CONDOMINIUM OFFERING PLAN FOR THE SALE OF HOMES IN A CONDOMINIUM TO BE KNOWN AS

35 HAVEMEYER STREET CONDOMINIUM

Located at

35 Havemeyer Street
Brooklyn
City and State of New York 11211

8 Homes

TOTAL OFFERING - $ 3,928,000.00

SPONSOR

35 HAVEMEYER DEVELOPMENT CORP.
329 Glen Cove Avenue
Sea Cliff, New York 11579

SELLING AGENT

APTS AND LOFTS.COM
482 Driggs Avenue
Brooklyn, New York 11211

SPONSOR'S ATTORNEYS

CERTILMAN BALIN ADLER & HYMAN, LLP.
The Financial Center at Mitchel Field
90 Merrick Avenue
East Meadow, New York 11554

THE DATE OF ACCEPTANCE FOR FILING OF THE PLAN IS JULY 22, 2011. THE OFFERING PLAN MAY NOT BE USED AFTER JULY 21, 2012, UNLESS AMENDED OR EXTENDED.

SEE PAGE iv FOR SPECIAL RISKS TO PURCHASERS.

BECAUSE THE SPONSOR HAS RETAINED THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL HOMES THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE HOMES ARE OWNED BY OWNER OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. SEE SPECIAL RISK FACTOR 2, AT PAGE iv.

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS OFFERING PLAN. SEE SPECIAL RISK FACTOR 2, AT PAGE iv.

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM HOMES. 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 HOME. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

THIS OFFERING PLAN HAS BEEN AMENDED.
SEE INSIDE COVER.

AMENDMENT No. 5

TO THE CONDOMINIUM OFFERING PLAN FOR

35 HAVEMEYER STREET CONDOMINIUM

35 Havemeyer Street
Brooklyn
City and State of New York 11211

Dated: October 24, 2012

The Offering Plan accepted for filing on or about July 22, 2011, amended August 29, 2011 (Amendment No. 1), November 18, 2011 (Amendment No. 2), January 9, 2012 (Amendment No. 3) and July 16, 2012 (Amendment No. 4), is hereby further amended as follows:

I. REVISED PURCHASE PRICES

Schedule A to the Offering Plan, as amended, is hereby further amended to disclose revised purchase prices for certain Homes as follows:

HOME #	REVISED PURCHASE PRICES
1a	$430,000
3b	$499,000

The provisions of this Paragraph shall only apply to Purchase Agreements entered into subsequent to the date of this Amendment.

II. NO MATERIAL CHANGES

Other than as set forth above, there are no material changes which affect the property or offering.

35 HAVEMEYER DEVELOPMENT CORP.
SPONSOR

AMENDMENT No. 4

TO THE CONDOMINIUM OFFERING PLAN FOR

35 HAVEMEYER STREET CONDOMINIUM

35 Havemeyer Street
Brooklyn
City and State of New York 11211

Dated: July 16, 2012

The Offering Plan accepted for filing on or about July 22, 2011, amended August 29, 2011 (Amendment No. 1), November 18, 2011 (Amendment No. 2) and January 9, 2012 (Amendment No. 3), is hereby further amended as follows:

I. STATUS OF SALES

As of the date of this Amendment, the Sponsor has entered into Purchase Agreements for all eight (8) Homes at the Condominium. Closing of title to the Homes has not yet commenced. The estimated date of the closing of title to the first Home is August 15, 2012.

II. CONDOMINIUM BUDGET

The Condominium budget has not changed and remains as disclosed in Paragraph II of Amendment No. 2. An updated Certification of the Adequacy of the Budget is annexed hereto as Exhibit "A".

III. EXTENSION

This Plan may be used for six (6) months from the date this Amendment is duly accepted for filing and thereafter said date is to be extended in a further Amendment to be filed.

IV. NO MATERIAL CHANGE

Other than as set forth above there are no material changes that affect the property or offering.

35 HAVEMEYER DEVELOPMENT CORP.
SPONSOR

CERTIFICATION OF ADEQUACY OF BUDGET
PURSUANT TO 13 NYCRR 20.4(d)

Department of Law
State of New York
120 Broadway - 23rd Floor
New York, NY I0271

RE: 35 HAVEMEYER STREET CONDOMINIUM

The sponsor of the condominium offering plan for the captioned property retained our firm to review or prepare Schedule B, containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes acquisitions, management, and development of residential and commercial properties concentrated in Brooklyn.

A list of other properties operated by RedSky Capital include:

267-269 Kingsland Ave Brooklyn, NY 11222
759-761 Manhattan Ave Brooklyn, NY 11222
1008 Manhattan Ave Brooklyn, NY 11222
192 Water Street Brooklyn, NY 11201
47 Dean Street Brooklyn NY 11201

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

We have reviewed the Schedule and investigated the facts set forth in the Schedule, and the facts underlying it, with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

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

We certify that the Schedule:

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

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

EXHIBIT "A'

(iii) does not omit any material fact;

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

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

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

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

(a) knew the truth;

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

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

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

We further certify that I am/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 expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

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

RedSky Capital, LLC

By:_____
Benjamin Stokes, Principal

Sworn to before me this
2nd day of July, 2012.

JIRANAREE LOSIRISUP
Notary Public, State of New York
No. 01LO6113772
Qualified in Kings County
Commission Expires August 2, 2012

_____
Notary Public

2349946.1

AMENDMENT No. 3

TO THE CONDOMINIUM OFFERING PLAN FOR

35 HAVEMEYER STREET CONDOMINIUM

35 Havemeyer Street
Brooklyn
City and State of New York 11211

Dated: January 9, 2012

The Offering Plan accepted for filing on or about July 22, 2011, amended August 29, 2011 (Amendment No. 1) and November 18, 2011 (Amendment No. 2), is hereby further amended as follows:

I. OFFERING PLAN DECLARED EFFECTIVE

Pursuant to Section XII "EFFECTIVE DATE OF THE PLAN", at page 27 of the Offering Plan, the Sponsor has, on December 7, 2011 declared the Plan effective by written notice delivered to all the then existing purchasers of Homes. Annexed hereto as Exhibit "A", is Sponsor's Affidavit in Support of Declaring the Plan Effective. On such date, the Sponsor had entered into Purchase Agreements for 2 Homes of the 8 Homes being offered pursuant to the Offering Plan, which Purchase Agreements represent 25% of the Homes.

II. RECORDING OF DECLARATION

The Sponsor is in the process of recording the Declaration of the Condominium with the City of New York Register's Office, Kings County.

III. EXTENSION

This Plan may be used for six (6) months from the date this Amendment is duly accepted for filing and thereafter said date is to be extended in a further Amendment to be filed.

IV. NO MATERIAL CHANGE

Other than as set forth above there are no material changes that affect the property or offering.

35 HAVEMEYER DEVELOPMENT CORP.
SPONSOR

AFFIDAVIT IN SUPPORT OF DECLARING THE PLAN OF 35 HAVEMEYER STREET CONDOMINIUM OWNERSHIP EFFECTIVE

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

RAYMOND GENTILE, being duly sworn, deposes and says:

1. I am sole shareholder of 35 HAVEMEYER DEVELOPMENT CORP., the Sponsor under that certain CONDOMINIUM Offering Plan entitled 35 HAVEMEYER STREET CONDOMINIUM, 35 Havemeyer Street, Brooklyn, Kings County and State of New York (hereinafter referred to as the "Plan"), and I am authorized to make the following statements:

2. The Plan was accepted for filing by the Attorney General of the State of New York on or about July 22, 2011.

3. On December 7 , 2011, the Plan was declared effective by written notice delivered to all the then existing purchasers of the Homes. The notifications were mailed to the Purchaser's address as they appeared in their Purchase Agreement by enclosing said notices in a post-paid properly addressed wrapper, in an official depository under the exclusive care and custody of the U. S. Postal Service, located within the State of New York. A copy of the Notice is annexed hereto as Exhibit "1".

4. The Sponsor hereby represents that Purchase Agreements have been executed and delivered for 2 Homes representing 25% of the Homes being offered for sale.

5. All persons who are counted in the attached calculation schedule (Exhibit "2") are:

(i) bona fide individual purchasers;

(ii) not purchasing as an accommodation to, or for the account or benefit of the Sponsor, or principals of the Sponsor; and

(iii) have duly executed Purchase Agreements and have paid the down payment as required in the Offering Plan.

6. There are no material changes to the budget for the first years of operation which have not been disclosed in a duly filed Amendment to the Offering Plan.

EXHIBIT "A"

7. No purchaser counted for purposes of declaring the Plan effective is the Sponsor, the selling agent or the managing agent, or is a principal of the Sponsor, the selling agent, or the managing agent or is related to the Sponsor, the selling agent or the managing agent or any principal of the Sponsor, the selling agent or the managing agent by blood, marriage or adoption, or as a business associate, an employee, a shareholder, or a limited partner.

8. On or before the closing of title to each of the Homes being offered for sale, the Sponsor will have complied with all obligations under the Offering Plan.

9. I hereby submit this Affidavit to the Attorney General in connection with that certain 3th Amendment indicating that any false statement or material omission may subject me to civil or criminal prosecution.

35 HAVEMEYER DEVELOPMENT CORP.

By: Sole Shareholder
RAYMOND GENTILE, Sole Shareholder

Sworn to before me this
7th day of December, 2011.

Notary Public
MAE E SABATINO
NOTARY PUBLIC STATE OF
NEW YORK NO. 4840592
NASSAU COUNTY COMM. EXP 6/15

35 HAVEMEYER DEVELOPMENT CORP.
329 GLEN COVE AVE.
SEA CLIFF, N.Y. 11579

December 7, 2011

Re: 35 Havemeyer Street Condominium

Dear Purchaser:

We are very pleased to inform you that we are hereby declaring the Offering Plan for 35 HAVEMEYER STREET CONDOMINIUM effective.

The formal documents are in the process of being recorded in the Kings County Register's Office. We will be contacting you when your Home is ready for occupancy to schedule your closing.

If you have any questions, or if we can be of any assistance, please do not hesitate to call upon us.

Very truly yours,

35 HAVEMEYER DEVELOPMENT CORP.

By: Raymond Gentile Sole Shareholder
RAYMOND GENTILE, Sole Shareholder

EXHIBIT "1"

35 HAVEMEYER STREET CONDOMINIUM

HOME	DATE OF CONTRACT
2A	11/23/2011
4A	10/6/2011

EXHIBIT "2"

AMENDMENT No. 2

TO THE CONDOMINIUM OFFERING PLAN FOR

35 HAVEMEYER STREET CONDOMINIUM

35 Havemeyer Street
Brooklyn
City and State of New York 11211

Dated: November 18, 2011

The Offering Plan accepted for filing on or about July 22, 2011 and amended August 29, 2011, is hereby further amended as follows:

I. REVISED SCHEDULE A

Schedule A to the Offering Plan, as amended by Amendment No. 1, is hereby further amended to disclose corrected square footages of the Homes, as well as revised percentages of common interest, common charges and real estate taxes, as per the revised Schedule A, annexed hereto as Exhibit "A".

II. REVISED BUDGET

Schedule B to the Offering Plan has been revised to conform to FANNIE MAE guidelines concerning the reserve fund. Annexed hereto as Exhibit "B" is the revised Budget. The total amount of the estimated budget has not changed.

III. REVISION TO PURCHASE AGREEMENT

Paragraph 11 to the Purchase Agreement, Schedule D to the Offering Plan, is hereby amended to include a revised contingency clause, as set forth in Exhibit "C" annexed hereto. Purchasers are advised that the designated Broker in the Contingency Clause, The Exclusive Capital Consultants LLC, currently has approximately twenty (20) designated lenders to which a Purchaser may choose to apply for a mortgage loan. Purchasers are further advised as a **Special Risk**, that Paragraph 7c of the Contingency Clause provides that if a commitment is not issued on or before the Commitment Date, Purchaser may cancel the Purchase Agreement by giving notice to Sponsor within five (5) business days of the Commitment Date, "time being of the essence." Neither Sponsor nor its Principals will receive any compensation for a purchaser's application.

IV. NO MATERIAL CHANGES

Other than as set forth above, there are no material changes which affect the property or offering.

