsible for any repainting and touch-ups necessitated from moving in. Any floor plans or sketches shown to Purchaser (including those contained in the Plan) are only approximations of the Units 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 addendum to this Agreement or separate agreement).

32. 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 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 he 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 "RIGHTS AND OBLIGATIONS OF THE SPONSOR," and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in said section.

33. 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 A 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 THE SPONSOR."

34. 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's

Attorney as indicated in this Plan. Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is effected or when deposited in any branch station or depository maintained by the U.S. Postal service in the City and State of New York, except that a notice of change of address shall be deemed given when actually received. Notice may also be given by overnight delivery service or fax and regular mail, and shall be deemed effective when received or when delivery is attempted. Any notice required to be given hereunder may be given to the attorney of the respective parties.

35. BROKER. Purchaser represents to Sponsor that the Selling Agent is the only broker or sales agent with who 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 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 26 shall survive the Closing.

36. ASSIGNMENT AND RECORDATION. This contract may not be assigned or recorded, and any proposed assignment or recordation without express written permission of the Seller shall be deemed a default hereunder entitling Seller to cancel the contract and retain all sums deposited pursuant hereto. Sponsor at Sponsor's option may allow Purchaser to assign a contract; in the event of such assignment Purchaser shall pay an assignment fee of $1,500.00.

37. NO LIEN. No lien or encumbrances 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.

38. INVALIDITY. Invalidity or unenforceability of any portion or portions of this Agreement shall not affect the validity or enforceability of the other portions, which shall all be deemed valid and enforceable to the fullest extent of the law.

39. 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.

DATE: , 200 .

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Purchaser

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Purchaser

APPROVED AND ACCEPTED
291 KENT PROPERTIES, LLC

by:

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**EXHIBIT A**
**PRE-CLOSING INSPECTION STATEMENT**

We/I, the named purchaser/s in a contract for Unit at THE 30-48 SOUTH 2ND STREET CONDOMINIUM, 30-48 South 2nd Street, Brooklyn New York, certify that we/I have this day inspected said unit, and agree to accept same in its present condition, subject to completion or repair of the items set forth on the list attached hereto.

_____

_____

The attached list of repair items is consented to, and we agree to complete same prior to closing.

291 KENT PROPERTIES, LLC

By:

_____

**UNIT DEED**

THIS INDENTURE made the day of , 200 , between 291 KENT PROPERTIES, LLC, 266 Broadway, Brooklyn, New York 11211, (hereinafter "Grantor"), and

, (hereinafter "Grantee");

W I T N E S S E T H:

That the Grantor, in consideration of Ten ($10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The Unit described in the attached Schedule A.

TOGETHER with any strips or gores adjoining the above described premises on any of the sides thereof;

TOGETHER with an undivided percent interest in the Common Elements of the Property described in said Declaration (hereinafter called the "Common Elements");

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of construction of the Buildings, or which may come into existence hereafter as a result of settling of the Buildings, or as a result of repair or restoration of the Buildings, or the Unit, after damage by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Buildings shall stand;

TOGETHER with an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Units;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in, and to, the Unit;

TOGETHER with and subject to all easements of necessity in favor of the Unit, or in favor of other Units, or the Common Elements;

SUBJECT to easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of construction of the Buildings, or as a result of repair or restoration of the Buildings, or any adjoining Unit, or of the Common Elements, after damage, condemnation, or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by, or with the consent of, the Board of Managers so that any such encroachments may remain so long as the Buildings shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units.

TOGETHER with and subject to easements, rights of way, restrictions and encumbrances created by the Declaration for THE 30-48 SOUTH 2ND STREET CONDOMINIUM recorded in the Kings County Office of the Register of the City of New York on the day of , , in Reel , Page

SUBJECT to the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the Kings County Office of the Register of the City of New York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having time, any interest, or estate in the Unit, as though such provisions were recited and stipulated at length herein;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid;

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

The use for which the Unit is intended is that of a residence and/or professional office as permitted by the By-Laws and the Declaration.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Condominium Act shall control.

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

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

291 KENT PROPERTIES, LLC
BY:

_____

STATE OF NEW YORK )
COUNTY OF ) SS.:

On the day of , 200 , before me, the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed 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

**POWER OF ATTORNEY**

_____, the Owner of Unit No. in the Condominium known as THE 30-48 SOUTH 2ND STREET 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 , 200 , in the Kings County Office of the Register at Reel , Page in the floor plan of file as Map No. , do hereby nominate, constitute, and appoint persons who may from time to time constitute the Board of Managers of THE 30-48 SOUTH 2ND STREET 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 in said Property, in accordance with their Common Interests, any Unit 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, or in the proceeds of sale 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 attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do, if the undersigned were personally present. 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 attorneys-in-fact.

The Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this day of , 200 .

_____ _____

STATE OF NEW YORK )
COUNTY OF ) SS.:

On the day of , 200 , before me, the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed 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

**TAX ESCROW AGREEMENT**

**AGREEMENT** made this 15th day of August, 2009, by and between 291 KENT PROPERTIES, LLC, (hereinafter "Sponsor"), and THE BOARD OF MANAGERS OF THE 30-48 SOUTH 2ND STREET CONDOMINIUM (hereinafter "The Board");

W I T N E S S E T H:

WHEREAS, Sponsor is the Sponsor of the Offering Plan for the conversion to condominium ownership of the land and building located at 30-48 South 2nd Street, Brooklyn, New York; and,

WHEREAS, The Board is The Board of Managers charged with governing the operation of said condominium; and,

WHEREAS, the individual condominium units located at the aforementioned property have not been separately assessed for real estate tax purposes prior to the closing of the first unit located thereat; and,

WHEREAS, pursuant to the terms of the Offering Plan for said condominium conversion, Sponsor desires to secure their obligation to pay real estate taxes for the unsold units;

NOW, THEREFORE, the parties agree as follows:

1. On the first closing of a unit at the premises, Sponsor will deposit in escrow with The Board in a special segregated escrow account to be maintained by The Board in their own name, an amount equal to real estate taxes attributable to the unsold units for the six month period immediately following such closing.

2. The Board is irrevocably authorized to pay such real estate taxes as are assessed against the premises from the escrow account when such taxes are due and payable.

3. The funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment.

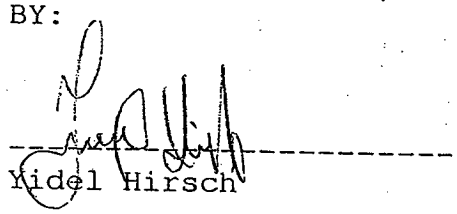
4. Upon each subsequent closing of the units, the Sponsor may collect the estimated amount of taxes attributable to such unit for the balance of the six month period from the purchaser thereof.

5. If the escrow was kept in an interest-bearing account, the interest earned thereon belongs to the Sponsor.

6. The escrow account shall be maintained in accord with all laws, rules, and regulations of the State of New York, specifically including, but not limited to, the General Business Law; and, shall be deemed held for the benefit of the condominium.

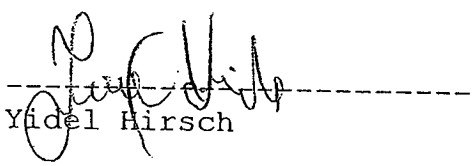
IN WITNESS WHEREOF, the parties set their hands the date above first written.

291 KENT PROPERTIES, LLC
BY:



Yidel Hirsch

THE BOARD OF MANAGERS OF
THE 30-48 SOUTH 2ND STREET CONDOMINIUM
BY:



Yidel Hirsch

# ESCROW AGREEMENT FOR CONTRACT DEPOSIT

**AGREEMENT** made this 18th day of August, 2009, between 291 KENT PROPERTIES, LLC, ("Sponsor") as Sponsor of the Offering Plan, and BERNARD A. SHAFRAN, ESQ. of FRENKEL HERSHKOWITZ & SHAFRAN LLP ("Escrow Agent") as escrow agent.

WHEREAS, 291 KENT PROPERTIES, LLC is the Sponsor of an Offering Plan to convert to condominium ownership the premises located at 30-48 South 2nd Street, Brooklyn, New York, which premises are known as THE 30-48 SOUTH 2ND STREET CONDOMINIUM; and,

WHEREAS, BERNARD A. SHAFRAN, ESQ. of FRENKEL HERSHKOWITZ & SHAFRAN LLP is authorized to act as an Escrow Agent hereunder in accordance with General Business Law ("GBL") Section 352-3(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 JP Morgan Chase Bank, at the branch located at 270 Park Avenue, New York, NY 10017. The account number is

1.2 The name of the account is FRENKEL HERSHKOWITZ & SHAFRAN f/b/o THE 30-48 SOUTH 2ND STREEET CONDOMINIUM.

1.3 Escrow Agent is the sole signatory 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 an IOLA established pursuant to Judiciary Law Section 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 FRENKEL HERSHKOWITZ & SHAFRAN LLP as Escrow Agent for THE 30-48 SOUTH 2ND STREET 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 (5) 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 deposited of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with 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 release pursuant to the regulations of the Attorney General pertaining to release of escrow funds.

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

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

## 4. RECORDKEEPING.

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

4.2 Upon the dissolution of a law firm which was Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm, or by the successor firm and shall notify the Department of Law of such transfer.

4.3 Escrow Agent shall make available to the Attorney General, upon his request, all books and records of Escrow Agent relating to the funds deposited and disbursed hereunder.

## 5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 Escrow Agent shall maintain the accounts called for in this Agreement under the direct supervision and control of Escrow Agent.

5.2 A fiduciary relationship shall exist between Escrow Agent and purchasers, and Escrow Agent acknowledges its fiduciary obligations.

## 6. RESPONSIBILITIES OF SPONSOR.

6.1 Sponsor agrees that Sponsor and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to Escrow Agent.

6.2 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

## 7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled, by either:

(a) Written notice given by Sponsor to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment 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.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT
FRENKEL HERSHKOWITZ & SHAFRAN LLP

by: _____
BERNARD SHAFRAN, ESQ.

SPONSOR
291 KENT PROPERTIES, LLC

by: _____
YIDEL HIRSCH

ETF-1

# APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWNPAYMENTS

**[Send this application to the reviewing attorney assigned to the subject plan.]**

**Re:**_____
**Address of Building or Name of Project**

**File Number:**_____

**Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:**

**1. Name of Applicant**_____

**2. Address of Applicant**_____

**3. Name, Address, and Telephone Number of Applicant's Attorney (if any)**_____

**4. This is an application for**

**[ ] return of downpayment.**
**[ ] forfeiture of downpayment.**
**[ ] other:**_____

**5. The project is**

**[ ] a conversion of occupied premises.**
**[ ] newly constructed or rehabilitated.**
**[ ] vacant (as is).**

**6. The project is structured as**

**[ ] a cooperative.**
**[ ] a condominium.**
**[ ] a homeowners association.**
**[ ] a timeshare.**
**[ ] other:**_____

**7. Name and Address of Sponsor:**_____

**8. Name and Address of Escrow Agent:**_____

**9. If downpayments are maintained in an escrow account:**

**(a) Name of account**_____

**(b) Name and address of bank**_____

**(c) Account number (if known)**_____

**(d) Initial interest rate (if known)**_____

**10. If downpayments have been secured by bonds:**

**(a) Name and address of bond issuer or surety:**_____

_____

**(b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND). If not included, explain:**

_____

_____

**11. If downpayments have been secured by a letter of credit:**

**(a) Name and address of bank which issued the letter of credit:**_____

_____

**(b) Date of expiration of the letter of credit, if known:**_____

_____

**12. Plan information:**

**(a) Date of filing of plan:**_____

**(b) Plan**

**[ ] has been declared effective. Approximate date:**
**[ ] has not been declared effective.**

**(c) If effective, the plan**

**[ ] has closed or the first unit has closed. Approximate date:**
**[ ] has not closed.**
**[ ] don't know.**

**(d) Downpayments are secured by**

**[ ] escrow account.**
**[ ] bonds.**
**[ ] letter of credit.**

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed:_____

(c) Date(s) of downpayment(s):_____

(d) Total amount of downpayment(s):_____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____

_____

_____

_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____

_____

_____

15. I am contemporaneously sending a copy of this application to the following persons:

_____

_____

_____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature:_____ Date:_____

Name (Printed): :_____

Telephone: (Home)_____ (Business)_____

Mailing Address:_____

_____

**DEMERARA ENGINEERING, PLLC**
**160 PEARL STREET, 2ND FLOOR**
**NEW YORK, NEW YORK 10005**
**1212.383.4897**




ENGINEER'S DESCRIPTION OF PROPERTY
Premises known as
30-48 South 2nd Street
Brooklyn, New York 11211

Date: October 29, 2009

The following information was obtained from the building owner and municipal agencies.

**a) *Location and use of property*:**
This property and proposed use will comply with all zoning and use requirements at closing.

**(1) Address:**
30-48 South 2nd Street, Brooklyn, N.Y. 11211.

**(2) Block and lot number:**
Block 2415, Lot Number 110.

**(3) Zoning:**
The site is located in a M3-1 Zone, which is a heavy manufacturing district zone, as designated on Map 17A.

**(4) Permissible use.**
Residential units are permitted in this M3-1 district as per BSA approval.

Handicapped Access:
This project is designed within the requirements of all applicable federal, state, and local codes and regulations governing accessibility to the disabled including Local Law 58/57.

**(b) Status of construction:**
Prior to commencing any work the builder needs to obtain work permits from the NYC Department of Buildings. Permits were obtained. Permits were issued by the NYC Department of Buildings under application numbers # 302280608 issued 05/03/2007.

**(1) Year built:**
This project is currently under construction. The anticipated completion date for this project is in 6 months from the date of this report.

**(2) Class of construction:**
This building will comply with Section 27-282 of the New York City Building Code for Construction Class I-D. Construction class ID includes buildings and spaces in which the bearing walls and other major structural elements are generally of one-hour fire-resistance rating.

**(3) Certificate of Occupancy, type and number:**
The sponsor shall obtain a temporary Certificate of Occupancy prior to the closing of the first unit.

**(4) Alteration permit numbers and description of work done:**
This construction is permitted under a new building permit. Permits were issued by the NYC Department of Buildings under application numbers # 302280608 issued 05/03/2007.

**(c) *Site*:**
The land and premises is located at South 3rd Street. The cross streets are Kent Avenue and Wythe Avenue.

**(1) Size:**
The size of the property is approximately 11,130 square feet.

**(2) Number of buildings and use:**
There shall be 1 building on the site. There are to be 23 residential units, 12 parking units, and 4 roof units.

**(3) Streets owned or maintained by the project:**
There are no streets owned or maintained by the project. The streets are owned by the NYC.

**(i) Paving:**
The street paving will be asphalt.

**(ii) Curbing:**
The sidewalks will be 4" new poured concrete.

**(iii) Catch basins, drainage:**
Catch basins consist of curb inlets, which conduct water flow by gravity within storm drains located beneath the streets. Catch basins are located at the roadway. Catch basins are in good condition.

**(iv) Street lighting:**
Street lighting consists of high intensity luminaries with metal extension arms mounted on posts. Street lighting shall be located near the building and shall be adequate for all safety public needs. Street lighting is in good condition.

**(v) The aforementioned items are in conformity with local fire district, town or municipal building codes.**

The condominium will be responsible for maintaining the sidewalk in accordance with the NYC DOT's requirements.

**(4) Drives, sidewalks and ramps:**

**(i) Paving:**
The street paving will be asphalt.

**(ii) Curbing:**

The sidewalks will be 4" new poured concrete.

**(iii) Catch basins, drainage:**
Catch basins consist of curb inlets, which conduct water flow by gravity within storm drains located beneath the streets. Catch basins are located at the roadway. The catch basins are in good condition overall.

**(iv) Street lighting:**
Street lighting consists of high intensity luminaries with metal extension arms mounted on posts. Street lighting shall be located near the building and shall be adequate for all safety public needs. Street lighting is in good condition.

**(v) The aforementioned items are in conformity with local fire district, town or municipal building codes.**

The condominium will be responsible for maintaining the sidewalk in accordance with the NYC DOT's requirements.

**(d) *Utilities*:**

**Water**
Water is furnished by the City of New York Water Distribution System and shall be paid by the condominium unit owners as part of the common charges. There will be 1 water meter.

**Gas**
Gas service is provided by Nation Grid. There shall be individual meters for gas consumption serving each apartment. Gas utilized for cooking and hot water within the units shall be billed directly to the condominium unit owner. There shall be a separate common area gas meter. Gas utilized for heating the common areas shall be paid by the condominium unit owners as part of the common charges.

**Electricity**
Electricity is provided by the Consolidated Edison Company. There shall be individual meters for electric consumption serving each apartment. Electricity utilized within the unit shall be billed directly to the condominium unit owner. There shall be a separate common area electric meter. The electrical services for the common areas shall be paid by the condominium unit owners as part of the common charges.

**Telephone**
Telephone service is provided on an individual basis to each unit by Verizon. Each condominium unit owner will be billed directly by Verizon.

**(e) *Sub-soil conditions*:**
(1) No uneven foundation movement or settling has occurred 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 the water table in the area or due to the overflow from other bodies of water.
This building is not located in a FEMA flood zone.
The soil is classified as 8-65; which is appropriate for the proposed structures. The bearing capacity is 2-4 tons; which is adequate for the proposed footing.
A copy of the Boring Test is attached hereto.

***(f) Landscaping and enclosures:***

**(1) Grass cover:**
There will be no grass covers at the premises.

**(2) Plantings:**
There will be no landscaping, except for the street trees required as per the Quality Housing Program Z.R. 28-12.

**(3) Trees:**
There will be 5 street trees at South 2nd Street, as required by the Quality Housing Program Z.R. 28-12. The tree species will comply with the City of New York Dept. of Parks and Recreation Guidelines.

**(4) Fencing:**
See ***(r)Parking.***

**(5) Gates:**
There will be no gates at the premises.

**(6) Garden walls:**
There will be no garden walls at the premises.

**(7) Retaining walls:**
See ***(r)Parking.***

**(8) Display pools and fountains:**
There will be no display pools and fountains at the premises.

***(g) Building size:***

**(1) Total height:**
The building will have an approximate height of 48'-3" measured from the adjoining grade to the top of the roof floor.

**(2) Crawl spaces:**
There are no crawl spaces to this structure, since the cellar is the lowest level.

**(3) Number of sub-cellars and cellars:**
There shall be 1 cellar to the building.

**(4) Number of floors:**
There shall be 4 floors to the building at the premises, consisting of first, second, third, and fourth floors.

**(5) Equipment rooms:**
There shall be a refuse disposal room and an elevator machine room.

**(6) Parapet:**
The roof parapet shall extend 3'-6" above the roof area.

**(h) *Structural system*:**

**(1) Exterior of buildings:**
The structural system for this building is classified as a bearing walls type. The foundation is reinforced concrete spread footings; foundation walls are reinforced concrete. Footings next to adjacent buildings were "stepped" to match existing footing heights. See attached foundation details.

**(i) Walls:**
- The exterior walls are constructed of dens glass and metal frames, with a brick veneer finish. The exterior wall at the first floor shall be partially finished with concrete.
- Local Law 10 and 11 do not apply, since this building is less than 60 feet in height.
- The insulating material shall be fiberglass and is designed to provide an R13 Value. The exterior wall composition will have a maximum thermal performance value (U.) of 0.20 to comply with table 4-1 of the N.Y.S. Energy Conservation Construction Code.
- The floors shall be constructed of concrete planks. The interior floor assembly at all floors shall be wood. The interior floor assembly at the cellar shall be concrete slab.

**(ii) Windows:**
There shall be windows at the front and rear of the house, at all floors. The windows shall be custom aluminum windows. They shall be double glazed as required by the Quality Housing Program Z.R. 28-22. The windowsills are to be constructed of brick roll-lock or limestone. The lintels are to be steel angle. The window caulking shall be of silicone. No screens or window guards shall be provided by the sponsor.

Light and air is provided in each unit in compliance with all applicable codes.
A minimum of 10% of a habitable room area is for light.
A minimum of 5% of a habitable room is for air.

There will be lot line windows. These windows may be used to provide required natural light and ventilation for enclosed rooms since the subject premises and the adjacent lots are 1 Zoning Lot.

**(iii) Landmark status:**
This building does not have landmark status.

**(2) Parapets and copings:**
The parapet shall be brick. The flashing and coping shall be aluminum. The parapet shall be firmly secured in place. There are no indications of problems such as leakage, spalling, deterioration of mortar, cracking etc.

**(3) Chimneys and caps:**
There shall be no chimney to this building. All areas requiring ventilation shall be direct vented.

**(4) Balconies and terraces:**

**(i) Deck finish:**
The deck shall be concrete with a broom non slip finish.

**(ii) Balustrade:**

The balustrades shall be aluminum.

**(iii)Railings:**
The railings shall be aluminum.

**(iv) Copings:**
None.

**(v) Soffits:**
None.

**(vi) Doors to balconies and terraces:**
Doors leading to the balcony and terraces shall be custom glass sliding doors.

**(5) Exterior entrances:**

**(i) Exterior doors and frames:**
The main exterior entrance door shall be a storefront style aluminum and glass door, with an aluminum frame. The entrance shall be controlled by an electronic lock and buzzer system.

**(ii) Vestibule doors and frames:**
The entrance vestibule door shall be a storefront style aluminum and glass door, with an aluminum frame. The entrance shall be controlled by an electronic lock and buzzer system.

**(iii) Exterior stairs:**
There shall be no exterior stairs.

**(iv) Railings:**
There shall be no exterior railings.

**(v) Mail boxes:**
Mailboxes shall be U.S. Postal Service approved type mailboxes. The mailboxes will be located either at the entrance vestibule at the first floor or outside the building. The mailboxes shall be flushed against the wall type.

**(vi) Lighting:**
Lighting will be provided directly above the entranceway. Exterior lighting shall be fluorescent.

**(6) Service entrances:**
There are no service entrances serving this building.

**(7) Roof and roof structures:**

**(i) Type of roofs for all areas:**
The roof of the building is a flat type roof.

**(*a*) Material:**
The roof material shall be modified bitumen roofing.

**(*b*) Insulation:**

The roof insulation is fiberglass and is designed to provide and R30 Value.

**(c) Surface finish:**
The roof surface finish shall be precast concrete pavers over pedestals. The pavers will be installed in accordance with the manufacturer's specifications so as not to impede drainage on the roof.

**(d) Bond or guarantee:**
The roof shall have a 10 year manufacturer's warranty with respect to defects to skillful manner of roofing. The warrantee period shall begin on the date of conveyance of title to the first unit.

**(e) Flashing materials including counter flashing:**
The roof flashing and counter flashing shall be aluminum.

**(ii) Drains:**

**(a) Location, material and type:**
Roof, roof terraces, and balconies shall be equipped with cast iron drains.

**(b) Gutters and leaders:**
The roof shall have 3" cast iron leaders which drain to the combined storm drainage system at the public street. There shall be no gutters.

**(iii) Skylights:**
There shall be no skylights. There shall be a window vents located at the roof, as per BC27-375-(I)(4). These windows shall have a minimum operable area of 144 square inches.

**(iv) Bulkheads:**

**(a) Stairs:**
The stair bulkhead shall be brick and block.

**(b) Elevator:**
The elevator bulkhead shall be brick and block.

**(c) Other:**
Not applicable.

**(v) Metal work at roof levels:**
There shall be no metal work at the roof level.

**(a) Exterior, metal stairs:**
Not applicable.

**(b) Vertical ladders, including gooseneck:**
Not applicable.

**(c) Railings:**
Not applicable.

**(d) Hatches to roof:**
Not applicable.

**(e) Other:**
Not applicable

**(vi) Rooftop facilities:**
There shall be a common recreation facility at the rooftop, as per the Quality Housing Program Z.R. 28-31. There shall also be private roof terraces for some of the adjacent units at the 4th floor. There shall also be private roof terraces which shall be offered for sale as individual roof units.

**(8) Fire escapes:**
There are no fire escapes.

**(9) Yard and courts:**
There shall be a rear yard to this building, as per plot plan. It shall be occupied for parking. The yard shall be accessed via the driveway and via the common hallway at the cellar floor.

**(i) Paving:**
See ***(r)Parking.***

**(ii) Drainage:**
See ***(r)Parking.***

**(iii) Railings:**
There shall be no railings.

**(iv) Stairs:**
There shall be no stairs.

**(v) Fencing:**
See ***(r)Parking.***

**(vi) Walls:**
See ***(r)Parking.***

**(10) Interior stairs:**

Interior stairs within the private units shall be wood, with metal handrails and wood banisters.

**(i) Number of stairs of each type:**

There shall be 1 interior common staircase.

**(ii) Enclosure:**
The common stairs shall be in a continuous 2 hour fireproof construction assembly.

**(iii) Stair construction:**
Public stairs are steel filled with concrete, with steel handrails.

**(iv) Stringers:**
The stringers shall be steel.

**(v) Treads:**
The treads shall be steel filled with concrete.

**(vi) Risers:**
The risers shall be steel.

**(vii) Guard rails:**
The guard rails shall be steel.

**(viii) Balustrade:**
The balustrade shall be steel.

**(11) Interior doors and frames:**

**(i) Unit entrance and interior doors and frames:**
Apartment entry doors and frames shall be 1 ½ hour fireproof, self-closing, hollow metal doors, with Schlage hardware. Interior doors and frames in the apartments shall be hollow core wood with passage locks and privacy locks were appropriate.

**(ii) Corridor doors and frames:**
Corridor doors and frames shall be 1 ½ hour fireproof, self-closing, hollow metal doors.

**(iii) Stair hall doors and frames:**
Stair halls doors and frames shall be 1 ½ hour fireproof, self-closing, hollow metal doors.

**(iv) Roof doors, basement doors and frames:**
Roof and basement doors shall be 1 ½ hour fireproof, self-closing, hollow metal doors.

**(12) Elevators:**

**(i) Number of passenger and service elevators:**
There will be 1 elevator in the building.

**(ii) Manufacturer, age of each and capacity:**
The elevator shall be manufactured by Imperial. It will have a capacity of 2000 lbs. and an average of 11 people (as per 175 lbs. a person)

**(iii) Type of operation for each elevator by elevator number or location in building:**
The elevator will be a passenger elevator and it will be located in the common hallway.

**(iv) Automatic (type of controls):**
The type of control shall be a "Simplex Collective Operation". Using a microprocessor-based controller, operation shall be automatic by means of the car and hall buttons. If all calls in the system have been answered, the car shall park at the last landing served.

**(v) Floors served:**
The elevator shall serve the cellar through the 4th floors.

**(vi) Type:**
The elevator will be a hydraulic machine.

**(vii) Doors:**
The doors will be automatic sliding doors. Doors shall open automatically when the car has arrived at or is leveling at the respective landings. Doors shall close after a predetermined time interval or immediately upon pressing of a car button.

**(viii) Location of machine rooms:**
The elevator machine room will be located at the cellar.

**(ix) DC motor:**
The DC motor shall be manufactured by Imperial.

**(x) AC motor:**
The AC motor shall be manufactured by Imperial.

**(xi) Other:**
Not applicable.

**13. Elevator cabs:**

**(i) Kind:**
The elevator cab shall be manufactured by Imperial.

**(ii) Floor:**
The floors shall be tiled with vynil tiles. The saddle shall be aluminum.

**(iii) Walls:**
The interior walls of the elevator will be plastic laminated.

**(iv) Ceiling:**
The interior ceiling of the elevator will be plastic laminated.

**(v) Lighting:**
Lighting shall be accomplished by a combination fan and lighting fixture at the roof of the cab.

**(vi) Alarm, safety system:**
Fire safety and alarms shall be supplied as per the NYC Fire Department Safety Code. A siren mounted on top of the cab shall be activated when the alarm button in the car operating panel is engaged. Siren shall have rated sound pressure level of 80 dB(A) at a distance of 3 feet from the device. Siren shall respond with a delay of not more than 1 second after activation of the alarm button.

**(i) *Auxiliary facilities*:**

**(1) Laundry rooms:**

**(i) Location and number of rooms:**
There will be a laundry area in each residential unit.

**(ii) Clothes washers, number and type:**
The sponsor will only provide the hook-ups. The actual washer shall be provided by the purchaser.

**(iii) Clothes dryers:**
The sponsor will only provide the hook-ups. The actual dryer shall be provided by the purchaser.

**(iv) Room ventilation:**
The laundry area shall be mechanically ventilated with 100 cfm.

**(v) Dryer ventilation:**
Not applicable.

**(2) Refuse disposal:**

**(i) Incinerator(s):**
There is no incinerator at the premises.

**(ii) Compactor(s):**
There is no compactor at the premises.

**(iii) Approvals by authority having jurisdiction:**
Not applicable.

**(iv) Initial storage location:**
Refuse disposal shall be stored within the refuse disposal storage room at the cellar until pick-up.

**(v) Pick-up schedule, and whether public or private provider:**
Refuse is collected 2 times per week by The City of New York Sanitation Department; a public provider.

**(j) *Plumbing and drainage:***

**(1) Water supply.**
Water is supplied to the units through connections from the building to the NYC Water Distribution System. There is a minimum of a 1 ¼" water main conveying the water into the building. There are no pumps, tanks, or storage since it is not necessary. The hot and cold water piping throughout the building is to be insulated.

**(2) Fire protection system:**
This building will be fully sprinkled as required by the NYC Building Code. The sprinkler pipes will be approved type copper pipes with 95-5 soldering. A wet sprinkler system shall be installed.

**(i) Standpipes:**
There shall be no standpipes to this building.

**(ii) Hose racks, hoses and nozzles:**

There shall be no hose racks, hoses and nozzles to this building.

**(iii) Sprinkler heads:**
There will be sprinklers installed in the public corridor and within the apartments in living rooms, bedrooms, kitchens, hallways, and miscellaneous other spaces, in accordance with New York City Laws. Sprinkler heads will be of upright, pendant, concealed, or sidewall types, depending on the locations and installation conditions equipped with a fusible link set to go off at a temperature of 160 degrees Fahrenheit.

**(iv) Siamese connection:**
There shall be a Siamese connection at the left side of the building. It shall be flush mounted on the wall.

**(3) Water storage tank(s) and enclosures:**
There are no water storage tanks or enclosures.

**(4) Water pressure and how maintained:**
The building relies on normal NYC water pressure for raising the water to all floors so that no water tanks are required. The water pressure is 60 PSI.

**(5) Sanitary sewage system:**
Sanitary sewage system is a gravity system, connected to a street sewer main.

**(i) Sewage piping:**
Sewer piping is a standard no hub cast iron pipe.

**(ii) Sewage pumps:**
There are no sewage pumps.

**(iii) Sewage disposal:**
The sewage system carries both waste and sanitary sewage from each apartment. Sewage is carried by gravity to local city sewers.

**(6) Permit(s) required:**
Permits were issued by the NYC Department of Buildings under application numbers # 302280608 issued 05/03/2007.

Builder shall retain the service of an architect or engineer for controlled inspection for boring, sub grade, underpinning, fire stops, high strength bolts, noise control tests, ventilation system, spray on fireproofing, and concrete. Irizarry & Shaw P.C. 914-456-8847 and/or 845-765-0002 shall be responsible for controlled inspection.

**(7) Storm drainage system:**
The sewage system carries both waste and sanitary sewage from each unit. Sewage is carried by gravity to local city sewers. The roof storm drainage system is adequate to carry runoff with out ponding.

**(i) Catch basins:**
None.

**(ii) Yard and roof drains:**
The yard and roof will be equipped with drains to facilitate drainage.

**(iii) Piping:**
All piping and fittings are cast iron or pvc.

**(iv) Eject or sump pumps:**
There will be no eject or sump pumps since it is not necessary.

**(k) *Hot Water:***

**(2) Number of hot water heater(s):**
There will be 1 hot water heater in each residential unit.

**(3) Manufacturer of hot water heater(s):**
The hot water heaters will be manufactured by A.O. Smith, 50 gallon, model #PGC-50, MEA # 180-78-E with an input rating of 44,000 BTU per hour, which is adequate to provide hot water for the projected usage within each unit.

**(7) Fuel:**
Natural gas is supplied by National Grid. Gas is supplied to the units for cooking and heating.

**(l) *Gas supply:***
Gas shall be supplied by National Grid.

**(l) Type:**
The gas supplied shall be natural gas.

**(2) Meters:**
There shall be separate meters for each unit and for the common areas. The meters shall be located within the gas meter room at the cellar floor.

**(3) Piping:**
The gas system utilizes black iron piping.

**(m) *Air conditioning:***
The cooling systems adequacy is to maintain a 72 degree temperature when the heat temperature outside is 98 degree. Each unit has a thermostat with the ability to maintain a maximum temperature of 85 degree Fahrenheit. The estimate if the heating is based on maintaining a temperature of 70 degrees at the thermostat for 16 hours a day, and 60 degrees for 8 hours as the night temperature.

**(l) Type of system:**
The heating and cooling of the building will be achieved by gas-fired PTAC units (packaged terminal air conditioning units).

**(2) PTAC system:**
The PTAC units will be manufactured by Suburban, model # DL3-0912, MEA # 135-87-E with a capacity of 9,800.
The PTAC units for the cellar will be manufactured by Mcquay, model # PTAC-07, MEA # 135-87E.

**(3) Cooling towers, make up air:**

The Make Up Air will be manufactured by Trane, model # CYHC063A3EZA, MEA # 149-01-E.

**(4) Individual units covered by the offer:**
There will be PTAC units for each residential unit.

**(n)** ***Ventilation:***

The interior bathrooms in the units shall be properly ventilated by exhaust fans through vent ducts which shall have a minimum rate of exhaust ventilation of 50 cfm. Exhaust equipment shall be NYC MEA or BSA approved.

**(o)** ***Electrical System:***

**(I) Service from main service switchgear:**
Electrical Service to this building is brought in from the terminal point of Con Edison Company and is 3 phase 208V. The wire is enclosed with 4" galvanized steel piping for protection.

**(2) Service to individual units:**
Each apartment is supplied with single phase, 208/120 Volts, 120 amps.

**(3) Compartment switchgear:**
The compartment switchgear shall be located at the cellar floor.

**(4) Unit service:**
The electrical services within the apartments are adequate for a full complement of modern appliances.

**(5) Adequacy:**

**(i) Service:**
There is an average of 16 circuit breakers per apartment.

**(ii) Lighting and fixtures:**
Lighting fixtures provided at the main entrance way shall provide illumination of 150 watts incandescent or fluorescent illumination. Public area and unit lighting shall be capable of providing at least 10 watts per 25 square feet of floor area. Each lighting fixture shall be provided with 1 or more lights of a total of not less than 60 watts. The above requirements are in compliance with the NYC Housing Maintenance Code and Multiple Dwelling Laws.

**(iii) Convenience outlets, appliance outlets:**
There will be electrical receptacles throughout the condominium units, pursuant to the NYC Electrical Code.

AFCI and GFCI are to be provided as necessary.

**(p)** ***Intercommunication and/or door signal systems, security closed circuit TV.***

Each apartment is equipped with an intercom system connected to the intercom directory at the building entry. The system enables communication between the apartment and intercom directory.