35 HAVEMEYER DEVELOPMENT CORP.
SPONSOR

V. SCHEDULE A

ESTIMATED INDIVIDUAL EXPENSES FOR THE FIRST FULL YEAR AT

35 HAVEMEYER STREET CONDOMINIUM

For the Period Commencing January 1, 2012 to December 31, 2012

Home #	(3) Approximate Total Sq. Ft.	(3) Number of Baths and Bedrooms	Limited Common Elements	(2) % of Common Interest	(1) Offering Price	(4) Estimated Common Charges		(5) Estimated Real Estate Taxes Including Full 421-a Benefits		(5) Estimated Real Estate Taxes without 421-a Benefits		(6) Total Estimated Carrying Charges with 421-a Benefits		(6) Total Estimated Carrying Charges without 421-a Benefits	
						Monthly	Annually	Monthly	Annually	Monthly	Annually	Monthly	Annually	Monthly	Annually
1a	656	S/1-1/2 Duplex	Rear Yard 12' x 25'	12.04%	$499,000	$326.37	$3,916.49	$21.70	$260.45	$1,024.91	$12,298.92	$348.08	$4,176.94	$1,351.28	$16,215.41
1b	948	S/1-1/2 Duplex	Rear Yard 12' x 25'	17.40%	$599,000	$471.67	$5,660.05	$31.37	$376.40	$1,481.18	$17,774.18	$503.04	$6,036.45	$1,952.85	$23,434.23
2a	592	1/1	N/A	10.86%	$420,000	$294.39	$3,532.65	$19.58	$234.93	$924.46	$11,093.54	$313.97	$3,767.58	$1,218.85	$14,626.19
2b	599	1/1	N/A	10.99%	$425,000	$297.91	$3,574.94	$19.81	$237.74	$935.53	$11,226.34	$317.72	$3,812.68	$1,233.44	$14,801.28
3a	592	1/1	N/A	10.86%	$425,000	$294.39	$3,532.65	$19.58	$234.93	$924.46	$11,093.54	$313.97	$3,767.58	$1,218.85	$14,626.19
3b	599	1/1	N/A	10.99%	$430,000	$297.91	$3,574.94	$19.81	$237.74	$935.53	$11,226.34	$317.72	$3,812.68	$1,233.44	$14,801.28
4a-PH	864	2/2 Duplex	Roof Terrace 14' x 22'	15.87%	$629,000	$430.20	$5,162.35	$28.61	$343.31	$1,350.94	$16,211.28	$458.81	$5,505.66	$1,781.14	$21,373.63
4b-PH	599	1/1	N/A	10.99%	$499,000	$297.91	$3,574.94	$19.81	$237.74	$935.53	$11,226.34	$317.72	$3,812.68	$1,233.44	$14,801.28
	5,449			**100.000%**	**$3,926,000**	**$2,710.75**	**$32,529.00**	**$180.27**	**$2,163.24**	**$8,512.54**	**$102,150.48**	**$2,891.03**	**$34,692.25**	**$11,223.29**	**$134,679.49**

EXHIBIT "A"

VI. SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF OPERATION AT 35 HAVEMEYER STREET CONDOMINIUM

8 Homes
For the year beginning January 1, 2012

INCOME		
Common Charges (8 Homes)		
TOTAL INCOME		$32,529.00
EXPENSES		
Heat and Hot Water (1)	$ -0-	
Electricity (2)	$ 6,488.00	
Water and Sewer (3)	$ 4,779.00	
Repair and Maintenance (4)	$ 1,000.00	
Elevator (5)	$ 4,575.00	
Services and Supplies (6)	$ 500.00	
Insurance (7)	$ 4,230.00	
Legal and Accounting Fees (8)	$ 2,200.00	
Labor (9)	$ 4,800.00	
Management (10)	$ -0-	
Miscellaneous Contingency (11)	$ 500.00	
Reserve Fund (12)	$ 3,457.00	
TOTAL EXPENSES		**$32,529.00**

In the event the actual first year budget differs from the actual commencement of the budget year by six (6) months or more, Sponsor will amend the Plan to include a revised budget. See explanatory footnotes. If the amended budget exceeds this budget by 25% or more, the Sponsor will offer all Purchasers the right to rescind their purchase agreement and have their deposits returned, with interest, if any. 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.

LIMITED FINANCING CONTINGENCY RIDER

(a) The obligations of the Purchaser under this Purchase Agreement are conditioned upon issuance on or before a date which is thirty (30) days from the date the Purchase Agreement is accepted by Sponsor and returned to Purchaser (the "Commitment Date") of a written commitment (the "Commitment") from Sponsor Designated Broker (hereinafter referred to as "Sponsor Designated Broker") pursuant to which Sponsor Designated Broker agrees to make or arrange a loan with a lender or to include that of a VA, FHA, Conventional, or other governmentally insured loan to Purchaser, at Purchaser's sole cost and expense of no more than **X%** of the Purchase Price of the Unit, or such lesser sum as Purchaser shall be willing to accept, at the prevailing fixed rate or adjustable rate of interest for a term of at least thirty (30) years and on other customary commitment terms, whether or not conditioned upon any factors other than an appraisal satisfactory to the Sponsor Designated Broker, secured by a first mortgage on the Unit together with its undivided interest in the Common Elements (the "Mortgage Loan").

(b) Purchaser shall:

1. Make a prompt application to a Sponsor Designated Broker for the Mortgage Loan through **The Exclusive Capital Consultants, LLC, having an address at 190 N 10th Street, Brooklyn, New York 11211 – Ross Weinstein (516-554-7036)**, within five (5) days of the date of receipt by Purchaser of a fully executed Purchase Agreement;

2. Furnish truthful, accurate and complete information, data and documents on Purchaser and members of Purchaser's family, as required, and promptly submit such further information, data and documents requested by the Sponsor Designated Broker;

3. Pay all fees, points and charges required in connection with such application and Mortgage Loan;

4. Pursue such application with diligence;

5. Cooperate in good faith with the Sponsor Designated Broker to the end of securing the Mortgage Loan;

6. Promptly give notice to Sponsor of the name and address of the Sponsor Designated Broker to which Purchaser has made such application; and

7. Comply with all requirements of the Commitment (or of any Commitment accepted by Purchaser) and furnish Sponsor with a copy thereof promptly after receipt.

The obligations of Purchaser set forth in (1) through (7) above are collectively referred to herein as the "Financing Obligations." Purchaser agrees to diligently comply with all of the Financing Obligations.

(c) If a Commitment is not issued on or before the Commitment Date pursuant to Paragraph (b) above, then unless purchaser has accepted a Commitment that does not comply with the requirements set forth in Paragraph (a) above, Purchaser may cancel the Purchase Agreement by giving notice to Sponsor (the "Cancellation Notice") within five (5) business days after the Commitment Date, "time being of the essence", in which case the Purchase Agreement shall be deemed canceled and thereafter neither party shall have any further rights against, or obligations or liabilities to, the other by reason of the Purchase Agreement, except that the Down Payment shall be refunded to Purchaser within ten (10) business days thereafter. The Cancellation Notice shall be accompanied by a copy of any loan refusal letter or non-complying Commitment, as the case may be, issued by the Institutional Lender, if available, or if not available, provided promptly after receipt. If Purchaser Fails to give the Cancellation Notice or if Purchaser shall accept a Commitment that does not comply with the requirements of set forth in paragraph (a) above, then Purchaser shall be deemed to have waived Purchaser's right to cancel the Purchase Agreement and to receive refund of the Down Payment by reason of the contingency contain in this Rider.

(d) In the event that Purchaser uses a lender procured other than through the Sponsor Designated Broker, no financing contingency will apply to the Purchase Agreement. As a result, Purchaser will have not have the right to cancel the Purchase Agreement if the Purchaser fails to obtain mortgage financing, or if the Purchaser's existing mortgage financing lapses or is canceled.

(e) Purchaser shall be obligated to obtain renewals or extensions through the date of closing on such terms and at such interest rate as the Lender may require and shall pay any fees and charges required to renew and extend the commitment. In the event the commitment lapses prior to closing, the Purchaser must make a good faith effort to extend the commitment on such terms. In the event the commitment is not extended, the Purchaser will be given the right of written notice to rescind the Purchase Agreement.

SELLER **PURCHASER(S)**

_____ _____

By: _____

2397091.1

AMENDMENT No. 1

TO THE CONDOMINIUM OFFERING PLAN FOR

35 HAVEMEYER STREET CONDOMINIUM

35 Havemeyer Street
Brooklyn
City and State of New York 11211

Dated: August 29, 2011

The Offering Plan accepted for filing on or about July 22, 2011, is hereby amended as follows:

I. REVISED PURCHASE PRICES

Schedule A to the Offering Plan is hereby amended to disclose revised purchase prices for certain Homes ad follows:

HOME #	REVISED PURCHASE PRICES
2a	$420,000
2b	$425,000
3a	$425,000
3b	$430,000
4a-PH	$629,000

The provisions of this Paragraph shall only apply to Purchase Agreements entered into subsequent to the date of this Amendment.

II. NO MATERIAL CHANGES

Other than as set forth above, there are no material changes which affect the property or offering.

35 HAVEMEYER DEVELOPMENT CORP.
SPONSOR

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SPECIAL RISKS

1. The Sponsor will retain control of the Board of Managers of the Condominium until all of the Homes in the Condominium are closed. See page 40. During this indefinite period, Sponsor will have the right to control all decisions including but not limited to expenses, management, improvements to common elements, employees and easements.

2. Sponsor will endeavor in good faith to sell Homes in the Condominium. However, Sponsor is retaining the unconditional right to rent rather than sell Homes. Because Sponsor is retaining the unconditional right to rent rather than sell Homes, this Plan may not result in the creation of a Condominium in which a majority of the Homes are owned by owner-occupants or investors unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell Homes, there is no commitment to sell more Homes than the fifteen percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. As a result of the above, Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this Offering Plan. In addition, after Sponsor relinquishes control there is no provision in the By-Laws that requires a majority of the Board of Managers to be owner occupants who are unrelated to the Sponsor or its Principals. Purchasers should further note that owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed as a result of their different reasons for purchasing, i.e. purchasing as a Home to live in as opposed to purchasing as an investment.

3. A Purchaser shall be required to pay certain costs and adjustments at closing, including New York State Real Estate Transfer Taxes at the rate of $2.00 per $500 of consideration and New York City Transfer Tax of 1% of the purchase price for all Homes less than $500,000 and 1.425% if the Home is more than $500,000. Such taxes are additional consideration on which tax is calculated. See page 32 and the Purchase Agreement set forth as Schedule D.

4. All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, Purchasers should note as a special risk that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will <u>not</u> receive a refund of any funds used for upgrades or extras. See page 23 for details.

5. Purchasers should note that in the current real estate market, certain banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (such as 70% or more) of the Homes in a condominium 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 condominium

where the percentage of Homes purchased is lower than a lender's particular sales minimum and difficulty in reselling their Home. See page 26.

6. No Bond or other security has been posted to secure Sponsor's obligations. See page 39.

7. The square footage of the Homes has been measured to the exterior side of the studs forming the walls of the Homes. As a result, the usable square footage of the Homes is substantially less than set forth in Schedule A.

8. As disclosed in the footnotes to Schedule A, Sponsor has submitted an application for a Preliminary Certificate of Eligibility for 421-a real estate tax benefits and the building has been granted a Preliminary Certificate of Eligibility. If approved the 421-a tax benefits may not be reflected on a Home Owner's tax bill for at least another 6-8 months from the date of approval. As a result Purchasers will most likely be required to pay real estate taxes for a period of time without the 421-a tax benefits. Purchasers should note that if approved it has been the policy of the Department of Finance to make any 421-a tax benefits retroactive and a Home Owner would therefore be entitled to either a reimbursement for the amount overpaid or a credit against future real estate taxes. Sponsor makes no representation that this policy will continue or be applicable to this Condominium. No guarantee is made that the 421(a) benefits will be granted.

Schedule A of the Offering Plan reflects the estimated real estate taxes for each Home both with and without Section 421-a benefits. See Schedule A and Section XIX of the Offering Plan.

9. Article 36-B of the General Business Law, which pertains to warranties on the sale of certain new Homes, applies to the Homes in this Condominium. Pursuant to the terms of this law, the Sponsor is giving a Limited Warranty to Purchasers. The Limited Warranty excludes all consequential, incidental, special and indirect damages and limits Sponsor's liability to seventy-five (75%) percent of the purchase price. See the complete terms of the Limited Warranty contained in the Rider to the Purchase Agreement set forth in Schedule D-1. For details see page 37 of the Plan and the full text of the law set forth in Schedule M.

10. Each Home Owner shall notify the Condominium Board or the Managing Agent, if any, in writing when a child, or children, under the age of eleven (11) years visits temporarily in the Home. Each Home Owner shall install, at such Home Owner's expense, the required window guards (or safety "stops" in lieu of window guards, designed specifically to prevent a child from falling out of the window) in all windows of the Home in compliance with all applicable New York City Administrative Code requirements. The Home Owner should maintain all window guards (or stops) installed in the Home and shall not remove same until permitted by applicable law and in any event, without prior written notice to the Managing Agent. Home Owners with house-guest children must install window child guards at their own expense.

11. The Sponsor will not escrow any funds for items set forth on a "punch list" made between Purchaser and Sponsor prior to closing.

12. Downpayment deposits will be deposited in J. P. Morgan Chase Bank, as set forth at page 23. Such bank is covered by Federal Deposit Insurance of $250,000 per individual deposits. If an individual makes a deposit in excess of $250,000 for the purchase of a Home, it will not be federally insured in excess of $250,000. All sums deposited by Purchaser in such bank or branch thereof not just the downpayment, will be aggregated for the purpose of the maximum FDIC insured amount.

13. If a closing takes place, at the request of Purchaser, at any location other than the office of Sponsor's attorney, Purchaser shall pay to Sponsor's attorney a travel fee in the sum of $250.00. In addition, in the event a closing is adjourned with Sponsor's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of $150.00. Also, if through no fault of Sponsor, Purchaser fails for any reason to close title within seven (7) days after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all apportionments shall be made as of midnight of the day preceding (I) the date originally scheduled for Closing or (ii) Sponsor's adjourned Closing date (as the case may be). In addition, Purchaser shall pay to Sponsor at or prior to the actual Closing an amount equal to four one-hundredths of one percent (.04%) (which equals an annual rate of 14.6%) of the purchase price for the Home for each day beyond such originally scheduled or Sponsor adjourned Closing date, to and including the date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs and other charges.

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

15. Purchasers are advised to visit the Department of Buildings website/consumer tips for its recommendation when purchasing Homes in a Condominium that does not have final Certificate of Occupancy.

16. Any use of Cellar for living or sleeping purposes may result in a violation being issued against the Building and a fine imposed.

17. Home Owners must notify the Board of Managers in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Home. Each Home Owner with a child under the age of eleven (11) years of age must install a window guard and shall not remove it until permitted by applicable law.