**(q)** ***Public area lighting:***

Outside fixtures shall be waterproof type. Public area lighting shall be standard ceiling mounted porcelain sockets, or better. Fixtures shall be capable of providing at least 10 watts per 25 square feet of floor area. The above requirements are in compliance with The NYC Housing Maintenance Code and Multiple Dwelling Laws.

**(r)** ***Garages and parking areas:***

**(1) Location of garage:**
The garage shall be located at the rear yard.

**(2) Location of parking areas:**
There will be 12 parking units at the premises, as required by the Quality Housing Programs Zoning Regulations. See attached plot plan for dimensions of the parking spaces and ramp.

**(3) Surfaces:**
The floors shall be 3"-6" thick binder course and 3" thick top course; asphalt over compacted gravel base. There will be a 6' concrete retaining wall with a steel fence or a steel pipe guardrail. Lighting shall be waterproof and shall be adequate for all safety parking needs. There will be illuminated white lines indicating the dividing line between each parking space. All necessary signage will be provided.

**(4) Parking:**
The parking facility shall be unattended.

**(5) Garage ventilation:**
No ventilation is needed since the parking is an outdoor facility.

**(6) Garage fire protection:**
No fire protection is needed since the parking is an outdoor facility.

**(7) Drainage:**
There will be cast iron trench drains to remove the water to the storm drainage system.

**(s)** ***Swimming pools:***
There is no swimming pool at the premises.

**(t)** ***Tennis courts, playgrounds and recreation facilities.***

**(1) Tennis courts:**
There are no tennis courts.

**(2) Playgrounds:**
There are no playgrounds.

**(3) Other recreation facilities:**
There are no other recreation facilities.

**(u)** ***Permits and Certificates:***
Prior to commencing any work the builder needs to obtain work permits from the NYC Department of Buildings. Permits were obtained. Permits were issued by the

NYC Department of Buildings under application numbers # 302280608 issued 05/03/2007.

The following permits were obtained through the course of work:

- New Building Permit: first issued 08/16/2007 renewed 06/18/2008.
- Construction Equipment Permit: first issued 08/16/2007 renewed 12/24/2007.

**(v) *Violations:***

All violations shall be removed prior to the closing of the first unit.

**(w) *Unit Information:***

| Unit No. | Unit Location | Square Feet | Number of Bedrooms | Baths | Balconies/ Terraces |
|---|---|---|---|---|---|
| P1 | rear yard | 153 | 0 | 0 | 0 |
| P2 | rear yard | 153 | 0 | 0 | 0 |
| P3 | rear yard | 153 | 0 | 0 | 0 |
| P4 | rear yard | 153 | 0 | 0 | 0 |
| P5 | rear yard | 153 | 0 | 0 | 0 |
| P6 | rear yard | 153 | 0 | 0 | 0 |
| P7 | rear yard | 153 | 0 | 0 | 0 |
| P8 | rear yard | 153 | 0 | 0 | 0 |
| P9 | rear yard | 153 | 0 | 0 | 0 |
| P10 | rear yard | 153 | 0 | 0 | 0 |
| P11 | rear yard | 153 | 0 | 0 | 0 |
| P12 | rear yard | 153 | 0 | 0 | 0 |
| 1A | 1st floor<br>cellar | 1,081<br>544 | 2 | 2 full<br>1 half | 1 balcony |
| 1B | 1st floor<br>cellar | 1,326<br>533 | 3 | 2 full<br>1 half | 0 |
| 1C | 1st floor<br>cellar | 996<br>528 | 2 | 2 full<br>1 half | 0 |
| 1D | 1st floor<br>cellar | 731<br>477 | 1 | 1 full<br>1 half | 0 |
| 1E | 1st floor<br>cellar | 745<br>456 | 1 | 1 full<br>1 half | 0 |
| 2A | 2nd floor | 1,120 | 2 | 2 full | 1 balcony |
| 2B | 2nd floor | 1,326 | 3 | 2 full | 1 balcony |
| 2C | 2nd floor | 991 | 2 | 2 full | 0 |
| 2D | 2nd floor | 758 | 1 | 1 full | 0 |
| 2E | 2nd floor | 762 | 1 | 1 full | 1 balcony |
| 2F | 2nd floor | 1,143 | 2 | 2 full | 1 balcony |
| 3A | 3rd floor | 1,120 | 2 | 2 full | 1 balcony |
| 3B | 3rd floor | 1,326 | 3 | 2 full | 1 balcony |
| 3C | 3rd floor | 991 | 2 | 2 full | 0 |
| 3D | 3rd floor | 758 | 1 | 1 full | 0 |
| 3E | 3rd floor | 762 | 1 | 1 full | 1 balcony |
| 3F | 3rd floor | 1,143 | 2 | 2 full | 1 balcony |
| 4A | 4th floor | 1,120 | 3 | 2 full | 1 balcony<br>1 roof |
| 4B | 4th floor | 1,326 | 3 | 2 full | 1 balcony |

| | | | | | |
|---|---|---|---|---|---|
| 4C | 4th floor | 991<br>36 | 2 | 2 full | 1 roof terrace |
| 4D | 4th floor | 758<br>36 | 1 | 1 full | 1 roof terrace |
| 4E | 4th floor | 890 | 2 | 1 full | 1 balcony |
| 4F | 4th floor | 1,027 | 2 | 2 full | 1 balcony<br>1 roof |
| R1 | roof | 628 | N/A | N/A | 0 |
| R2 | roof | 445 | N/A | N/A | 0 |
| R3 | roof | 457 | N/A | N/A | 0 |
| R4 | roof | 513 | N/A | N/A | 0 |

The number of rooms in each unit is computed in accordance with the standards established by the Real Estate Board of the State of New York.

The apartments are finished in the manner described below:

(a) Living/dining rooms have the following finishes:

Floors: 3/4" oak over sleepers.
Walls, ceilings: Concrete; primed and painted.

(b) Bedrooms have the following finishes:

Floors: 3/4" oak over sleepers.
Walls, ceilings: Gypsum board; primed and painted.
Closets: Closets are finished with melamine shelves and 1 rod.

(c) Kitchens have the following finishes:

Floors: 3/4" oak over sleepers.
Walls, ceilings: Gypsum board; primed and painted.
Cabinets & Appliances: The sponsor will supply and install a standard 36" high kitchen with stone counter tops and back splash. Doors will be Thermafoil, the box will be melamine. Each kitchen will have a stainless steel sink. The sponsor shall provide the following stainless steel appliances manufactured by GE Profile.

1. Dishwasher model # PDW9280LSS, or equal.
2. Slide-in range model # JGSP28SEKSS, or equal.
3. Refrigerator model # PSI23SCRSV, or equal.
4. Microwave oven model # JVM1790SK, or equal.

(c) Full bathrooms are equipped as follows:

Fixtures: One standard vanity with cast iron wash basin, and standard Delta faucets (or equivalent) 2-piece water closet and a combination bathtub and shower. The bathroom fixtures are as follows (The Sponsor may replace them with equal or better models):

Tub: Kohler Acrylic, model # K1184, or equal.
Sink: Kohler cast iron sink, model # K2905, or equal.
Toilet: Kohler porcelain china, model # K3421, or equal.

Floors: Ceramic.
Walls: Fully tiled at wet areas only.

The bathrooms will be supplied with a medicine cabinet and mirror.

**(x) *Finish schedule of spaces other than units*:**

| Location | Floors | Walls | Ceilings |
|---|---|---|---|
| Public halls | Ceramic tiles | Gypsum board; primed and painted | Gypsum board; primed and painted |
| Mech. and storage rooms | Concrete | Gypsum board; primed and painted | Gypsum board; primed and painted |

**(y) *Safety and warning devices:***
Smoke and carbon monoxide detectors provided for each dwelling unit shall be hard wired as per local Law 62/81 and R.S. 17 of the NYC Building Code. All detectors are to be approved by the Board of Standards and Appeals.

**(z) *Additional information required:***

(1) A plot plan showing landscape features, street, and outside dimensions of the building, are herewith attached.
(2) Floor plans for each line or type of unit drawn to scale, indicating room dimensions and unit boundaries, are herewith attached.
(3) Master floor plans showing unit boundaries and the relationship of units to each other, is herewith attached.
(4)The cellar shall have an approximate floor to ceiling height of 9'-0". The first through fourth floors shall have an approximate floor to ceiling height of 10'. All the above measurements are net from the floor to the ceiling.

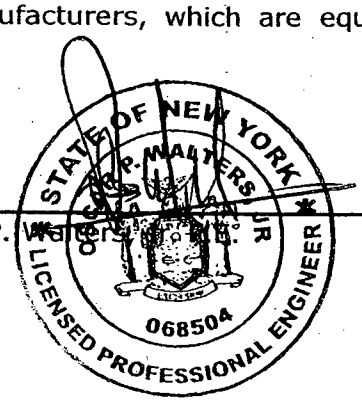
***Further Development***
The sponsor shall not construct any additional units or phases after completion of the structure, as per DOB approved plans.

***Asbestos*:**
This statement is to disclose that there will be no asbestos made products; there will be none in the insulation or fireproofing material anywhere, partially or in whole, specified under this new building construction of this condominium, as per approved plans.

***Lead-based paint*:**
This statement is to disclose that there will be no lead paint in this new building construction of this condominium, as per approved plans.

This report may not be construed as a guarantee or warranty. The sponsor reserves the right to provide different equipment by different manufacturers, which are equal to or better, than those listed above.

Oscar P. Walters, P.E.



# D.K. DRILLING OF N.Y.

214-41 42ND AVENUE, BAYSIDE, NY 11361
TEL: (718) 352-0100 FAX: (718) 352-0200

## ROCK CORING AND SOIL SAMPLING RECORD

| | | | |
|---|---|---|---|
| CLIENT: *AAA Group Real Estate Servicing Co.* | | PROJECT LOCATION: 291 Kent Avenue | |
| BORING # B-1 | COUNTY: Kings | BLOCK: 2415 | LOT: 10,14,114,15,16,116,40,41,42,43 DATES START: 8/19/05 FINISH: 8/24/05 |
| RIG INFORMATION CLASSIFICATION: | YR: 1998 | MAKE: CME 75 | MODEL: F-800 MOUNTING: TRUCK |

| BORING LOG | | SPOON SAMPLE AND CORING DATA | | | | |
|---|---|---|---|---|---|---|
| DEPTH FROM / TO | DESCRIPTION OF MATERIAL BASED ON SAMPLES RECOVERED AND OBSERVATION OF MATERIAL RETURNED BETWEEN SAMPLES | SAMPLE | DEPTH FROM / TO | REC. IN SOIL OR ROCK | BLOWS / 0.5' IN SOIL % R.Q.D. IN ROCK | REMARKS |
| 0.0'/ 2.0' | Brown silty SAND, fine to medium with gravel and construction debris (FILL) | S-1 | 0.0'/ 2.0' | 13" | 3-3 5-4 | |
| 5.0'/ 7.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-2 | 5.0'/ 7.0' | 14" | 5-7 7-6 | |
| 10.0'/ 12.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-3 | 10.0'/ 12.0' | 14" | 9-17 16-23 | |
| 15.0'/ 17.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-4 | 15.0'/ 17.0' | 19" | 5-7 7-6 | |
| 20.0'/ 22.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-5 | 20.0'/ 22.0' | 19" | 7-8 6-5 | |
| 25.0'/ 27.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-6 | 25.0'/ 27.0' | 20" | 7-7 8-9 | |
| 30.0'/ 32.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-7 | 30.0'/ 32.0' | 21" | 9-9 10-9 | |
| | | | | | | *End of Boring at 32.0'* |

| GROUND WATER DATA | | | EQUIPMENT LEFT IN BORING | | | |
|---|---|---|---|---|---|---|
| DEPTH | HOUR | DATE | SIZE | TYPE | AMOUNT | REASON |
| 36.5' | | 8/19-24/05 | | | NONE | |

HAMMER DROP 30 INCH
ROLLER BIT SIZE ____ INCH
SPOON HAMMER 140 LBS.
SPOON SIZE 2 INCH
AUGER SIZE ____ INCH
CORE BIT SIZE ____ INCH

DRILLER: FEROZ KHAN
HELPER: JAVIER



AR 19

# D.K. DRILLING OF N.Y.

214-41 42ND AVENUE, BAYSIDE, NY 11361
TEL: (718) 352-0100 FAX: (718) 352-0200

## ROCK CORING AND SOIL SAMPLING RECORD

| | | | | |
|---|---|---|---|---|
| CLIENT: *AAA Group Real Estate Servicing Co.* | | PROJECT LOCATION: 291 Kent Avenue | | |
| BORING # B-1 | COUNTY: Kings | BLOCK: 2415 | LOT: 10,14,114,15,16,116,40,41,42,43 DATES START: 8/19/05 FINISH: 8/24/05 | |
| RIG INFORMATION CLASSIFICATION: | YR: 1998 | MAKE: CME | MODEL: 75 | MOUNTING: TRUCK |

| BORING LOG | | SPOON SAMPLE AND CORING DATA | | | | |
|---|---|---|---|---|---|---|
| DEPTH FROM / TO | DESCRIPTION OF MATERIAL BASED ON SAMPLES RECOVERED AND OBSERVATION OF MATERIAL RETURNED BETWEEN SAMPLES | SAMPLE | DEPTH FROM / TO | REC. IN SOIL OR ROCK | BLOWS / 0.5' IN SOIL % R.Q.D. IN ROCK | REMARKS |
| 35.0'/ 37.0' | Brown SAND, fine to coarse with traces of gravel, *wet* (SP) (8-65) | S-8 | 35.0'/ 37.0' | 20" | 9-10 10-10 | *Wet at 36.5'* |
| | | | | | | *End of Boring at 37'* |
| 40.0'/ 42.0' | | S-9 | 40.0'/ 42.0' | | | |
| 45.0'/ 47.0' | | S-10 | 45.0'/ 47.0' | | | |
| 50.0'/ 52.0' | | S-11 | 50.0'/ 52.0' | | | |
| 55.0'/ 57.0' | | S-12 | 55.0'/ 57.0' | | | |
| 60.0'/ 62.0' | | S-13 | 60.0'/ 62.0' | | | |
| 65.0'/ 67.0' | | S-14 | 65.0'/ 67.0' | | | |

| GROUND WATER DATA | | |
|---|---|---|
| DEPTH | HOUR | DATE |
| 36.5' | | 8/19-24/05 |

| EQUIPMENT LEFT IN BORING | | | |
|---|---|---|---|
| SIZE | TYPE | AMOUNT | REASON |
| | | NONE | |

HAMMER DROP 30 INCH
ROLLER BIT SIZE ____ INCH
SPOON HAMMER 140 LBS.
SPOON SIZE 2 INCH
AUGER SIZE ____ INCH
CORE BIT SIZE ____ INCH

DRILLER: FEROZ KHAN
HELPER: JAVIER

# D.K. DRILLING OF N.Y.

214-41 42ND AVENUE, BAYSIDE, NY 11361
TEL: (718) 352-0100 FAX: (718) 352-0200

## ROCK CORING AND SOIL SAMPLING RECORD

| | | | |
|---|---|---|---|
| CLIENT: *AAA Group Real Estate Servicing Co.* | | PROJECT LOCATION: 291 Kent Avenue | |
| BORING # B-2 | COUNTY: Kings | BLOCK: 2415 | LOT: 10,14,114,15,16,116,40,41,42,43 DATES START: 8/19/05 FINISH: 8/24/05 |
| RIG INFORMATION CLASSIFICATION: | YR: 1998 | MAKE: CME 75 | MODEL: F-800 | MOUNTING: TRUCK |

| BORING LOG | | SPOON SAMPLE AND CORING DATA | | | | |
|---|---|---|---|---|---|---|
| DEPTH FROM / TO | DESCRIPTION OF MATERIAL BASED ON SAMPLES RECOVERED AND OBSERVATION OF MATERIAL RETURNED BETWEEN SAMPLES | SAMPLE | DEPTH FROM / TO | REC. IN SOIL OR ROCK | BLOWS / 0.5' IN SOIL % R.Q.D. IN ROCK | REMARKS |
| 0.0'/ 2.0' | Brown silty SAND, fine to medium with gravel and construction debris (FILL) | S-1 | 0.0'/ 2.0' | 13" | 4-5 5-6 | |
| 5.0'/ 7.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-2 | 5.0'/ 7.0' | 12" | 9-10 6-8 | |
| 10.0'/ 12.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-3 | 10.0'/ 12.0' | 13" | 12-11 13-7 | |
| 15.0'/ 17.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-4 | 15.0'/ 17.0' | 15" | 7-6 5-6 | |
| 20.0'/ 22.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-5 | 20.0'/ 22.0' | 20" | 6-7 6-7 | |
| 25.0'/ 27.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-6 | 25.0'/ 27.0' | 21" | 7-9 11-8 | |
| 30.0'/ 32.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-7 | 30.0'/ 32.0' | 20" | 8-8 10-9 | |
| | | | | | | *End of Boring at 32.0'* |

| GROUND WATER DATA | | | EQUIPMENT LEFT IN BORING | | | |
|---|---|---|---|---|---|---|
| DEPTH | HOUR | DATE | SIZE | TYPE | AMOUNT | REASON |
| | | | | | NONE | |

HAMMER DROP 30 INCH
ROLLER BIT SIZE ____ INCH
SPOON HAMMER 140 LBS.
SPOON SIZE 2 INCH
AUGER SIZE ____ INCH
CORE BIT SIZE ____ INCH

DRILLER: FEROZ KHAN
HELPER: JAVIER

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# D.K. DRILLING OF N.Y.

214-41 42ND AVENUE, BAYSIDE, NY 11361
TEL: (718) 352-0100 FAX: (718) 352-0200

## ROCK CORING AND SOIL SAMPLING RECORD

| | | | |
|---|---|---|---|
| CLIENT: *AAA Group Real Estate Servicing Co.* | | PROJECT LOCATION: 291 Kent Avenue | |
| BORING # B-3 | COUNTY: Kings | BLOCK: 2415 | LOT: 10,14,114,15,16,116,40,41,42,43 DATES START: 8/19/05 FINISH: 8/24/05 |
| RIG INFORMATION CLASSIFICATION: | YR: 1998 | MAKE: CME 75 | MODEL: F-800 MOUNTING: TRUCK |

| BORING LOG | | SPOON SAMPLE AND CORING DATA | | | | |
|---|---|---|---|---|---|---|
| DEPTH FROM / TO | DESCRIPTION OF MATERIAL BASED ON SAMPLES RECOVERED AND OBSERVATION OF MATERIAL RETURNED BETWEEN SAMPLES | SAMPLE | DEPTH FROM / TO | REC. IN SOIL OR ROCK | BLOWS / 0.5' IN SOIL % R.Q.D. IN ROCK | REMARKS |
| 0.0'/ 2.0' | Brown silty SAND, fine to medium with gravel and construction debris (FILL) | S-1 | 0.0'/ 2.0' | 12" | 6-6 7-9 | |
| 5.0'/ 7.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-2 | 5.0'/ 7.0' | 15" | 9-6 6-5 | |
| 10.0'/ 12.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-3 | 10.0'/ 12.0' | 19" | 11-9 12-15 | |
| 15.0'/ 17.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-4 | 15.0'/ 17.0' | 20" | 9-7 5-5 | |
| 20.0'/ 22.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-5 | 20.0'/ 22.0' | 21" | 5-7 6-6 | |
| 25.0'/ 27.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-6 | 25.0'/ 27.0' | 21" | 7-10 10-11 | |
| 30.0'/ 32.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-7 | 30.0'/ 32.0' | 19" | 8-9 11-12 | |
| | | | | | | *End of Boring at 32.0'* |

| GROUND WATER DATA | | | EQUIPMENT LEFT IN BORING | | | |
|---|---|---|---|---|---|---|
| DEPTH | HOUR | DATE | SIZE | TYPE | AMOUNT | REASON |
| | | | | | NONE | |

HAMMER DROP 30 INCH
ROLLER BIT SIZE ____ INCH
SPOON HAMMER 140 LBS.
SPOON SIZE 2 INCH
AUGER SIZE ____ INCH
CORE BIT SIZE ____ INCH

DRILLER: FEROZ KHAN
HELPER: JAVIER



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# D.K. DRILLING OF N.Y.

214-41 42ND AVENUE, BAYSIDE, NY 11361
TEL: (718) 352-0100 FAX: (718) 352-0200

## ROCK CORING AND SOIL SAMPLING RECORD

| | | | |
|---|---|---|---|
| CLIENT: *AAA Group Real Estate Servicing Co.* | | PROJECT LOCATION: 291 Kent Avenue | |
| BORING # B-4 | COUNTY: Kings | BLOCK:2415 | LOT: 10,14,114,15,16,116,40,41,42,43 DATES START: 8/19/05 FINISH: 8/24/05 |
| RIG INFORMATION CLASSIFICATION: | YR: 1998 | MAKE: CME 75 | MODEL: F-800 MOUNTING: TRUCK |

| BORING LOG | | SPOON SAMPLE AND CORING DATA | | | | |
|---|---|---|---|---|---|---|
| DEPTH FROM / TO | DESCRIPTION OF MATERIAL BASED ON SAMPLES RECOVERED AND OBSERVATION OF MATERIAL RETURNED BETWEEN SAMPLES | SAMPLE | DEPTH FROM / TO | REC. IN SOIL OR ROCK | BLOWS / 0.5' IN SOIL % R.Q.D. IN ROCK | REMARKS |
| 0.0'/ 2.0' | Brown silty SAND, fine to medium with gravel and construction debris (FILL) | S-1 | 0.0'/ 2.0' | 14" | 4-4 6-5 | |
| 5.0'/ 7.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-2 | 5.0'/ 7.0' | 15" | 5-9 7-6 | |
| 10.0'/ 12.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-3 | 10.0'/ 12.0' | 15" | 7-7 6-7 | |
| 15.0'/ 17.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-4 | 15.0'/ 17.0' | 18" | 5-9 7-6 | |
| 20.0'/ 22.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-5 | 20.0'/ 22.0' | 20" | 8-5 9-7 | |
| 25.0'/ 27.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-6 | 25.0'/ 27.0' | 21" | 9-8 11-9 | |
| 30.0'/ 32.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-7 | 30.0'/ 32.0' | 20" | 10-10 11-10 | |
| | | | | | | *End of Boring at 32.0'* |

| GROUND WATER DATA | | | EQUIPMENT LEFT IN BORING | | | |
|---|---|---|---|---|---|---|
| DEPTH | HOUR | DATE | SIZE | TYPE | AMOUNT | REASON |
| | | | | | NONE | |

HAMMER DROP 30 INCH
ROLLER BIT SIZE ____ INCH
SPOON HAMMER 140 LBS.
SPOON SIZE 2 INCH
AUGER SIZE ____ INCH
CORE BIT SIZE ____ INCH

DRILLER: FEROZ KHAN
HELPER: JAVIER



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# D.K. DRILLING OF N.Y.

214-41 42ND AVENUE, BAYSIDE, NY 11361
TEL: (718) 352-0100 FAX: (718) 352-0200

## ROCK CORING AND SOIL SAMPLING RECORD

| | | | | |
|---|---|---|---|---|
| CLIENT: *AAA Group Real Estate Servicing Co.* | | PROJECT LOCATION: 291 Kent Avenue | | |
| BORING # B-5 | COUNTY: Kings | BLOCK: 2415 | LOT: 10,14,114,15,16,116,40,41,42,45 DATES START: 8/19/05 FINISH: 8/24/05 | |
| RIG INFORMATION CLASSIFICATION: | YR: 1998 | MAKE: CME 75 | MODEL: F-800 | MOUNTING: TRUCK |

| BORING LOG | | SPOON SAMPLE AND CORING DATA | | | | |
|---|---|---|---|---|---|---|
| DEPTH FROM / TO | DESCRIPTION OF MATERIAL BASED ON SAMPLES RECOVERED AND OBSERVATION OF MATERIAL RETURNED BETWEEN SAMPLES | SAMPLE | DEPTH FROM / TO | REC. IN SOIL OR ROCK | BLOWS / 0.5' IN SOIL % R.Q.D. IN ROCK | REMARKS |
| 0.0'/ 2.0' | Brown silty SAND, fine to medium with gravel and construction debris (FILL) | S-1 | 0.0'/ 2.0' | 14" | 3-3 5-4 | |
| 5.0'/ 7.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-2 | 5.0'/ 7.0' | 13" | 9-13 11-6 | |
| 10.0'/ 12.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-3 | 10.0'/ 12.0' | 15" | 5-4 6-6 | |
| 15.0'/ 17.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-4 | 15.0'/ 17.0' | 18" | 9-8 6-6 | |
| 20.0'/ 22.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-5 | 20.0'/ 22.0' | 18" | 7-6 5-7 | |
| 25.0'/ 27.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-6 | 25.0'/ 27.0' | 20" | 12-11 11-10 | |
| 30.0'/ 32.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-7 | 30.0'/ 32.0' | 20" | 11-10 10-9 | |
| | | | | | | *End of Boring at 32.0'* |

| GROUND WATER DATA | | | EQUIPMENT LEFT IN BORING | | | |
|---|---|---|---|---|---|---|
| DEPTH | HOUR | DATE | SIZE | TYPE | AMOUNT | REASON |
| | | | | | NONE | |

HAMMER DROP 30 INCH
ROLLER BIT SIZE ____ INCH
SPOON HAMMER 140 LBS
SPOON SIZE 2 INCH
AUGER SIZE ____ INCH
CORE BIT SIZE ____ INCH

DRILLER: FEROZ KHAN
HELPER: JAVIER



AR 24

# D.K. DRILLING OF N.Y.

214-41 42ND AVENUE, BAYSIDE, NY 11361
TEL: (718) 352-0100 FAX: (718) 352-0200

## ROCK CORING AND SOIL SAMPLING RECORD

CLIENT: *AAA Group Real Estate Servicing Co.* PROJECT LOCATION: 291 Kent Avenue

BORING # B-6 COUNTY: Kings BLOCK: 2415 *Lot: 10,14,114,15,16,116,40,41,42,43 DATES START: 8/19/05 FINISH: 8/24/05*

RIG INFORMATION CLASSIFICATION: YR: 1998 MAKE: CME 75 MODEL: F-800 MOUNTING: TRUCK

| BORING LOG | | SPOON SAMPLE AND CORING DATA | | | | |
|---|---|---|---|---|---|---|
| DEPTH FROM / TO | DESCRIPTION OF MATERIAL BASED ON SAMPLES RECOVERED AND OBSERVATION OF MATERIAL RETURNED BETWEEN SAMPLES | SAMPLE | DEPTH FROM / TO | REC. IN SOIL OR ROCK | BLOWS / 0.5' IN SOIL % R.Q.D. IN ROCK | REMARKS |
| 0.0'/ 2.0' | Brown silty SAND, fine to medium with gravel and construction debris (FILL) | S-1 | 0.0'/ 2.0' | 12" | 4-4<br>6-5 | |
| 5.0'/ 7.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-2 | 5.0'/ 7.0' | 13" | 6-6<br>9-8 | |
| 10.0'/ 12.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-3 | 10.0'/ 12.0' | 13" | 7-6<br>11-8 | |
| 15.0'/ 17.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-4 | 15.0'/ 17.0' | 17" | 5-7<br>4-5 | |
| 20.0'/ 22.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-5 | 20.0'/ 22.0' | 19" | 5-5<br>8-9 | |
| 25.0'/ 27.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-6 | 25.0'/ 27.0' | 19" | 10-12<br>12-11 | |
| 30.0'/ 32.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-7 | 30.0'/ 32.0' | 20" | 7-4<br>4-9 | |

| GROUND WATER DATA | | | EQUIPMENT LEFT IN BORING | | | |
|---|---|---|---|---|---|---|
| DEPTH | HOUR | DATE | SIZE | TYPE | AMOUNT | REASON |
| 36.5' | | | | | NONE | |

HAMMER DROP 30 INCH
ROLLER BIT SIZE ____ INCH
SPOON HAMMER 140 LBS.
SPOON SIZE 2 INCH
AUGER SIZE ____ INCH
CORE BIT SIZE ____ INCH

DRILLER: FEROZ KHAN
HELPER: JAVIER



AR 25

# D.K. DRILLING OF N.Y.

214-41 42ND AVENUE, BAYSIDE, NY 11361
TEL: (718) 352-0100 FAX: (718) 352-0200

## ROCK CORING AND SOIL SAMPLING RECORD

| | | | | |
|---|---|---|---|---|
| CLIENT: *AAA Group Real Estate Servicing Co.* | | PROJECT LOCATION: 291 Kent Avenue | | |
| BORING # B-6 | COUNTY: Kings | BLOCK: 2415 | *LOT: 10,14 114,15,16 116,40,41,42,43 DATES START: 8/19/05 FINISH: 8/24/05* | |
| RIG INFORMATION CLASSIFICATION: | YR: 1998 | MAKE: CME | MODEL: 75 | MOUNTING: TRUCK |

| BORING LOG | | SPOON SAMPLE AND CORING DATA | | | | |
|---|---|---|---|---|---|---|
| DEPTH FROM / TO | DESCRIPTION OF MATERIAL BASED ON SAMPLES RECOVERED AND OBSERVATION OF MATERIAL RETURNED BETWEEN SAMPLES | SAMPLE | DEPTH FROM / TO | REC. IN SOIL OR ROCK | BLOWS / 0.5' IN SOIL % R.Q.D. IN ROCK | REMARKS |
| 35.0'/ 37.0' | Brown SAND, fine to coarse with traces of gravel (SP) (8-65) | S-8 | 35.0'/ 37.0' | 19" | 12-10 10-14 | |
| | | | | | | *Wet at 36.5'* |
| 40.0'/ 42.0' | Brown SAND, fine SAND with traces of gravel, *wet* (SP) (8-65) | S-9 | 40.0'/ 42.0' | 18" | 13-10 10-9 | |
| 45.0'/ 47.0' | Brown SAND, fine SAND with traces of gravel, *wet* (SP) (8-65) | S-10 | 45.0'/ 47.0' | 19" | 11-13 13-15 | |
| 50.0'/ 52.0' | Brown SAND, fine SAND with traces of gravel, *wet* (SP) (8-65) | S-11 | 50.0'/ 52.0' | 20" | 14-16 15-16 | |
| 55.0'/ 57.0' | Brown SAND, fine SAND with traces of gravel, *wet* (SP) (8-65) | S-12 | 55.0'/ 57.0' | 21" | 16-13 15-16 | |
| 60.0'/ 62.0' | Brown SAND, fine SAND with traces of gravel, *wet* (SP) (8-65) | S-13 | 60.0'/ 62.0' | 21" | 17-15 17-18 | |
| 65.0'/ 67.0' | Brown SAND, fine SAND with traces of gravel, *wet* (SP) (8-65) | S-14 | 65.0'/ 67.0' | 20" | 17-16 16-18 | |

| GROUND WATER DATA | | | EQUIPMENT LEFT IN BORING | | | |
|---|---|---|---|---|---|---|
| DEPTH | HOUR | DATE | SIZE | TYPE | AMOUNT | REASON |
| 36.5' | | 8/19-24/05 | | | NONE | |

HAMMER DROP 30 INCH
ROLLER BIT SIZE ____ INCH
SPOON HAMMER 140 LBS.
SPOON SIZE 2 INCH
AUGER SIZE ____ INCH
CORE BIT SIZE ____ INCH

DRILLER: FEROZ KHAN
HELPER: JAVIER



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# D.K. DRILLING OF N.Y.

214-41 42ND AVENUE, BAYSIDE, NY 11361
TEL: (718) 352-0100 FAX: (718) 352-0200

## ROCK CORING AND SOIL SAMPLING RECORD

| | | | | |
|---|---|---|---|---|
| CLIENT: *AAA Group Real Estate Servicing Co.* | | PROJECT LOCATION: 291 Kent Avenue | | |
| BORING # B- 6 | COUNTY: Kings | BLOCK: 2415 | *LOT: 10,14,114,15,16,116,40,41,42,43 DATES START: 8/19/05 FINISH 8/24/05* | |
| RIG INFORMATION CLASSIFICATION: | YR: 1998 | MAKE: CME 75 | MODEL: F-800 | MOUNTING: TRUCK |

| BORING LOG | | SPOON SAMPLE AND CORING DATA | | | | |
|---|---|---|---|---|---|---|
| DEPTH FROM / TO | DESCRIPTION OF MATERIAL BASED ON SAMPLES RECOVERED AND OBSERVATION OF MATERIAL RETURNED BETWEEN SAMPLES | SAMPLE | DEPTH FROM / TO | REC. IN SOIL OR ROCK | BLOWS / 0.5' IN SOIL % R.Q.D. IN ROCK | REMARKS |
| 70.0'/ 72.0' | Brown SAND, fine SAND with traces of gravel, *wet* (SP) (8-65) | S-15 | 70.0'/ 72.0' | 22" | 19-16 18-19 | |
| 75.0'/ 77.0' | Brown SAND, fine SAND with traces of gravel, *wet* (SP) (8-65) | S-16 | 75.0'/ 77.0' | 21" | 20-21 17-16 | |
| 80.0'/ 82.0' | Brown SAND, fine SAND with traces of gravel, *wet* (SP) (8-65) | S-17 | 80.0'/ 82.0' | 22" | 17-17 18-20 | |
| 85.0'/ 87.0' | Brown SAND, fine SAND with traces of gravel, *wet* (SP) (8-65) | S-18 | 85.0'/ 87.0' | 22" | 15-17 17-18 | |
| 90.0'/ 92.0' | Brown SAND, fine SAND with traces of gravel, *wet* (SP) (8-65) | S-19 | 90.0'/ 92.0' | 21" | 21-19 20-20 | |
| 95.0'/ 97.0' | Brown SAND, fine SAND with traces of gravel, *wet* (SP) (8-65) | S-20 | 95.0'/ 97.0' | 21" | 17-18 21-20 | |
| 100.0'/ 102.0' | Brown SAND, fine SAND with traces of gravel, *wet* (SP) (8-65) | S-21 | 100.0'/ 102.0' | 20" | 20-23 20-18 | *End of Boring at 100.0'* |

| GROUND WATER DATA | | |
|---|---|---|
| DEPTH | HOUR | DATE |
| 36.5' | | 8/19-24/05 |
| | | |
| | | |
| | | |

| EQUIPMENT LEFT IN BORING | | | |
|---|---|---|---|
| SIZE | TYPE | AMOUNT | REASON |
| | | NONE | |
| | | | |
| | | | |
| | | | |

HAMMER DROP 30 INCH
ROLLER BIT SIZE ____ INCH
SPOON HAMMER 140 LBS.
SPOON SIZE 2 INCH
AUGER SIZE ____ INCH
CORE BIT SIZE ____ INCH

DRILLER: FEROZ KHAN
HELPER: JAVIER



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# D.K. DRILLING OF N.Y.

214-41 42ND AVENUE, BAYSIDE, NY 11361
TEL: (718) 352-0100 FAX: (718) 352-0200

## ROCK CORING AND SOIL SAMPLING RECORD

| | | | |
|---|---|---|---|
| CLIENT: *AAA Group Real Estate Servicing Co.* | | PROJECT LOCATION: 291 Kent Avenue | |
| BORING # B-7 | COUNTY: Kings | BLOCK: 2415 | *LOT: 10,14,114,15,16,116,40,41,42,43 DATES START: 8/19/05 FINISH: 8/24/05* |
| RIG INFORMATION CLASSIFICATION: | YR: 1998 | MAKE: CME 75 | MODEL: F-800 / MOUNTING: TRUCK |

| BORING LOG | | SPOON SAMPLE AND CORING DATA | | | | |
|---|---|---|---|---|---|---|
| DEPTH FROM / TO | DESCRIPTION OF MATERIAL BASED ON SAMPLES RECOVERED AND OBSERVATION OF MATERIAL RETURNED BETWEEN SAMPLES | SAMPLE | DEPTH FROM / TO | REC. IN SOIL OR ROCK | BLOWS / 0.5' IN SOIL % R.Q.D. IN ROCK | REMARKS |
| 0.0'/ 2.0' | Brown silty SAND, fine to medium with gravel and construction debris (FILL) | S-1 | 0.0'/ 2.0' | 14" | 5-4 6-7 | |
| 5.0'/ 7.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-2 | 5.0'/ 7.0' | 15" | 6-7 6-5 | |
| 10.0'/ 12.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-3 | 10.0'/ 12.0' | 15" | 17-5 7-6 | |
| 15.0'/ 17.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-4 | 15.0'/ 17.0' | 19" | 5-5 5-6 | |
| 20.0'/ 22.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-5 | 20.0'/ 22.0' | 20" | 8-7 9-10 | |
| 25.0'/ 27.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-6 | 25.0'/ 27.0' | 20" | 9-8 10-12 | |
| 30.0'/ 32.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-7 | 30.0'/ 32.0' | 20" | 10-9 11-13 | |
| | | | | | | *End of Boring at 32.0'* |

| GROUND WATER DATA | | | EQUIPMENT LEFT IN BORING | | | |
|---|---|---|---|---|---|---|
| DEPTH | HOUR | DATE | SIZE | TYPE | AMOUNT | REASON |
| 36.5' | | 8/19-24/05 | | | NONE | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

HAMMER DROP 30 INCH
ROLLER BIT SIZE ____ INCH
SPOON HAMMER 140 LBS
SPOON SIZE 2 INCH
AUGER SIZE ____ INCH
CORE BIT SIZE ____ INCH

DRILLER: FEROZ KHAN
HELPER: JAVIER



AM 28

# D.K. DRILLING OF N.Y.

214-41 42ND AVENUE, BAYSIDE, NY 11361
TEL: (718) 352-0100 FAX: (718) 352-0200

## ROCK CORING AND SOIL SAMPLING RECORD

| | | | | |
|---|---|---|---|---|
| CLIENT: *AAA Group Real Estate Servicing Co.* | | PROJECT LOCATION: 291 Kent Avenue | | |
| BORING # B-7 | COUNTY: Kings | BLOCK: 2415 | LOT: 10,14,114,15,16,116,40,41,42,43 DATES START: 8/19/05 FINISH: 8/24/05 | |
| RIG INFORMATION CLASSIFICATION: | YR: 1998 | MAKE: CME | MODEL: 75 | MOUNTING: TRUCK |

| BORING LOG | | SPOON SAMPLE AND CORING DATA | | | | |
|---|---|---|---|---|---|---|
| DEPTH FROM / TO | DESCRIPTION OF MATERIAL BASED ON SAMPLES RECOVERED AND OBSERVATION OF MATERIAL RETURNED BETWEEN SAMPLES | SAMPLE | DEPTH FROM / TO | REC. IN SOIL OR ROCK | BLOWS / 0.5' IN SOIL % R.Q.D. IN ROCK | REMARKS |
| 35.0'/ 37.0' | Brown SAND, fine to coarse with traces of gravel, *wet* (SP) (8-65) | S-8 | 35.0'/ 37.0' | 21" | 10-11 11-10 | *Wet at 36.5'* |
| | | | | | | *End of Boring at 37'* |
| 40.0'/ 42.0' | | S-9 | 40.0'/ 42.0' | | | |
| 45.0'/ 47.0' | | S-10 | 45.0'/ 47.0' | | | |
| 50.0'/ 52.0' | | S-11 | 50.0'/ 52.0' | | | |
| 55.0'/ 57.0' | | S-12 | 55.0'/ 57.0' | | | |
| 60.0'/ 62.0' | | S-13 | 60.0'/ 62.0' | | | |
| 65.0'/ 67.0' | | S-14 | 65.0'/ 67.0' | | | |

| GROUND WATER DATA | | |
|---|---|---|
| DEPTH | HOUR | DATE |
| 36.5' | | 8/19-24/05 |
| | | |
| | | |
| | | |

| EQUIPMENT LEFT IN BORING | | | |
|---|---|---|---|
| SIZE | TYPE | AMOUNT | REASON |
| | | NONE | |
| | | | |
| | | | |

HAMMER DROP 30 INCH
ROLLER BIT SIZE ____ INCH
SPOON HAMMER 140 LBS.
SPOON SIZE 2 INCH
AUGER SIZE ____ INCH
CORE BIT SIZE ____ INCH

DRILLER: FEROZ KHAN
HELPER: JAVIER



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# D.K. DRILLING OF N.Y.

214-41 42ND AVENUE, BAYSIDE, NY 11361
TEL: (718) 352-0100 FAX: (718) 352-0200

## ROCK CORING AND SOIL SAMPLING RECORD

| | | | |
|---|---|---|---|
| CLIENT: *AAA Group Real Estate Servicing Co.* | | PROJECT LOCATION: 291 Kent Avenue | |
| BORING # B-8 | COUNTY: Kings | BLOCK: 2415 | *LOT: 10,14,114,15,16,116,40,41,42,43 DATES START: 8/19/05 FINISH: 8/24/05* |
| RIG INFORMATION CLASSIFICATION: | YR: 1998 | MAKE: CME 75 | MODEL: F-800 MOUNTING: TRUCK |

| BORING LOG | | SPOON SAMPLE AND CORING DATA | | | | |
|---|---|---|---|---|---|---|
| DEPTH FROM / TO | DESCRIPTION OF MATERIAL BASED ON SAMPLES RECOVERED AND OBSERVATION OF MATERIAL RETURNED BETWEEN SAMPLES | SAMPLE | DEPTH FROM / TO | REC. IN SOIL OR ROCK | BLOWS / 0.5' IN SOIL % R.Q.D. IN ROCK | REMARKS |
| 0.0'/ 2.0' | Brown silty SAND, fine to medium with gravel and construction debris (FILL) | S-1 | 0.0'/ 2.0' | 14" | 2-7 9-6 | |
| 5.0'/ 7.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-2 | 5.0'/ 7.0' | 16" | 9-6 6-7 | |
| 10.0'/ 12.0' | Brown silty SAND, fine to medium with gravel, brick and construction debris (FILL) | S-3 | 10.0'/ 12.0' | 16" | 5-7 6-6 | |
| 15.0'/ 17.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-4 | 15.0'/ 17.0' | 18" | 6-5 5-6 | |
| 20.0'/ 22.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-5 | 20.0'/ 22.0' | 20" | 7-8 8-9 | |
| 25.0'/ 27.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-6 | 25.0'/ 27.0' | 20" | 7-8 8-10 | |
| 30.0'/ 32.0' | Brown SAND, fine SAND with traces of gravel (SP) (8-65) | S-7 | 30.0'/ 32.0' | 20" | 10-10 11-11 | *End of Boring at 32.0'* |

| GROUND WATER DATA | | | EQUIPMENT LEFT IN BORING | | | |
|---|---|---|---|---|---|---|
| DEPTH | HOUR | DATE | SIZE | TYPE | AMOUNT | REASON |
| | | | | | NONE | |

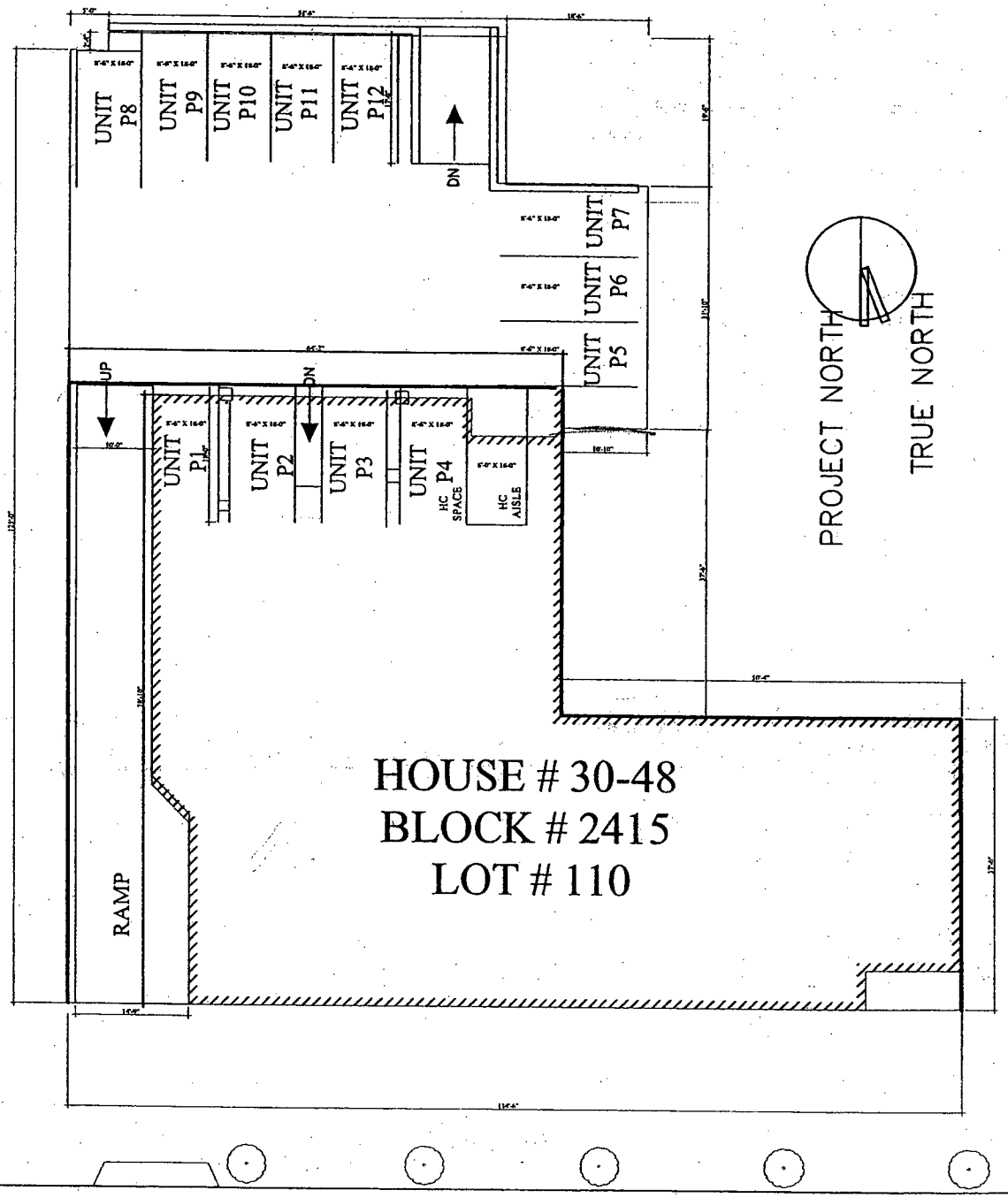
HAMMER DROP 30 INCH
ROLLER BIT SIZE ____ INCH
SPOON HAMMER 140 LBS.
SPOON SIZE 2 INCH
AUGER SIZE ____ INCH
CORE BIT SIZE ____ INCH