18. Although the Purchase Agreement is contingent on a Purchaser securing a mortgage commitment to finance a portion of the purchase price, in the event the commitment is approved in a reduced amount, Purchaser agrees to accept the Loan on the condition that it can be reduced no more than $10,000.00, and Purchaser shall pay the difference at closing in cash or certified check.

19. Section 27-2018 of the New York City Administrative Code requires dwellings to be kept free from rodents, insects and other pests including bed bugs. If infestation occurs, the Board of Managers shall apply continuous eradication measures as required by such code provision. The Law also requires owners, including Condominium Owners, to inform incoming tenants of the Home's and the Building's bedbug infestation history for the previous year.

20. The Sponsor has the right but not the obligation to require Purchaser to make a second application with a lender of Sponsor's choice. The purchaser is solely responsible for the additional costs that will be incurred in connection with a second mortgage financing application, and, therefore, must carefully consider the additional cost (application fees, title search, appraisal, points, other fees) for which he/she will be responsible and the additional waiting period before he/she will know whether or not a commitment has been obtained or the agreement can be rescinded. The second lender will not be an affiliate of the Sponsor.

35 HAVEMEYER STREET CONDOMINIUM

PLAN OF CONDOMINIUM OWNERSHIP

I. INTRODUCTION

This is an Offering Plan (the "Plan") for the sale of eight (8) Condominium Homes (the "Homes") in a Condominium to be known as 35 Havemeyer Street Condominium located at 35 Havemeyer Street in the Borough of Brooklyn, City and State of New York. The purpose of the Plan is to set forth all the terms of the offer for the benefit of prospective Purchasers.

The Plan may be amended at any time and from time to time provided that the amendment is duly filed with the Department of Law of the State of New York and is served on Purchasers and Home Owners.

A Declaration submitting the property to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") and By-Laws will be recorded prior to conveyance of title to the first Home by the Sponsor. The property will be subject to the Condominium Act. The Declaration and By-Laws will be substantially similar to those set forth in this Offering Plan and will not be changed so as to adversely affect the Purchaser. This Offering Plan and the accompanying documentation should be carefully studied by prospective Purchasers and their attorneys prior to the purchase of a Home.

The Sponsor of the Plan is 35 Havemeyer Development Corp., a New York Corporation, with an address at 329 Glen Cove Avenue, Sea Cliff, New York 11579. Sponsor is the Owner of the property having acquired title by deed dated March 26, 2008 and recorded in the Kings County Register's Office.

Sponsor will endeavor in good faith to market and sell the Homes in the Condominium. However, Sponsor is retaining the unconditional right to rent rather than sell Homes. Because Sponsor is retaining the unconditional right to rent rather than sell Homes, this plan may not result in the creation of a condominium in which a majority of the Homes are owned by owner-occupants or investors unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell Homes, there is no commitment to sell more Homes than the fifteen (15%) percent necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium. In the event Sponsor makes a bulk sale of all or some of its unsold Homes, the transferee successor Sponsor will be bound by Sponsor's representations regarding its commitment to sell Homes. Sponsor has obtained a building loan and project loan commitment from the Interim Asset Funding, LLC, 60 Cutter Mill Road, Suite 600, Great Neck, New York 11021, which will enable Sponsor to construct the Condominium. The commitment does not contain any limits or

requirements for Sponsor to rent rather than sell the Homes. Homes will be released from the construction loan upon the payment of the per Home release consideration.

The Condominium Board of Managers does not have the right to approve or disapprove purchasers, there is no limit on the number of owners who may purchase for investment rather than for personal occupancy and there may always be a substantial percentage of owners who are non-residents.

The Sponsor with this Offering Plan is offering for sale the eight (8) single family Condominium Homes (the "Homes") to be located in one (1) five-story building ("Building") being constructed on the approximately .05 acre parcel constituting the Condominium. There are four (4) basic model types of Homes. Home Nos. 1a and 1b are a one bedroom, one and a half bathroom duplex, Home Nos. 2a, 2b, 3a, 3b, contain one (1) bedroom and one (1) bathroom, Home No. 4a-PH has two (2) bedrooms and two (2) bathrooms, and Home No. 4b-PH is a one(1) bedroom, one (1) bathroom duplex. See Schedule G for a detailed description of the model. The land and all improvements to be erected thereon are hereinafter referred to as the "Community" or the "Condominium".

As in the ownership of a private residential home, the Purchaser of a Home in a Condominium (the "Home Owner") owns his Home in fee simple absolute and is entitled to exclusive possession of his Home. Each Purchaser will also own an undivided interest in and right to use the common elements and an exclusive right to use the limited common elements that pertain to his Home. Home Nos. 1a and 1b have a rear garden behind the Home as a Limited Common Elements, Home No. 4a PH has a roof terrace adjacent to their Home as a Limited Common Element. See page 3 of the Declaration of Condominium as to what constitutes limited common elements. All Home Owners will own in common all exterior walls, roofs and all of the land and improvements located outside of the Homes.

The Home basically includes the sheetrock and air space between the sheetrock of the Home. For a detailed description of the Home to be conveyed see Schedule H, Article Third in Part II of the Plan.

The common elements include without limitation the external walls, the roofs of the Building as well as all of the land. For a detailed description of the common elements see Schedule H, Article Fourth and Fifth in Part II of the Plan.

A Home Owner is required to pay monthly common charges assessed by the Board of Managers for the operation and maintenance of the Condominium pursuant to Sections 339(i) and (m) of the New York Condominium Act. Monthly common charges may commence with the closing of the first Home which is expected on or about January 1, 2012, however, see page 49 as to the right of the first Board of Managers to commence the collection of common charges at a subsequent date. Until title to a Home has passed to a Purchaser, the Sponsor will pay such common charges and special assessments as are assessed by the Board of Managers on Homes, built or

unbuilt, to which title has not passed. Once title has passed to a Purchaser the Purchaser will be responsible for all costs, including all common charges associated with the Home. See Article VI of Schedule I in Part II of the Plan.

A Home Owner, upon acquiring title to his Home, will be obligated to comply with the Declaration of Condominium, Condominium By-Laws and rules and regulations and any other requirements of the Board of Managers of the Condominium.

There is no restriction upon ownership of a Home. Occupancy of a Home, however, may only be for residential purposes as described on page 21. Homes can be sold by a Home Owner, provided that he is not in arrears on the payment of common charges (except where the payment of such unpaid common charges is paid by the Grantee or provided for out of the proceeds of the sale) and subject to restrictions contained in the mortgage, if any, covering their home. A Purchaser is free to make a gift of his Home to anyone during his lifetime or to devise his Home by will, or to have it pass by intestacy without any restriction. No Home can be sold without a simultaneous sale of the undivided interest in the common elements.

Each Home Owner can sell his Home to whomever he desires. In addition, Home Owners may lease their Homes subject to the conditions contained on page 48.

The Homes can be purchased for all cash or may be purchased partly for cash and partly by mortgage. If the Home Owner desires to finance the purchase of the Home by obtaining a mortgage loan, such mortgage loan may be obtained only from a Mortgagee approved by the Sponsor.

The Home Owner may mortgage his Home at any time after he acquires title to the Home in whatever amount and under whatever terms he can obtain. A Home Owner may mortgage his Home only if all arrears for common charges, if any, are provided for at the closing of the mortgage.

Primary responsibility for operating the Condominium rests with the Board of Managers who are elected by the Home Owners. See Schedule I, Article III in Part II of the Plan. Sponsor has reserved the right to control the Board until all of the Homes are closed. For information concerning Sponsor's initial control of the Board of Managers, see page 40 and Special Risk Factor 1, at page iv.

Each Home Owner, upon obtaining title, will automatically have one vote at all meetings of the Home Owners for each of the Homes owned by him.

Each Home will be taxed separately for real estate tax purposes and may be separately mortgaged. Therefore, no Home Owner is liable for the payment of real estate taxes or mortgage payment on any other Home. In the opinion of Counsel, a Home Owner is presently entitled to deductions for income tax purposes for his payments for real estate taxes on his Home. In addition, provided the Home will be the Purchaser's principal residence or one other residence selected pursuant to Section

163(h)(5)(A)(I)(II) of the Internal Revenue Code of 1986, he may also deduct on his income tax the interest on the mortgage he procures to finance the purchase of his Home. See page 57.

Fire and liability insurance covering the common elements are included with other items as part of common charges but fire and liability insurance for the Purchaser's personal effects and the interior of the Home should be carried by the individual Purchaser. Common charges are levied in proportion to the interest in the "common elements" appurtenant to each Home. For possible increases in common charges upon default in payment by a Home Owner see page 50. Each Home Owner is responsible for the cost of his own interior repairs and decoration in his Home after closing.

The price of the Homes will include all the appliances and fixtures detailed in the Description of Property Report contained in Part II of the Plan.

The prices for the Homes are set forth in Schedule A beginning at page 9. THESE PRICES HAVE BEEN SET BY THE SPONSOR ALONE AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

This Offering Plan contains all of the material terms of this transaction. Parts I and II along with Parts A, B, C and D of the Exhibits submitted along with the Offering Plan together constitute the entire Offering Plan. Copies of the Plan and Parts A, B, C, and D of the Exhibits will be available for inspection by prospective Purchasers and their attorneys without charge and for copying at a reasonable charge at the Condominium site whenever the on site sales office is open and at the office of the Sponsor or Selling Agent and at the Department of Law, 120 Broadway, 23rd Floor, New York, New York, only by appointment, at a current charge of 25 cents per page.

There are no restrictions on who may purchase a Home in the Condominium except that this offer is made only to persons over eighteen (18) years of age. Each Home Owner can sell his Home to whomever he desires.

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

II. DEFINITIONS

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

1. "Condominium" - 35 Havemeyer Street Condominium which is composed of the Home Owners.

2. "Homes" - As used herein is equivalent to the term "Units" as used in Article 9-B of the Real Property Law.

3. "Community" - As used herein is equivalent in meaning to the term "Condominium" as same is used in Article 9-B of the Real Property Law.

4. "Home Owners" - The owner of each home in the Community.

5. "Common Elements" - The common elements of the Community will consist of all of the Community, except the Homes, including, but without limitation, outside walls and roof of the Building, the land, improvements (other than the Homes) comprising the Community (including the land under the Homes and under the improvements), all utility or other pipes and material located outside of the Homes, parking area and walks.

6. "Irrevocably Restricted Common Elements" - The portions of the common elements that are irrevocably restricted in use to specified Home Owners.

7. "Common Interest" - The proportionate, undivided interest each Home Owner has in the common elements.

8. "Common Charges" - Each Home's proportionate share of the common expenses in accordance with its common interest.

9. "Common Expense" - (a) Expenses of operation of the Condominium, and (b) All sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

10. "Declaration of Condominium" - The instrument by which the property is submitted to the provisions of the Condominium Act, and such instrument as from time to time amended, consistent with the provisions of the Condominium Act and of the By-Laws.

11. "Board of Managers" - The governing body of the Condominium responsible for its affairs.

III. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Location and Acreage

The property is situated at 35 Havemeyer Street in Brooklyn, City and State of New York. 35 Havemeyer Street Condominium will consist of approximately .05 acres of land. The Condominium is adjacent to Havemeyer Street, a public roadway.

Topographical Features

The site consists of generally level land.

Parking Facilities

There are no parking facilities in the Condominium.

Improvements General Description

The building ("Building") will consist of eight (8) Homes located in one (1) five-story Building in the manner set forth in the Plot Plan attached hereto in Part II of the Plan. There are four (4) basic types of Homes. . Home Nos. 1a and 1b are a one bedroom, one and a half bathroom duplex, Home Nos. 2a, 2b, 3a, 3b, contain one (1) bedroom and one (1) bathroom, Home No. 4a-PH has two (2) bedrooms and two (2) bathrooms, and Home No. 4b-PH is a one(1) bedroom, one (1) bathroom duplex. The Building contains an elevator. The number of rooms, layouts and variations of the Homes are set forth in the Description of Property Report in Part II of the Plan.

The Building Plans are available for inspection at the Sponsor's office.

The Homes, the Building containing them and all other improvements will comply with all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof including those governing zoning and construction and the Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules, regulations and other governmental requirements pertaining thereto including but not limited to the Building Code of the City of New York. New York City requires the installation of carbon monoxide detectors by owners of multiple dwellings including the owners of Homes in residential Condominiums. Before the closing of title to a Home, a temporary or permanent Certificate of Occupancy will be issued for the Home or Building in which such Home is located. At the time of closing of title to the first Home, the exterior construction of all Homes in the Building will have been substantially completed.

Construction Data for Homes and Common Elements

The Homes and common elements will be constructed substantially in the manner set forth in the Building Plans filed with the City of New York, which Plans will

not be changed so as to adversely affect the Home Owners. Construction of the Homes has commenced and completion and closing of title to the first Homes are expected to commence by approximately January 1, 2012, barring any strikes, material shortages, acts of God or other unforeseen delays beyond the control of the Sponsor. Sponsor anticipates completion of the last Home in the Condominium by December 31, 2012, barring any unforeseen circumstances such as possible strikes, material shortages, acts of God or other unforeseen delays beyond the control of the Sponsor. Completion of construction is subject to unforeseen circumstances such as possible strikes, material shortages, acts of God or other unforeseen delays beyond the control of the Sponsor.

Recreational Facilities

The Condominium contains a common roof terrace.

IV. LOCATION AND AREA INFORMATION

Location

The Community is located in the Williamsburg Section of Brooklyn, City and State of New York. The Condominium building fronts on Havemeyer Street, a public street.

Transportation Services

The Condominium is served by a variety of public transportation and is convenient to both bus and subway transportation. The B-16 bus services Bedford Avenue and the L train is two blocks north of the Condominium.

Municipal Services

Fire - Fire protection is supplied by the City of New York Fire Department. The closest fire station is at 75 Richardson Street, approximately .5 miles from the Condominium.

Police - The New York City Police Department services the Community. The 94th Police Precinct is located at 100 Meserole Avenue, approximately .5 miles from the Condominium..

Electric & Gas - Consolidated Edison will provide electric service and gas service, and each Home will be separately metered.

Telephone - Verizon will provide telephone service, and each Home will be separately billed.

Shopping – Within one mile of the Condominium are a wide variety of neighborhood stores where goods and services supporting residential uses can readily be found. Business and shopping areas are also within one mile of the Condominium, including banks, drug stores and pharmacies, physicians and a full variety of retail shops.

Water and Sewage - Water for the Homes will be supplied by the City of New York and will be a common expense. Sewage in the Community will flow into the New York City Sewer System.

Refuse Removal - Refuse removal will be provided by the City of New York.

Medical, Educational, and Religious Facilities – The nearest hospital is Woodhull Hospital at 760 Broadway, Brooklyn, New York approximately 1.5 miles away.

The Condominium is located in Community Board 1 and School District 14. Public Schools in the one-mile radius of the Property include: P.S. 31 Samuel L. DuPont Elementary School, Automotive High School – Francis Perkins Academy, Williamsburg Chapter High School, P.S. 17 Henry D. Woodworth, P.S. 34 Oliver H. Perry, Williamsburg preparatory High School and John Ericsson Middle School.

In addition, there are a number of private schools in the area including Northside Catholic Academy located approximately .5 miles away on Withers Street. No representation is made that these will be the schools that children in the Condominium will attend.

There are houses of worship of many major denominations in the vicinity of the Community.

Zoning - The property is located in the R6-A Residential District. All property surrounding the condominium contains residential housing.

No representation is made as to the eventual use or zoning of any parcel surrounding the Community.

V. SCHEDULE A

ESTIMATED INDIVIDUAL EXPENSES FOR THE FIRST FULL YEAR AT

35 HAVEMEYER STREET CONDOMINIUM

For the Period Commencing January 1, 2012 to December 31, 2012

Home #	(3) Approximate Total Sq. Ft.	(3) Number of Baths and Bedrooms	Limited Common Elements	(2) % of Common Interest	(1) Offering Price	(4) Estimated Common Charges		(5) Estimated Real Estate Taxes Including Full 421-a Benefits		(5) Estimated Real Estate Taxes without 421-a Benefits		(6) Total Estimated Carrying Charges with 421-a Benefits		(6) Total Estimated Carrying Charges without 421-a Benefits	
						Monthly	Annually	Monthly	Annually	Monthly	Annually	Monthly	Annually	Monthly	Annually
1a	598	S/1-1/2 Duplex	Rear Yard 12' x 25'	11.285%	$499,000	$305.91	$3,670.95	$20.34	$244.08	$960.64	$11,527.68	$326.25	$3,915.03	$1,266.55	$15,198.63
1b	911	S/1-1/2 Duplex	Rear Yard 12' x 25'	17.192%	$599,000	$466.03	$5,592.36	$30.99	$371.88	$1,463.48	$17,561.76	$497.02	$5,964.24	$1,929.51	$23,154.12
2a	592	1/1	N/A	11.172%	$419,000	$302.84	$3,634.11	$20.14	$241.68	$951.02	$11,412.24	$322.98	$3,875.79	$1,253.86	$15,046.35
2b	599	1/1	N/A	11.304%	$419,000	$306.42	$3,677.08	$20.38	$244.56	$962.26	$11,547.12	$326.80	$3,921.64	$1,268.68	$15,224.20
3a	592	1/1	N/A	11.172%	$439,000	$302.84	$3,634.11	$20.14	$241.68	$951.02	$11,412.24	$322.98	$3,875.79	$1,253.86	$15,046.35
3b	599	1/1	N/A	11.304%	$439,000	$306.42	$3,677.08	$20.38	$244.56	$962.26	$11,547.12	$326.80	$3,921.64	$1,268.68	$15,224.20
4a-PH	809	2/2 Duplex	Roof Terrace 14' x 22'	15.267%	$615,000	$413.85	$4,966.21	$27.52	$330.24	$1,299.60	$15,595.20	$441.37	$5,296.45	$1,713.45	$20,561.41
4b-PH	599	1/1	N/A	11.304%	$499,000	$306.42	$3,677.08	$20.38	$244.56	$962.26	$11,547.12	$326.80	$3,921.64	$1,268.68	$15,224.20
	5,299			100.000%	$3,928,000	$2,710.75	$32,529.00	$180.27	$2,163.24	$8,512.54	$102,150.48	$2,891.02	$34,692.24	$11,223.29	$134,679.48

FOOTNOTES TO SCHEDULE A

1. No change in the sales price will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sale prices below the Offering Plan prices without filing an amendment to the Plan at any time during the Offering where a reduction in sales price does not constitute a general offering but is rather the result of an individually negotiated Home purchase. See page 20 as to other terms of the offering which may be negotiable. See pages 32 through 34 for estimated closing costs and adjustments which costs are in addition to the sale prices set forth herein. The purchase price includes a range, refrigerator and dishwasher. Home Nos. 1a and 1b have a rear yard behind the Home as a Limited Common Element and Home Nos. 4a-PH and 4b-PH have a roof terrace adjacent to such Homes as a Limited Common Element.

2. Percentage of common interest is based on equal percentages within separate classifications of Homes as of the recording of the Declaration pursuant to Real Property Law Section 339(i)(1)(iii).

3. The square footage of the Homes has been measured to the exterior side of the studs forming the walls of the Homes. As a result, the usable square footage of the Homes is substantially less than set forth in Schedule A. See Special Risk Factor 7 at page v, for details. The room count of the Homes is based on the method employed in the Building Code of the City of New York.

4. Common charges have been estimated by the Sponsor and include fire and liability insurance for the Homes and common elements and maintenance and operation of the common elements. Common charges exclude repair and decoration to the inside of a Home, utilities for each Home and insurance for personal belongings. See Schedule C for estimated heating and electrical costs for each model type Home.

5. The Sponsor has filed an application to the New York City Department of Housing Preservation and Development ("HPD") for a Preliminary Certificate of Eligibility for partial real estate tax exemption benefits under Section 421-a of the Real Estate Property Tax Law ("Section 421"). This section of law provides for a fifteen (15) year partial tax abatement program. The Building has received a Preliminary Certificate of Eligibility.

   Schedule A reflects the estimated taxes for the Units with and without the 421-a tax abatement for the first fully taxed year. Reference should be made to the Section entitled "Real Estate Tax Exemption Benefits" for a full discussion of the effects of Section 421-a upon the real estate taxes payable by Home Owners. The amount deductible for income tax purposes may vary in future years due to

a change in the interest rate on Home Owner's mortgage (if any), and due to changes in real property taxes, or assessed value or tax rate.

No warranty is made as to whether a Final Certificate of Eligibility will be issued by HPD for Section 421-a tax benefits or as to the amount of any tax exemption that will actually be received. In addition, no warranty is made that the actual assessed valuation or the assessed valuation for the Property if Section 421 benefits are granted will be as projected above, that the projected tax rate will be in effect for all or any portion of the Property during the first year of Condominium operation, or that real estate taxes will be allocated among Units in proportion to their appurtenant Common Interest. In no event will Sponsor, Sponsor's Consultant, Sponsor's Counsel, or any offeror hereunder be liable to any Purchaser under this Plan, nor will Purchaser have the right to rescind his Purchase Agreement, in the event Section 421-a benefits are not granted or, if granted in the event the amount of such exemption and the resulting taxes differ from those projected.

Real estate tax estimates are based upon information received from Ben Rottenstein Associates, Inc., 56 Willoughby Street, Brooklyn, New York, (the "Consultant"), in a report dated April 5, 2011, using the estimated Class 2 tax rate for 2011/2012 of $13.3530 per $100 of assessed value. Individual estimated real estate taxes for each Home are based on the Percentage of Common Interest for each Home. No representation is made that the City of New York will use such method in calculating the individual real estate taxes. See page 55 for details.

After the Condominium is divided into individual tax lots, each Home will be taxed as a separate tax lot for real estate tax purposes and the Home Owner will not be responsible for the payment of, nor will the Home be subject to, any lien arising from the non-payment of taxes on other Units. In addition, pursuant to the provisions of the Internal Revenue Code of 1986, the real estate taxes payable by a Residential Home Owner which are assessed against his Home by any governmental taxing authority, are a proper deduction in connection with Federal and State Income Taxes payable by such Home Owner. See page 57 for details and qualifications. Tax deductions in future years may vary do to changes in the real estate taxes etc.

No representation or warranty is made that the actual taxes or assessed valuation will be as projected above, or that the projected tax rate will not change. Sponsor will disclose any tax rate changes in a duly filed Amendment to this Plan. In no event will Sponsor, Sponsor's Consultant, Sponsor's Counsel, or any offeror hereunder be liable to any Purchaser under this Plan, now ill any Purchaser have the right to rescind his Purchase Agreement, in the event the actual taxes differ from those projected. Actual taxes may vary depending on such factors as purchase price, optional extras ordered, premium location, end units, type of building cluster, etc.

See Section XIX for a full discussion of the real estate taxes applicable to the Homes.

6. The Sponsor is not offering and has not procured mortgage financing. As a result, the projected monthly carrying charges for financing have not been included in Schedule A. In the event a Purchaser obtains a mortgage, his monthly carrying charges will increase. Any Purchaser who applies for a mortgage from a lending institution should check with that institution as to the monthly mortgage costs as well as any closing costs that the Purchaser will be obligated to pay the lending institution.

Note: The room count of the Homes is based on the method employed in the Building Code of the City of New York. i.e. each bedroom counts as one room and each full bathroom with tub counts as a full bathroom and each bathroom without a tub counts as a half bathroom.

VI. SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF OPERATION AT 35 HAVEMEYER STREET CONDOMINIUM

8 Homes
For the year beginning January 1, 2012

INCOME		
Common Charges (8 Homes)		
TOTAL INCOME		$32,529.00
EXPENSES		
Heat and Hot Water (1)	$ -0-	
Electricity (2)	$ 6,488.00	
Water and Sewer (3)	$ 4,779.00	
Repair and Maintenance (4)	$ 1,000.00	
Elevator (5)	$ 4,575.00	
Services and Supplies (6)	$ 500.00	
Insurance (7)	$ 4,230.00	
Legal and Accounting Fees (8)	$ 2,200.00	
Labor (9)	$ 4,800.00	
Management (10)	$ -0-	
Miscellaneous Contingency (11)	$ 1,000.00	
Reserve Fund (12)	$ 2,957.00	
TOTAL EXPENSES		**$32,529.00**

In the event the actual first year budget differs from the actual commencement of the budget year by six (6) months or more, Sponsor will amend the Plan to include a revised budget. See explanatory footnotes. If the amended budget exceeds this budget by 25% or more, the Sponsor will offer all Purchasers the right to rescind their purchase agreement and have their deposits returned, with interest, if any. 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 C hereinafter set forth for an estimate of individual heat and hot water charges.

2. The Sponsor has obtained an estimate from Sideris Kefalas Engineers, P.C., 217-22 Northern Boulevard, Bayside, N.Y. 11361, of approximately $6,488.00 per year of electrical usage for the common areas based on 40,512-kilowatt hours at 16.0 cents per kilowatt-hour. The projected cost in SCHEDULE B includes the cost of all applicable state and local taxes. Purchasers shall be responsible for individual utility costs for their own apartments.

3. Water is provided by the City of New York. There is a single water, meter serving the entire residential portion of the building. Projected water and sewer costs are based upon a current New York City estimate of 85 gallons per person per day (with two people per apartment), and current combined water and sewer charges of $6.76 per 100 cubic feet of water consumed.

4. Repairs and maintenance to building· The budgeted figure is based, in the Sponsor's knowledge and experience, 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.

5. This figure is based on an estimate from Pride and Service Elevator, 118 East 28th Street #905 New York, NY 10016, of approximately $4,575.00 for a monthly maintenance contract and required annual inspections.

6. Services and supplies: These include items expected, in the Sponsor's knowledge and experience, to be consumed in the normal course of building operation, including light bulbs, cleaning supplies, paints and hardware items.

7. Insurance: Sponsor has received a letter estimating the cost of coverage for the building via a package policy through John Specce Agency, Inc., 70 E. Main St., Oyster Bay, N.Y. 11771 in the following coverage amounts:

Building.	$2,000,000 "All Risk" stipulated amount Replacement Value

Liability	$1,000,000 Per Occurrence $2,000,000 Aggregate
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 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; will waive subrogation;
(iv) will waive invalidity because of the acts of the insured and individual unit owners;
(v) and will waive pro rata reduction if individual unit owners obtain additional individual coverage.

The policy includes officers and directors liability, but does not include umbrella coverage, boiler coverage, elevator collision 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, up-graded fixtures and improvements, and liability coverage for occurrences within the unlit or, where applicable, on the limited common elements pertinent to the units.

8. Legal and Accounting Fees: This figure is based on the estimate received from Joseph D. Conway, CPA, 6 Swenson Drive, Woodbury, N.Y. 11797, 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 $1,200.00. The balance of the budgeted figure, $1,000.00, anticipates minor legal services during the first year of operation, but would be insufficient to cover any substantial litigation.