DRILLER: FEROZ KHAN
HELPER: JAVIER



AR 30

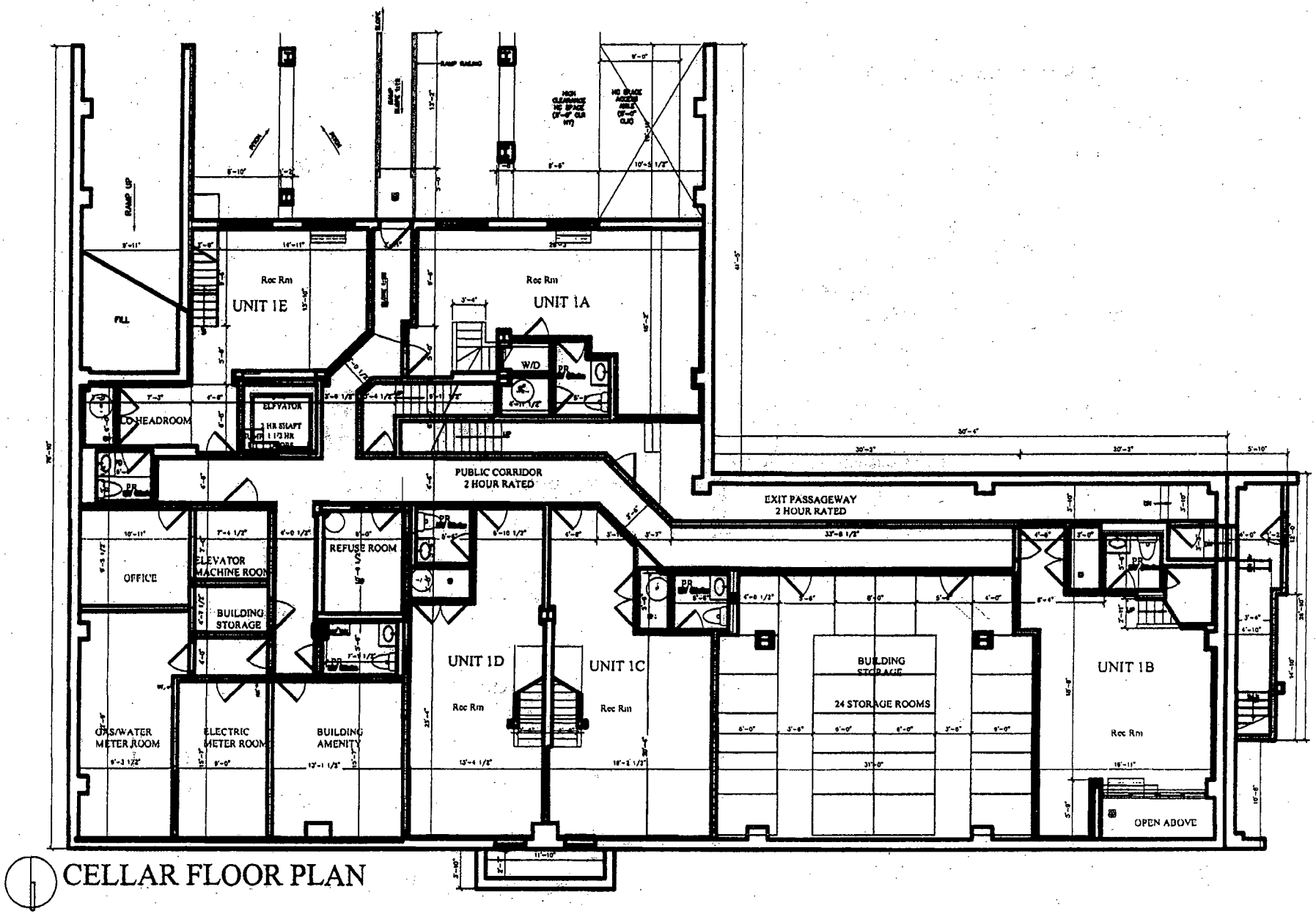
KENT AVENUE




SOUTH 2ND STREET

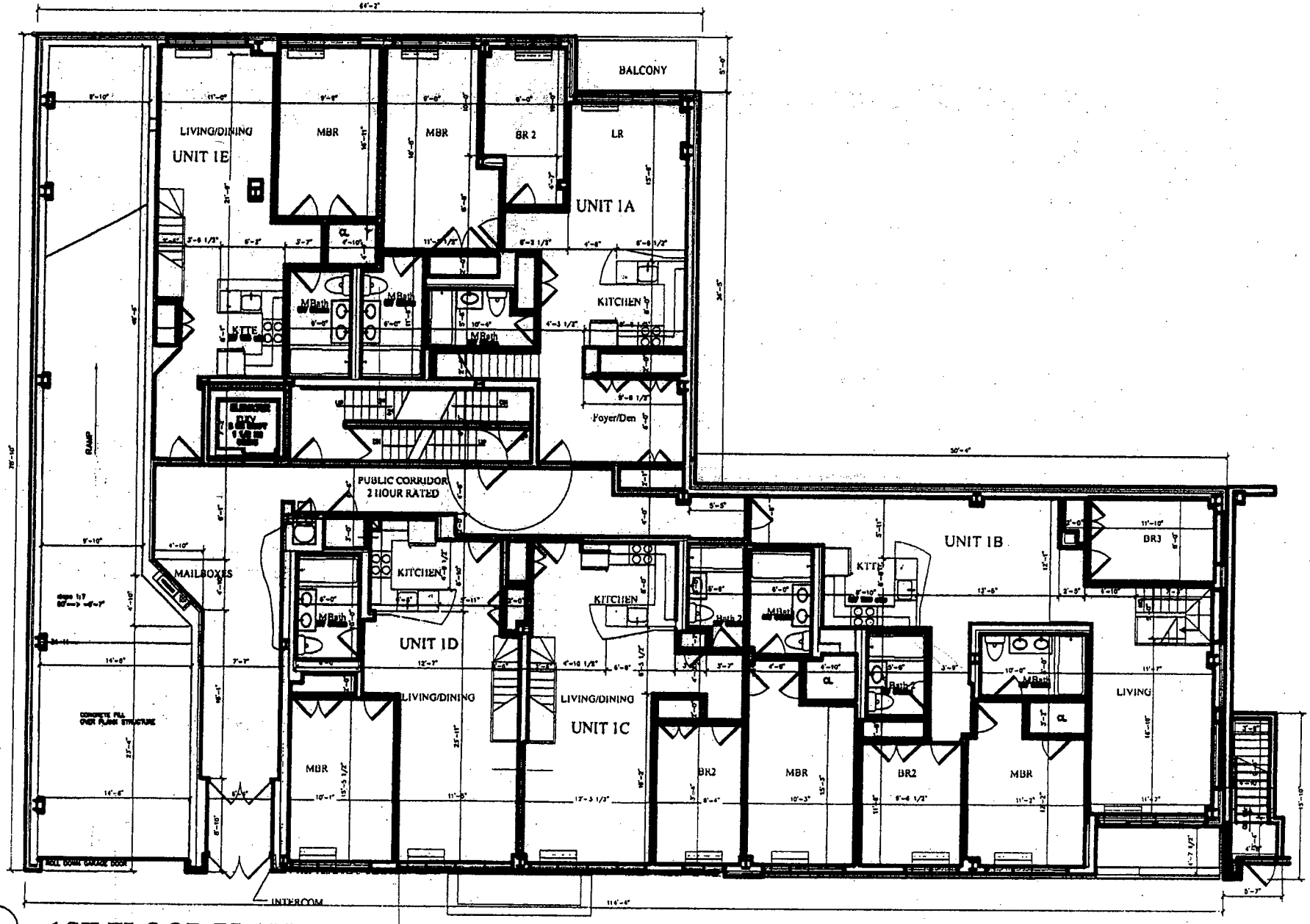
PLOT PLAN

FP 1

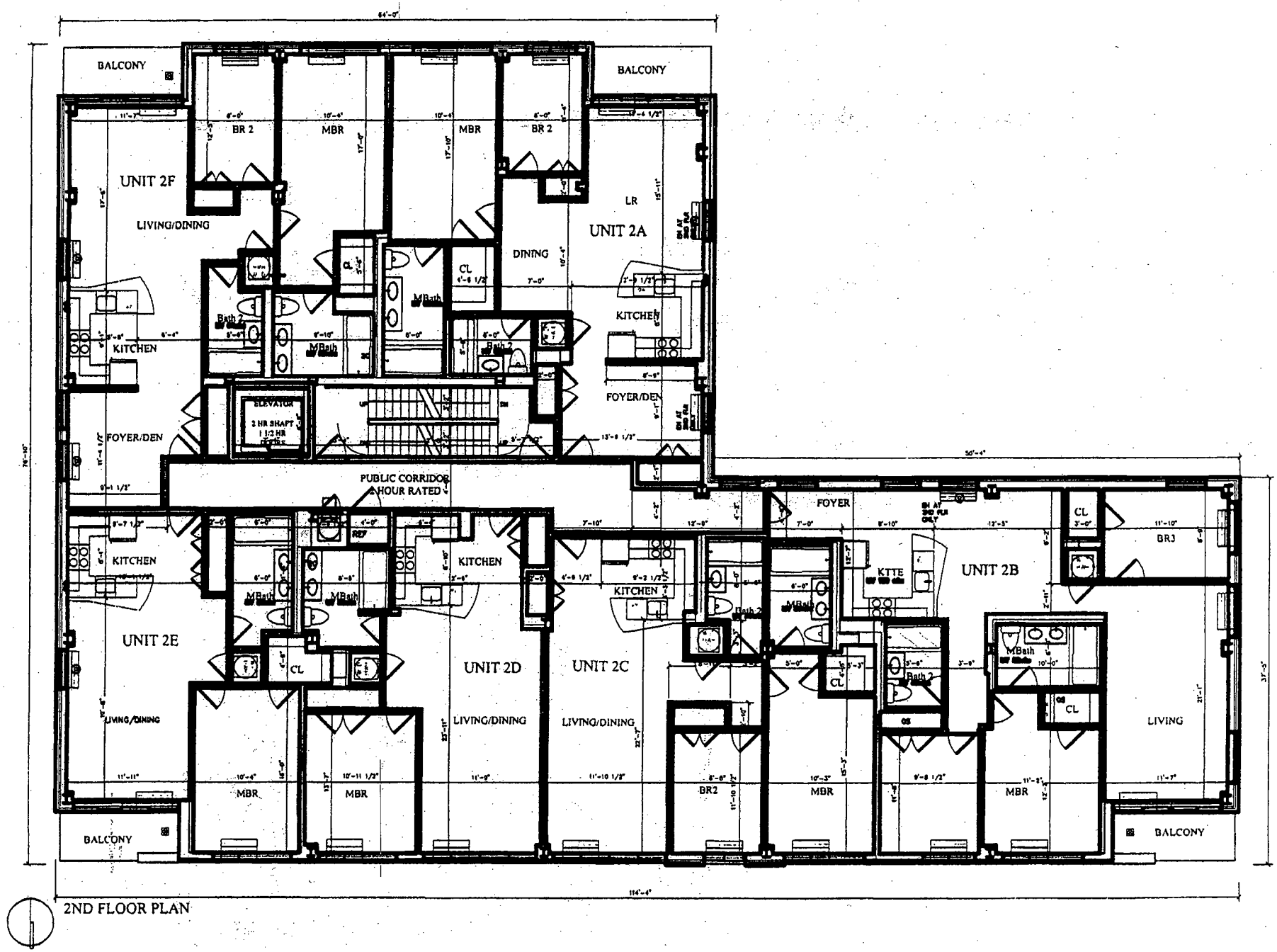



CELLAR FLOOR PLAN

FP3

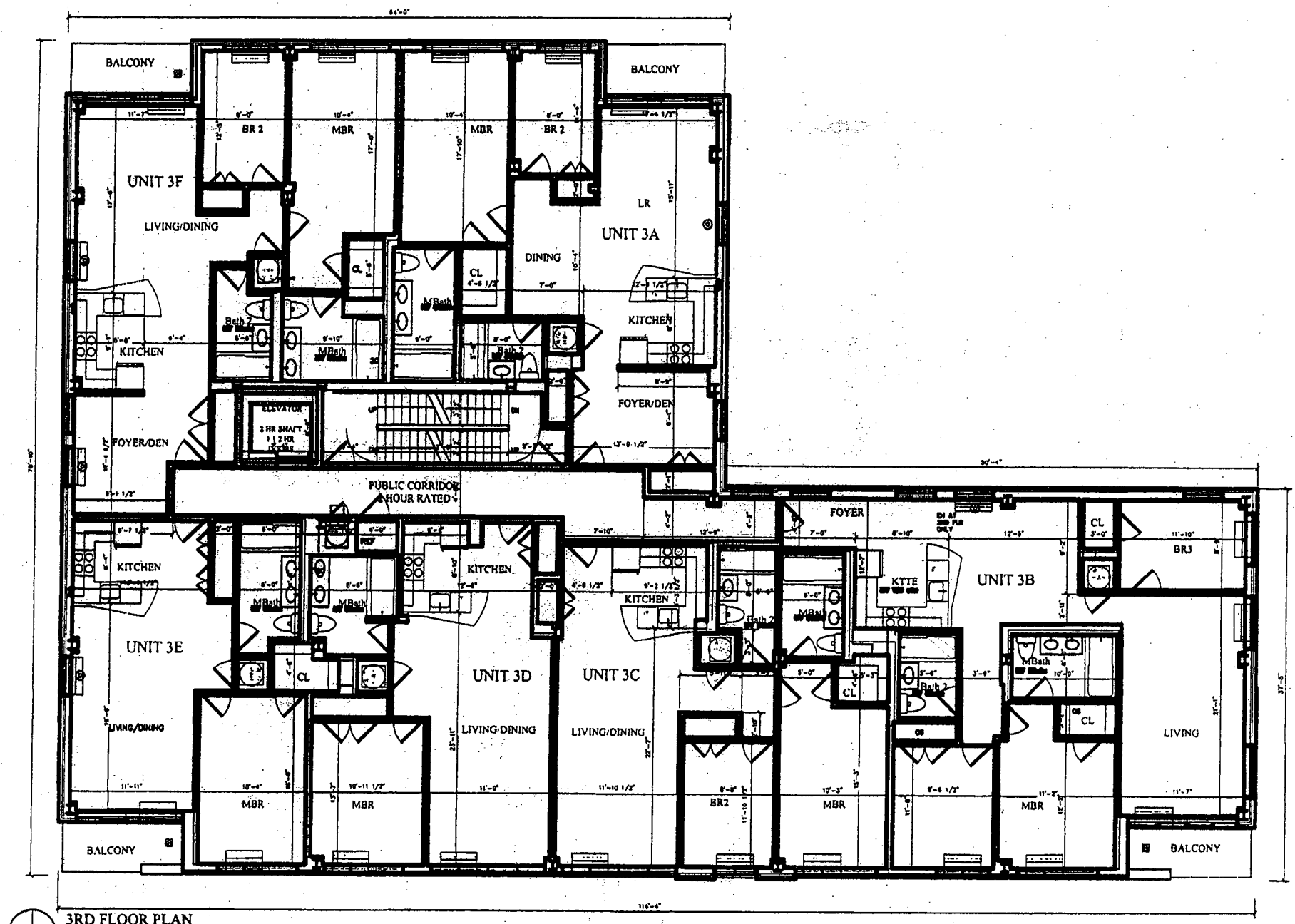



1ST FLOOR PLAN



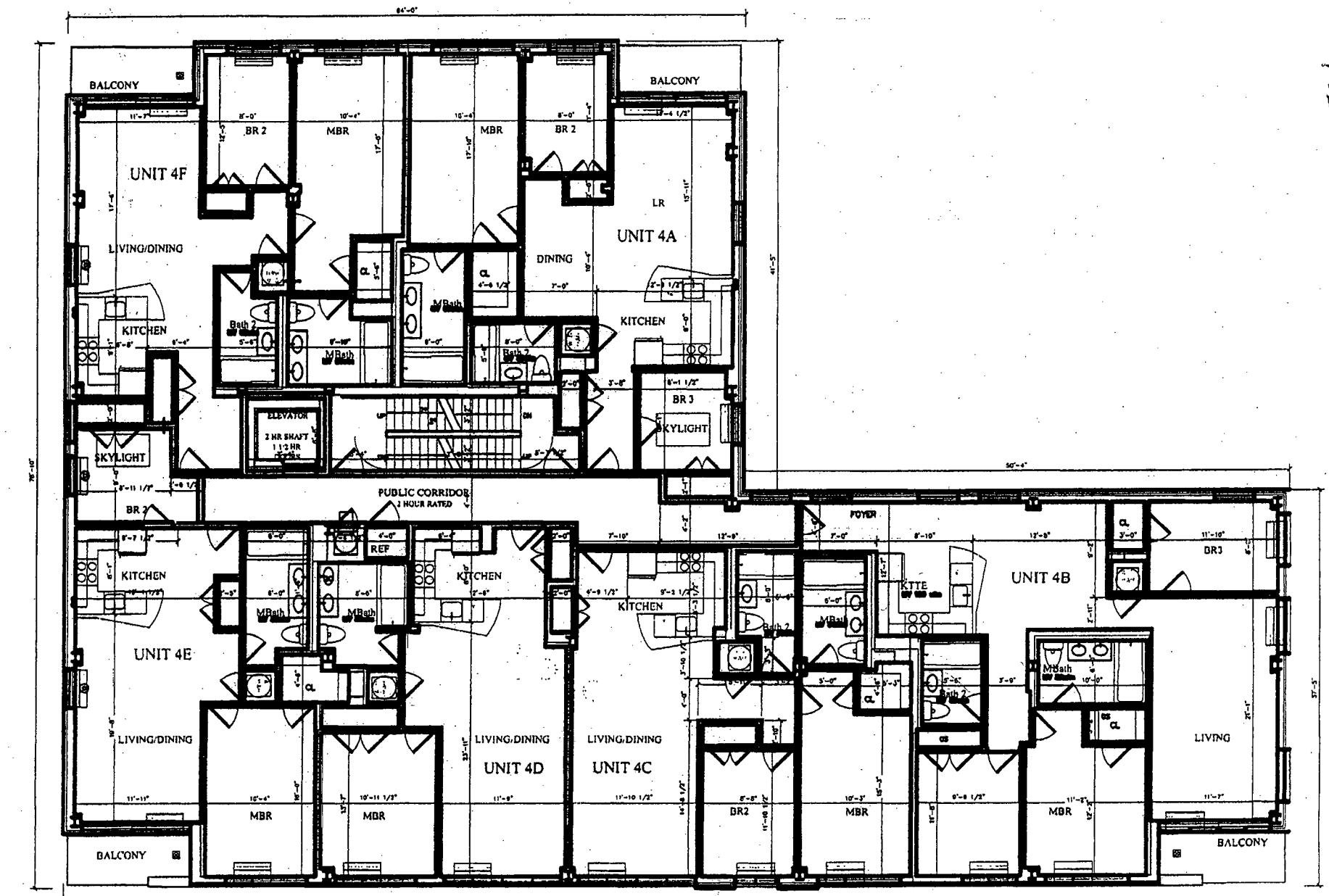

2ND FLOOR PLAN

FPH




3RD FLOOR PLAN

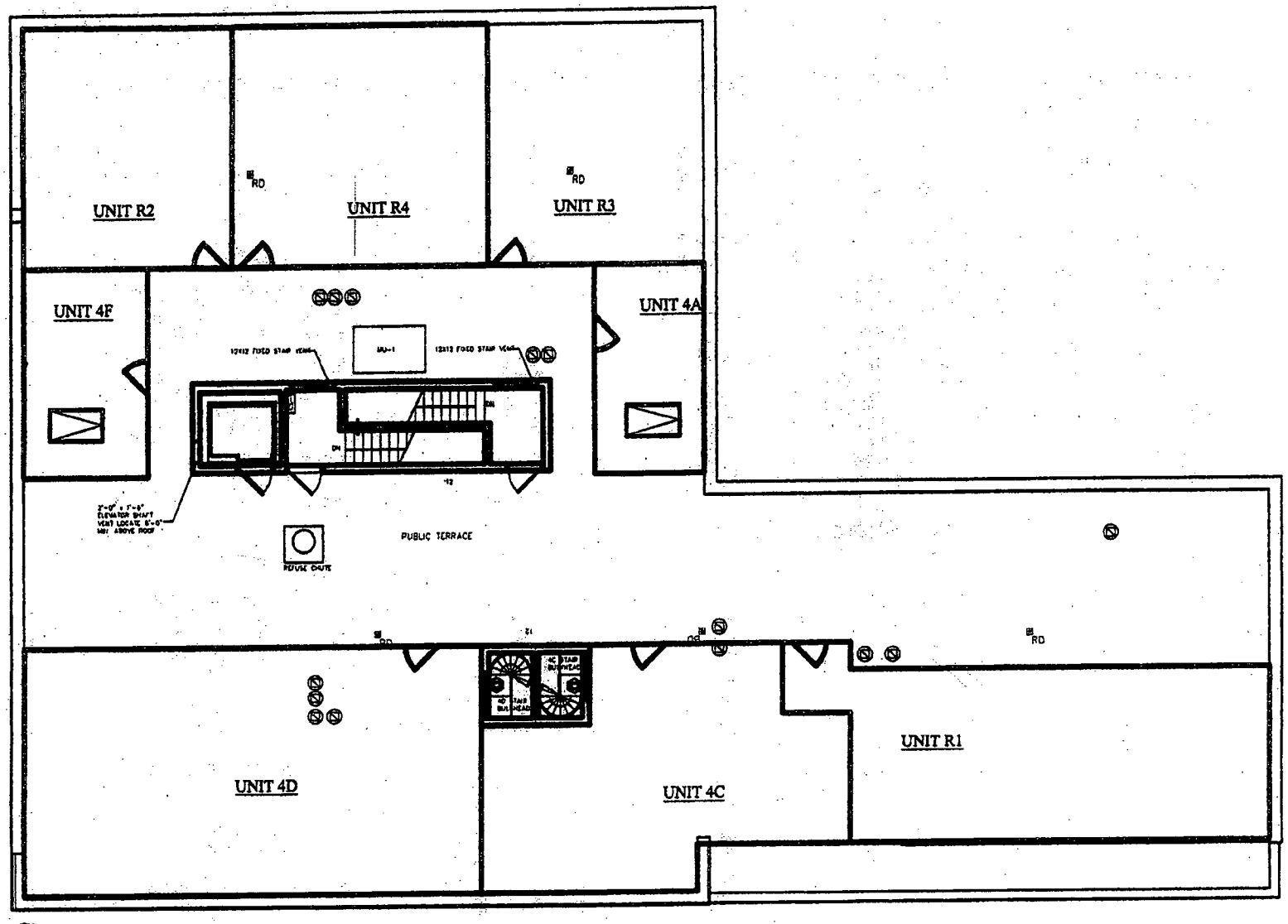
FP5




4TH FLOOR PLAN

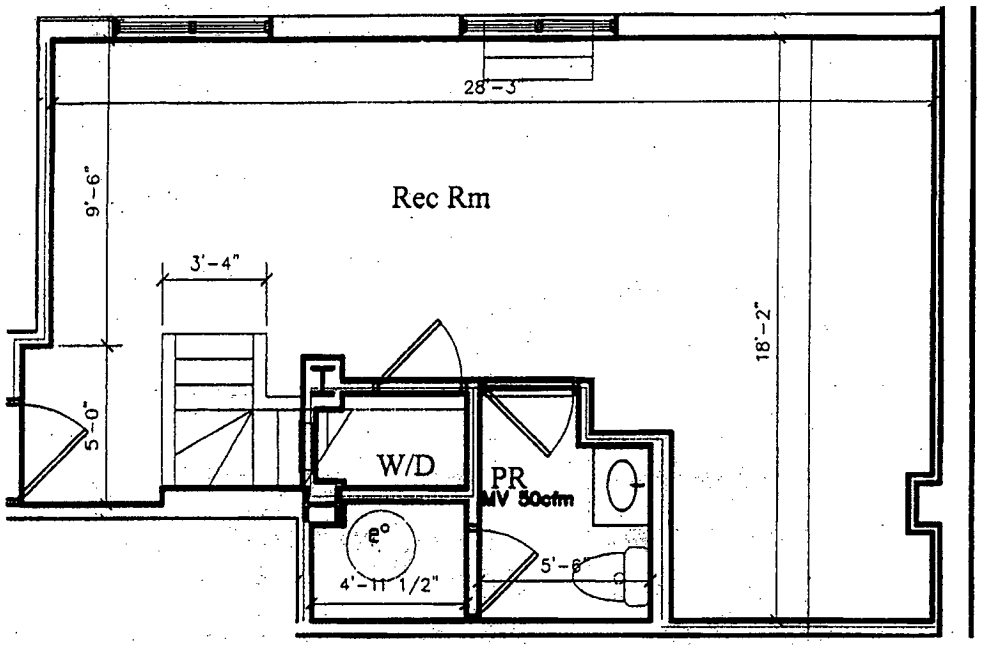
FP6

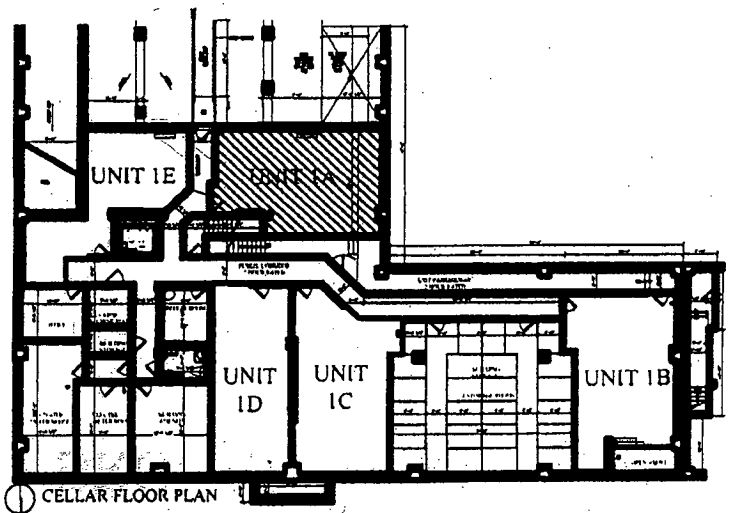
Ep.7




ROOF PLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

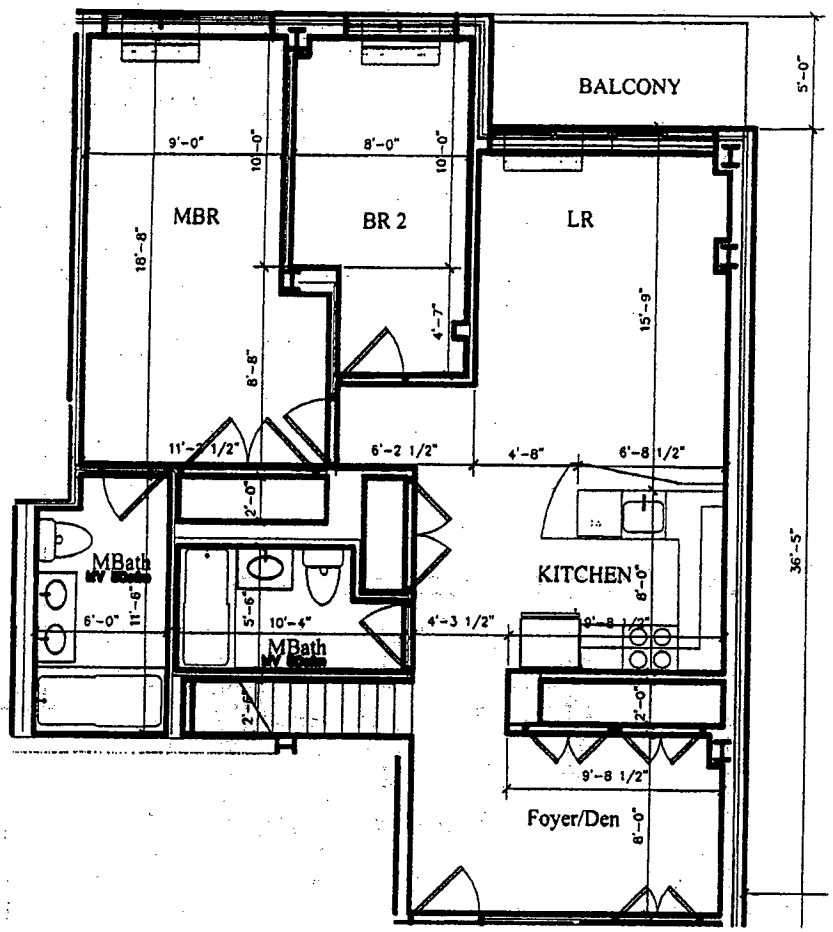


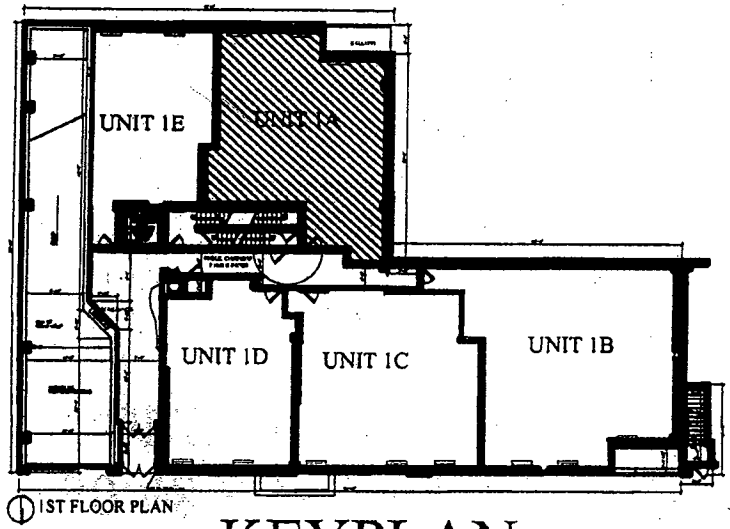




KEYPLAN

UNIT 1A
2 BEDROOMS/2 ½ BATHS
1ST FLOOR: 1,081 S.F.
CELLAR: 544
TOTAL GROSS AREA: 1,625 S.F.

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

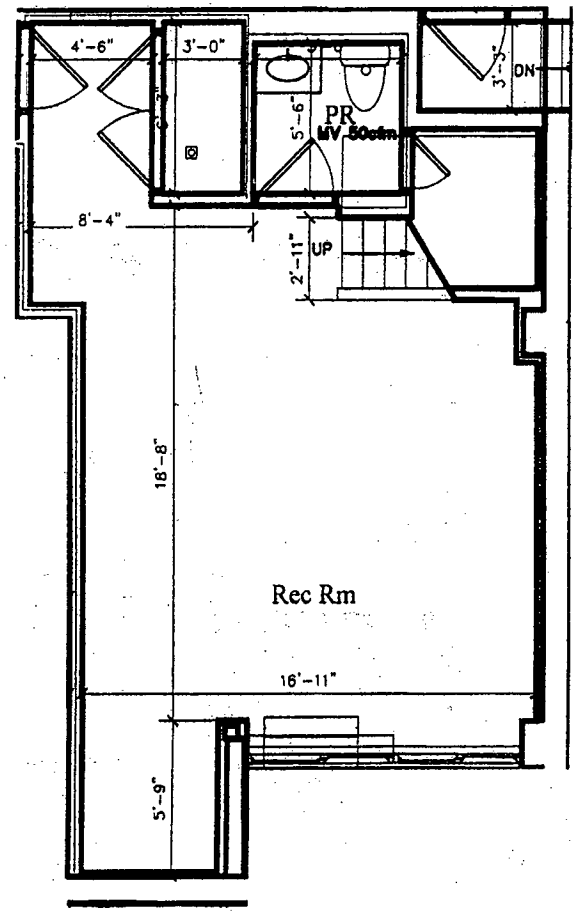


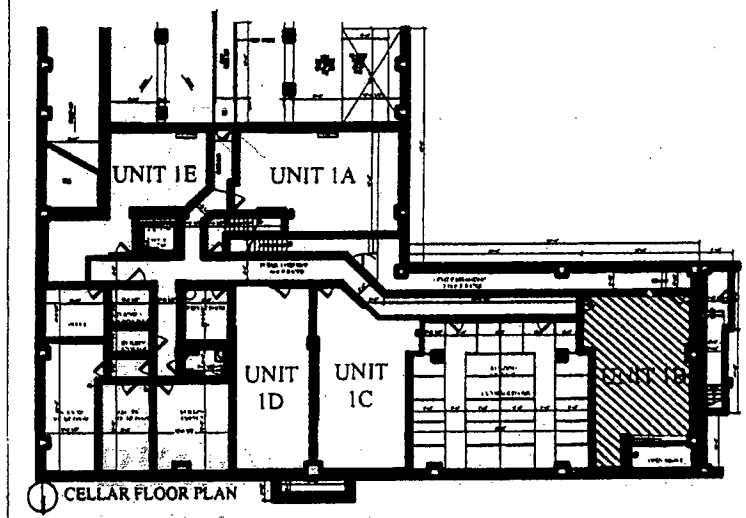

KEYPLAN

UNIT 1A
2 BEDROOMS/2 ½ BATHS
1ST FLOOR: 1,081 S.F.
CELLAR: 544
TOTAL GROSS AREA: 1,625 S.F.

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

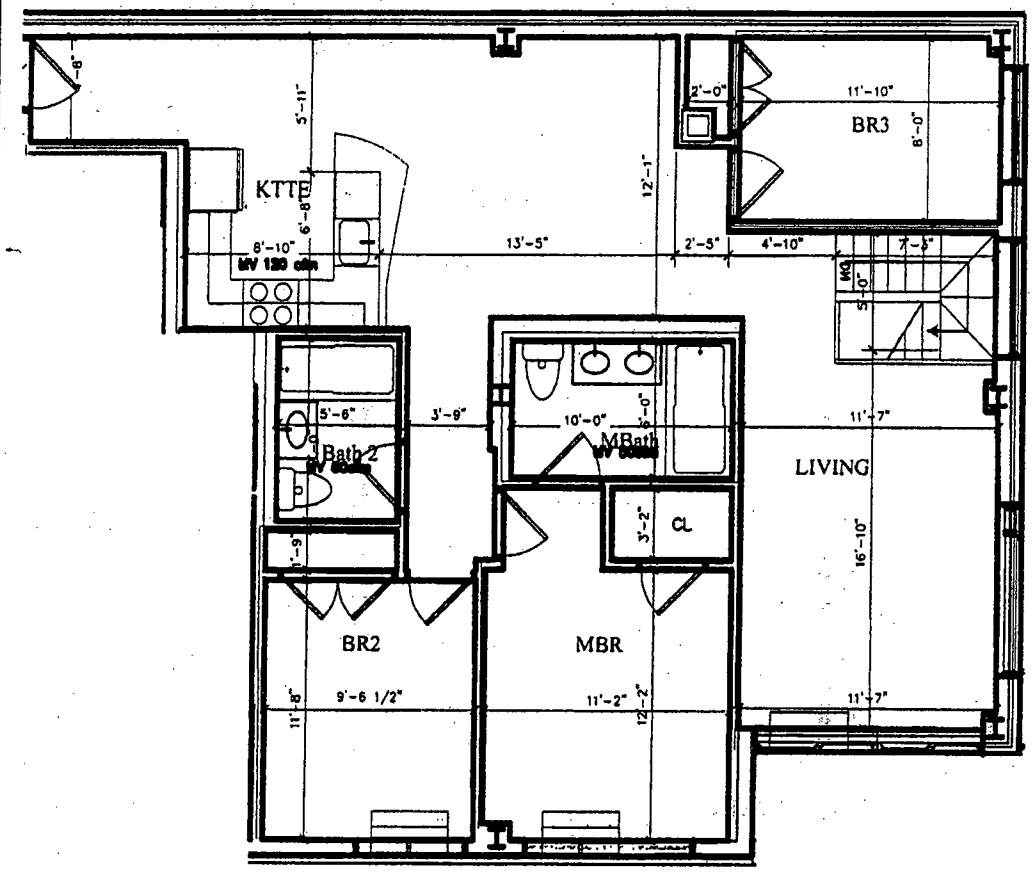



UNIT 1B
3 BEDROOMS/2 ½ BATHS
1ST FLOOR: 1,326 S.F.
CELLAR: 533
TOTAL GROSS AREA: 1,859 S.F.




KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211



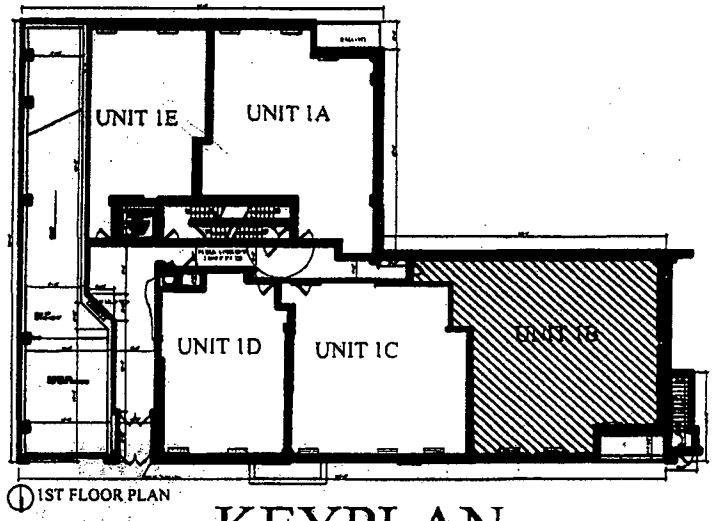

UNIT 1B

3 BEDROOMS/2 ½ BATHS

1ST FLOOR: 1,326 S.F.

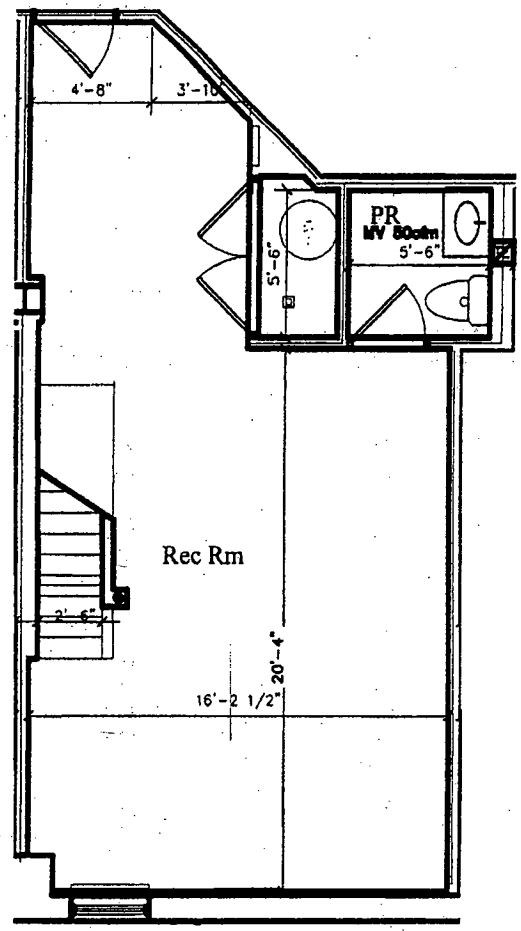
CELLAR: 533

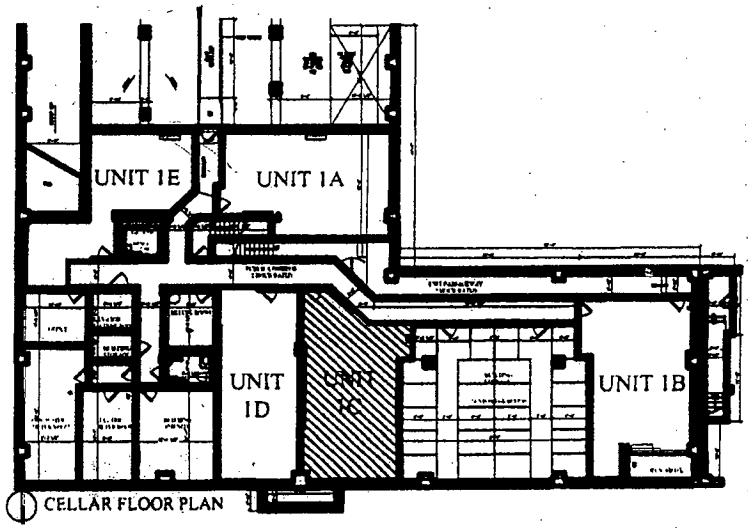
TOTAL GROSS AREA: 1,859 S.F.




KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

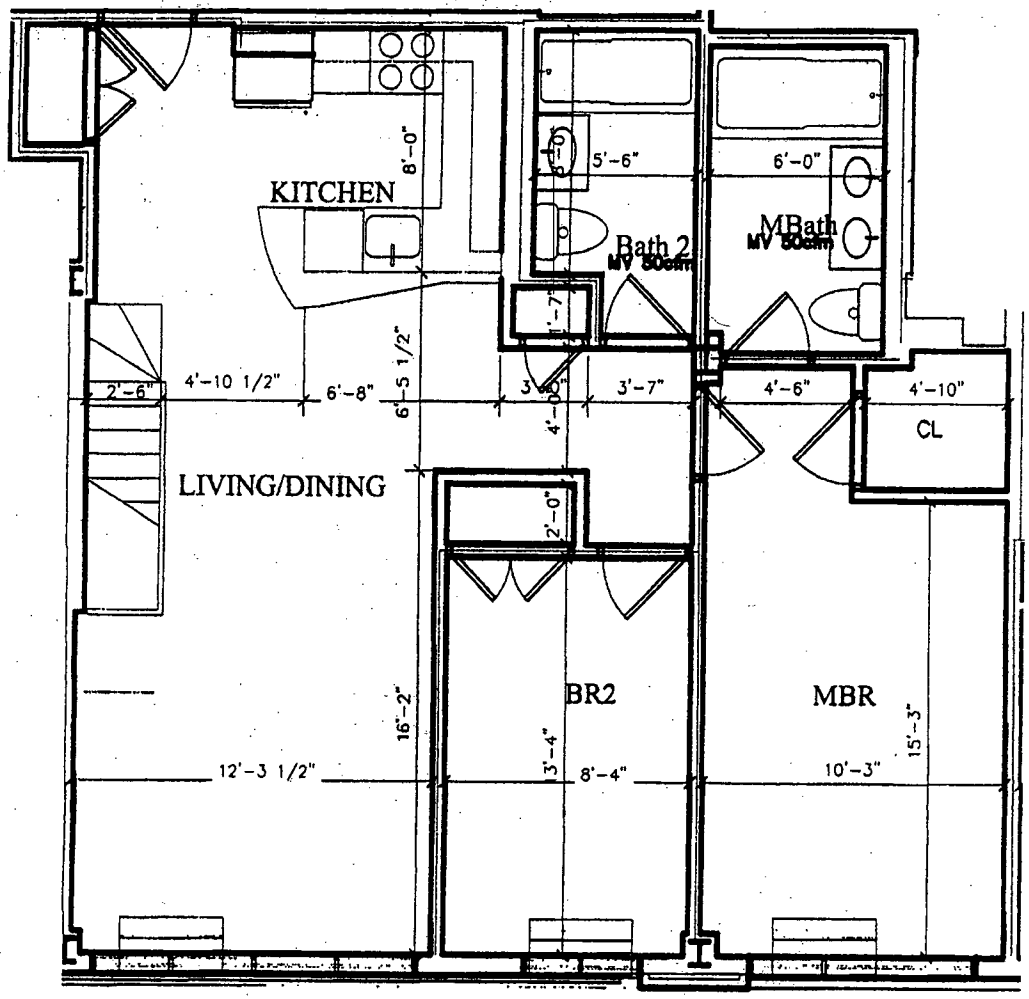


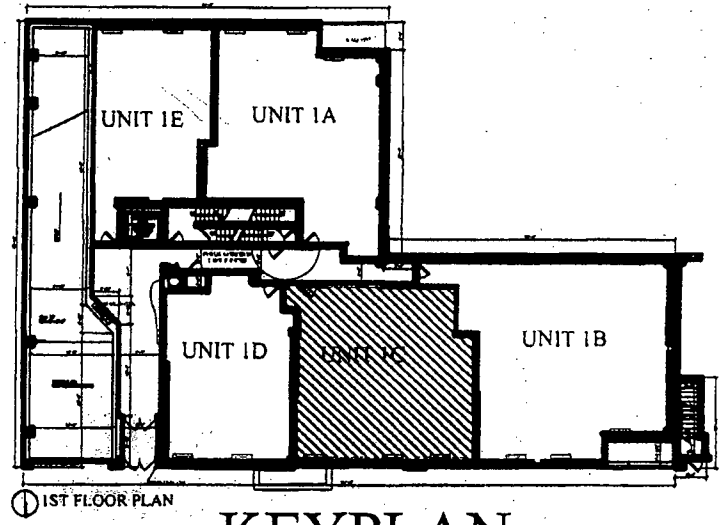

KEYPLAN

UNIT 1C
2 BEDROOMS/2 ½ BATHS
1ST FLOOR: 996 S.F.
CELLAR: 528
TOTAL GROSS AREA: 1,524 S.F.

# BUILDING LOCATED AT:
## 30-48 SOUTH 2ND STREET
## BROOKLYN, N.Y. 11211

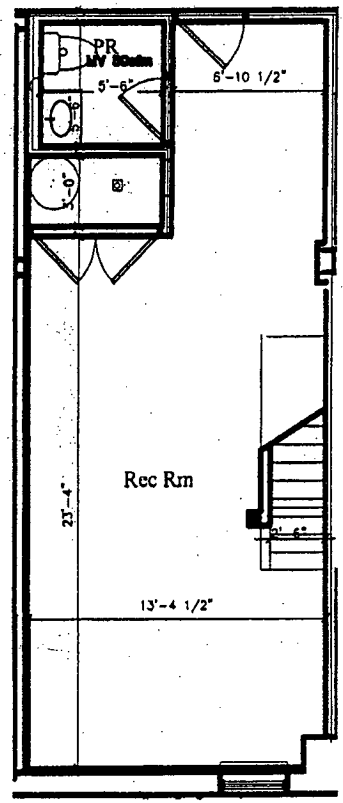


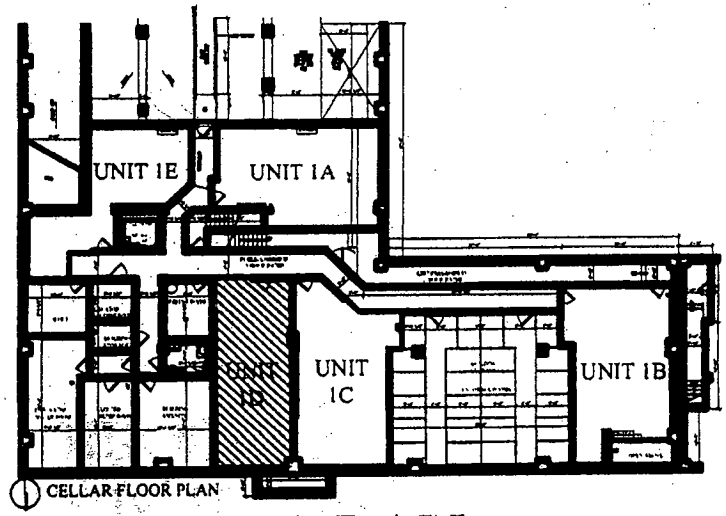

UNIT 1C
2 BEDROOMS/2 ½ BATHS
1ST FLOOR: 996 S.F.
CELLAR: 528
TOTAL GROSS AREA: 1,524 S.F.




KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

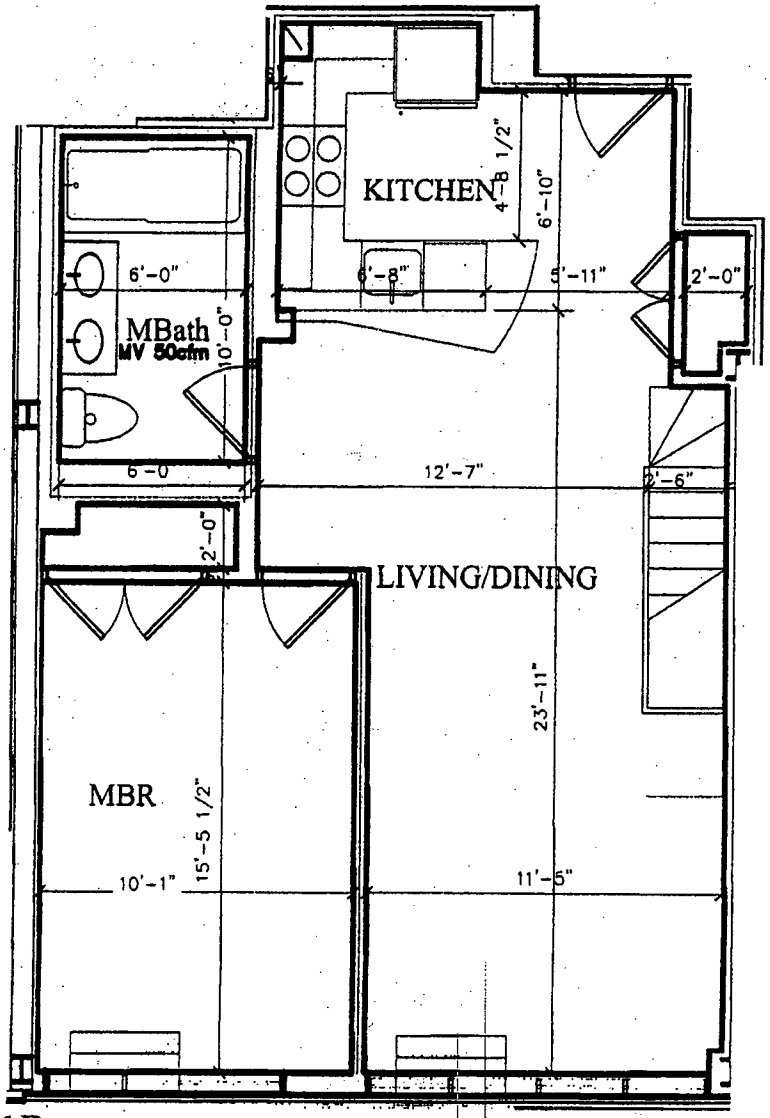


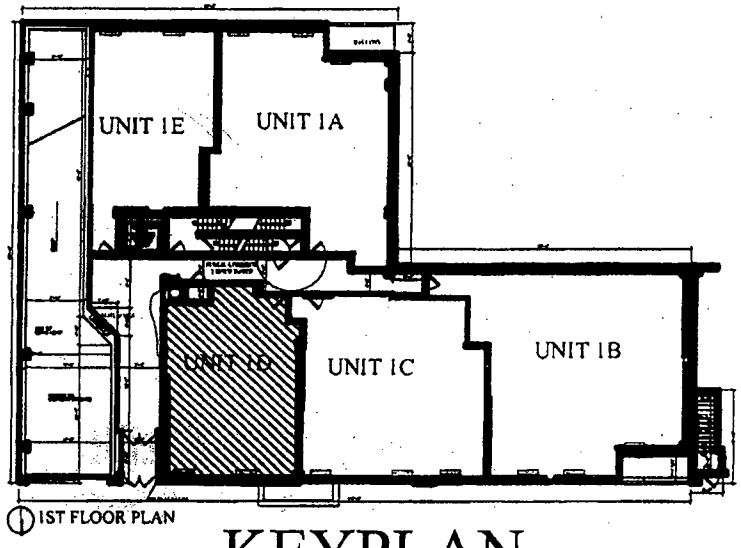

KEYPLAN

UNIT 1D
1 BEDROOM/1 ½ BATHS
1ST FLOOR: 731 S.F.
CELLAR: 477
TOTAL GROSS AREA: 1,208 S.F.

# BUILDING LOCATED AT:
## 30-48 SOUTH 2ND STREET
## BROOKLYN, N.Y. 11211

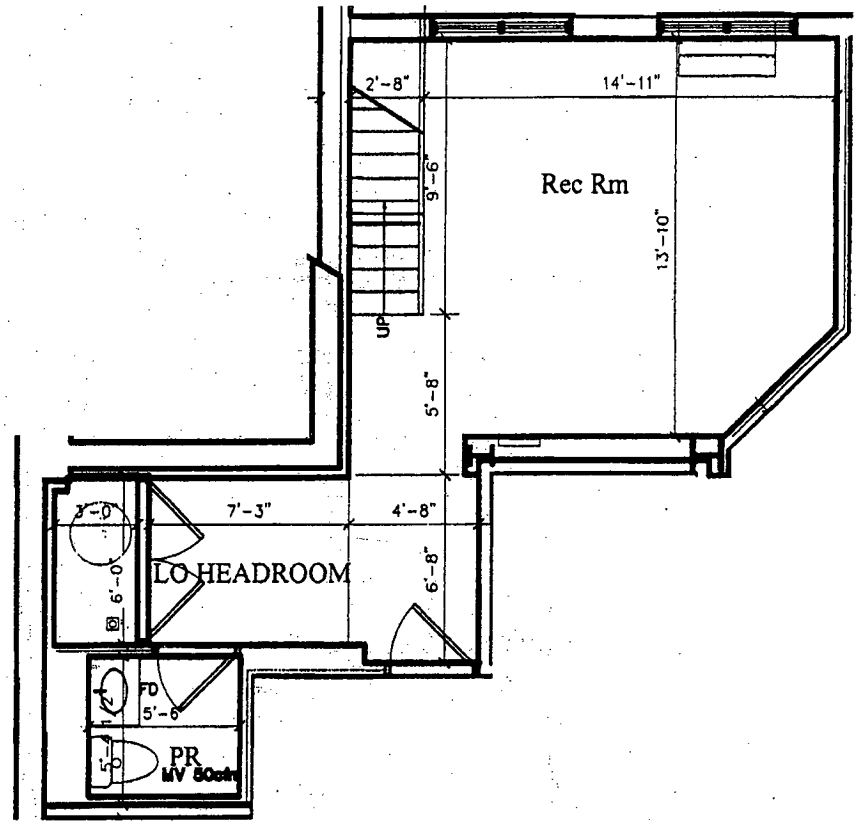



UNIT 1D
1 BEDROOM/1 ½ BATHS
1ST FLOOR: 731 S.F.
CELLAR: 477
TOTAL GROSS AREA: 1,208 S.F.

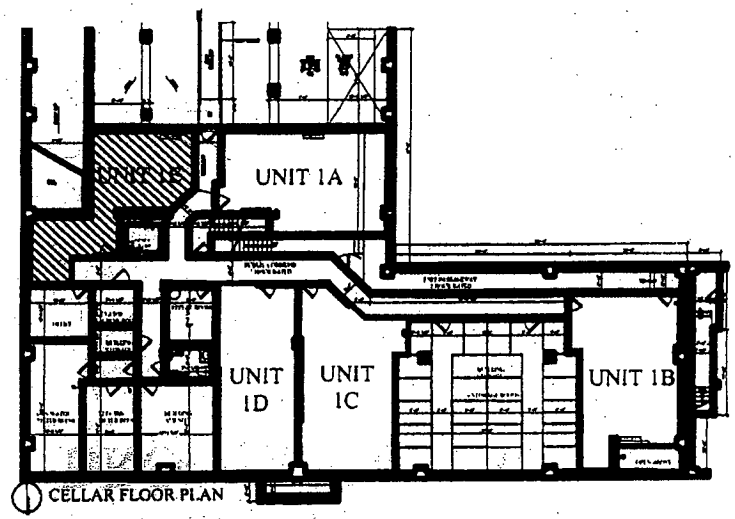



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

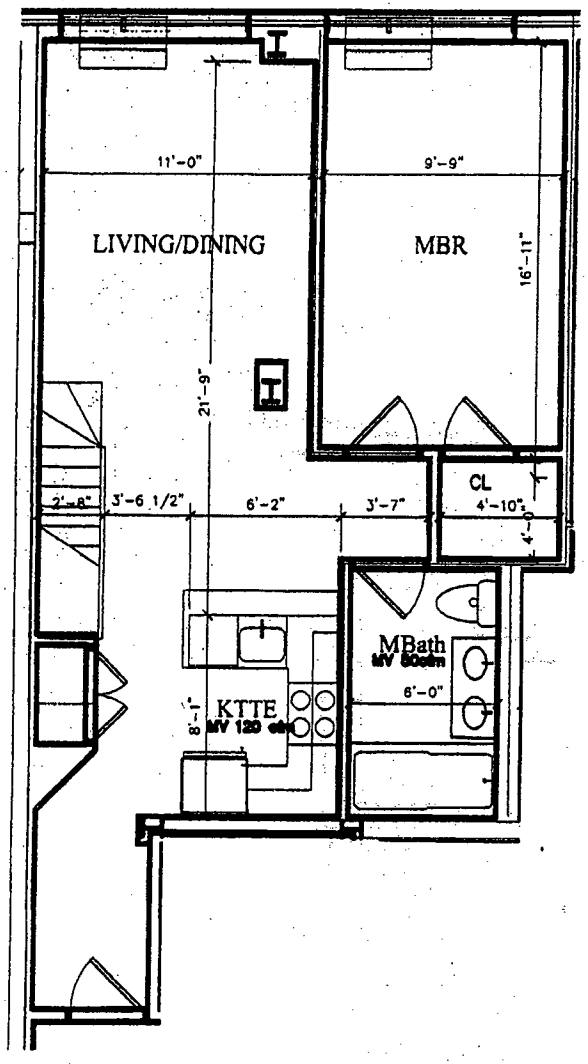



UNIT 1E
1 BEDROOM/1 ½ BATHS
1ST FLOOR: 745 S.F.
CELLAR: 456
TOTAL GROSS AREA: 1,201 S.F.

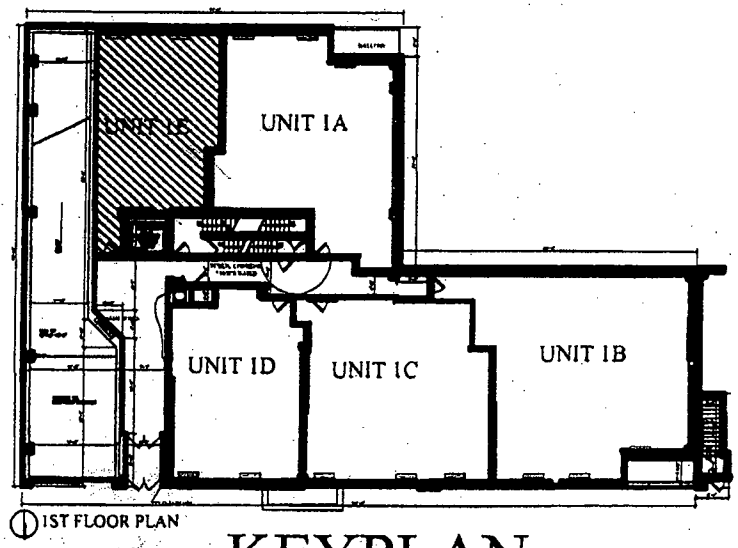



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

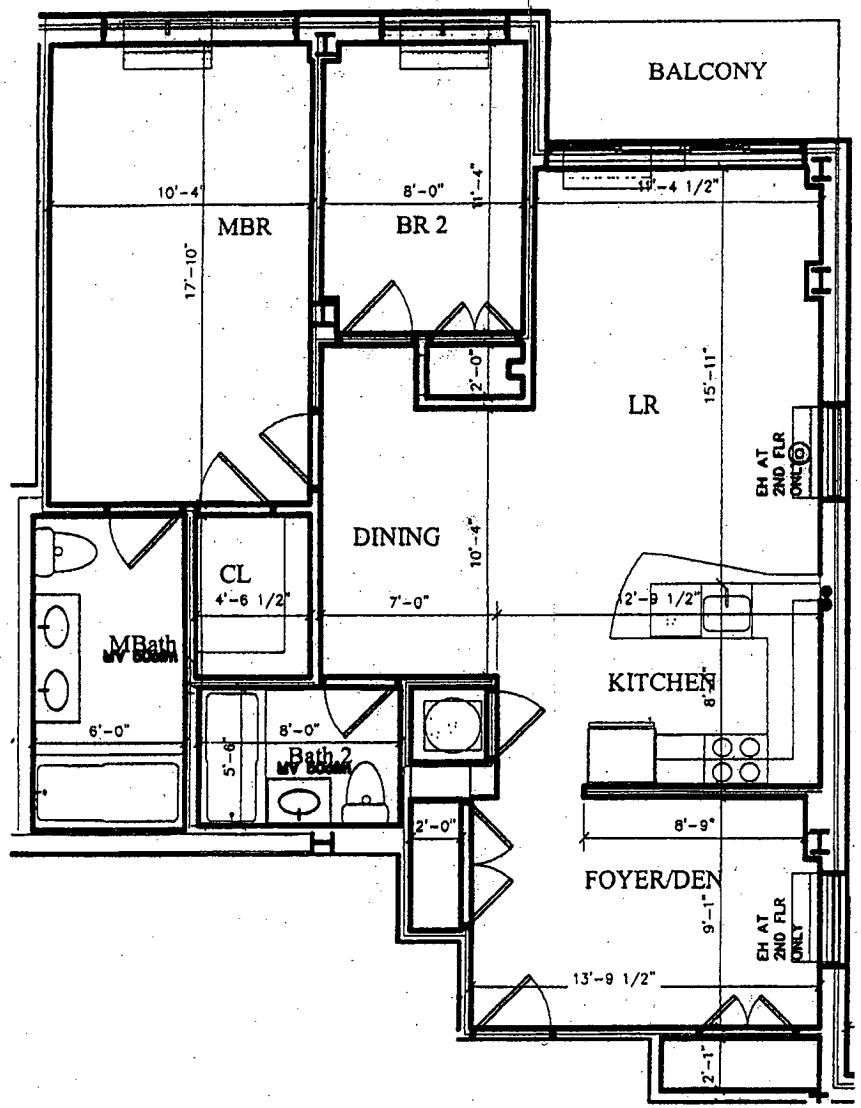



UNIT 1E
1 BEDROOMS/1 ½ BATHS
1ST FLOOR: 745 S.F.
CELLAR: 456
TOTAL GROSS AREA: 1,201 S.F.

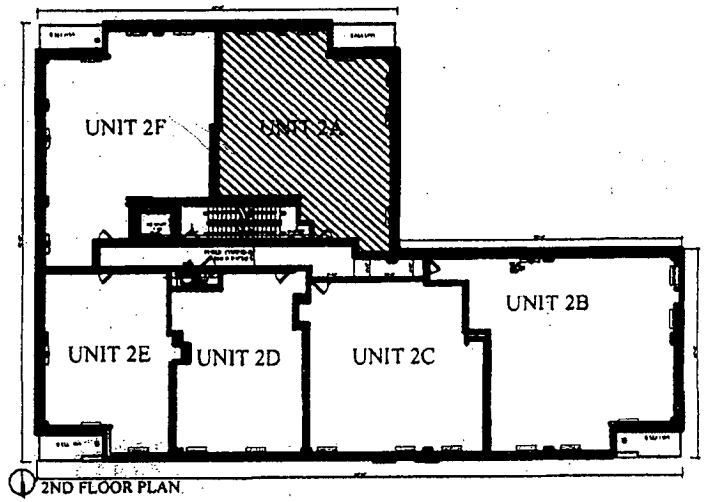



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

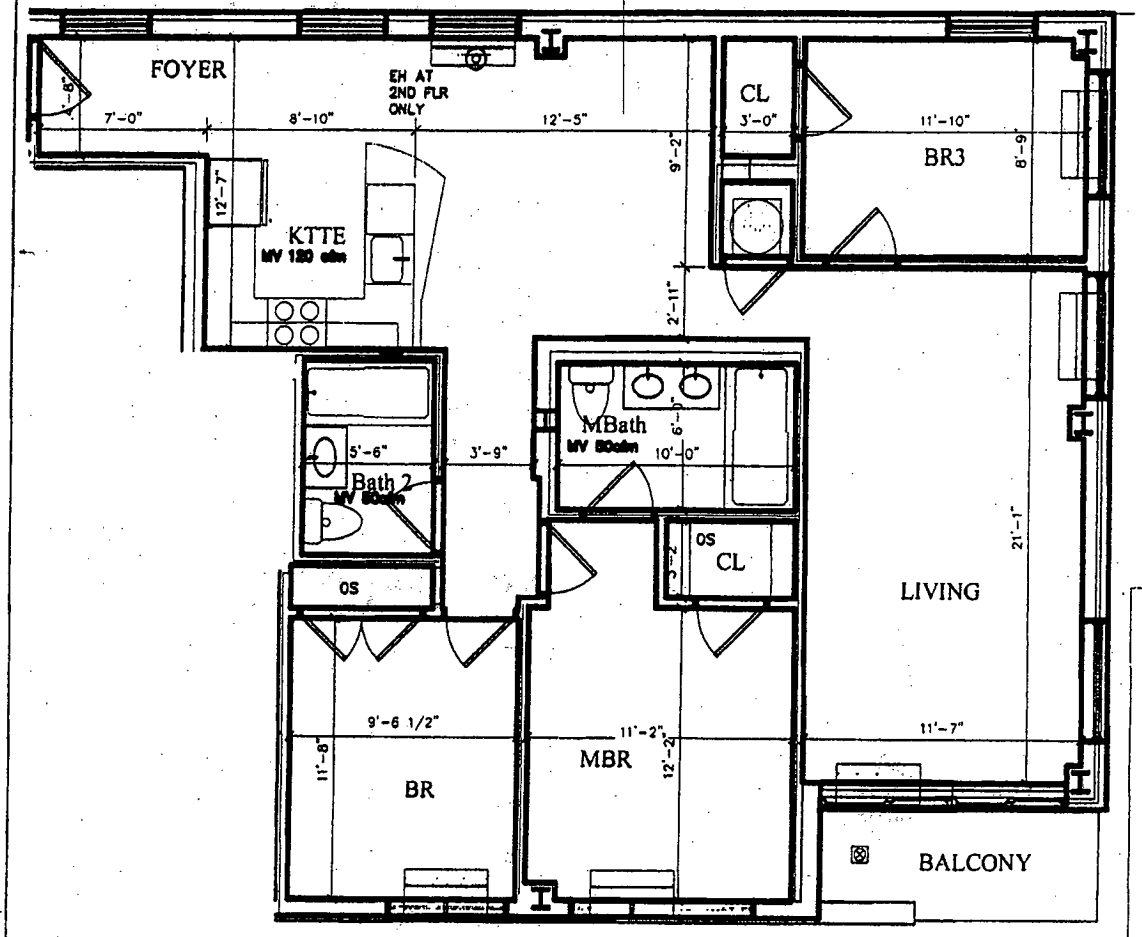



UNIT 2A
2 BEDROOMS/2 BATHS
2ND FLOOR: 1,120 S.F.
TOTAL GROSS AREA: 1,120 S.F.

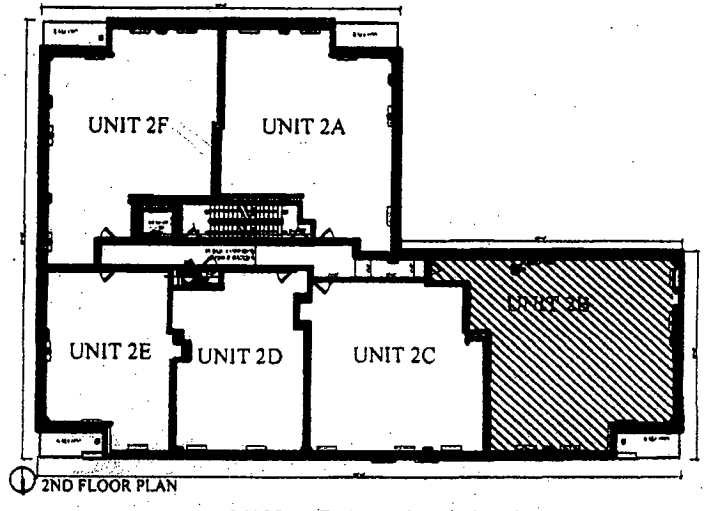



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

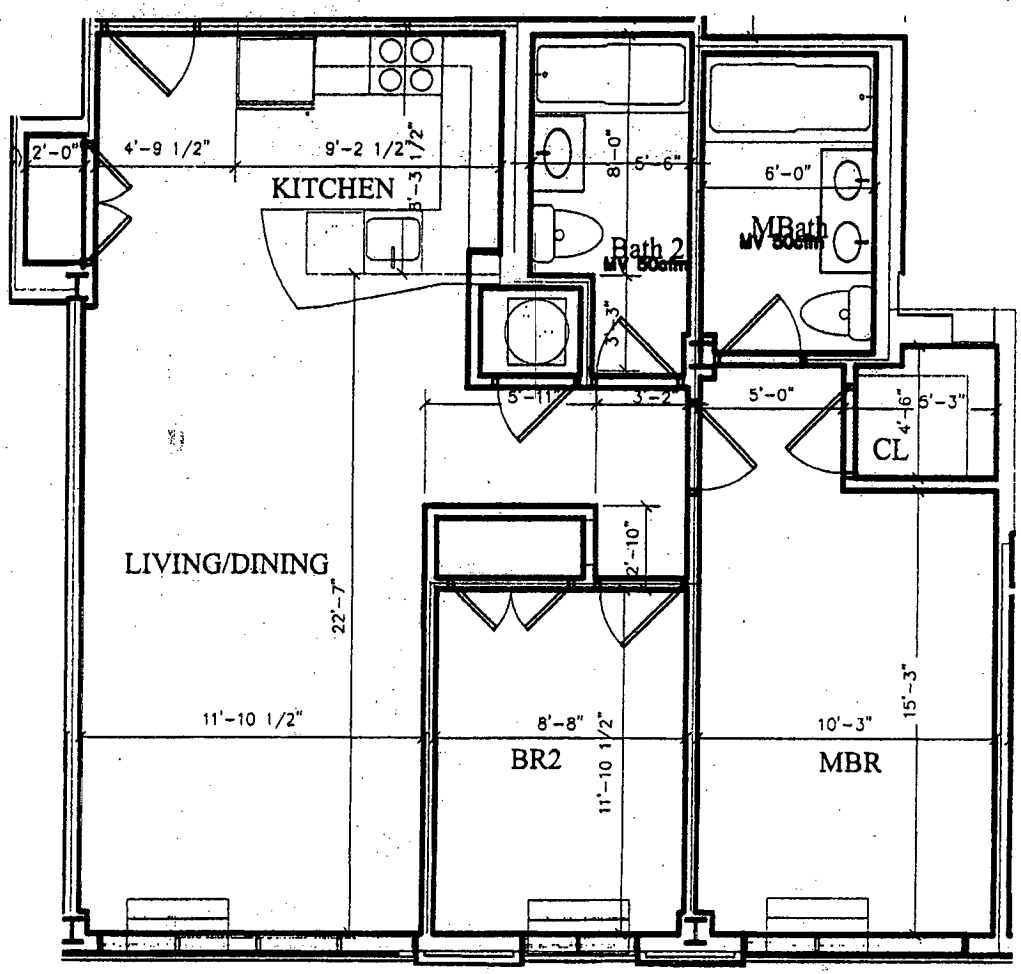



UNIT 2B
3 BEDROOMS/2 BATHS
2ND FLOOR: 1,326 S.F.
TOTAL GROSS AREA: 1,326 S.F.

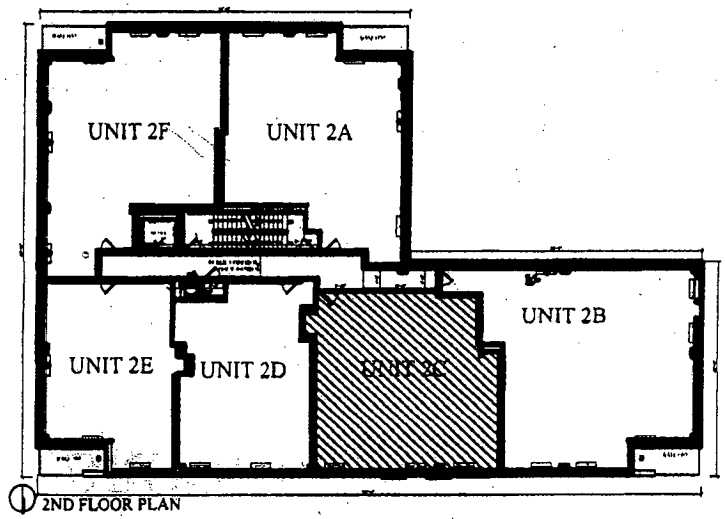



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

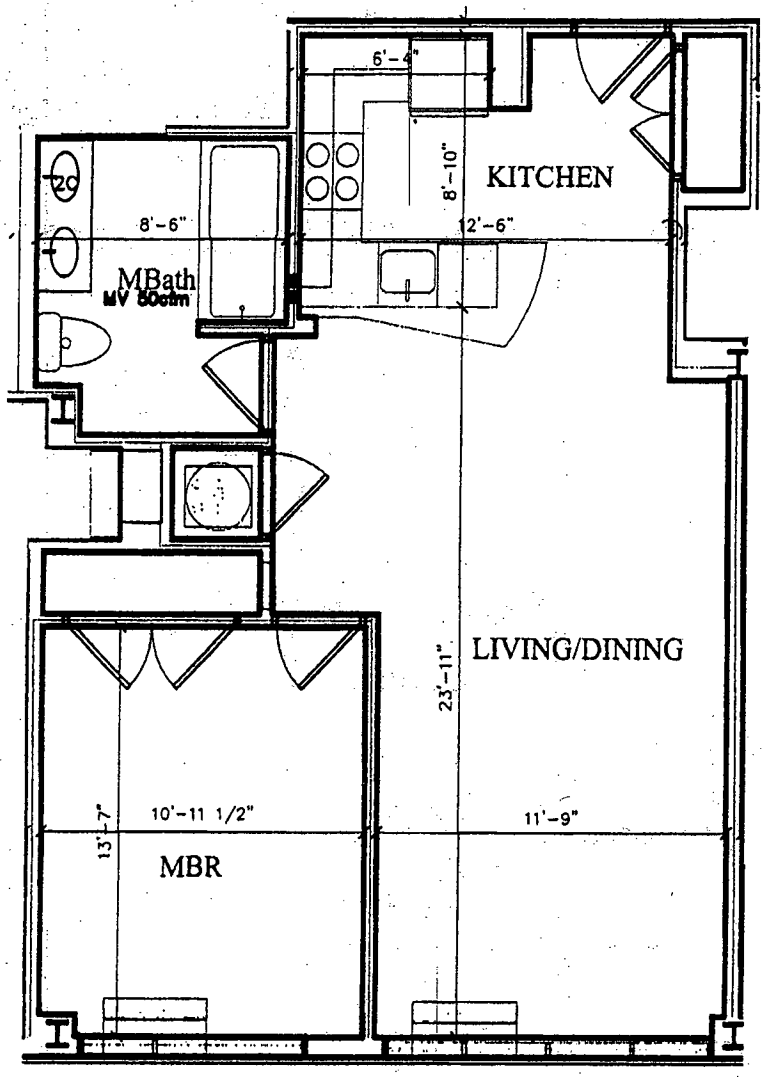



UNIT 2C
2 BEDROOMS/2 BATHS
2ND FLOOR: 991 S.F.
TOTAL GROSS AREA: 991 S.F.

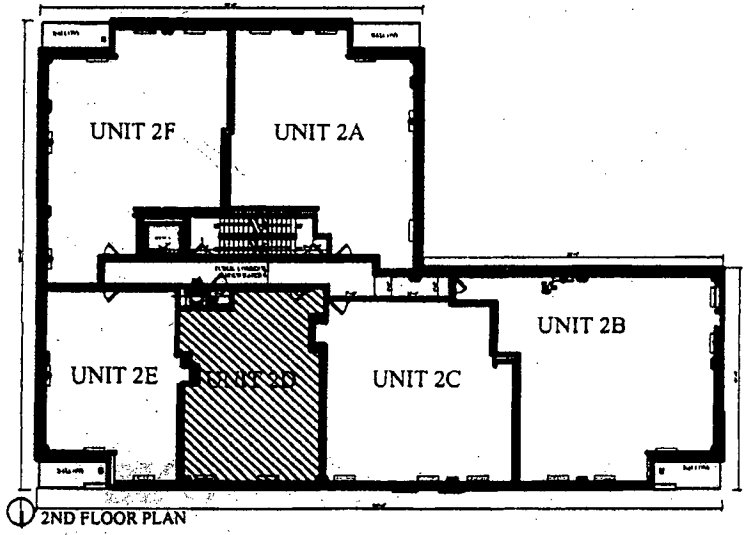



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

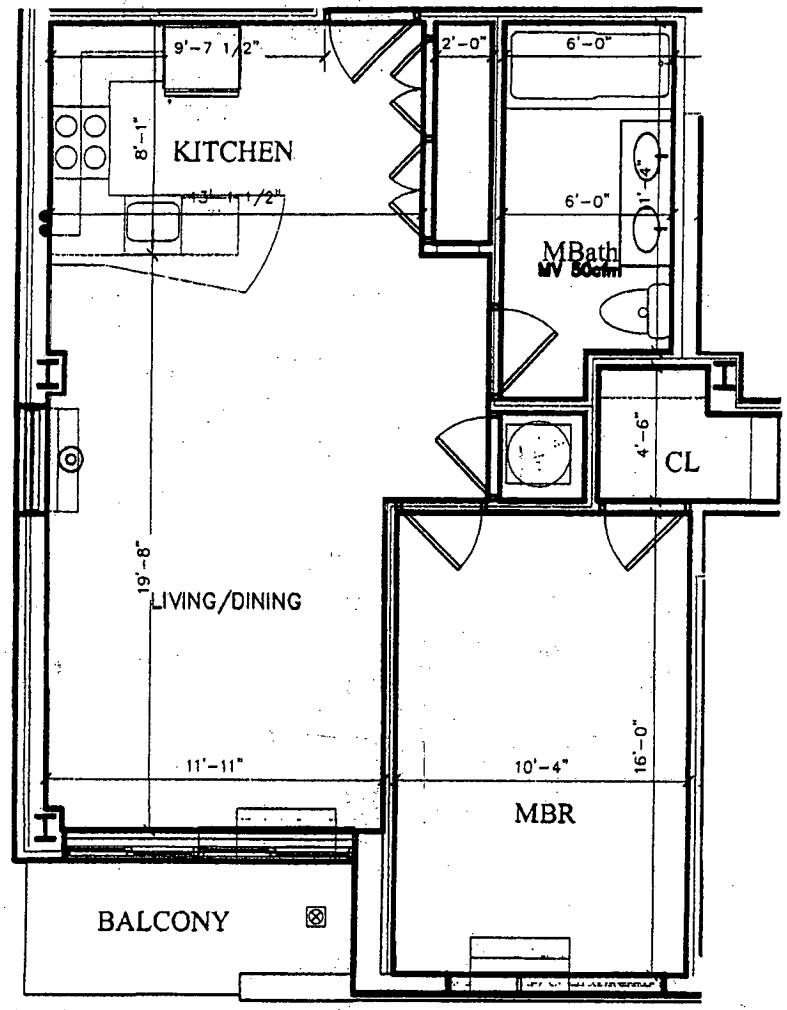



UNIT 2D
1 BEDROOM/1 BATH
2ND FLOOR: 758 S.F.
TOTAL GROSS AREA: 758 S.F.

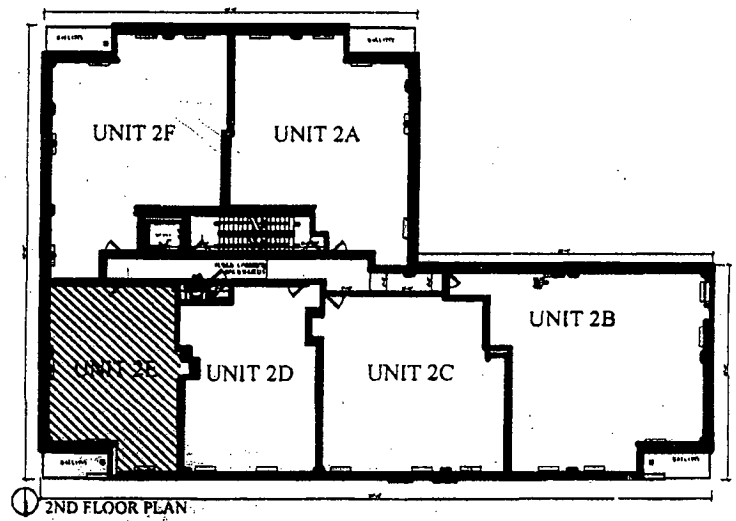



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

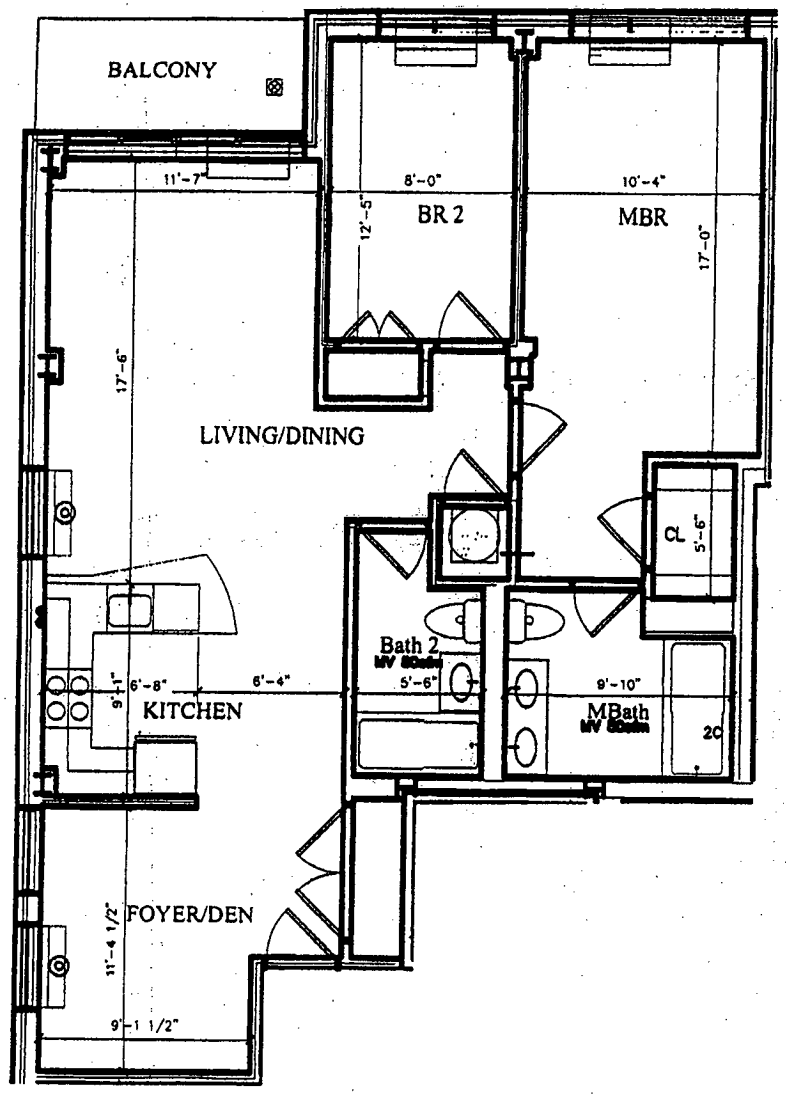



UNIT 2E
1 BEDROOM/1 BATH
2ND FLOOR: 762 S.F.
TOTAL GROSS AREA: 762 S.F.

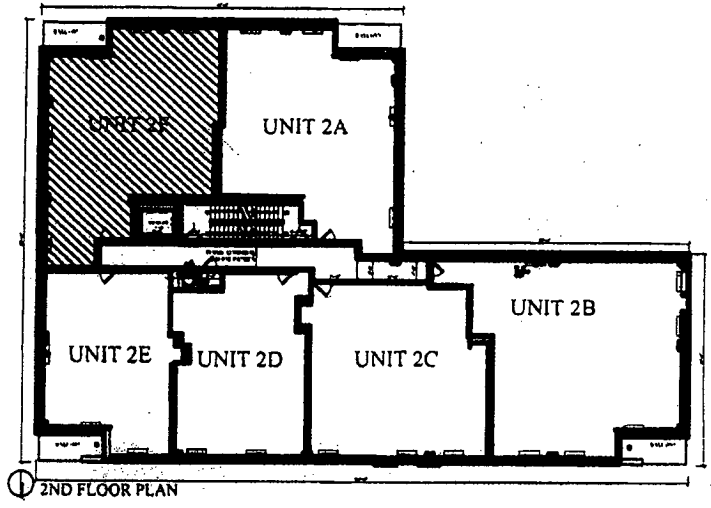



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

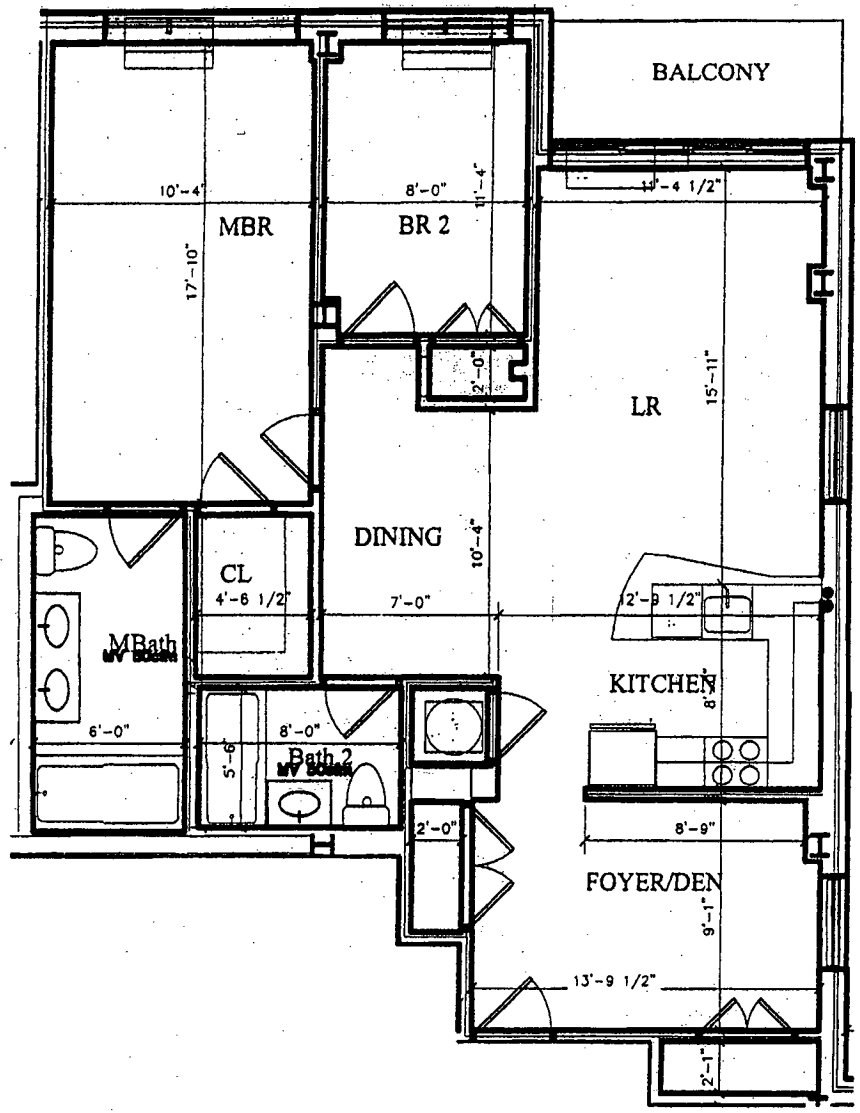



UNIT 2F
2 BEDROOMS/2 BATHS
2ND FLOOR: 1,143 S.F.
TOTAL GROSS AREA: 1,143 S.F.

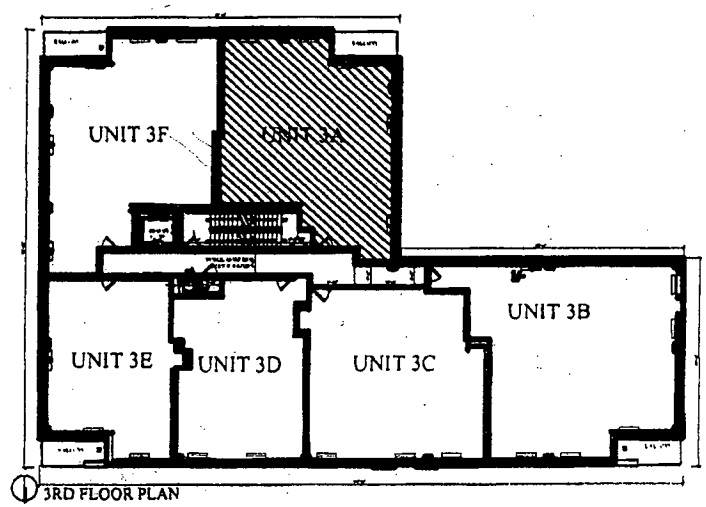



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

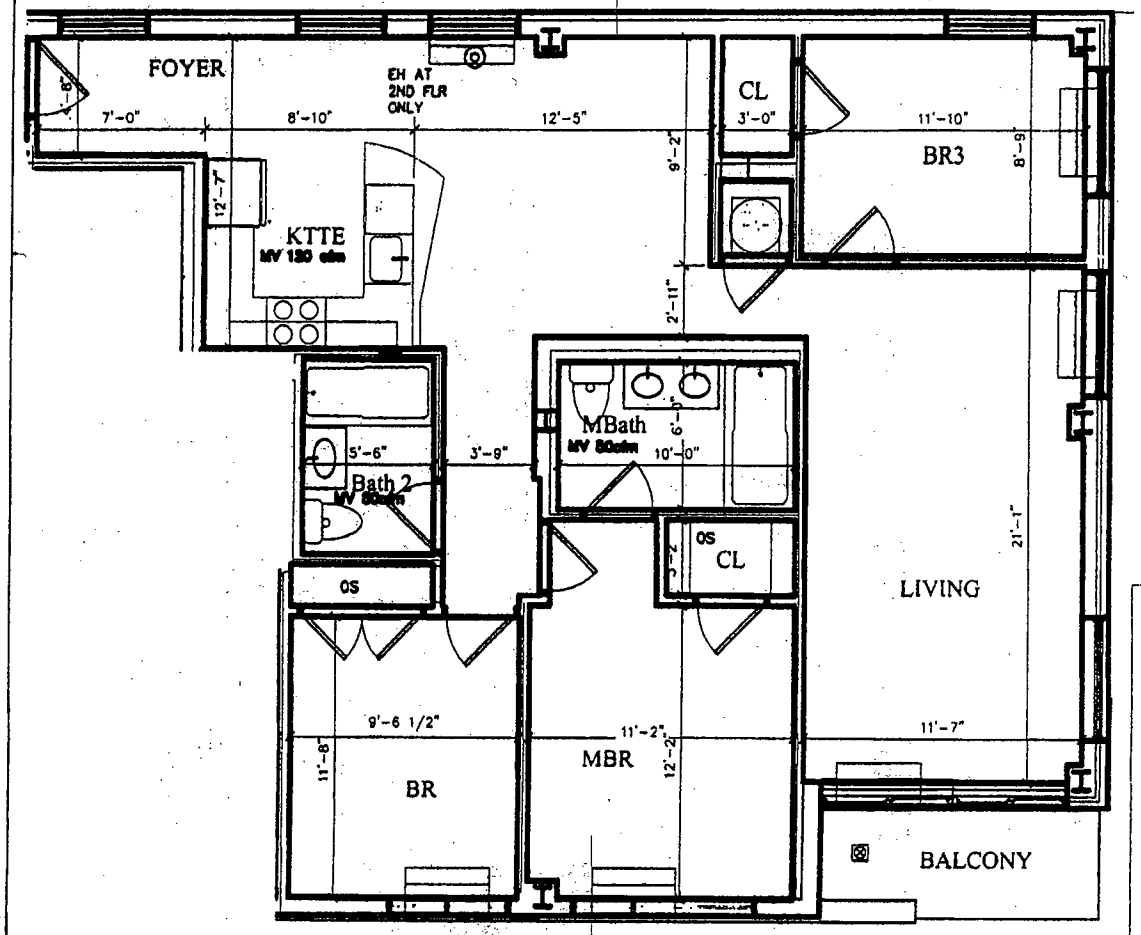



UNIT 3A
2 BEDROOMS/2 BATHS
3RD FLOOR: 1,120 S.F.
TOTAL GROSS AREA: 1,120 S.F.