9. The Sponsor has obtained an estimate from RedSky Property Services, LLC, 174 Bogart Street Suite 203 Brooklyn, NY 11206, of approximately $400.00 per month for a part-time superintendent. Services include basic cleaning of hallways, common areas and sidewalk on a regular weekly schedule as required. Garbage and recycling duties would also be performed by the superintendent according to the NYC Sanitation schedule.

10. Due to the size of the building, it is expected that the buildings will be self-managing. Should the Board of Managers at any time elect to employ the services of a managing agent, this will represent an additional cost of approximately 6% to 10% of the annual operating budget, which would require a concomitant increase in the common charges.

Activities that the unit owners will need to perform if no managing agent is employed 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 and issues. In addition to the foregoing, any additional issues or problems arising out of operation, maintenance, ownership and occupancy of the building will need to be dealt with by the Board of Managers.

11. The miscellaneous budgeted item, in the Sponsor's knowledge and experience, is intended to provide a cushion for unforeseen costs and an opportunity for the condominium to accrue a reserve for future expense.

12. Reserve to be set aside for future repairs and replacements to the Common Elements. This estimate is based on 10% of the budget prior to funding reserves.

VII. SCHEDULE C

ESTIMATED HEATING AND ELECTRICAL COSTS

Home #	Estimated Annual Therms	Estimated Annual Gas Cost for Heating, and Cooking	Estimated Annual Electrical Kilowatt Hours	Estimated Annual Electric Cost	Total Annual Amount of Estimated Gas & Electrical Cost
1A	365	$642.00	7620	$1,960.00	$2,602.00
1B	486	$811.00	7620	$1,960.00	$2,771.00
2A	299	$549.00	7339	$1,888.00	$2,437.00
2B	279	$523.00	7339	$1,888.00	$2,411.00
3A	299	$549.00	7339	$1,888.00	$2,437.00
3B	279	$523.00	7339	$1,888.00	$2,411.00
4A	509	$843.00	7620	$1,960.00	$2,803.00
4B	318	$576.00	7339	$1,888.00	$2,464.00

Gas and electricity costs are based on estimate dated April 7, 2011 received from Sideris Kekalas Engineers P.C., 217-22 Northern Boulevard, Bayside, New York, on current price charged by Consolidated Edison of $1.67 per Therm of gas used and $.225 per KWH of electricity used. The above costs do not include electricity for air conditioning. It should be noted that electric and gas prices have had wide gyrations due to international market prices for oil and gas and an inflationary factor of 5% plus applicable tax has been used. Actual market prices may be different than those calculated at the time of preparation of this estimate.

Actual costs will vary depending on weather conditions, quality of construction, number of occupants and the habits of the occupants and increase in rates in future years, etc.

In view of the fact that these averages may include the use of energy by persons of varying need, with different standards of comfort, or with families of different sizes, the amount of energy used by the Purchaser may vary substantially from the average

estimates herein provided. In addition, the effect of inflation, fuel shortages and other factors may raise the cost of electricity and gas substantially higher than the current or projected rate.

Although the Sponsor is under obligation to provide accurate information to prospective Purchasers, factors beyond its control may substantially affect the cost of electricity and gas after the purchase of a Home or in subsequent years. Sponsor represents however, that it has followed the plans and specifications provided by the manufacturer of the appliances together with the recommendation of the manufacturer and other experts to enable these items of equipment to operate at optimum efficiency at the lowest cost.

CERTILMAN BALIN
ATTORNEYS

90 MERRICK AVENUE, 9TH FLOOR
EAST MEADOW, NY 11554
PHONE: 516.296.7000 • FAX: 516.296.7111
www.certilmanbalin.com

IRA J. ADLER
PARTNER
DIRECT DIAL 516.296.7099
iadler@certilmanbalin.com

VIII. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)

June 29, 2011

State of New York
Department of Law
120 Broadway - 23rd Floor
New York, NY 10271

Re: 35 HAVEMEYER STREET CONDOMINIUM

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property has retained our firm to review the percentage of common interest applied to the Homes contained in Schedule A of the Offering Plan.

Our experience includes the preparation of well over one thousand offering plans in the State of New York.

In reviewing said Schedule A, the percentage of common interest for each Home as contained therein has been determined based upon equal percentages within separate classifications of Homes as of the date of filing the Declaration. Said method of determining the percentage of common interest in a condominium complies with and is pursuant to Section 339(i)(1)(iii) of the Real Property Law of the State of New York.

I hereby authorize inclusion of this opinion in the Offering Plan for 35 Havemeyer Street Condominium to be filed with the Department of Law.

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP.

By: _____
IRA J. ADLER, Partner

IX. CHANGES IN PRICES OR HOMES

Sponsor will not make any changes in the size or number of Homes, and 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 to the Declaration of Condominium (if the Declaration was filed prior to such change) without the consent of all home owners directly affected. However, Sponsor reserves the right to change the model mix of the Homes without consent of any home owner as long as the percentage of common interest for the Homes is not affected, there is no purchase agreement in effect for said Home and as long as the Sponsor does not change the total number of Homes being offered for sale, nor the total number of buildings in the development, nor substantially change the size of the Home.

Sponsor will not make any material change in home size, layout, percentage of common interest or in the amount or quality of common elements directly affecting or servicing the home if a purchase agreement has been executed and delivered to Sponsor for that Home unless the Purchaser consents in writing to such change.

The prices for these condominium interests may be changed from those set forth in this Offering Plan so that Purchasers may pay different prices for similar interests. No such change will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the offering where a reduction in sales prices does not constitute a general offering but is rather the result of an individually negotiated Home purchase. All changes in prices which are an across the board increase or decrease affecting one or more lines of Homes or models, or is to be advertised or is a price increase for an individual Purchaser will be done by a duly filed amendment to the Offering Plan.

The Sponsor further reserves the right, but not the obligation, to negotiate with a Purchaser on an individual basis in connection with all aspects of the purchase price, including but not limited to: upgrades to the Home or the fixtures or equipment contained therein or credits or allowances therefor; treatment of reduced and/or split down payment; financing contingency; extension of period to secure financing; payment of all or part of a Purchaser's acquisition or financing costs such as, but not limited to: origination fees and commitment fees; any and all other costs relating to the cost of acquiring title to the Home; maintenance subsidies, rebates or other costs associated with maintaining a Home as a credit against the purchase price or payable on a periodic basis or any other manner as is negotiated between the parties; and promotional gifts on purchase of a Home. As a result, a Purchaser may receive different terms as a prior or subsequent Purchaser for a similar Home. Furthermore, the Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms or at its sole option to expand the applicability of such negotiable terms to some or all Purchasers pursuant to Section 352-e of the General Business Law.

X. PROCEDURE TO PURCHASE

The Sponsor hereby offers for sale the Homes to be constructed in the Condominium for residential occupancy in accordance with applicable municipal zoning regulations. Occupancy of the Home or portion of a Home by a lessee or lessees of the Home Owner for the purposes set forth in this paragraph shall be deemed in accordance with residential occupancy.

The sales prices at which the basic Homes are being offered are shown in detail in Schedule A. The Sponsor reserves the right to change the sales prices and to negotiate other terms on an individual basis. (See page 20). Any such change will not affect the common interest of the Home, however, some Purchasers may pay less or more for the same model Home or receive different terms.

Any person may accept Sponsor's offer to sell the Homes by entering into a Purchase Agreement with the Sponsor. The Agreement provides that the Purchaser will purchase from the Sponsor a designated Home in 35 Havemeyer Street Condominium described in the Declaration creating such Condominium. A Purchaser will be afforded a minimum of three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement. Any conflict between the Offering Plan and the Purchase Agreement shall be resolved in favor of the Offering Plan. Upon signing the Purchase Agreement the Purchaser shall make a down payment of 10% of the purchase price of his Home plus the cost of any special work ordered by the Purchaser. Upon full payment of the balance of the purchase price and the balance of the cost of any special work ordered at the closing, in cash or by mortgage, Purchaser will receive a bargain and sale deed with covenant against grantor's acts and containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey good and marketable title to him of fee ownership in the Home and such percentage of common interest in the common elements as is set forth on Schedule A, free and clear of all liens and encumbrances other than those set forth on page 30 and 31. The Purchase Agreement may be modified with the consent of Purchaser and Sponsor in a manner not inconsistent with law, subject to the terms of this Offering Plan. See page 20 for the right of Sponsor to negotiate with a Purchaser on an individual basis in connection with all aspects of the purchase price. Sponsor must either return a fully executed Purchase Agreement within twenty (20) days to the Purchaser or reject the Purchase Agreement and refund the deposit monies. The Power of Attorney attached to the Purchase Agreement must be executed by Purchaser at the closing of title. Failure to execute the Power of Attorney will result in a default under the Purchase Agreement.

It is anticipated that the closing to the first Home will occur on or about January 1, 2012. In the event of a failure by the Sponsor to convey title as set forth in the Purchase Agreement to any Home on or before twelve (12) months after the date of delivery of title set forth in the respective Purchase Agreement (or eighteen (18) months in the case of certain acts of God, etc.), the Purchaser will have the option of rescinding his purchase agreement and to have all monies refunded by the Sponsor, with interest,

if any. Purchaser shall be obligated to notify the Sponsor in writing of its intent to exercise said option no later than ten (10) days after the twelve (12) month (or eighteen [18] month) period of the proposed date of delivery set forth in the Purchase Agreement. Purchaser's failure to so notify Sponsor of Purchaser's intent to cancel his or her Purchase Agreement due to Sponsor being unable to convey title to the Purchaser's Home within the twelve (12) month (or eighteen [18] month) period shall be deemed a waiver of said provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. See Paragraph 5 of the Purchase Agreement in Part II of the Plan. Said right is in addition to the right of rescission for all Purchasers who have entered into Purchase Agreements should the Closing of the first Home be delayed by twelve (12) months or more from the estimated date of the first Closing set forth in Schedule B. If a Purchaser enters into a Purchase Agreement subsequent to an amendment disclosing a revised estimated date of the first Closing such Purchaser will be offered a right of rescission if the estimated date of the commencement date of the first year of operation of the Condominium is delayed by twelve (12) months or more from the estimated date in the amendment unless a Purchase Agreement is entered into after an Amendment changing the estimated first closing to a later date in which case rescission will be offered if the first closing does not occur within one (1) year of such later date.

The Sponsor will give each Purchaser who entered into a Purchase Agreement before the Plan was declared effective not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to his Home unless a Purchaser waives such thirty (30) day notice. A form of such waiver is contained as Schedule D-3.

The Purchase Agreement may not be assigned by Purchaser without the written consent of Sponsor.

Sponsor must make a written demand for the payment after default at least thirty (30) days before forfeiture of the deposit may be declared.

The risk of loss or damage to the Home by fire or any other cause until the delivery of the deed or Purchaser takes actual possession of the Home pursuant to written agreement is assumed by the Sponsor.

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 under Article 23- A of the General Business Law. Any conflict between the Purchase Agreement and the Plan will be resolved in favor of the Plan.

The Purchase Agreement will be subject to and contingent upon Purchaser obtaining, at its own cost and expense, a mortgage loan commitment from a Lender in the amount and pursuant to the terms set forth in Paragraph 11 of the Purchase Agreement. Purchaser shall be obligated to obtain renewals or extensions through the date of closing on such terms and at such interest rate as the Lender may require and shall pay any fees and charges required to renew and extend the Commitment. In the event the commitment lapses prior to closing, the Purchaser must make a good faith

effort to extend the commitment on the then terms offered by his lender. If the lender does not extend the commitment on such terms, the Purchaser will be given the right tor rescind the Purchase Agreement. A complete copy of the Purchase Agreement is contained in Part II of the Plan.

ESCROW AND TRUST FUND PROVISIONS

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(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 conflicting or inconsistent provision in the Offering Plan or in a Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All deposits, down payments, or advances made by Purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after the Agreement is signed by all necessary parties, in a segregated special escrow account of Murphy, Bartol and O'Brien, LLP, 22 Jericho Turnpike, Mineola, New York 11501 and whose telephone number is (516) 294-5100. The signatories on this account authorized to withdraw funds are Kevin O'Brien and Ernest Bartol, both with an address at 22 Jericho Turnpike, Mineola, NY 11501. The name of the account is "Murphy, Bartol and O'Brien, LLP IOLA for 35 Havemeyer Street Condominium Attorney Escrow Account", located in J.P. Morgan Chase Bank, 32 Jericho Turnpike, Mineola, New York 11501. The Bank is Federally Insured to a maximum of $250,000 per individual deposit.

The account will be Interest-On-Lawyer-Account ("IOLA"). Pursuant to Judiciary Law, Section 497, all interest earned on the IOLA account will be paid to the State of New York.

All instruments shall be made payable to or endorsed to the order of Murphy, Bartol and O'Brien, LLP, escrow agent and shall be accepted subject to collection.

Purchasers should note as a special risk that although all funds received by Sponsor for upgrades or extras to a Home will initially be placed in the escrow account, such funds may be released from the escrow account without the requirements outlined below as long as the Sponsor uses the funds for such upgrade or extra. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor for upgrades or extras. Any such funds not used by Sponsor will however be returned to Purchaser.

Within ten (10) business days after the 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. In the event the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, the Purchaser has a right to cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after the tender of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

Purchasers should note that the deposit of a Purchaser's down payment into the escrow account shall not be deemed acceptance by the Sponsor of the Purchase Agreement. The Purchase Agreement shall be deemed accepted by the Sponsor only when countersigned by the Sponsor.