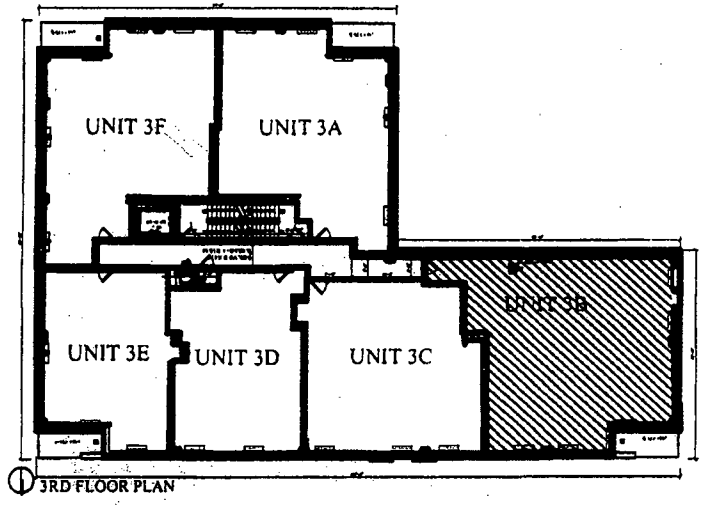



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

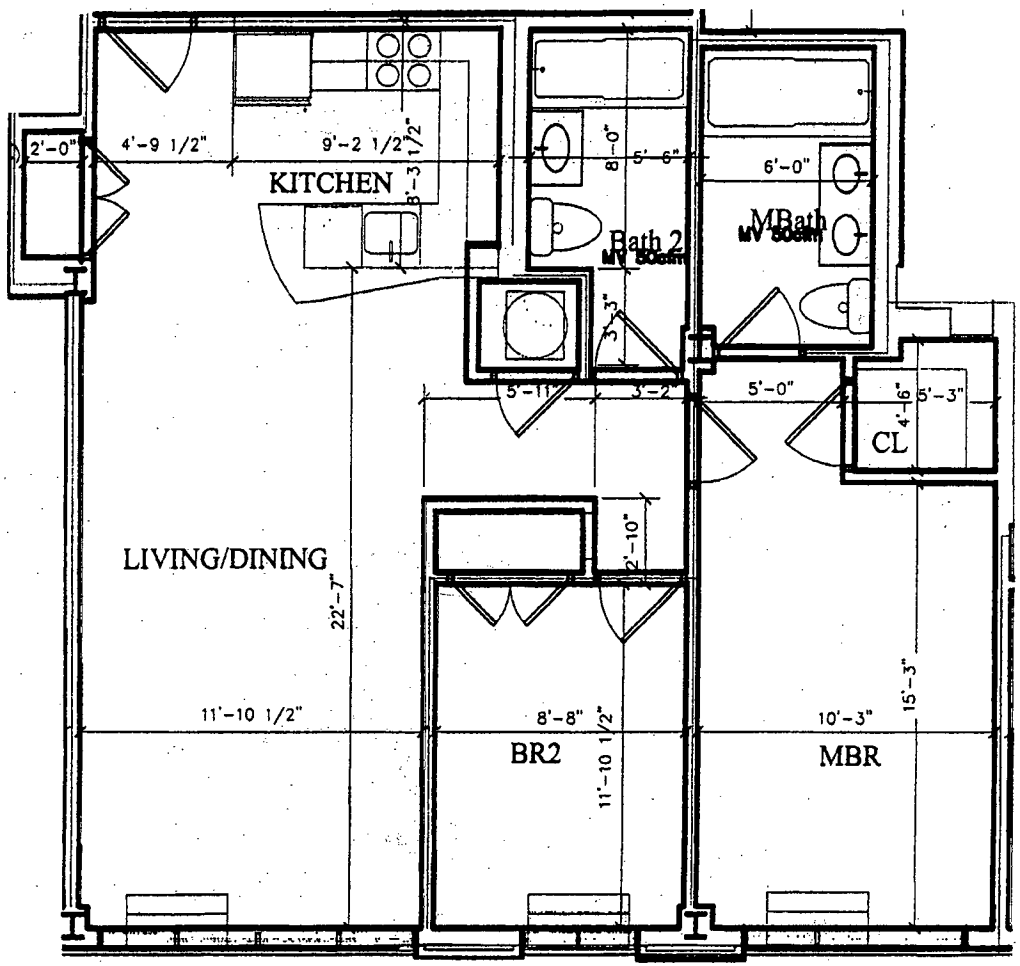



UNIT 3B
3 BEDROOMS/2 BATHS
3RD FLOOR: 1,326 S.F.
TOTAL GROSS AREA: 1,326 S.F.

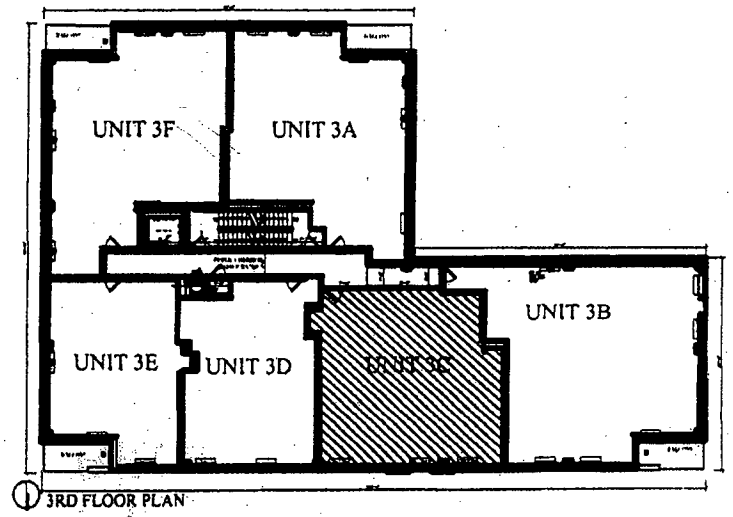



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

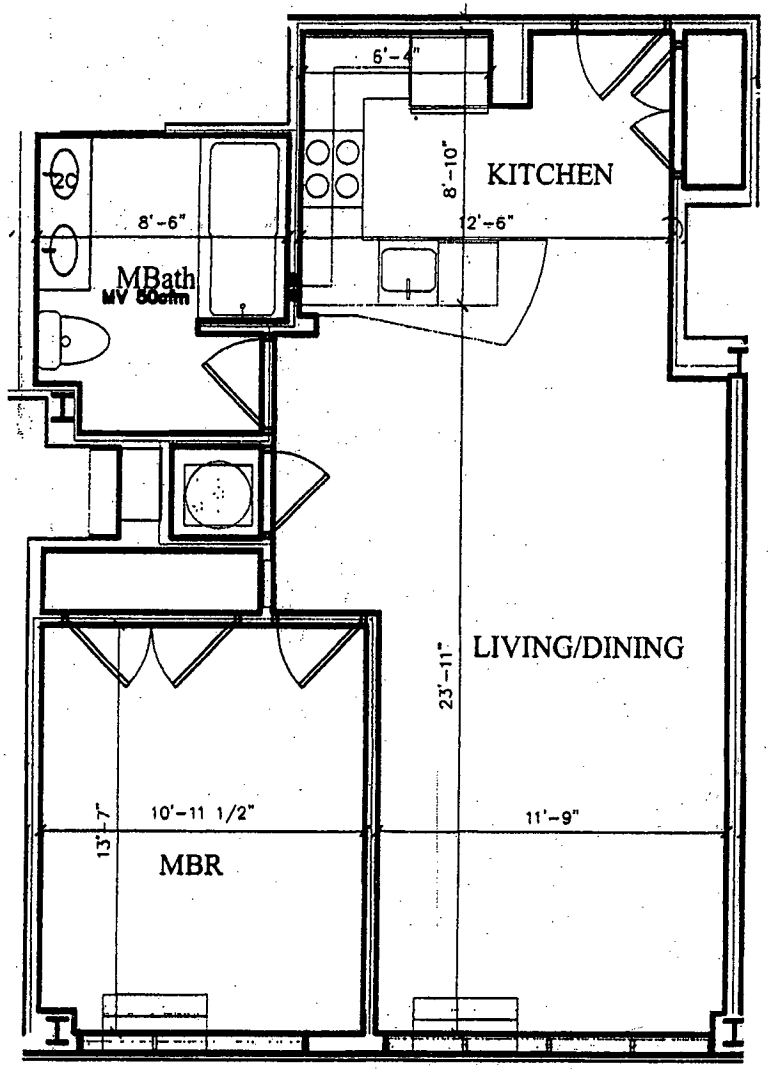



UNIT 3C
2 BEDROOMS/2 BATHS
3RD FLOOR: 991 S.F.
TOTAL GROSS AREA: 991 S.F.

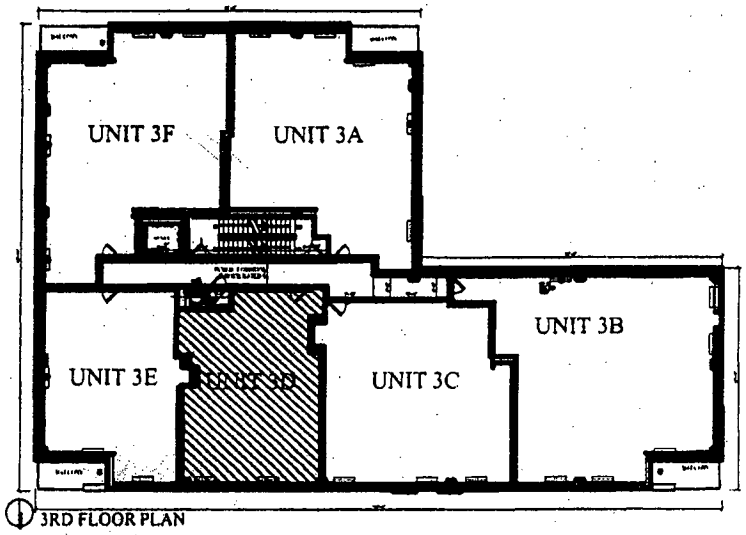



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

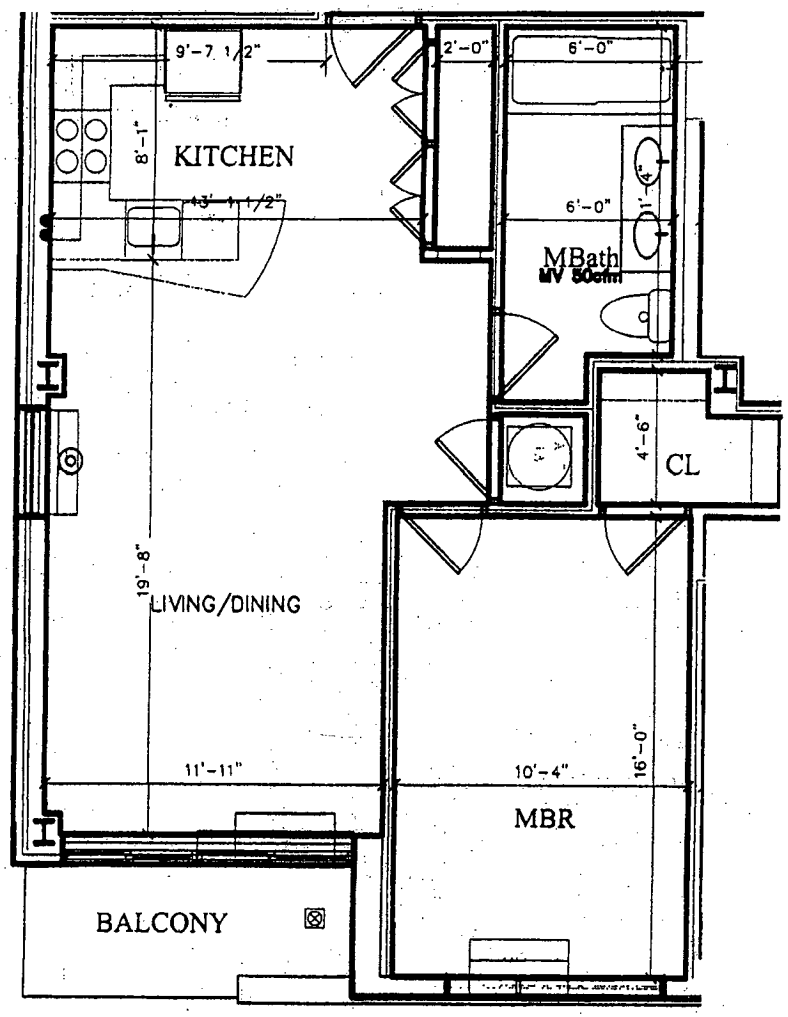



UNIT 3D
1 BEDROOM/1 BATH
3RD FLOOR: 758 S.F.
TOTAL GROSS AREA: 758 S.F.

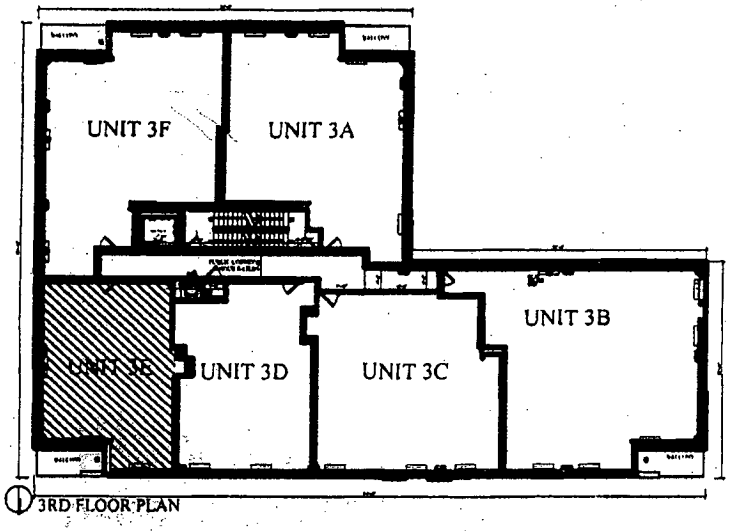



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

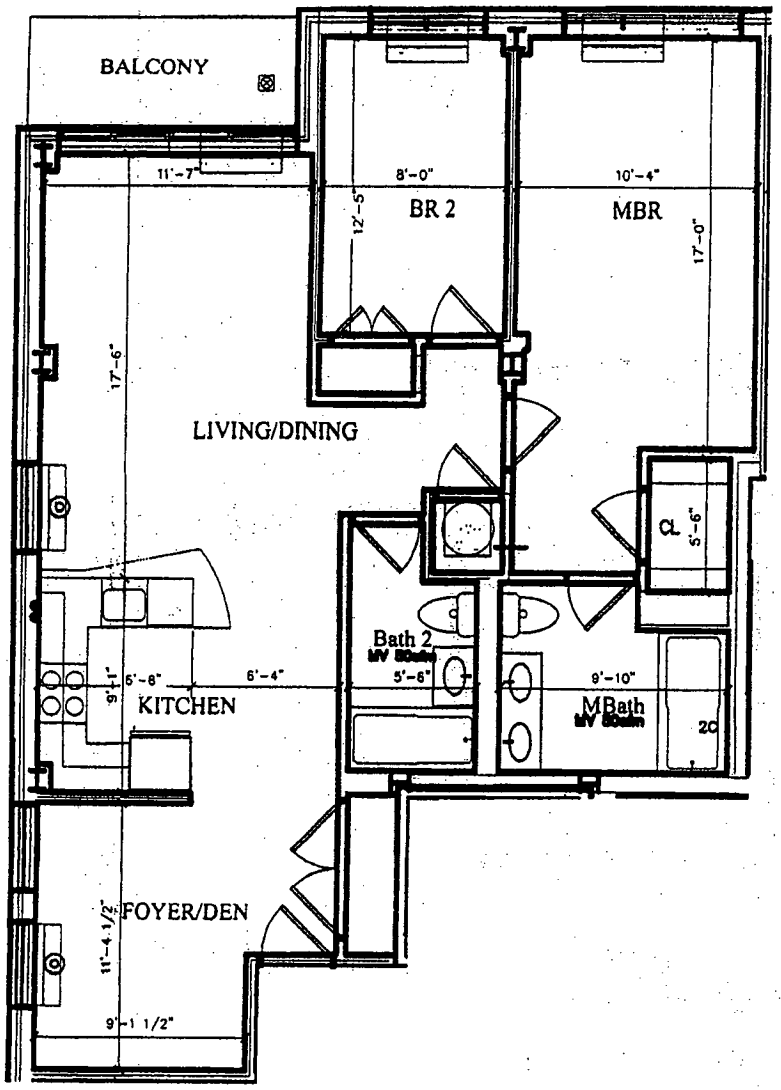



UNIT 3E
1 BEDROOM/1 BATH
3RD FLOOR: 762 S.F.
TOTAL GROSS AREA: 762 S.F.

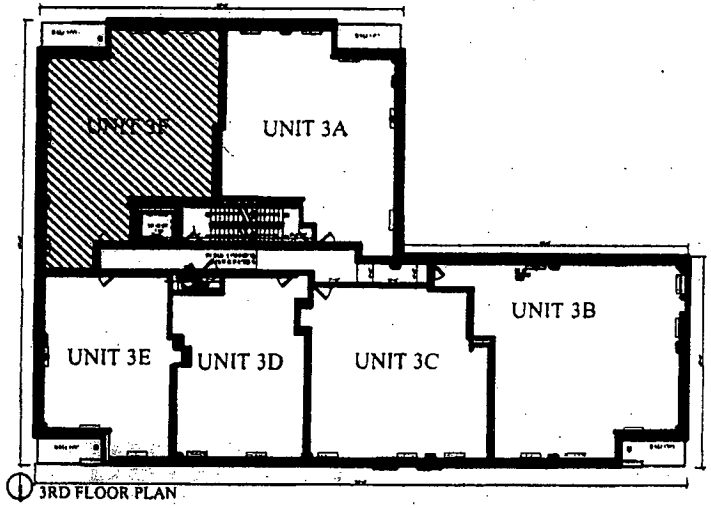



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

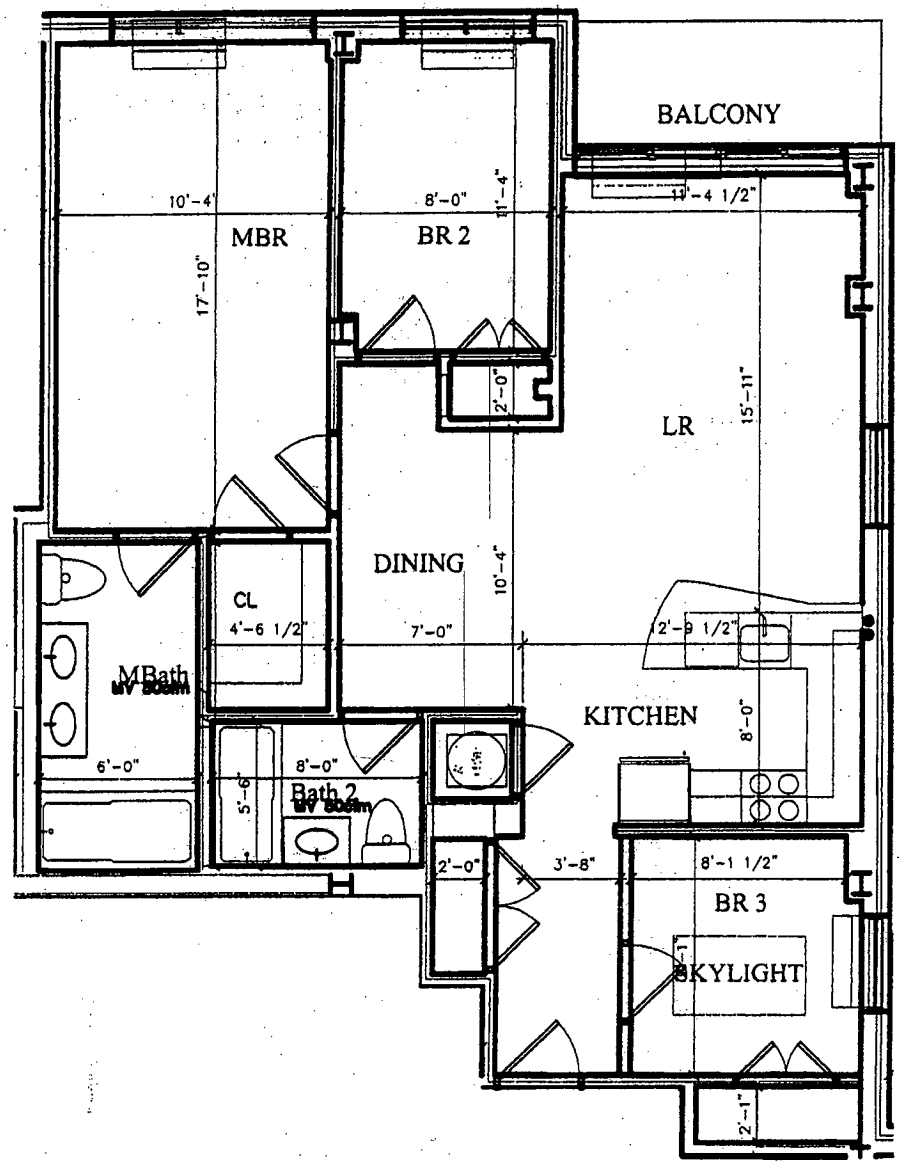



UNIT 3F
2 BEDROOMS/2 BATHS
3RD FLOOR: 1,143 S.F.
TOTAL GROSS AREA: 1,143 S.F.

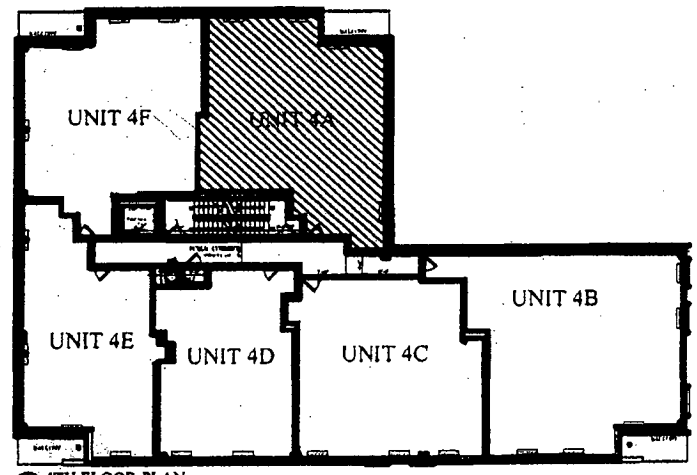



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211



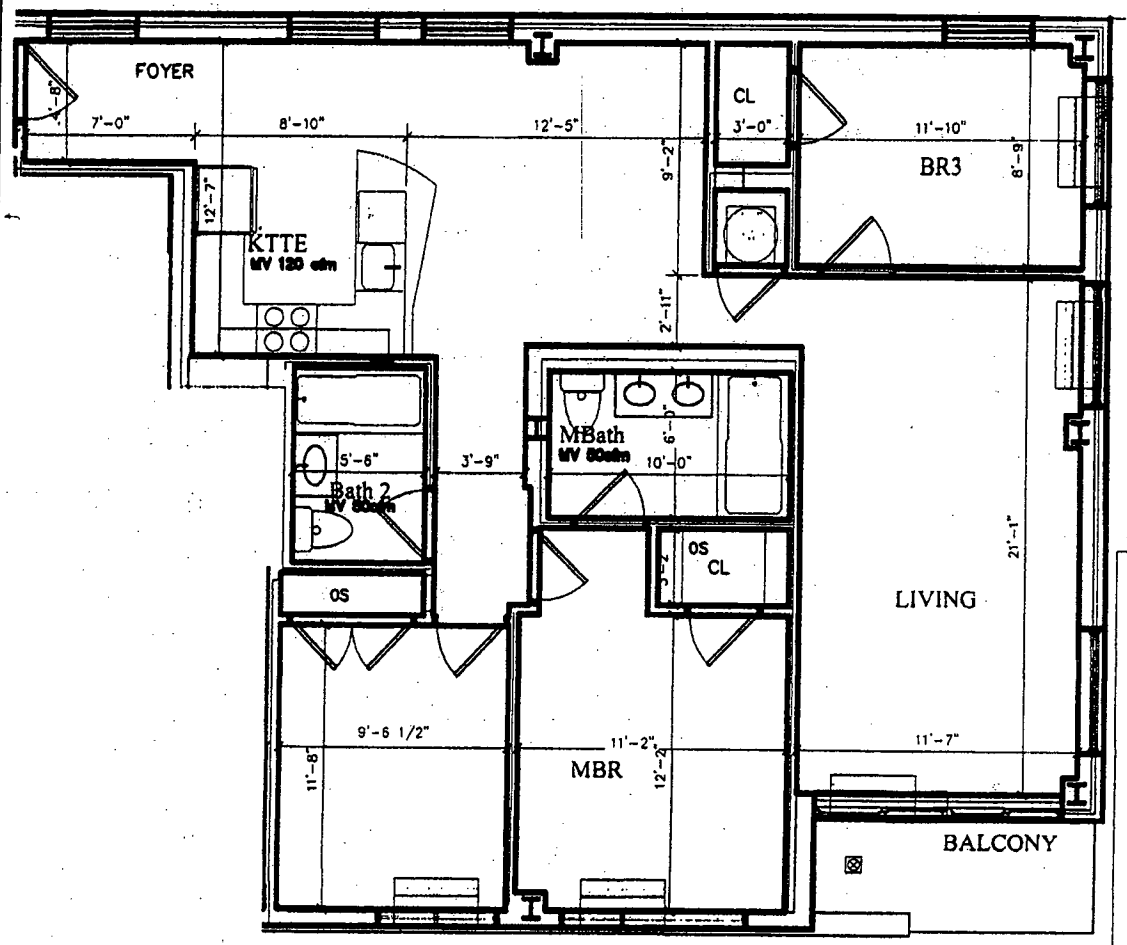

UNIT 4A
3 BEDROOMS/2 BATHS
4TH FLOOR: 1,120 S.F.
TOTAL GROSS AREA: 1,120 S.F.

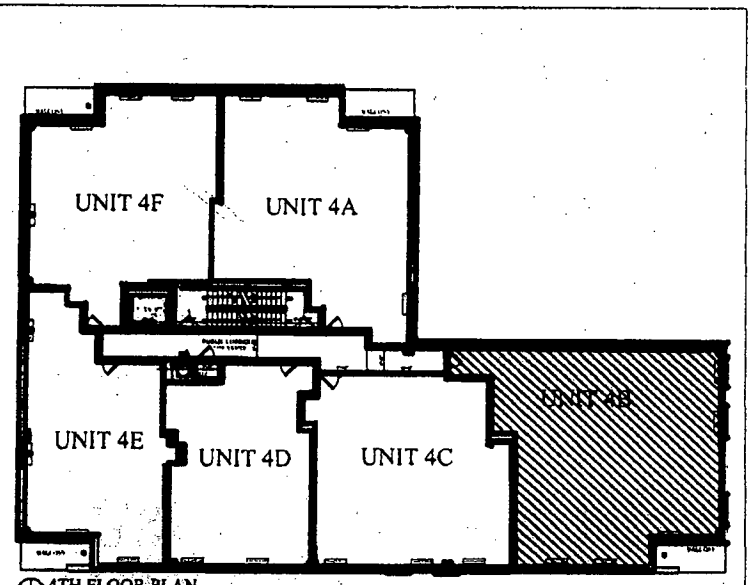



4TH FLOOR PLAN

KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

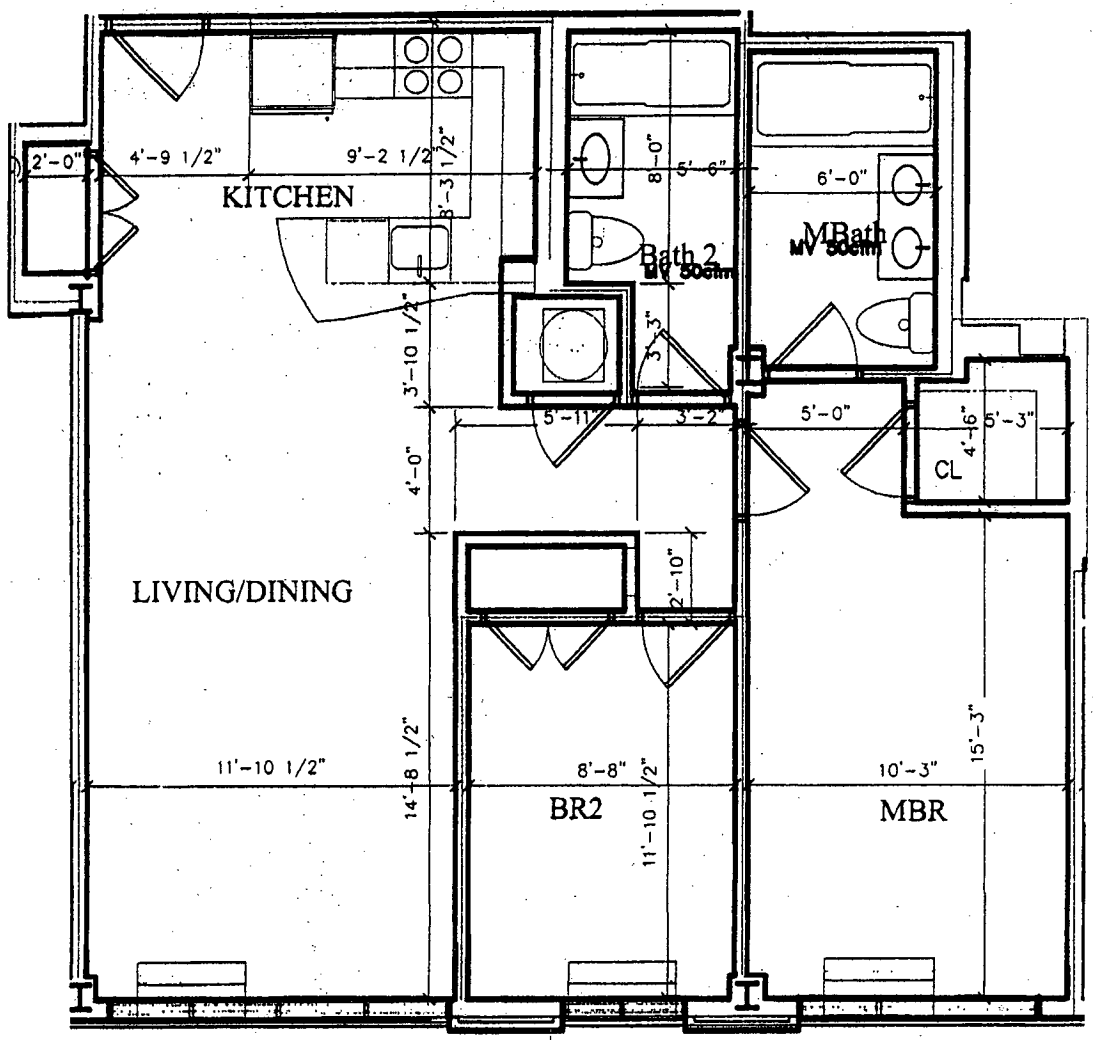


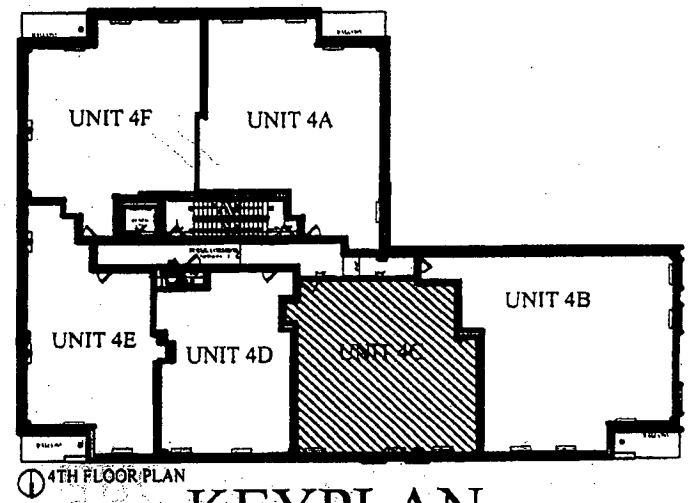

KEYPLAN

UNIT 4B
3 BEDROOMS/2 BATHS
4TH FLOOR: 1,326 S.F.
TOTAL GROSS AREA: 1,326 S.F.

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

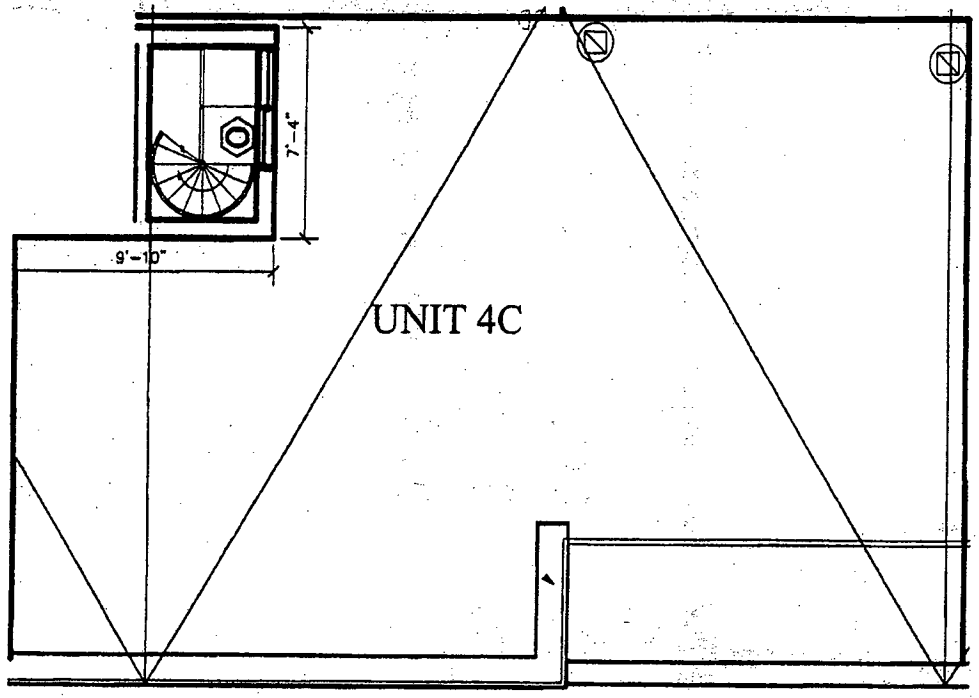


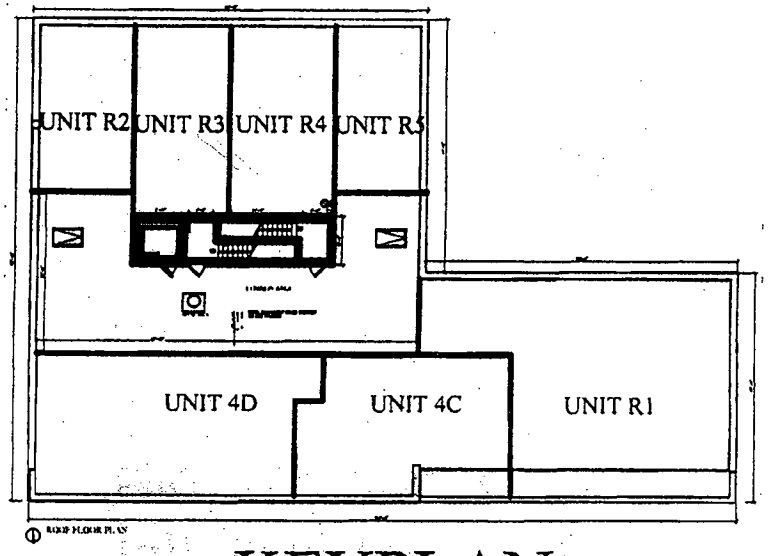

UNIT 4C
2 BEDROOMS/2 BATHS
4TH FLOOR: 991 S.F.
ROOF: 36 S.F.
TOTAL GROSS AREA: 1,027 S.F.




KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

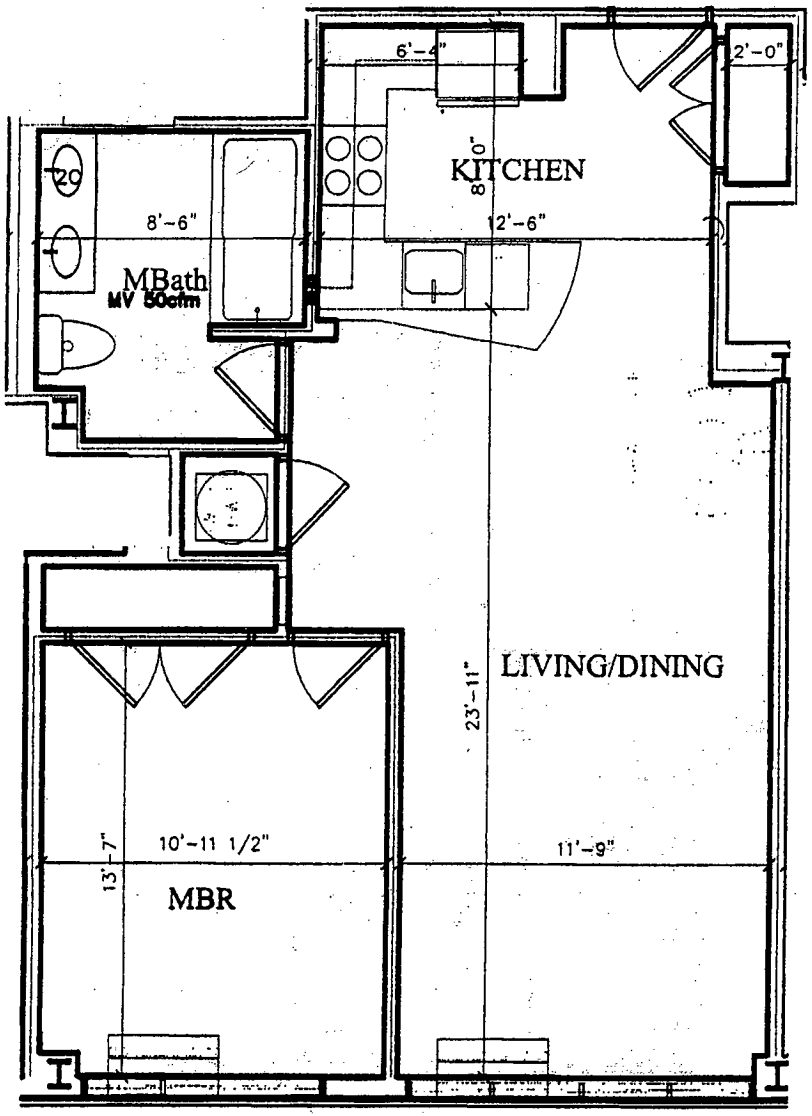


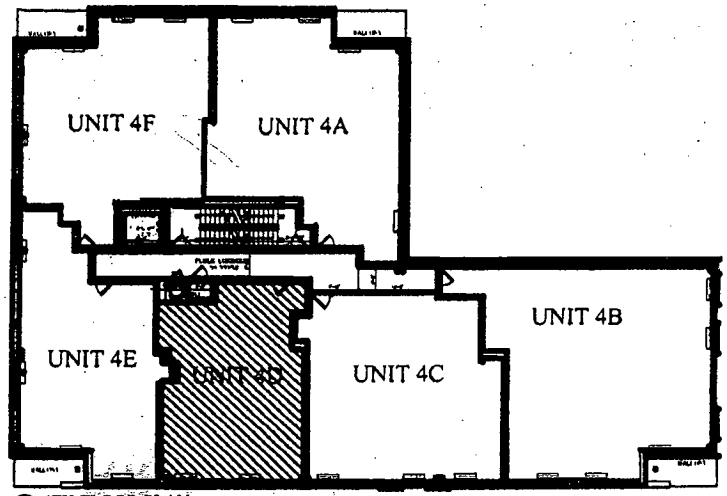

KEYPLAN

UNIT 4C
2 BEDROOMS/2 BATHS
4TH FLOOR: 991 S.F.
ROOF: 36 S.F.
TOTAL GROSS AREA: 1,027 S.F.

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

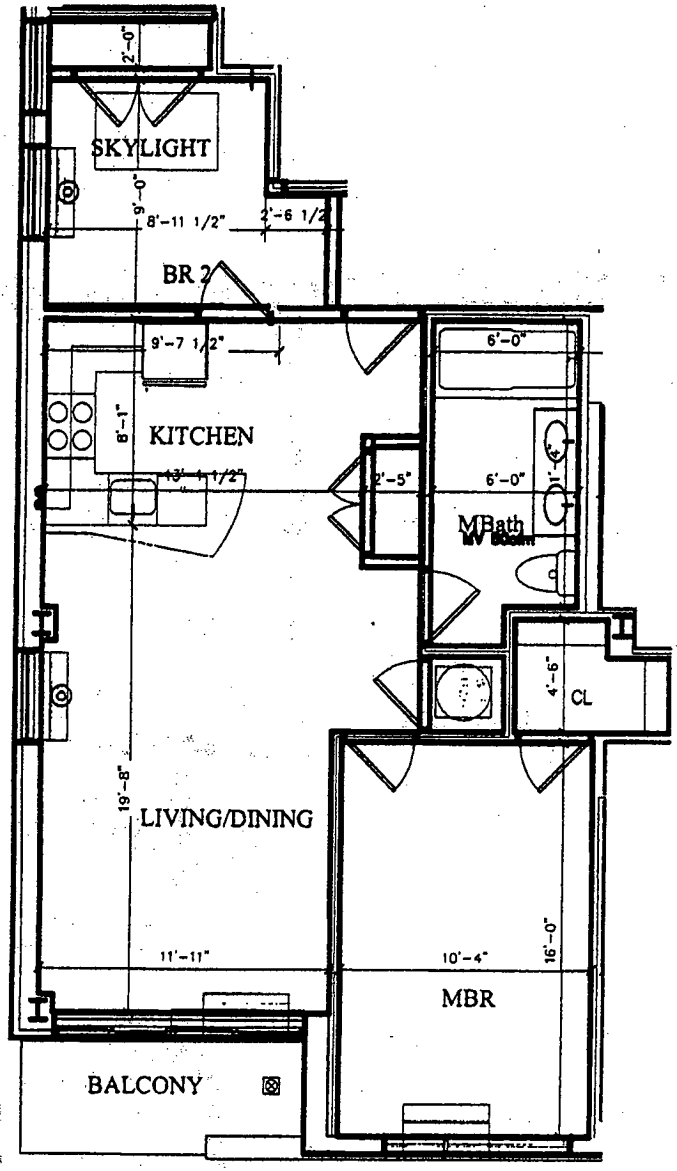



UNIT 4D
1 BEDROOM/1 BATH
4TH FLOOR: 758 S.F.
ROOF: 36
TOTAL GROSS AREA: 794 S.F.

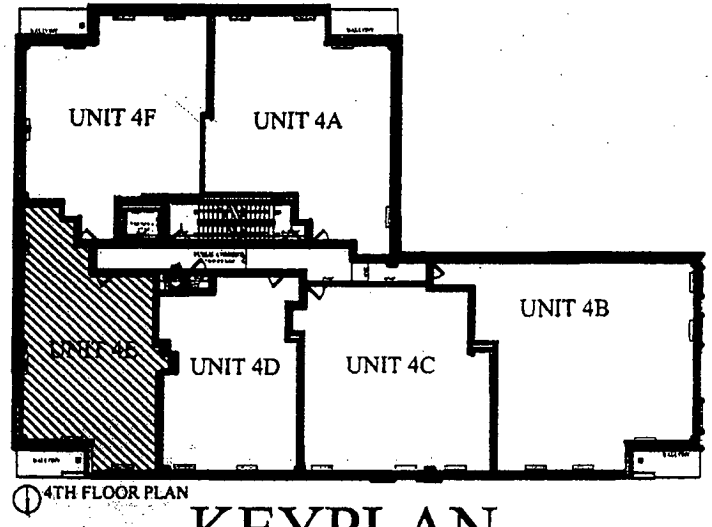



KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211



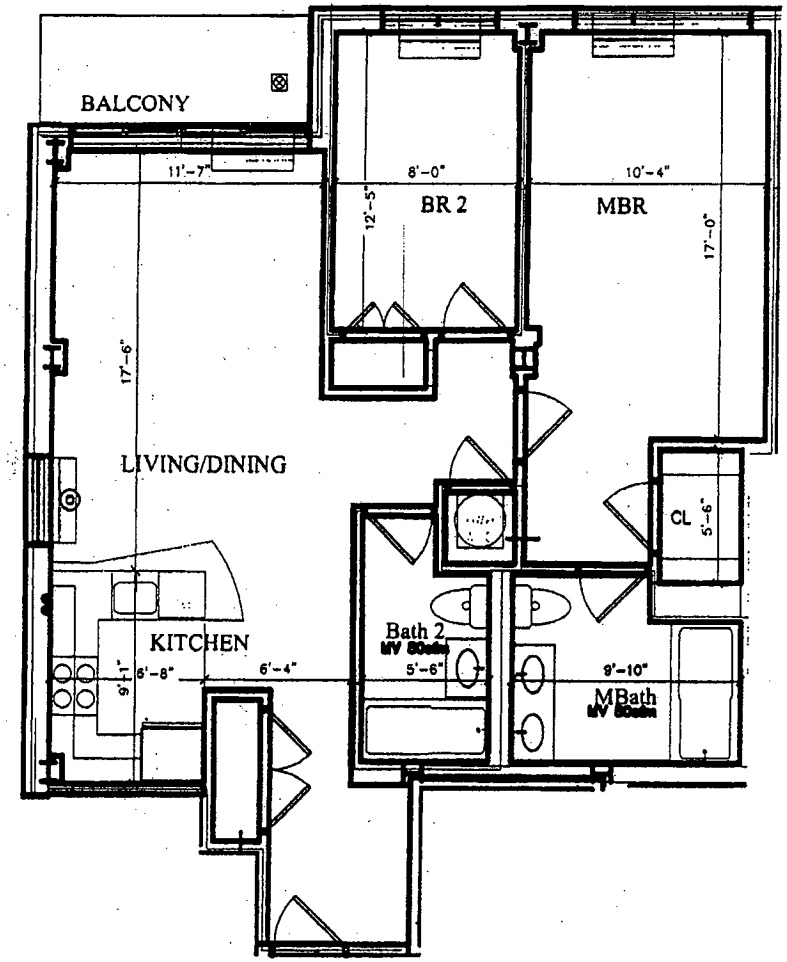

UNIT 4E
2 BEDROOMS/1 BATH
4TH FLOOR: 890 S.F.
TOTAL GROSS AREA: 890 S.F.



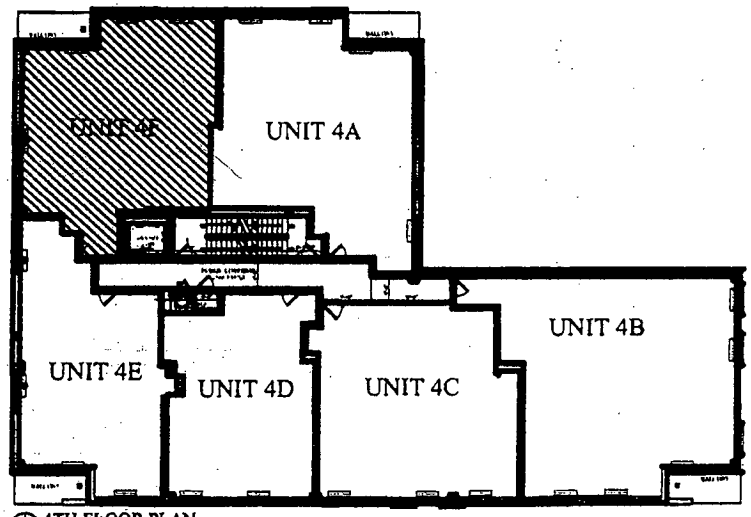

4TH FLOOR PLAN

KEYPLAN

# BUILDING LOCATED AT:
# 30-48 SOUTH 2ND STREET
# BROOKLYN, N.Y. 11211

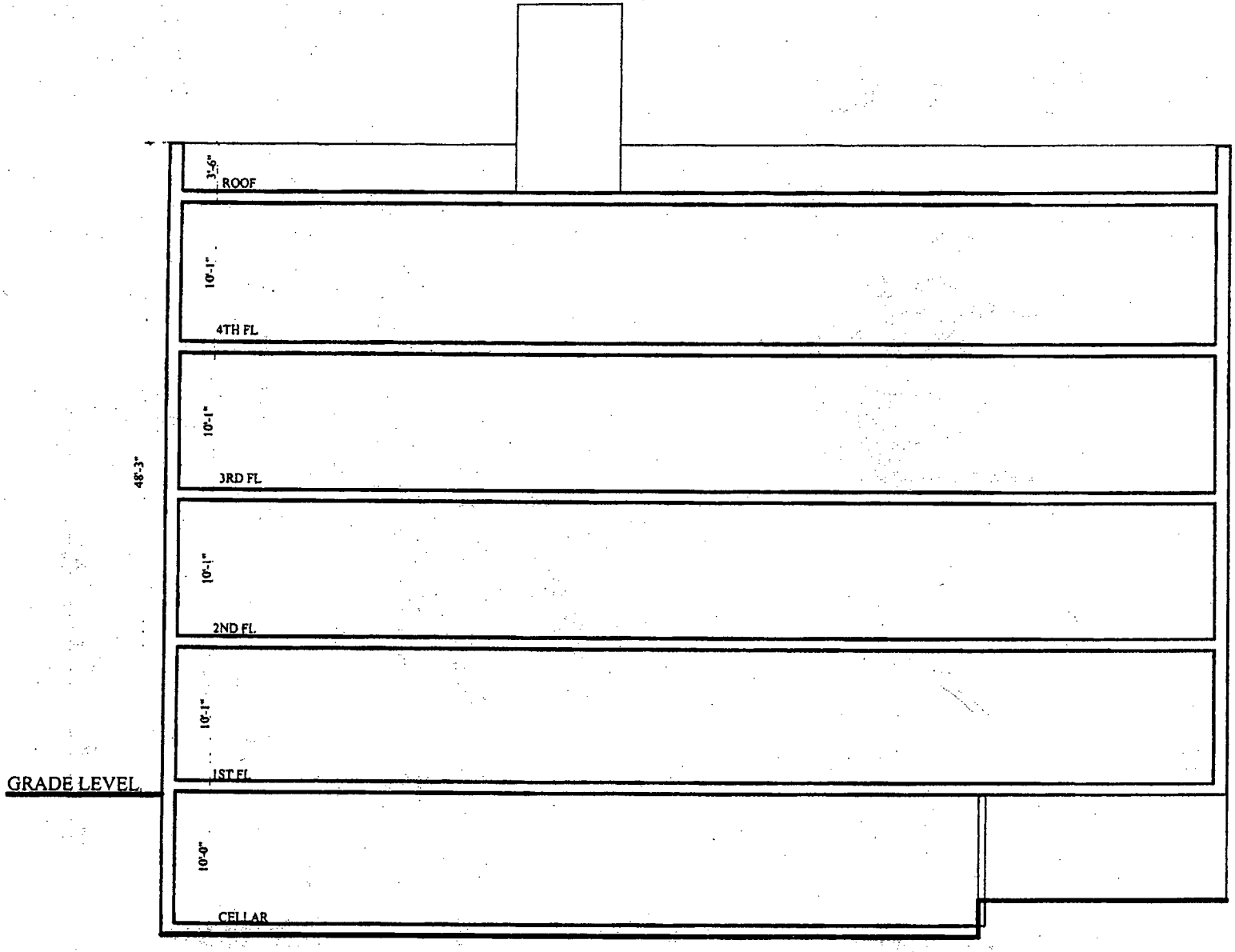



UNIT 4F
2 BEDROOMS/2 BATHS
4TH FLOOR: 1,027 S.F.
TOTAL GROSS AREA: 1,027 S.F.

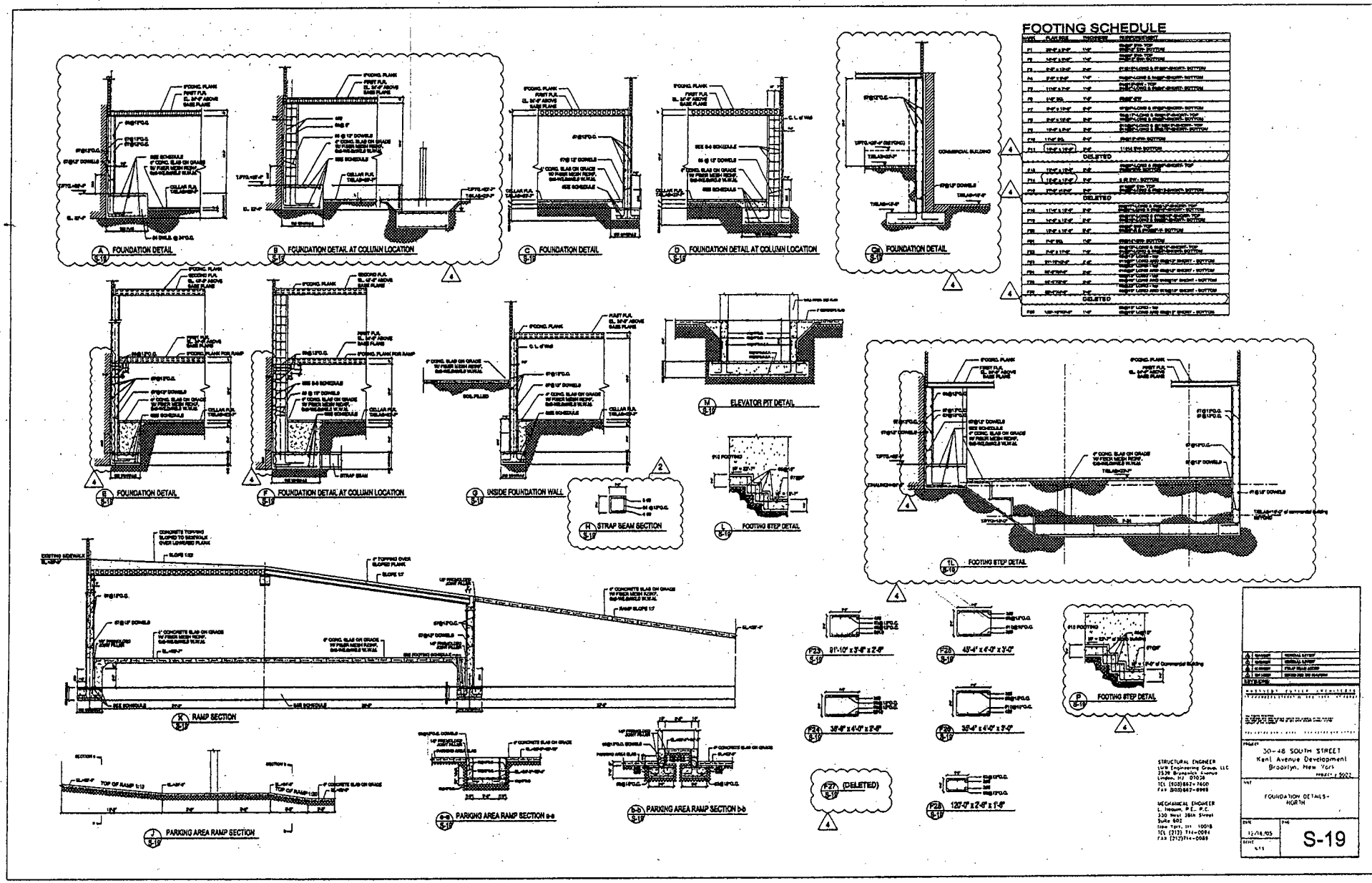



4TH FLOOR PLAN

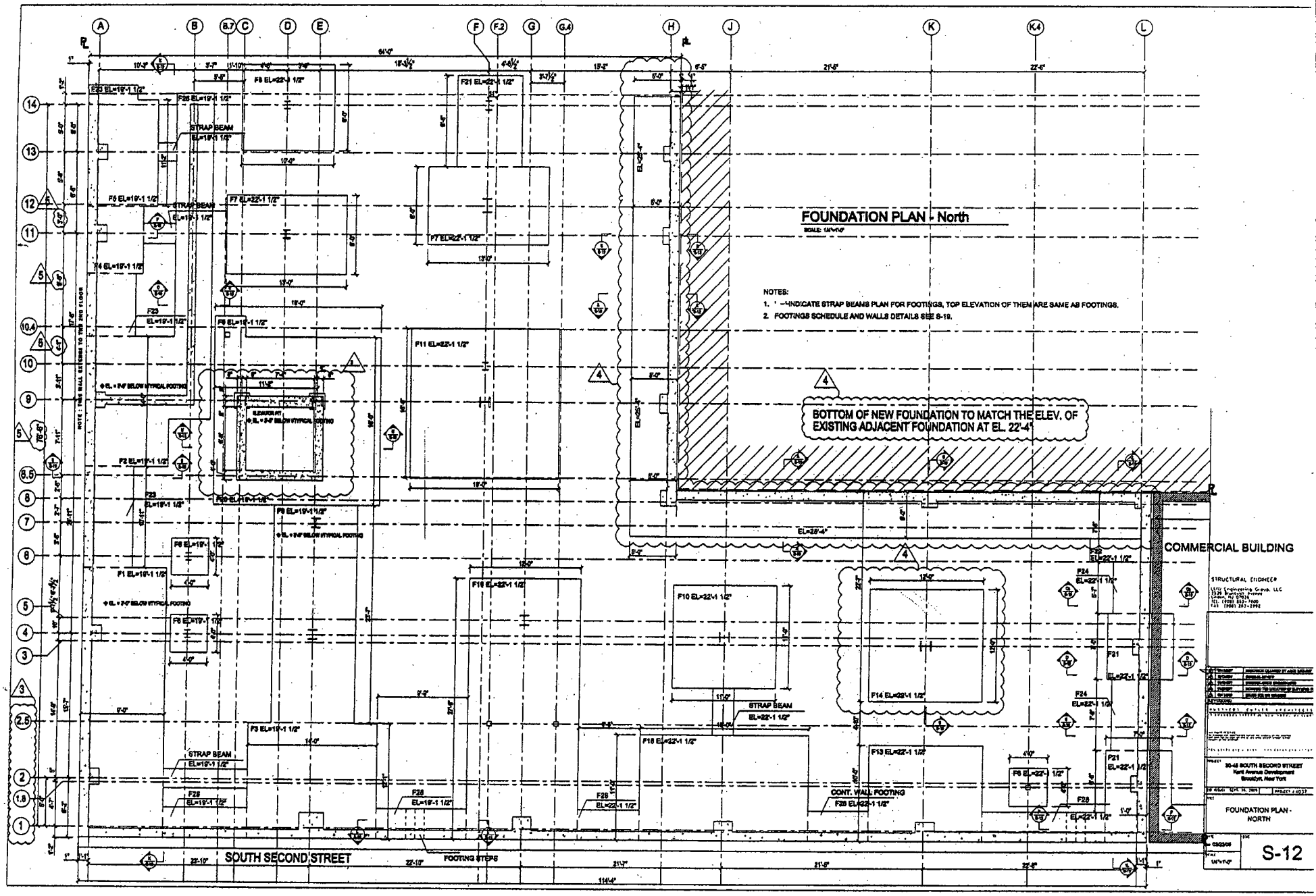
KEYPLAN




ELEVATION PLAN
SOUTH 2ND STREET


FOOTING SCHEDULE
A S-19 FOUNDATION DETAIL
B S-19 FOUNDATION DETAIL AT COLUMN LOCATION
C S-19 FOUNDATION DETAIL
D S-19 FOUNDATION DETAIL AT COLUMN LOCATION
E S-19 FOUNDATION DETAIL
F S-19 FOUNDATION DETAIL AT COLUMN LOCATION
G S-19 INSIDE FOUNDATION WALL
H S-19 STRAP BEAM SECTION
M S-19 ELEVATOR PIT DETAIL
L S-19 FOOTING STEP DETAIL
TL S-19 FOOTING STEP DETAIL
K S-19 RAMP SECTION
J S-19 PARKING AREA RAMP SECTION
6-6 S-19 PARKING AREA RAMP SECTION 6-6
5-5 S-19 PARKING AREA RAMP SECTION 5-5
P S-19 FOOTING STEP DETAIL
P23 S-19 31'-10" x 3'-6" x 2'-6"
P22 S-19 45'-4" x 4'-0" x 3'-0"
P24 S-19 38'-8" x 4'-0" x 2'-6"
P20 S-19 35'-4" x 4'-0" x 3'-0"
P27 S-19 (DELETED)
P28 S-19 127'-0" x 2'-6" x 1'-6"
STRUCTURAL ENGINEER
MECHANICAL ENGINEER
30-48 SOUTH STREET
Kent Avenue Development
Brooklyn, New York
FOUNDATION DETAILS - NORTH
12/16/05
S-19

FP 3


FOUNDATION PLAN - North
NOTES:
1. ' --' INDICATE STRAP BEAMS PLAN FOR FOOTINGS, TOP ELEVATION OF THEM ARE SAME AS FOOTINGS.
2. FOOTINGS SCHEDULE AND WALLS DETAILS SEE S-19.
BOTTOM OF NEW FOUNDATION TO MATCH THE ELEV. OF EXISTING ADJACENT FOUNDATION AT EL. 22'-4"
SOUTH SECOND STREET
STRAP BEAM
CONT. WALL FOOTING
FOOTING STEPS
COMMERCIAL BUILDING
STRUCTURAL ENGINEER
30-46 SOUTH SECOND STREET
Kent Avenue Development
Brooklyn, New York
FOUNDATION PLAN - NORTH
S-12

# GENERAL BUSINESS LAW-CIVIL PRACTICE LAW AND RULES-NEW HOMES- -SALE-WARRANTIES

We ACT to amend the general business law and civil practice law and rules, in relation to warranties on sales of new homes

Approved September 6, 1988, effective as provided in S 3.

The people of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general business law is amended by adding a new article S 1 thirty-six B to read as follows:

ARTICLE 36-B

Section 777. Definitions.
777-a. Housing merchant implied warranty.
777-b. Exclusion or modification of warranties.

Section 777. Definitions. As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include

dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

Section 777-a. Housing merchant implied warranty.

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later.

In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

S 777-b. Exclusion or modification of warranties.

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. he identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be

extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of homebuilders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

Section 2. Subdivision two of the section two hundred thirteen of the civil practice law and rules, as amended by chapter four hundred three of the laws of nineteen hundred eighty-three, is amended to read as follows:

2. an action upon a contractual obligation of liability, express or implied, except as provided in section two hundred thirteen-s of this article or article 2 of the uniform commercial code or article 36-B of the general business law;

Section 3. This act shall take effect on the first day of March next succeeding the date on which it shall have become a law and shall apply to new homes for which contractors of sale are entered into on or after such effective date.

A) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

B) If a non-occupying owner rented 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 sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision " (C) " of this section, all rental payments from the tenant shall be directly payable to the condominium association.

C) If the common charges, assessments, or late fees due for any unit have not been paid in full within sixty days after the expiration of any grace period of the earliest due date, the Board of Managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current. All rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the Board of Managers has been elected by and from among the unit owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner who disputes the association's claim to rental supporting such owner's position at the next scheduled meeting of the Board of Managers, which must be held within thirty days of the date that such Board receives notice that such seeks to dispute such claim.

D) Nothing in this section shall limit any rights of unit owners or of the Board of Managers existing under any other law or agreement.

E) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

4. This act may be enforced by any party by means of a special proceeding brought pursuant to Article 4 of the Civil Practice Law and Rules.

6. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

THE LEGISLATURE OF THE STATE OF NEW YORK: s.s:

Pursuant to the authority vested in us by Section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this section law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSPEH L. BRUNO
Temporary President of the Senate

SHELDON SILVER
Speaker of the Assembly

# DECLARATION

**Establish a Plan for Condominium Ownership of Premises located at 30-48 South 2nd Street, Brooklyn, New York, County of Kings, City and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.**

**NAME: THE 30-48 SOUTH 2ND STREET CONDOMINIUM**

**DECLARANT:** 291 KENT PROPERTIES, LLC
266 Broadway
Brooklyn, New York 11211

**DATE OF DECLARATION:**

**The land affected by the within instrument lies in Section Block Lot fka nka - on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York.**

**Record and Return:**

**HAROLD L. GRUBER**
**Attorney for Sponsor**
**92 Prospect Place**
**Brooklyn, New York 11217**

**DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP of Premises to be known as THE 30-48 SOUTH 2ND STREET CONDOMINIUM, located at 30-48 South 2nd Street, Brooklyn, New York, Borough of Brooklyn, County of Kings, City and State of New York, pursuant to Article 9B of the Real Property Law of the State of New York.**

**291 KENT PROPERTIES, LLC**, 266 Broadway, Brooklyn, New York, hereinafter referred to as "the Declarant", does hereby declare:

1. SUBMISSION OF PROPERTY: Declarant hereby submits the land hereinafter described, together with the Buildings and improvements thereon erected ("the Property") to the provisions of Article 9-B of the Real Property Law of the State of New York.

2. AREA AND LOCATION OF LAND: The land ("Land") ~~consists of~~ all that certain tract, plot, piece and parcel of land situate, lying and being in the County of Kings, City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Sponsor in fee simple absolute.

3. NAME OF CONDOMINIUM: The Condominium shall be known as THE 30-48 SOUTH 2ND STREET CONDOMINIUM.

4. DESCRIPTION OF THE BUILDING: The condominium consists of two buildings, each comprised of four stories, and a cellar, and containing in aggregate twenty-three (23) residential units; four (4) "roof" units; and twelve (12) auxiliary parking units separately for sale. The legal occupancy will match the proposed occupancy hereunder. The building complies with Class 1D construction requirements.

5. THE UNITS: SCHEDULE B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof; Unit designation; tax lot number; approximate square foot area; location; number of rooms; the portion of the Common Elements, including Limited Common Elements to which the Unit has immediate access (if any) and the percentage of interest in the Common Elements. The location of each Unit, and any Limited Common Elements appurtenant thereto, is more clearly designated on the Floor Plans (as hereinafter defined) and reference should be made thereto for the statement of the location of each Unit.

6. FLOOR PLANS: As shown on the Floor Plans of the Buildings (the "Floor Plans"), certified by and intended to be filed in the Kings County Office of the register of the City of New York, simultaneously with the recording of this Declaration, the dimensions indicated are approximate, and are as

defined in said floor plans. Said statement of dimensions is incorporated by reference as if fully set forth herein.

7. COMMON ELEMENTS: The Common Elements of the Condominium consists of the entire Property, including parts of the Buildings and improvements thereon other than the Units. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, to the extent applicable, the following:

a) General Common Elements:

(i) The land on which the Buildings are physically erected, including any open areas appurtenant to the building(s).

(ii) All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and installations beyond the exterior face of the Buildings; those portions of the walls and partitions dividing the Units from corridors, lobby and stairs located beyond the exposed face of the dry walls enclosing the Unit; the subfloor and framing joists, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roofs (excluding terraces), fire escapes (if any), corridors, halls, stairs and stairway areas located beyond the unexposed face of the dry walls enclosing the Residential Unit; lobby; storage and utility areas located beyond the unexposed face of the dry walls and the entrances to and exits from the Buildings;

(iii) All installations outside the Units for services such as gas, power, light, telephone and water;

(iv) All sewer pipes and drainage pipes outside units, including all drains and dry wall on the land and those located outside the building footprint.

(v) The boiler room and meter areas, and janitor's closet(s), if any, as shown and delineated on the Floor Plans. To the extent the "as-built" condition of the building differs from such Floor Plans, both said Floor Plans and this Declaration shall be deemed amended to conform to said as-built condition.

(vi) All other apparatus and installations existing in the Buildings for common use or necessary or convenient to the existence, maintenance or safety of the Buildings.

(vii): The foregoing are included only to the extent they are present in this building. If any of the foregoing are hereinafter designated as limited common elements, such designation shall take priority over the listing set forth herein.

b) Limited Common Elements:

Limited common elements are those areas appurtenant to a particular unit or units, the use of which is restricted to the owner of such unit or units, but which are not owned by that unit owner. Each Unit Owner, his guests, invitees, lessees and residents of his Unit shall have the exclusive right to use and possession of the limited common elements of the building indicated in the attached Exhibit B, subject to the following:

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. 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.

8. DETERMINATION OF PERCENTAGES IN COMMON ELEMENTS: The determination of percentages of Common Interest allocated to each unit is based upon floor space, subject to such other items of relative value as the location of the space in the condominium, uniqueness of the unit, the availability of limited common elements for exclusive or shared use, and the overall dimensions of a particular unit, as per Section 339(i)(1)(iv) of the New York State Real Property Law.

9. USE OF UNITS: Any Unit may be used for private residential use, or for any home occupation use permitted under applicable zoning laws and ordinances, building code, or other rules and regulations of governmental authorities having jurisdiction thereof. Such Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinance, and provided further that prior written consent of the Board of Managers for such professional use is obtained. Notwithstanding the foregoing, the

Sponsor may, without the permission of the Board of Managers, retain ownership of one or more Units for use as rental units, models, sales and/or offices in connection with the sale or rental of the Units. "Roof" units may be used for recreational purposes only, and may not be enclosed as to create habitable dwelling space without express written permission of the Board of Managers and approval of any governmental agency having jurisdiction thereover. Parking units may only be used for the parking of motor vehicles with no more than two axles.

10. ENCROACHMENTS: If any portion of the Common Elements encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the 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 encroachments and for the maintenance of the same so long as the Buildings shall stand.

11. EASEMENTS:

a) Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right to access to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

b) The Sponsor and its designees, their successors, assigns, invitees, licensee, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines and (ii) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables, and (iv) ingress to and egress from all

land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

c) The Sponsor, its designees and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in the access to Units and Common Elements consistent with the purposes of the Offering Plan for the Property as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements, and (ii) reserve the right to establish, grant and create easements for any additional underground electric, transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Sponsor or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or the residents of any property adjacent to the Property, or users of the Recreation Facilities, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Residential Units for dwelling purposes. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right to access of any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right to access is exercised in such a manner as not unreasonably to interfere with the use of the Units.

d) The user of any easement granted by Sub-paragraphs "b" and "c" of this Paragraph 11 shall have the responsibility of repairing any damage resulting therefrom.