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

(i) a writing signed by both Sponsor and Purchaser. Sponsor and/or the Escrow Agent may require a Purchaser to execute a writing authorizing release of the funds by the Escrow Agent as a condition of closing. Authorization of the release of funds at closing in the Purchase Agreement will be deemed such a writing; 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; or

The Escrow Agent will also be permitted to release the escrow funds if:

(i) the Escrow Agent is changed pursuant to the terms of the Escrow Agreement in connection with a transfer of funds to the new escrow agent; or

(ii) funds which were deposited prior to the acceptance of the contract are returned to the Purchaser because of rejection of the contract by the Sponsor; or

(iii) any governmental authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from Sponsor's regular suppliers or from using same in the construction and/or completion of the Home making the construction or completion of the Condominium unlikely; or

(iv) Sponsor is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest,

acts of God or national emergencies making the construction or completion of the Condominium unlikely; or

(v) the installation of public utilities is restricted or curtailed making the construction or completion of the Condominium unlikely; or

(vi) until released in accordance with the next paragraph.

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. Notice shall be deemed given five (5) days after the date of mailing to the Purchaser at the address set forth in the Purchase Agreement. 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 or has commenced a lawsuit.

The Sponsor will not object to the release of the escrowed funds to:

(i) a Purchaser who timely rescinds in accordance with an offer or 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.

Purchasers should note that it shall be an express condition of closing of title that the Purchaser sign the form contained in Part II which will enable the Escrow Agent to release the escrow funds, if not previously released as provided above.

Purchasers and the escrow agent <u>may</u> apply to the Attorney General in the event of a dispute for a determination on the disposition of the down payment. The Sponsor <u>must</u> avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is contained in Part II of the Plan as Schedule "J." The party applying for a determination must send all other parties a copy of the application.

Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the Purchaser and the escrow agent shall abide by an interim directive issued by the Attorney General.

Section 71-a(3) of the Lien Law provides that Purchasers may require Sponsor to deposit the initial advance in an escrow account. In lieu of said deposit Sponsor may post a bond or contract of indemnity guaranteeing the return of such advance.

Copies of the Escrow Agreement between the Sponsor and the escrow agent which incorporates the terms of the Attorney General's regulations are contained in Part II of the Plan as Schedule "K."

XI. FINANCING FOR QUALIFIED PURCHASERS

THIS PLAN DOES NOT CONTAIN ANY FINANCING ARRANGEMENTS FOR PURCHASERS. PROSPECTIVE PURCHASERS WHO ARE INTERESTED IN SUCH FINANCING SHOULD CONTACT LENDING INSTITUTIONS, SUCH AS MUTUAL SAVINGS BANKS AND COMMERCIAL BANKS, MANY OF WHICH HAVE ADVERTISED THAT THEY OFFER FINANCING TO PURCHASERS OF CONDOMINIUM HOMES.

Any applications for such financing with lending institutions must be done on an individual basis by prospective Purchasers and will involve negotiations exclusively between the lending institution and the applicant. The Sponsor should not be construed hereunder as offering any such financing or representing the availability or terms of such financing.

The Purchase Agreement of Purchasers desiring to finance the purchase of a Home will be conditioned upon the Purchaser making prompt and diligent application to a lending institution designated or approved by Sponsor for a mortgage commitment.

The Purchase Agreement is contingent upon Purchaser obtaining, at its own cost and expense, a mortgage loan commitment in the amount and under the terms set forth in Paragraph 11 of the Purchase Agreement (Schedule D to the Offering Plan) from a lender designated or approved by Sponsor. If the Lender fails to issue its Commitment to Purchaser within 30 days after the date of the Purchase Agreement (the Purchase Agreement states that the Sponsor has the right to extend the contingency period in which the purchaser must obtain financing for 30 days and shall exercise such right no later than seven (7) days from the date Seller receives notice of the denial or Purchaser's notice of cancellation), either party may cancel the contract only if at the time notice of cancellation is given, the Lender has still not issued its Commitment to grant the mortgage loan. It is an express condition to Purchaser's right of written notice to cancel that Purchaser has strictly complied with all obligations imposed on Purchaser's mortgage loan application. To cancel, the canceling party must give written notice of cancellation to the other party, whereupon Sponsor shall refund the Down payment. Thereafter, the contract shall be deemed canceled and neither party shall have any further liability or obligation to the other in connection with the contract or transaction.

The Purchaser shall be obligated to fill out all forms and perform all acts necessary to obtain such mortgage commitment. The Purchaser will be obligated to take all action necessary to fulfill all of the terms and conditions of the mortgage commitment in order to close title, including but not limited to paying any outstanding debts required by the lending institution issuing the mortgage commitment and paying all costs and expenses incurred in procuring the mortgage and closing such mortgage including but not limited to mortgage tax, origination fees, commitment fees, recording fees, title fees and the lender's fees. See Paragraph 11 of the Purchase Agreement for complete terms. Purchaser shall be obligated to obtain renewals or extensions through the date of closing on such terms and at such interest rate as the Lender may require

and shall pay any fees and charges required to renew and extend the commitment. In the event the commitment lapses prior to closing, the Purchaser must make a good faith effort to extend the commitment on the then terms offered by his lender. If the lender does not extend the commitment on such terms, the Purchaser will be given the right to rescind the Purchase Agreement.

In the event the Loan is approved in a reduced amount, Purchaser agrees to accept the Loan on the condition that it can be reduced no more than $10,000.00, and Purchaser shall pay the difference at closing in cash or certified check.

In the event Purchaser elects to terminate the Purchase Agreement pursuant to the terms of Paragraph 11, Sponsor shall have the right but not the obligation to require Purchaser to make application with a lender of Seller's choice within seven (7) days from the date Sponsor's receives notice of the Denial or Purchaser's notice of cancellation, or obtain a loan commitment letter within seven (7) days for Purchaser from a lender licensed to do business in the State of New York or a licensed mortgage banker, upon similar terms and conditions as set forth herein (the "Loan Commitment Letter"). In the event that Sponsor obtains a Loan Commitment Letter pursuant to the terms of this Paragraph, Purchaser shall be obligated to accept such Loan Commitment Letter, comply with its requirements and close title hereunder. The purchaser is solely responsible for the additional costs that will be incurred in connection with a second mortgage financing application, and, therefore, must carefully consider the additional cost (application fees, title search, appraisal, points, other fees) for which he/she will be responsible and the additional waiting period before he/she will know whether or not a commitment has been obtained or the agreement can be rescinded. The second lender will not be an affiliate of the Sponsor.

NO REPRESENTATION IS MADE BY THE SPONSOR AS TO WHETHER ANY PURCHASER WILL QUALIFY FOR FINANCING OR AS TO THE TERMS, COST OR AVAILABILITY OF SUCH FINANCING. THE SPONSOR SHALL HAVE NO LIABILITY OR RESPONSIBILITY TO ANY APPLICANT IF HIS APPLICATION FOR FINANCING IS NOT ACCEPTED, EXCEPT TO RETURN THE DOWN PAYMENT, PROVIDED THE AGREEMENT WAS CONDITIONED UPON OBTAINING SUCH FINANCING.

The closing of title to a Home where the Purchaser has obtained financing will take place simultaneously with the closing of the mortgage loan and the proceeds will be applied towards the then balance of the purchase price.

XII. EFFECTIVE DATE OF THE PLAN

Sponsor's offer to sell the Homes is contingent upon the Plan being declared effective and no closing to a Home will be held until the Plan is declared effective. Pursuant to the terms of Sponsor's construction loan, this Offering Plan will not become effective until bona fide Purchasers, including investors; have executed Purchase Agreements which have been accepted by Sponsor for at least fifteen (15%) percent of the Homes (i.e. 2 Homes). The Plan shall be declared effective by personal service of a

notice on each Purchaser or by commencement of service by mail stating that the Plan was declared effective on a particular date, the percentage used to declare the Plan effective and a list of the Homes being counted to meet the minimum percentage under the terms of the Plan to declare it effective. The Sponsor will give written notice of such effectiveness to Purchasers. Sponsor will within five (5) business days of said notice submit for filing an amendment to the Plan disclosing the Plan's effectiveness and will file an affidavit of service of the notice on all Purchasers. Sponsor will not close title to the first Home until the Amendment disclosing the effectiveness of the Condominium has been accepted for filing by the Attorney General. The Plan will not be declared effective based on Purchase Agreements:

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

(ii) based on purchase agreements where the Purchaser has not had at least three (3) business days to review the Offering Plan and all filed amendments; or

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

Further, the Sponsor has the option not to close title to the Homes and to abandon the Plan at any time if less than 80% in number of the Homes offered hereby (i.e. 7 Homes) are sold and title to any Home has not been conveyed. In the event Sponsor exercises such option, it shall forthwith return to the Purchaser all monies paid with interest, if any, within twenty (20) days of the abandonment of the Plan. When purchase agreements for 80% of the Homes have been entered into the Sponsor must declare the Plan effective. Once the Plan has been declared effective, it may not be abandoned except for (i) a defect in title which cannot be cured for less than ½% of the total amount of the offering or (ii) work orders of a mortgagee or violations that cannot be cured for less than one-half of one percent of the total amount of the offering, or (iii) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than 1/2% of the total offering, or (iv) the taking of any material portion of the property by condemnation or eminent domain. The Sponsor cannot abandon the Plan for any judgments or liens against the property which are known to the Sponsor or any of its principals on the date of the Plan or resulting from acts of the Sponsor or any of its principals. In the event Sponsor abandons the Plan, it shall do so by means of a filed amendment to the Plan. All monies advanced by Purchasers will be returned to them within ten (10) days of the abandonment of the Plan.

XIII. TERMS OF SALE

A date for the closing of title will be set by the Sponsor in accordance with the Purchase Agreement upon at least thirty (30) days written notice to the Purchaser. Said notice will also include notice of the obligation to pay the balance of the purchase price. On the closing date fee title to the Home will be conveyed to the Purchaser together with the Home's undivided interest in the common elements. The closing of title to the first Homes are expected to commence by approximately January 1, 2012. Such closing, however, will only take place after or simultaneously with the happening of the following events:

1. The delivery to the Home Owner of a Bargain and Sale Deed with covenants against grantor's acts.

2. The Sponsor's repair of any damage from a casualty or other cause that occurs before the closing of Purchaser's Home.

3. The issuance of a temporary or permanent Certificate of Occupancy to the Home or Building in which the Home is located and any other necessary permits.

4. If so requested by the Purchaser, First American Title Insurance Company of New York, 333 Earle Ovington Boulevard, Uniondale, New York 11553 (516) 832-3200, a title insurance company licensed to do business in New York State shall agree to insure that such Purchaser has good and marketable fee title in the Home, free and clear of all liens, encumbrances and title exception, except those set forth on pages 30 and 31 of this Offering Plan, the Deed, and subject to the provisions of the Declaration and By-Laws and any mortgage executed by the Purchaser and that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law. Purchasers may use a title company of their own choice.

5. All articles of personal property, fixtures and equipment as set forth in the Offering Plan for the Home being purchased are to be included in the sale of such Home.

6. The Declaration, By-Laws, floor plans and engineers and tax authority certification required by Section 339-p of Article 9-B of the Real Property Law of the State of New York shall be recorded or filed as required by law.

7. The Home and its undivided interest in the common elements shall not be subject to the lien of any mortgage at the time of closing except any mortgage requested by the Purchaser at the time of closing representing a purchase money mortgage or mortgages taken by the Purchaser.

8. The Sponsor will give each Purchaser who entered into a Purchase Agreement before the Plan was declared effective not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to his Home unless a Purchaser waives such thirty (30) days notice. A form of such waiver is contained as Schedule D-3 to the Plan.

9. The filing of an amendment to the Offering Plan disclosing that the Plan has been declared effective and that the terms of this Section XIII will be met, that the Homes to be closed have been constructed in accordance with the plans and specifications filed with the City of New York and that the Sponsor has complied with the requirements of this Section.

10. Purchaser shall receive any manufacturers' warranty certificates with respect to equipment and appliances installed in the Home and Sponsor shall assign any warranties with respect to equipment and appliances installed in common elements to the Board of Managers.

11. Each Home being conveyed and its interest in the common elements will be released from the Interim Asset Funding LLC construction and project loan mortgage at or prior to the closing of title to each Home.

12. The Purchaser shall execute an instrument in the form annexed to the Purchase Agreement designating the Board of Managers as his attorneys-in-fact, coupled with an interest for the sole purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Homes acquired by the Board of Managers in accordance with any of the provisions of the By-Laws and designating the Sponsor as his attorney-in-fact to file an amendment to the Declaration of Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Units as built or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Tenth, Section (c) of the Declaration of Condominium.

Title to the Home will be subject to the following:

1. State of facts of the property as shown on a survey to be made prior to the closing of title provided such facts would not render title unmarketable and any state of facts which an accurate survey of the Home would show provided such state of facts would not render title unmarketable.

2. Any sewer, water, gas, electric, drainage, telephone, cable television or utility easements granted or to be granted hereafter.

3. All of the terms, covenants and conditions of the Declaration, the By-Laws of the Condominium and the Building Plans, as they are subsequently filed or recorded, the Offering Plan and any amendment thereto.

4. All easements set forth in the By-Laws and Declaration of the Condominium as they are subsequently recorded in the Offering Plan and Purchase Agreement, including:

(a) Easements in favor of the Owners of other Homes to use the pipes, wires, conduits, cable television, and public utility lines located in the common elements or in the Home itself servicing such other Homes and/or the common elements.

(b) Easements in favor of the Board of Managers, its agents, contractors or employees to have a right of access to the Home and to the common elements to inspect, maintain or repair or to make repairs to the Home to prevent damage to the common elements or any other Homes, to make repairs to the common elements, to any wires, pipes, conduits or cable television system servicing any of the Homes or to make repairs to any other Home.

(c) Easements in favor of those Homes having restricted use to portions of the common elements; and

(d) Easements for the continuance of encroachments on the Home and on the common elements by other Homes or portions of the common elements, now existing by reason of the construction of the Homes, or hereafter occurring by reason of the settling or shifting of the Homes, or by reason of the repair and/or restoration by the Board of Managers of the Homes or such other Homes or such common elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the common elements made by the Board of Managers, so that any such encroachments may remain as long as the Homes stand.

5. Any additional declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Home as a one (1) family residence.

The Sponsor has been advised by its counsel that in counsel's opinion, none of the exceptions to title herein above set forth are contrary to the terms of the purchase agreement nor will they interfere with the quiet use or enjoyment of the Purchaser's Home.

XIV. CLOSING COSTS AND ADJUSTMENTS

The estimated closing costs and expenses to be borne by each Purchaser are as follows:

(a) Fee title insurance is available from First American Title Insurance Company of New York, at standard rates charged in the State of New York. See page 33 for the estimated cost of such insurance.

In the event a Purchaser obtains both, mortgage and fee title insurance, the simultaneous fee rate is based on the full rate of the mortgage and a reduced rate of the fee title.

Each Purchaser will be free to obtain title insurance from a title insurance company other than First American Title Insurance Company of New York. Sponsor, however, makes no representation or warranty as to cost, terms or availability of such other title insurance.

(b) Fees for the recording of the deed and power of attorney are approximately $110.00 per document.

(c) In the event the Purchaser shall obtain a purchase money first mortgage, he shall pay recording fees for the mortgage of approximately $200.00 and mortgage tax of 2.05% of the full amount of the mortgage requested by Purchaser and lending institution's attorney's fees. In addition the Purchaser will be required to pay any mortgage origination fees, bank credit and appraisal fees and other expenses that the lending institution may charge incident to the making of the permanent loan. A portion of the mortgage recording tax set forth above will be computed in accordance with Section 339-ee subsection 2, of the New York Condominium Act, and shall be paid to the Sponsor in reimbursement of mortgage recording taxes which the Sponsor will have previously paid in connection with existing mortgage on the Community. There will be no mortgage closing costs pursuant to this Sub-Section (d) on Homes which are not covered by mortgages.

(d) New York State transfer tax of $2.00 per $500 of the purchase price. This tax is additional consideration on which tax is calculated.

(e) New York City Transfer Tax of 1% percent of the purchase price up to $500,000 and 1.425% if the purchase price is above $500,000. This tax is additional consideration on which tax is calculated.

(f) Two (2) months common charges to be paid to the Condominium as initial working capital. While Sponsor is in control of the Board of Managers the working capital fund will not be used to reduce either the common charges of the Condominium. If any portion of the working capital fund is used during this period to pay for items in the budget set forth, such amounts will be repaid to such fund out of common charges collected.

(g) Each Purchaser shall pay $1,000 to Sponsor's counsel representing a fee for services in connection with preparing the Deed, Power of Attorney, and coordinating and attending the closing.

(h) First year pro-rata share of Condominium insurance premium.

As an example, a Purchaser of a Home in which the purchase price is $499,000 and who procures a first mortgage in the amount of $399,000 will pay the following approximate closing costs:

Fee Title Insurance	$ 2,138.00
Mortgage Insurance (simultaneous rate)	523.00
Deed Recording Fee	110.00
Power of Attorney Recording Fee	110.00
Mortgage Recording Fees	200.00
New York State Transfer Tax	2,004.00
New York City Transfer Tax	4,990.00
Mortgage Tax	6,110.00
Condominium Working Capital	380.52
Sponsor's Counsel Fee	1,000.00
Pro-rata insurance premium	565.30
TOTAL	$18,130.82

In addition, if a closing takes place, at the request of Purchaser, at any location other than the office of Sponsor's attorney, Purchaser shall pay to Sponsor's attorney a travel fee in the sum of $250.00.

In the event a closing is adjourned with Sponsor's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of $150.00.

In the event the Homes have not been separately assessed for real estate tax purposes prior to the closing of title to the first Home, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against said Home for the six month period following the first closing. Said amount is to be paid by Purchaser. Alternatively, the Sponsor may place in escrow, in the name of Board of Managers, an amount equal to the real estate taxes attributable to the unsold Homes for such six month period and may collect at each closing the estimated amount of taxes attributable to such Home for the balance of the six month period. The amount of the escrow that the Sponsor deposits with the Board of Managers for unsold Homes will be disclosed in the initial post-first closing amendment to the Plan. If, as of the date of closing, the Homes are not separately assessed, in addition to any funds the Purchaser may have to reimburse the Sponsor for the tax escrow deposited by the Sponsor, the Home Owner's lender may also require an escrow for taxes. The Board of Managers will pay the real estate taxes from

the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from Home Owners to the extent of the actual assessment.

If through no fault of Sponsor, Purchaser fails for any reason to close title within seven (7) days after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of midnight of the day preceding (I) the date originally scheduled for Closing or (ii) Sponsor's adjourned Closing date (as the case may be). In addition, Purchaser shall pay to Sponsor at or prior to the actual Closing an amount equal to four one-hundredths of one percent (.04%) (which equals an annual rate of 14.6%) of the purchase price for the Home for each day beyond such originally scheduled or Sponsor adjourned Closing date, to and including the date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs and other charges.

The fee title policy premiums and the recording charges set forth above are estimates based on the rates in effect as of the date of this Offering Plan. If said premiums, charges or rates are subsequently revised by the title company, the State, or Municipality, each Purchaser shall be required to pay the title policy premiums, recording charges and closing costs in effect as of the date of the closing of title to his Home.

The Sponsor anticipates that the only items which will be apportioned at the closing of title to Homes will be real estate taxes and sewer charges, if any, and common charges, if they have been declared by the Board of Managers. The adjustments will be made as of 11:59 P.M. on the day preceding the closing date. In the event there are any other items which are to be apportioned at closing, said items will be adjusted at the closing. The Sponsor will advise the Purchaser of the closing date by giving him written notice at least fifteen (15) days prior to the closing date.

XV. RIGHTS AND OBLIGATIONS OF THE SPONSOR

No bond or other security has been furnished to secure performance of the following obligations. All obligations pertaining to the common elements shall be enforceable only by the Board of Managers on behalf of the Home Owners and not by the individual Home Owners. During the time the principals of the Sponsor control the Board, it is within their sole power to enforce the obligations of the Sponsor pertaining to the common elements. Sponsor is obligated to perform the following:

1. Sponsor will endeavor in good faith to market and sell the Homes in the Condominium. However, Sponsor retains the unconditional right to rent rather than sell Homes. Because Sponsor is retaining the unconditional right to rent rather than sell Homes, this Plan may not result in the creation of a Condominium in which a majority of the Homes are owned by owner-occupants or investors unrelated to the Sponsor. Due

to the fact Sponsor is not limiting the conditions under which it will rent rather than sell Homes, there is no commitment to sell more than the two (2) Homes necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. As discussed in the Footnotes to Schedule A and in the tax opinion rendered by Sponsor's Counsel and Real Estate Tax Consultant, on pages 59-68 of the Plan, Sponsor has applied for partial real estate tax exemption benefits for the Property pursuant to Section 421-a of the Real Property Tax Law of the State of New York and the rules and regulations promulgated thereunder ("421-a Tax Benefits"). As required by the 421-a Rules and Regulations issued by the New York City Department of Housing and Preservation ("HPD"), if the Plan has not been declared effective for filing at a time fifteen (15) months after HPD has issued the Final 421-a Certificate of Eligibility, as of such date, the Building and all Units as they become occupied shall become rent stabilized and subject to the rent stabilization laws applicable thereto for the entire period during which the Property is receiving 421-a Tax Benefits. As of such date, the Sponsor must register the Building and all Residential Units as they become occupied with the New York State Department of Housing and Community Renewal "DHCR"). Any leases and renewals thereof to a Residential Unit that is required to be registered with DHCR shall contain a notice at least twelve (12) point type informing any such tenant that the Residential Unit shall be subject to deregulation upon the expiration of the 421-a Tax Benefit period and stating the approximate date on which such benefit period is expected to expire. If each lease and renewal thereof does not contain the aforementioned notice, then, the Unit shall remain rent stabilized after the expiration of the 421-a Tax Benefits until the Unit becomes vacant. During such rent stabilization period, the Unit shall not be subject to luxury decontrol. After any such registration of the Building and applicable Units with DHCR, the Plan shall be amended to disclose the rights of existing tenants. See Special Risk Factor 2, at page iv.

2. The Sponsor has no obligation to defend any suits nor to indemnify the Board of Managers or Home Owners arising out of any act or occurrence except claims arising out of the acts, omissions or representations of the Sponsor.

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

4. Until title to a Home is passed to a Purchaser, the Sponsor will pay such common charges, special assessments and real estate taxes, as are assessed by the Board of Managers of the Condominium and the municipality on Homes, whether built or unbuilt, to which title has not passed. Once title is passed to a Purchaser the Purchaser shall be solely responsible for all common charges, special assessments, real estate taxes and all other costs applicable to the Home, as are assessed by the Board of Managers of the Condominium and the municipality. No bond or other security has been posted to secure such obligations. Sponsor will fund its financial obligations to the Condominium from the income derived from the sale of Homes, Sponsor's assets

and construction loan proceeds. Sponsor presently has the resources to fund such obligations.

5. The Sponsor is obligated to repair any damage from a casualty or other cause that occurs before the closing of a Purchaser's Home.

6. Sponsor will initially procure fire and casualty insurance for the Condominium on the terms set forth in the budget. In the event there is insufficient funds in the Condominium to pay for such insurance, Sponsor may lend the Condominium such funds and will be repaid out of subsequent common charges collected.

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

8. The Sponsor will be obligated to pay off and otherwise comply with the terms of any construction loan mortgage on the entire Community. Sponsor has received a construction loan from The Community Preservation Corporation, which will enable it to construct the Condominium. After the recording of the Declaration and before the closing of title to the first Home, the construction loan mortgage will be satisfied, or released, or subdivided, extended and consolidated with the individual permanent mortgages which will be placed on the Homes of those Purchasers obtaining a purchase money mortgage. In addition, before the closing of title to the first Home, all liens and mortgages affecting the Community shall be paid and satisfied or the Home being conveyed and its appurtenant common interest shall be released therefrom by partial release duly recorded.

9. The Sponsor will diligently, expeditiously and at its own cost, complete construction of the Community substantially in accordance with the plans and specifications described herein and will diligently perform all of its obligations set forth in this Offering Plan and will deliver to the Board of Managers a copy of the "as built" plans filed with the recording of the Declaration or any amendment thereto and in addition will provide the Board with a full set of building plans filed with the local Municipality together with any "field changes" made during the course of construction. Although the Sponsor intends to use the materials, fixtures, appliances and equipment described herein and in the building plans, the Sponsor reserves the right to substitute materials, fixtures, appliances and equipment of equal or better quality or design for any of those set forth. Sponsor reserves the right to change the size, number and location of the Building and other improvements or common elements, provided such changes do not change or adversely affect the percentage of common interest of any Home to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected Home Owners and Purchasers consent in writing to such a change.

10. The Sponsor will obtain a permanent or temporary Certificate of Occupancy ("TCO"), and any other certificate or permit required by law for the Home before the closing of title to a Home and will, at its own cost, perform any work and supply any materials necessary to obtain the Certificates or permits. In the event a permanent Certificate of Occupancy ("PCO") is not issued as of the date of closing of a Home, Sponsor must obtain the PCO within two (2) years of the closing of the Home. Sponsor will obtain the PCO prior to the expiration of any TCO, unless the TCO is extended.

In the event a PCO for a Home has not been issued as of the date of closing for said Home, the Sponsor is required to hold all deposits and funds in the special escrow account required pursuant to Section 352-e (2-b) and 352-h as described on page 23 unless Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a PCO. Any sum of money exceeding the amount certified by the Sponsor's engineer or architect will be released to the Sponsor. Upon the issuance of the PCO, such escrow deposit will be released to Sponsor without the consent of any other party. Alternatively, Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond, in accordance with regulations adopted by the Attorney General, in the amount certified by Sponsor's engineer or architect. Sponsor will disclose the amount of funds retained in escrow or the amount of the letter of credit in the initial post closing Amendment to the Offering Plan. In such event, it will disclose such fact by duly filed amendment to the Plan.

11. The Sponsor will give a Limited Warranty to the Purchaser which provides the following warranty coverage's regarding the Homes:

LIMITED WARRANTY.

Regarding Homes: The Sponsor will give a Limited Warranty to the Purchaser which provides the following warranty coverage:

FIRST YEAR BASIC COVERAGE: for one year from the Effective Date of the Warranty (as shown on page 1 thereon), the Home will be free from latent defects that constitute:

(a) defective workmanship by the Seller, or an agent, employee or subcontractor of the Seller;

(b) defective materials furnished by the Seller, or an agent, employee or subcontractor of the Seller;

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Seller; or

(d) defective installation of appliances sold as part of the Home by the Seller or an agent, employee or subcontractor of the Seller.