12. PERSON TO RECEIVE SERVICE: For the period during which Sponsor is in control of the Board of Managers, 291 KENT PROPERTIES, LLC, 266 Broadway, Brooklyn, New York, is hereby designated to receive notice of process in any action which may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the Condominium at the office of the Condominium

located at 30-48 South 2nd Street, Brooklyn, New York. In addition to the foregoing, the Secretary of State of the state of New York is hereby designated as agent of the Board of Managers to accept the service of process in any proceeding. In addition to the foregoing, the Secretary of State of the state of New York is hereby designated as agent of the Board of Managers to accept the service of process in any proceeding.

13. UNITS SUBJECT TO DECLARATION, BY-LAWS AND RULES AND REGULATIONS: All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering unto occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

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

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

b) No amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner;

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

d) No amendment, modification, addition or deletion of or to this Declaration which would in any way alter, restrict or change the use to which a Commercial Unit may be put, shall be effective against any such Commercial Unit without the written consent of the Owner of such Commercial Unit.

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 built, as provided in said Section 339-p will be filed with such amendment.

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

15. CHANGES IN UNSOLD UNITS: For any Unit owned by the Sponsor or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit Mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change in and size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Units affected by such change in size or number, subdivision, combination or alteration, appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consent will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Contract vendees, if any, pursuant to Purchase Agreements with the Sponsor or its designees for a Unit adversely affected as a result of the above changes, will be given the right to rescind their Purchase Agreements and receive a refund of any disclosed in an amendment to the Offering Plan for the Property. The provisions of this Paragraph 15 may not be added to, amended or deleted without the prior written consent of

the Sponsor or its designee(s). In the event of any such change in an Unsold Units, Sponsor shall amend the Declaration and Floor Plans to reflect same.

Sponsor may reallocate portions of the common areas of the subject premises to individual units as limited common elements; or may retain (and sell, transfer or assign) the right to utilize certain specific portions of the common area of the premises pursuant to a license agreement. This will not apply to areas specifically designated to common use, such as laundry rooms, recreation rooms, gymnasiums, etc.; nor may this right be utilized so as to reallocate a portion of the building necessary for ingress or egress to a unit to any unit other than such unit.

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

16. INVALIDITY:

a) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included;

(b) Subject to the terms of Paragraph "a" above, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, this Declaration and By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein

under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provisions as a covenant running with the Land.

17. DEVELOPMENT RIGHTS: In the event any rezoning of the property subsequent to the acceptance for filing of this Offering Plan creates development rights beyond those utilized to erect the structure contemplated by this Offering Plan; or in the event a subsequent audit discloses the existence of unused development rights; Sponsor shall retain the right to such development rights, and may sell, transfer or assign such development rights without restriction.

18. TERMINATION OF CONDOMINIUM: The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in number and in Common Interest of the Units. The Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided however, that no payment shall be made to a Unit Owner until all lienors have first been paid off out of his share of such proceeds.

19. COMMON EXPENSE: Common Expenses of the Condominium mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws. Common expenses shall be charged to unit owners according to their respective common interests; except that such expenses may be specially allocated and apportioned by the Board of Managers in a manner different from common profits and expenses for one (1) or more non-residential units; and in the case of units, either residential or non-residential or a combination thereof, profits and expenses may be specially allocated and apportioned based on special or exclusive use or availability, or exclusive control, of a particular units or common areas by particular unit owners.

20. DEFINITION OF "SPONSOR-DESIGNEE": The term "Sponsor-Designee" as used in this Declaration shall mean any person or entity designated by the Sponsor to acquire title to a Unit, other than a good faith Purchaser for value purchasing pursuant to a validly executed Purchase Agreement. A "Sponsor-Designee" shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a "Sponsor-Designee."

21. WAIVER: No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

22. CAPTIONS: The captions herein are inserted only as a matter of convenience and for reference~~, and in~~ no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

23. GENDER: The use of the masculine gender in this Declaration shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

24. MORTGAGEES RIGHTS: Notwithstanding anything to the contrary set forth in any other portion of this Declaration, amendments of a material adverse nature to the interest of the mortgagees must be agreed to by mortgagees holding mortgages on units entitled to cast at least 51.00% of the votes of the Condominium allocated to all units which are subject to mortgages.

Any action to terminate the legal status of the project after substantial destruction or condemnation, or for any other reason must be agreed to by mortgagees holding mortgages on units entitled to cast at least 51.00% of the votes allocated to units which are encumbered by mortgages at the time of such termination. In the event notice of either of the foregoing is delivered to any mortgagee; and in the further event such mortgagee fails to submit a written response to such written notice within sixty (60) days after it receives such notice (and further provided that such notice was delivered by registered or certified mail with a return receipt requested); then in such case such mortgagee will be deemed to have consented to the notice to action.

**IN WITNESS WHEREOF**, the parties have caused this Declaration to be executed by its duly authorized representatives this day of ,200 .

291 KENT PROPERTIES, LLC
BY:

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STATE OF NEW YORK)
COUNTY OF ) SS.:

On the day of , 200 , before me, the undersigned, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed 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

# BY-LAWS

# of

# THE 30-48 SOUTH 2ND STREET CONDOMINIUM

## ARTICLE I

## Purpose of Business

Section 1. Unit Ownership: The property located in the Borough, County of Kings, City and State of New York at 30-48 South 2nd Street, Brooklyn, New York (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the Kings County office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as THE 30-48 SOUTH 2ND STREET CONDOMINIUM.

Section 2. Applicability of By-Laws: The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Buildings, and all other improvements thereon (including the Units, the Common Elements and the Limited Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units".

Section 3. Application: All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-laws, the Declaration and the Rules and Regulations attached hereto as Schedule A.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Office: The office of the Condominium and of the Board of Managers shall be located at the Property.

## ARTICLE II

### Meetings of Unit Owners

Section 1. Annual Meeting: The Annual Meeting of the Unit Owners of the Condominium for the election of the Board of Managers and for such other business as may properly come before such meeting, shall be held in the Borough of Brooklyn, City of New York, at such time and place, each year as may be designated by the Board. The notice of the meeting shall be in writing and signed by the President or a Vice President or the Secretary or an Assistant Secretary. Such notice shall state the time when and the place within the state where it is to be held, and the Secretary shall cause a copy thereof to be delivered personally or mailed to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before the meeting. If mailed, it shall be directed to each such Unit Owner at his or her address as it appears in the records of the Condominium, unless he or she shall have filed with the Secretary of the Condominium a written request that notices intended for the him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 2. Special Meetings: Special meetings of Unit Owners, other than those the calling of which is regulated by statute, may be called at any time by the President or Secretary or by a majority of the Board of Managers. It shall also be the duty of the Secretary to call such meetings whenever requested in writing so to do by Unit Owners owning at least twenty-five per cent (25%) of the votes of the Condominium. The Secretary shall cause a notice of such Special Meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 1 of this Article to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such Special Meeting unless the holders of all the Units of the Condominium be present thereat in person or by proxy. Except that there shall be a meeting commenced within sixty days after the closing of the First Unit to be sold to elect a Board of Managers.

Section 3. Waiver of Notices: The notice provided for in the two foregoing sections is not Indispensable, but any Unit Owners' meeting whatever shall be valid for all purposes if all the Unit Owners of the Condominium are represented thereat in person or by proxy, or if a quorum is present, as provided in the next

succeeding section, and waiver of notice of the time, place and objects of such meeting shall be duly executed in writing either before or after said meeting by such Unit Owners as are not so represented and were not given such notice.

Section 4. Quorum: At each meeting of Unit Owners, except where otherwise provided by law, Unit Owners representing, in person or by proxy, 51% of the votes of the Units shall constitute a quorum; in case a quorum shall not be present at any meeting, the holders of a majority of the Units represented may adjourn the meeting to some future time and place. Only those Unit Owners who, if present at the adjourned meeting, would have been entitled to vote thereat, shall be entitled to vote at any such adjourned meeting.

Section 5. Voting: At each meeting of Unit Owners, each Unit Owner present in person or by proxy shall be entitled to cast the votes appurtenant to his/her Unit at the time of service of notice of such meeting or at such prior date, not more than forty (40) days before such meeting, as may be prescribed by the Board of Managers as the date for determining which Unit Owners of record are entitled to notice of and to vote at such meeting. The proxies shall be in writing duly signed by the Unit Owner but need not be acknowledged or witnessed, and the person named as proxy by any Unit Owner need not himself be a Unit Owner of the Condominium. Voting by Unit Owners shall be viva voce unless any Unit Owner present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Unit Owner voting and the number of votes appurtenant to her/her Unit, and in addition, the names of the proxy of such ballot if cast by a proxy.

Section 6. Title to Units: Title to Units may be taken in the name of an individual or in the name of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporations or partnership, or in the name of a fiduciary or trust, estate, un-incorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section.

Section 7. Number of Votes: Any or all of such Owners (including the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one or more Units) shall be entitled to cast one vote for each .01% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to the vote at all meetings of Unit Owners; except that, when

voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one vote for each .01% of Common Interest attributable to his Unit per member to be elected. If Units are owned by more than one person as joint tenants, tenants by the entirety, or as tenants in common or by a partnership, corporation or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit as a single vote. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 8. Majority of Unit Owners: As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having greater than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 7 of this Article II. Two thirds of Unit Owners shall mean those Unit Owners having greater than 66-2/3% of the total authorized vote of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners. A vote of a majority of Unit Owners shall be sufficient for any action of any meeting, except where otherwise provided herein or required by statute.

Section 9. Inspectors of Election: Inspectors of election shall not be required to be appointed at any meeting of Unit Owners unless requested by a Unit Owner present (in person or by proxy) and entitled to vote at such meeting and upon the making of such request inspectors shall be appointed or elected as provided in Section 610 of the Business Corporation Law.

## ARTICLE III

## OFFICERS

Section 1. Designation: The principal officers of the Condominium shall be the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint such other officers as in its judgment may be necessary. The President and Vice-President, but no other officers, need be members of the Board of Managers.

Section 2. Election of Officers: The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected, their resignation or death.

Section 3. Removal of Officers: Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President: The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint committees from among the Unit Owners from ~~time to time~~ as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice-President: The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. Secretary: The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer: The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the Managing Agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Compensation of Officers: No officer shall receive any salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity.

Section 9. Liability of Officers: No officer shall be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify each officer against any liability or claims except those arising out of the bad faith or willful misconduct of an officer. It is intended that each officer shall have no personal liability with respect to any contract made by him on behalf of the Condominium. It is and shall be permissible for each officer who is appointed by the original Board of Managers (designees of the Sponsor), to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by an officer or out of the aforesaid indemnity in favor of each officer shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all the Unit Owners. Every agreement made by an officer on behalf of the Condominium shall provide that each officer is acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners, except for willful misconduct or bad faith), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all Unit Owners.

## ARTICLE IV

## Managers

Section 1. Number: The number of Managers of the Corporation shall not be less than three (3) nor more than seven (7), as may from time to time be herein provided and, in the absence of such provision shall be three (3). Commencing with the first election of Managers by Unit Owners of the Condominium, and until changed by amendment of this By-Law provision, and hereinafter provided, the number of Managers shall be three (3). The number of Managers shall not be decreased to a number less than the number of Managers then in office except at any Annual Meeting of Unit Owners. However, during the period the Sponsor, its Successor Offeror(s) or Designees(s) continue to own 50% or more of the Condominium the number of Managers shall remain fixed at three (3).

Section 2. Powers and Duties: The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, as agent of all Unit Owners. The Board shall further have the right to employ a manager or managing agent or both, and may delegate any or all of the powers conferred by this section to such managing agent. Persons employed in the operation of the property may be designated or removed by a majority vote of the Board of Managers, or without vote by the managing agent or manager, if such a person is employed by the Board.

Section 3. Nomination and Election: Notwithstanding anything to the contrary set forth in these By Laws, after the passage of five years from the date of closing of the first unit in the Condominium, the Sponsor may no longer designate a majority of the Board of Managers; the Managers shall be elected for a term of one year at the Annual Meeting of Unit Owners or at a Special Meeting called for that purpose as provided by law. Each Condominium Unit shall be entitled to cast one vote for each .01% of Common Interest in the Condominium appurtenant to the Unit, which may be cast all for one nominated Manager, or divided among any number of candidates. Their term of office shall be until their respective successors are elected and qualify.

Section 4. Quorum: A majority of the Managers then authorized by these By-Laws shall constitute a quorum.

Section 5. Vacancies: Vacancies in the Board of Managers resulting from death, resignation or otherwise may be filled without notice to any of the Unit Owners by a vote of a majority of the remaining Managers present at the meeting at which such election is held for that purpose promptly after the occurrence of any such vacancy even though no quorum is present. Each person so elected shall be a member of the Board of Managers until a successor shall be elected at the next annual meeting of Unit Owners to serve the remaining term. In the event of the failure to hold any election of Managers at the time designated for the annual election of Managers or in the event that the Board of Managers shall not have filled any such vacancy, a Special Meeting of Unit Owners shall be called to elect a new Board of Managers. Any vacancy created by amendment of these By-Laws shall be filled in the manner provided in the resolution adopting such amendment. In case of a reduction of the authorized number of Managers by amendment of these By-Laws, the Manager, if any, whose term of office shall cease, shall be determined in the manner provided in the resolution adopting such amendment.

Section 6. Meetings: The Board of Managers shall meet immediately after the Annual Meeting of Unit Owners without notice and also whenever called together by any Manager of the

Condominium or upon the written request of any three Managers then holding office, upon notice given to each Manager, by delivering personally, mailing or telegraphing the same to him at least two days prior to such meeting at the last address furnished by him to the Condominium. Regular meetings may be held without notice at such times and places as the Board of Managers may determine. Any meeting of the Board at which all the Managers shall be present, or of which notice shall be duly waived by all absentees, either before or after the holding of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of Managers may be held either at the principal office of the Condominium or elsewhere within the State of New York as provided in the notice calling the meeting, unless the Board of Managers by resolution adopt some further limitation in regard thereto. At all meetings of the Board of Managers, each Manager shall be entitled to one vote. The vote of a majority of the Board of Managers present at the time of a vote of a duly constituted meeting shall be the act of the Board of Managers.

Section 7. Resignation and Removal: Any Manager may resign at any time by written notice delivered in person or sent by certified registered mail to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein, and unless specifically requested acceptance of such resignation shall not be necessary to make it effective. Any Manager may be removed from office at any time with or without cause upon the affirmative vote of the Unit Owners whose aggregate vote is at least 51% of the votes of the Condominium at a Unit Owners' meeting duly called for the purpose; provided, however, that the Manager(s) elected by the Holders of "Unsold Units" can be removed only for cause by a vote of a majority of the Unit Owners or without cause by the Holders of Unsold Units.

Section 8. Annual Cash Requirements: The Board of Managers shall, from time to time determine the cash requirements as defined in the Condominium's By-Laws, and fix the terms and manner of payment of Common Charges as more specifically set forth in Article VI. The Board of Manager shall have discretionary power to prescribe the manner of maintaining and operating the Building, to be paid as aforesaid by the Unit Owners. Every such determination by the Board of Managers shall be final and conclusive as to all Unit Owners and any expenditures made by the Condominium's officers or its agent under authority of, or with the approval of, the Board of Managers of the Condominium shall, as against the Unit Owners, be deemed necessarily and properly made for such purpose. Until the earlier of (i) the second anniversary of the First Closing or (ii) such time as the Holders of Unsold Units hold less than 50% of the outstanding votes of the Residential Units, the Board of Managers of the Condominium will not take any of the following

actions unless Unit Owners owning at least 51% of the votes of Residential Units of the Condominium approve in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

a) Increase the number or change the type of employees from that described in the NOTES TO SCHEDULE B of the offering plan;

b) Provide for new or additional services from indicated in the NOTES TO SCHEDULE B, unless the annual cost of such new or additional services, when added to the annual cost of all other services, being provided, is no greater than that provided in said notes;

c) Establish any reserve other than the Reserve and/or Working Capital Funds set forth in the Offering Plan.

Until the earlier of five years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less that 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in SCHEDULE B, or which are required to comply with applicable laws or regulations; remedy any notice of a violation; or remedy any work order from an insurer. Additionally, so long as the Sponsor retains ownership of at least one unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

Section 9. Rules and Regulations: The Board of Managers may from time to time adopt and amend such rules and regulations as it may deem necessary in respect to the Building of the Condominium for the health, safety and convenience of the Unit Owners. Copies thereof and of changes therein shall be furnished to each Unit Owner.

Section 10. Compensation: No Member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 11. Liability of the Board of Managers: The Members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or

of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers, who are designated by the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers, or the Managing Agent, or the Manager, on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Manager as the case may be, are acting only as agent for the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the Managing Agent or by the Manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

## ARTICLE V

## NOTICES

Section 1. Definitions: Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such Managers or Unit Owner or mortgagee in such address as appears on the books of the Condominium.

Sections 2. Service of Notice Waiver: Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

## ARTICLE VI

## OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges: The Board of Managers shall from time to time, and at least annually, prepare a budget for the operation of the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses, and allocate and assess such Common Charges and Expenses among the Unit Owners in proportion to their respective Common Interests; except that such expenses may be specially allocated and apportioned by the Board of Managers in a manner different from common interest to one (1) or more non-residential units; or in the case of either residential or non-residential units or any combination thereof, such expenses may be specially allocated and apportioned based on special or exclusive use or availability, or exclusive control, of particular units or common areas by particular unit owners. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of these By-Laws and the fees and disbursements of the Insurance Trustee. The Common Expenses may also include such amount as the Board of Managers may deem proper for the operation and maintenance of the Common Elements including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease of any Unit whose Owner has elected to sell or lease such Unit, or any Unit which is to be sold at a foreclosure or other judicial sale. The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges and Expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Expenses are based, to all Unit Owners. Any dispute relating to the expenses to be borne by the Unit Owners shall be submitted to arbitration in accordance with theses By-Laws.

Until such time as units are separately assessed for New York City real estate tax purposes, real estate taxes shall be deemed part of the common expenses of the building, and individual unit owners will be assessed their proportionate share thereof. After assessment, unit owners shall be reimbursed for any over-payment of taxes, and assessed for nay under-payment.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date

of the First Unit Closing until such Unit is sold to a bona fide purchaser.

Section 2. Insurance: The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Buildings containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners) together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees with certificates of insurance, as their interests may appear, in an amount to be determined by the Board of Managers. In the event this building includes a commercial unit, the Board of Managers shall annually obtain from the insurance broker a letter stating the extent to which the cost of insurance for the condominium, on account of the usage of the commercial unit, exceeds the cost which would otherwise have been obtained if no commercial unit were present; and this cost shall be borne by the commercial unit owner. A copy of the letter shall be delivered to the commercial unit owner within ten (10) days after receipt thereof, and the commercial unit owner shall be obligated the amount assessed therein with fifteen (15) days after receipt thereof.

Section 3. Payment of Common Charges: All Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him.

Section 4. Collection of Common Charges and Assessments: The Board of Managers shall assess Common Charges against Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any assessment due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date thereof.

Section 5. Default in Payment of Common Charges or Assessments: In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by

the Board of Managers, such Unit Owners shall be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in payment of Common Charges or assessments shall not be permitted to vote at any regular or special meeting of Unit Owners. During the time the Sponsor is in control of the Board of Managers, Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on units in which the Sponsor is more than 30 days in arrears of common charges.

Section 6. Foreclosure of Liens for Unpaid Common Charges: In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey, or otherwise deal with same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same. The proceeds from the sale of any Unit pursuant to this Section shall be used first to pay the unpaid Common Charges and/or assessments, plus reasonable attorney's fees and administrative costs and any other lawful liens on the defaulting Unit. Amounts above this, if any, will be the property of the defaulting Unit Owner. If after the sale of Unit for the nonpayment of Common Charges and/or assessments, the sale does not recover the full amount due and owing, the Board of Managers has the right to assess all the Unit Owners as a Common Expense for the difference between the amount received by the Condominium from the sale of the Unit and the amount owed to the Condominium.

Section 7. Statement of Common Charges and Assessment: The Board of Managers shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 8. Abatement and Enjoinment of Violations by Unit Owners: The violation of any rule or regulation adopted by the Board of Managers, or the branch of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws; (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 9. Maintenance and Repairs:

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

b) All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed as per the Declaration.

c) The Condominium association, including each and every member thereof, shall keep the internal drains and drywells wholly within the boundary limits of the project site area, and the point of exit from the site shall not be altered. The Condominium Association including each and every

member thereof shall be responsible (a) for the proper use, maintenance, and repair of internal drains and drywells, if any, located within the buildings or in open spaces within project; (b) for the abatement of any nuisance due to the of internal drains and drywells that would have an adverse effect on the health, safety, and welfare of the City of New York, and (c) for ensuring that such drains and drywells are utilized in such a manner that they will not in any way have an adverse effect on the City of New York's completed or pending sanitary or storm water drainage plans for the tributary drainage area or the separate sewer outlets.

Section 10. Restrictions on Use of Units: In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use ~~of the~~ Property shall be restricted to and shall be in accordance with the following:

a) The Units shall be used for private residences only, except that a Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Any Unit may also be used as a professional office by a resident thereof provided such professional use does not violate zoning regulations and provided further that the prior consent of the Board of Managers to such professional use is obtained. Notwithstanding the foregoing, the Sponsor or Sponsor-Designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building and to comply with its obligations.

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

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

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

e) No portion of a Unit or other Limited Common Elements appurtenant thereto (other than the entire Unit including the Limited Common Elements appurtenant thereto), may be separately rented.

Section 11. Additions, Alterations or Improvements by Unit Owners: No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, or which affects the exterior of the Building's Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration, or improvement. An application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor, or material man on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural

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

The provisions of this Section 11 which requires the consent of the Board of Managers in connection with a structural addition, alteration or improvement shall not apply to Units owned by the Sponsor or its designee. All other provisions of this Section 11 shall apply to all Units.

Non-structural alterations and improvements to Units that do not affect the exterior of the Buildings may be made without the prior approval of the Board of Managers.

Section 12. Use of Common Elements and Facilities: A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-Designee shall have the right to use of the Common Elements, without charge, for the purpose set forth in Section II of this Article VI.

Section 13. Right of Access: A Unit Owner shall grant a right of access to his Unit, to the Manager and/or any other person authorized by the Board of Managers, the Manager or the Managing Agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building in which the Unit is located, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 11, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI. Each Unit Owner will be required to give a copy of his/her keys to his/her

Unit to the President of the Board of Managers who shall designate an authorized person or persons to keep the keys and use them in case of an emergency.

Section 14. Rules of Conduct: Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers are annexed hereto and made a part hereof as Schedule A.

Section 15. Water Charges and Sewer Rents: Water shall be supplied to all of the Units and the Common Elements through one or more building meters or pursuant to a frontage charge and, the Board of Managers shall pay, as a Common Expense except for the Commercial Unit which shall be separately metered and billed, all charges for water consumed on the Property and in the Units, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Property as of the date of closing of title to such Unit promptly after such charges shall have been billed. The Commercial Unit or Units shall be entitled to a credit against common charges for the portion of such common charges allocable to water/sewer charges for residential Units.

Section 16. Special Rules for Commercial Units: Each commercial unit owner will be required to maintain heat supply to his premises on a 24 hour a day basis (whether or not said units are vacant or occupied, leased, sold, or held as unsold units), so as to not create an undo heating burden on residential units within the building. The Board of Managers shall have the right to enter into the commercial unit at anytime to determine that the unit is heated an overnight temperature below 55 degrees and a daytime temperature not below 65 degrees. In the event the commercial unit owner fails to maintain his heat supply on such a basis, the condominium board shall have the power to compel compliance with this requirement. If the commercial unit owner fails to comply with the Board direction to maintain such heat, the Board of Managers has the right either to obtain a court injunction directing the unit owner to comply with the Board director; or in the extreme; to obtain a forfeiture of the unit for failure to abide by the Condominium By-Laws.

## ARTICLE VII

## Mortgages

Section 1. Notice to Board of Managers: A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a confirmed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Notice of Unpaid Common Charges: The Board of Managers, when so requested in writing by a mortgage of a Unit, shall promptly notify any mortgagee of a Unit, of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. Notice of Default: The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. Examination of Books: Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days.

Section 5. Any mortgagee shall be entitled to timely written notice of:

a. Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage.
b. Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.
c. A lapse, cancellation, or material modification of any insurance policy maintained by the Homeowner's Association.
d. Any proposed action that requires the consent of a specified percentage of mortgagees.

Section 6. Notwithstanding anything to the contrary set forth in any portion of these By-Laws, any first mortgagee who obtains title to a condominium unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of such units unpaid regularly scheduled budgeted

dues or common charges accrued before acquisition of title to the unit by the mortgagee, together with any fees or costs related to the collection of such unpaid dues._

Section 7. Notwithstanding anything to the contrary set forth elsewhere in these By-Laws, no amendment modification, addition, or deletion which shall adversely affect the lien of any mortgage may be made without the consent of the mortgagee.

Section 8. When a mortgagee fails to submit a response to any written notification made pursuant to these By-Laws within sixty (60) days after such notice is delivered by a certified or registered mail, return receipt requested, said mortgagee will be conclusively presumed to have consented to the action set forth in said notice.

## ARTICLE VIII

### Condemnation and Termination

Section 1. Condemnation: In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to $50,000.00 or less, and to the Insurance Trustee if such award amounts to more than $50,000.00. If seventy-five (75%) percent or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five (75%) percent or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 2 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

Section 2. Termination: The Condominium may be terminated by the casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less that eighty (80%) percent in number and in Common Interest of the

Units. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests. However, no payment shall be made to a Unit Owner until all liens to which his/her Unit are subject are paid off.

## ARTICLE IX

## Arbitration

Section 1. Procedure: Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in New York City, New York, in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in New York City, New York before one arbitrator appointed, upon the application of any party by the Real Estate Board of New York.

Section 2. Variation by Agreement: The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York City Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3. Binding Effect: The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. Cost and Expenses: (a) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each

disputant shall also bear the fees and expenses of his counsel and expert witnesses.

All costs and expenses paid or incurred by 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 X

## Conflicts

Section 1. Conflicts: These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

## ARTICLE XI

## Amendments to the By-Laws

Section 1. Amendment to By-Laws: These By-Laws may be modified or amended by the vote of two-thirds (as that number is defined in these ByLaws) in Common Interests of all Unit Owners at a meeting of Unit Owners duly held for such purpose.

For as long as there are of one or more Unsold Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be altered, amended, repealed or added to without the consent of the Holder(s) of Unsold Residential Units and the Sponsor.

## ARTICLE XII

## Miscellaneous

Section 1. Invalidity: The invalidity of any part of the By-Laws shall not impair or affect in any manner the valid enforceability or effect of the balance of these By-Laws.

Section 2. Captions: The captions herein are inserted only by matter of convenience and or reference, and in no way define, limit, or describe the scope of these By-Laws, or the intent of any provision therein.

Section 3. Gender: The use of the masculine gender in the By-Laws shall be deemed to include the feminine gender and the use of singular shall be deemed to include the plural, whenever the context requires.

Section 4. Waiver: No restriction, condition, obligation or provision contained in these By-Laws, shall be deemed to have abrogated or waived by reason of any failure to enforce the same, respective of the number of violations or breaches thereof which may occur.

Section 5. Insurance Trustee: The Insurance Trustee selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with approval of the holders of five (5) or more Unit first mortgages). In the event the Insurance Trustee shall resign, the new insurance Trustee shall also be a bank, trust company, or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of the holders of five (5) or more Unit first mortgagees). The Board of Managers shall pay fees and disbursements of any Insurance Trustee, and such fees or disbursements shall constitute a Common Expense of the Condominium.

Section 6. Report to Unit Owners: The Board of Managers of the Condominium shall give annually to each and every Unit Owner:

1) On or before March 1st of each year a financial statement for the previous year's operation. During the period the Sponsor is in control of the Board of Managers, there shall be a certified financial statement prepared by a certified public accountant or public accountant.
2) Prior notice of the annual Unit Owners meeting at least 30 days prior to such meeting.
3) A copy of the proposed annual budget of the Condominium, no less than thirty (30) days prior to the date set for adoption thereof by the Board of Managers. During the time the Board is controlled by the Sponsor, this statement shall be certified by a qualified budget expert.

## ARTICLE XIII

## Sponsor Control

Section 1: Notwithstanding the fact that the Sponsor may hold a majority of the common interest allocated to individual units in the subject premises, commencing at a point five (5) years from the date of closing of the first unit a majority of the Board of

Managers must be persons other than the Sponsor, principals of the Sponsor or Sponsor designees.

Section 2: Until the earlier of five years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less that 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in Schedule B, or which are required to comply with applicable laws or regulations; remedy any notice of a violation; or remedy any work order from an insurer.

Section 3: So long as the Sponsor retains ownership of at least one unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

Section 4: At the time of the First Closing there will be three Managers designated by the Sponsor. However, the Managers will resign in favor of Managers who will be elected by the purchasers at a meeting to be convened within 60 days after First Closing. If the Sponsor still owns 50% or more of the units in the building, the Sponsor-appointed managers may be re-elected at such time.

Section 5: So long as a majority of the Board of Managers consists of managers elected by the Sponsor or holders of unsold units, the board:

1. Shall not eliminate or reduce the number of employees, insurance coverages or any service to a level less than that provided in Schedule B unless a majority of board members elected by bona fide unit purchasers vote in favor thereof.

2. Shall, to the extent of their authority as Board Members, use all reasonable efforts to cause the Building (including its equipment, services and installations) to be kept operational, clean, and, in a good state of repair and condition;

3. Shall not veto expenditures required to comply with applicable laws or regulations and/or expenses necessary to remedy notice of violations of law, or order of an insurance carrier.

**CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO SECTION 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED**

**RE: 30-48 South 2nd Street**
**Brooklyn, New York**

We, 291 KENT PROPERTIES, LLC, YIDEL HIRSCH and TOBY HIRSCH being the Sponsor and the Principals of the Sponsor of the Offering Plan to convert the above captioned property to condominium ownership, jointly and severally certify as follows:

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 Attorney General in Part 20, and such other laws and regulations as may be applicable;

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

1. Set forth the detailed terms of the transaction and be complete, current, and accurate;

2. Afford potential purchasers, investors, and participants an adequate basis on which to found their judgment;

3. Not omit any material fact;

4. Not contain any untrue statement of a material fact;

5. Not contain any fraud, deception, concealment, suppression, false pretense, or fictitious or pretended purchase or sale;

6. Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

7. 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.

This certification is made under the penalty of perjury for the benefit of all persons to whom this offering is made. I understand that violations are subject to the Civil and Criminal penalties of the General Business Law and the Penal Law.

291 KENT PROPERTIES, LLC
by:

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YIDEL HIRSCH

Affirmed to before me this
18th day of November, 2009

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Notary Public

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YIDEL HIRSCH

Affirmed to before me this
14th day of November 2009

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Notary Public

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TOBY HIRSCH

Affirmed to before me this
18th day of November, 2009.

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Notary Public

SIMON M. NEUSTEIN
NOTARY PUBLIC, State of New York
NO. 01NE6052461
Qualified in Kings County
My Commission Expires Dec. 18, 2010

**DEMERARA ENGINEERING, PLLC**
**160 PEARL STREET, 2ND FLOOR**
**NEW YORK, NEW YORK 10005**
**1212.383.4897**

# CERTIFACATION BY SPONSOR'S ENGINEER/ARCHITECT PURSUANT TO SECTION 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

11/13/09

Department of Law
Of the State of New York
120 Broadway, 23rd floor
New York, New York 10271

Attn: Real Estate Financing Bureau
Re: 30-48 South 2nd St.
Town of Brooklyn

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the report). I visually inspected existing portions of the property on 05/26/09 and I examined the building plans and specifications that were prepared by the office of David Bruce Cutler R.A., License No: 020282, 08/14/07 and prepared the report Dated 10/29/09, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the report.

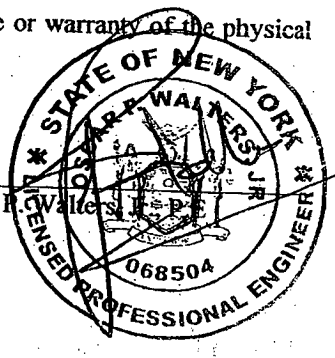
I am a licensed engineer in the state in which the property is located. I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this report.

I have read the entire Report, 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 construction, provided that the construction is in accordance with the plans and specifications I examined;
ii. In my professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgement concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specification that I examined;
iii. Does not omit any material fact;
iv. Does not contain any untrue statement of the material fact;
v. Does not contain any fraud, deception, concealment, or suppression;
vi. Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
vii. Does not contain any representation or statement which is false, where I (a) Knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

I further certify that we are 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.




Oscar F. Walters, II, P.E.

Affirmed before me this
12 day of May, 2009

Notary Public

SIMON M. NEUSTEIN
NOTARY PUBLIC, State of New York
NO. 01NE6052461
Qualified in Kings County
My Commission Expires Dec. 18, 2010

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*King David international Realty*
Licensed Real Estate Broker
616 Williamsburg Station
Brooklyn, N.Y. 11211
Tel. (718) 222-1500 Fax. (718) 624-1497

11/18/09

CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY OF BUDGET PURSUANT TO SECTION 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

RE. 30-48 South 2nd Street, Brooklyn, New York

The sponsor of the condominium offering plan for the above captioned property retained me to review SCHEDULE B and SCHEDULE B-1 containing the projections of income and expenses for the first year of condominium operation. Our experience in the field includes being a licensed Real Estate Broker for over Five years; the management of approximately Ten buildings; and, the sale of numerous condominium and rental properties. We are familiar with prices, practices, and procedures in the area of this condominium.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in part 20, insofar as they are applicable to SCHEDULE B and SCHEDULE B-1. We have reviewed the SCHEDULES and investigated the facts set forth in the SCHEDULES, and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

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

We certify that the Schedules:

1. Set forth in detail the projected income and expense for the first year of condominium operation;
2. Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
3. Does not omit any material fact;
4. Does not contain any untrue statement of a material fact;
5. Does not contain any fraud, deception, concealment, or suppression;
6. Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. Does not contain any representation or statement which is false where we:
    a. Knew the truth;
    b. With reasonable effort, could have known the truth;

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c. Made no reasonable effort to ascertain the truth; or,
d. Did not have the knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expense for the first year of condominium operation. This certification is made under the penalty of perjury for the benefit of all persons to whom this offering is made. We understand that violations are subject to civil and criminal penalties of the General and Business Law and Penal Law.

GIORGIO MAYER
Licensed Real Estate Broker

Affirmed to before me this
18th Day of November, 2009

NOTARY PUBLIC

SIMON M. NEUSTEIN
NOTARY PUBLIC, State of New York
NO. 01NE6052461
Qualified in Kings County
My Commission Expires Dec. 18, 2010

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