TWO YEAR MAJOR SYSTEM COVERAGE: for two years from the Effective Date of the Warranty, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Home which have been installed by the Seller are warranted to be free from latent defects resulting from defective installation by the Seller.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six years from the Effective Date of the warranty, the Home will be free from latent Major Structural Defects that result from:

(a) defective workmanship by the Seller, or an agent, employee or subcontractor of the Seller;

(b) defective materials furnished by the Seller, or an agent, employee or subcontractor of the Seller; or

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Seller.

The Sponsor excludes the Housing Merchant Implied Warranty set forth in Article 36-B of the General Business Law, and all other warranties, express or implied, other than the Limited Warranty. See the complete terms of the Limited Warranty contained in the Rider to the Purchase Agreement set forth in Schedule D-1. To the extent any coverage under this warranty applies to Common Elements of the Condominium, such coverage shall be deemed given to the Board of Managers of the Condominium.

REGARDING COMMON ELEMENTS:

The Sponsor will correct any defects in the construction of the Common Elements, due to the improper workmanship or material substantially at variance with this Offering Plan provided and on condition that Sponsor is notified in writing by certified mail of such defect(s) within twelve (12) months from the date of substantial completion of the defective portion (s) of the Common Elements.

The quality of construction shall be comparable to local standards customary in the particular trade as set forth in the Performance Standards attached to the Purchase Agreement and in accordance with the plans and specifications. In no event shall the Sponsor be responsible for the partial or total death of any trees, shrubs, bushes or other landscape improvements, damage to walkways or other concrete areas caused by the application of salt or deicers, nail pops, ridging, normal settlement or any consequential damage resulting therefrom, water problems caused by ice dams, normal plumbing and heating noises, carpet stretching, normal settlement cracks on concrete foundation and slabs, sidewalks and other flat work, leaks resulting from extraordinary acts of God or alteration of landscaping or grading. The Sponsor has no obligation to

make any repairs to the Common Elements except as expressly set forth in the Offering Plan.

12. The Sponsor will deliver to the Purchaser and/or the Board of Managers upon the recording of the Declaration all manufacturers' and sub-contractors' heating, electrical, plumbing, roofing and appliance warranties and bonds relating to the Purchaser's Home or the common elements respectively, if any, to the extent made by such manufacturers and subcontractors and to the extent such warranties and bonds are assignable.

13. The Sponsor will pay all contractors, subcontractors and materialmen and all others involved in the construction of the Community for work performed and fixtures, material and equipment supplied or installed in the construction of the Community and will cause all mechanics' liens arising out of the construction of the Community or the furnishing or installation of fixtures or equipment, to be discharged or bonded promptly after the liens are filed.

The Sponsor will pay all expenses incurred prior to the establishment of the Condominium and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred or in connection with the sale of all of the Homes held or owned by the Sponsor and will pay all selling expenses including, but not limited to, advertising and printing costs, architect fees, and costs of filing this Offering Plan and amendments thereto.

14. No bond or other security has been posted to secure Sponsor's obligations.

15. The Sponsor reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the common elements of the Condominium for the purpose of completing construction and sale of Homes and facilities in the Condominium and, towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the common elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. Sponsor also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the common elements. Sponsor will be obligated to pay for the cost of any utilities it uses as a result of its use of the easements, licenses, rights and privileges of a right-of-way. Finally, the Sponsor reserves the right to continue to use the common elements and any facilities, sales offices, model homes, signs, and parking spaces located on the common elements, in its efforts to market Homes constructed in the Condominium. Sponsor will be obligated to repair any damages to the common elements and Homes caused as a result of its use of the easements, licenses, rights and privileges of a right-of-way to complete the Condominium.

16. Pursuant to Section 352-e (9) of the General Business Law, copies of all documents mentioned in this Offering Plan, including without limitation the following, are and will be kept on file at the office of Sponsor set forth on the cover page of this Offering Plan for six years from the date the Declaration is recorded for examination by any person who has purchased a condominium interest offered by this Plan or otherwise has participated in this offering: This Offering Plan; the proposed Declaration and By-Laws of the Condominium; public liability, fire and casualty policy, and Exhibits submitted to the Department of Law in conjunction with this Plan. A copy of the form of Home Owner's purchase agreement is submitted with this Offering Plan.

17. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the declaration are an accurate copy of portions of the plans of the building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.

18. This Condominium is exempt from the filing requirements under the Interstate Land Sales Full Disclosure Act (15 U.S.C.A. §1701) "ILSA" because the Condominium contains eight (8) Homes and Section 1702(a)(1) exempts projects with twenty-five (25) or less Homes from the filing requirements. The New York State Attorney General has not verified or approved the content of the foregoing ILSA disclosure.

XVI. CONTROL BY THE SPONSOR

The Sponsor, as the owner of unsold Homes, will be entitled to designate a majority of the members of the Board of Managers until all of the Homes have closed. As a result the Sponsor will have voting control of the Board of Managers during this period. The Sponsor, during this indeterminate period, thus will have control of maintenance, facilities and services to be provided and will determine the common charges to be paid by all Home Owners, including the Sponsor and the enforcement of the Sponsor's obligations and decisions of the Condominium including but not limited to the determination of Common Expenses, management of the Condominium, the hiring and termination of employees of the Condominium, the placing easements on the property and making improvements to the Common Elements. Notwithstanding the above, the Board of Managers has a fiduciary duty to the Home Owners to enforce Sponsor's obligations. Sponsor's intentional refusal to allow the Board of Managers to pursue litigation against the Sponsor entity may constitute a breach of fiduciary duty to the Board of Managers. In addition the Home Owners may commence a lawsuit in the nature of a derivative action. See Special Risk Factor 1, at page iv.

The first Board of Managers of the Condominium will be Raymond Gentile, Kevin O'Brien and Lori Mattel. Mr. Gentile is the Principal of Sponsor, Mr. O'Brien is the attorney for Sponsor and Lori Mattel is affiliated with Sponsor. The Sponsor shall retain

the right to substitute other persons in the place of the above-named individuals until the resignation of the First Board as set forth below. The first Board of Managers will call for the First Annual Meeting of the Home Owners to elect and designate a new Board within one (1) year of the closing of the first home. Said Board will consist of two (2) Sponsor designees and one (1) elected Home Owner. At such time as all of the Homes are closed, Sponsor must relinquish control of the Board of Managers. Upon the election and designation of the new Board, the members of the first Board will resign. Members of the Board of Managers shall not be compensated for their services. Members of the Board of Managers may be removed for cause by an affirmative vote of a majority of the Home Owners. Officers of the Condominium may be removed with or without cause, at anytime, by the affirmative vote of a majority of the whole Board of Managers.

For a period ending not more than five (5) years after the closing of the first Home or whenever the unsold Homes constitute less than twenty-five (25%) percent of the common interest, whichever is sooner, the Board of Managers may not, without the Sponsor's prior written consent, (i) make any additions, alterations or improvements to the common elements or to any Home costing cumulatively more than $5,000, the foregoing not to include necessary repairs and maintenance work; or (ii) assess any common charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the reserve for contingencies provided in Schedule B; or (iii) hire any employee in addition to the employees referred to in the Plan; or (iv) enter into any contracts not in existence on the date of the first closing of title to a Home; or (v) borrow money on behalf of the Condominium; or (vi) reduce the services or maintenance set forth in Schedule B; (vii) charge any special assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the condominium; or (viii) increase the common charges of the Condominium more than ten (10%) from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates evidencing the need for an increase greater than ten (10%) percent.

The above provisions do not apply if there is an increase in the budget or assessment as a result of expenses required (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer; or (iv) any repair or replacement necessary for the preservation or safety of the building or the safety of its occupants.

The detailed provisions for the management of the Condominium are set forth in the By-Laws attached. The By-Laws contain provisions, among others, dealing with the election of the Board of Managers, and Condominium officers, powers of the Board of Managers, voting rights of Home Owners, assessment of common charges, foreclosure of liens for non-payment of common charges, management of the Condominium and the use of the Homes. The By-Laws provide that the Community shall be governed by the Board of Managers, but that the Board of Managers shall have the right to designate Committees or a Managing Agent to carry out such function.

XVII. BOARD OF MANAGERS

The form of the By-Laws and the Declaration of Condominium referred to in the Plan appear in Part II as Schedules H and I.

The following is a summary of certain provisions of the By-Laws and Declaration.

Board of Managers

The affairs of the Condominium shall be governed by a Board of Managers (the "Board"). Until the first annual meeting the first Board shall consist of three (3) Managers designated by the Sponsor. Thereafter the Board of Managers shall consist of a total of three (3) Managers who shall be elected or designated for staggered terms. See page 40 as to Sponsor's right to designate a majority of the Board of Managers until all of the Homes have closed. Owner-occupants and non-resident Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing – i.e. purchase of a Home as opposed to an investment. The By-Laws do not contain a provision that a majority of the Board of Managers must be owner-occupants or members of owner-occupant's household who are unrelated to the Sponsor and its Principal after the end of the Sponsor control period.

Every Home Owner shall be entitled to cast one vote on each ballot for each Home he owns. All Managers other than designees or nominees of the Sponsor shall be Home Owners and shall be elected by the Home Owners. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. Elections are to be held annually. See page 40 for details concerning Sponsor control of the Board of Managers.

Removal of Members of the Board of Managers

Managers may be removed for cause by an affirmative vote of a majority of the Home Owners. No manager other than a member of the first Board of Managers or Sponsor's designees or nominees shall continue to serve on the Board if, during his term of office, he shall cease to be a Home Owner. In the event a Sponsor designee is removed for cause, the Sponsor shall have the sole right to designate a replacement.

Powers and Duties of Board of Managers

The property and business of the Condominium shall be managed by its Board of Managers. The powers of the Board of Managers include, but are not limited to, the following items:

1. To determine and levy monthly assessments ("common charges") to cover the cost of common expenses, payable in advance.

2. To collect, use, and expend the assessments collected to maintain, care for and preserve the Homes, Building, and other common elements;

3. To make repairs, restore or alter any Home or the common elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

4. To enter into and upon the Homes when necessary and at as little inconvenience to the Home Owners as possible in connection with the maintenance, care and preservation of the property;

5. To insure and keep insured the common elements and Homes;

6. To collect delinquent assessments by suit or other wise, to abate nuisances and to enjoin or seek damages from the Home Owners of the property for violations of the house rules or rules and regulations herein referred to;

7. To make reasonable rules and regulations;

8. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters hereinabove set forth;

9. To bring and defend actions by or against more than one Home Owner and pertinent to the operation of the Condominium and to levy special assessments to pay for the cost of such litigation;

10. To acquire Homes in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Home so acquired and to vote as a Home Owner, offer such Home for sale or lease or take any other steps regarding such Home as shall be deemed proper by the Board of Managers;

11. To make additions, alterations, or improvements to the common elements of the Community;

12. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that (i) the consent of at least 66⅔% in number of all Home Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of $100,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Home or its appurtenant interest in the common elements without the written consent of the Owners of said Home;

13. Pursuant to Section 339-y(4) of the New York Real Property Law, the Board of Managers may (but is not obligated to) act as an agent for one or more Home Owners who have given their written authorization to file a single complaint and bring a special proceeding on behalf of Home Owners who wish to contest the real estate tax assessments of their Homes. In such event, the Board could retain counsel on behalf of such Home Owners and charge each Home Owner for whom it is acting a pro rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Home; and

14. To grant utility or other easements over or to the common elements as may, at any time, be required for the benefit of the Condominium and the Home Owners without the necessity of the consent thereto, or joinder therein, by the Home Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Home Owners who have the right to use such common elements to the exclusion of any other Home Owners, the consent of all such affected Home Owners shall be required in writing before such easement shall be granted).

Liability of Board of Managers and Home Owners

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

Officers

The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. All officers must be Home Owners or members of the first Board of Managers.

The President shall be the chief executive officer of the Condominium, shall preside at all meetings, shall have general and active management of the business of

the Condominium and shall see that all orders and resolutions of the Board are carried into effect.

The Vice President shall take the place of the President and perform his duties whenever the President is unable to do so.

The Secretary shall record all votes and the minutes of all proceedings in a book.

The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

He shall disburse the funds of the Condominium.

He shall keep detailed financial records and books of account of the Condominium, including a separate account for each Home which, among other things, shall contain the amount of each assessment of common charges against such Home, the date when due, the amounts paid thereon and the balance remaining unpaid.

Repairs, Alterations and Improvements to Common Elements

All maintenance, repairs and replacements to the common elements of the property including but not limited to exterior walls of the Building, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Home and services another Home or more than one Home or so much of any pipes, wires, conduits and public utility lines as are located in the common elements but serve one or more Homes shall be made by the Board of Managers of the Condominium and the cost thereof shall be a common expense. In addition all costs and maintenance associated with a limited common element appurtenant to a Home shall be the sole responsibility of the Board of Managers and the cost thereof shall be a common expense, except for minor repairs and general cleaning which shall be the sole responsibility of the Home Owners. All repairs to the exterior of any door, fence, building, open area or other generally visible portion of the Community must be in conformation with the style and colors initially installed by the Sponsor. The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the common elements. The Board of Managers shall have a right of access to any Home and to all portions of the common elements for the purpose of carrying out any of its obligations under this Offering Plan, the By-Laws or the Declaration of the Condominium.

Section 27-2018 of the New York City Administrative Code requires dwellings to be kept free from rodents, insects and other pests including bed bugs. If infestation occurs, the Board of Managers shall apply continuous eradication measures as required by such code provision. The Law also requires owners, including Condominium

Owners, to inform incoming tenants of the Home's and the Building's bedbug infestation history for the previous year.

Restoration or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of the Building as a result of fire or other casualty, the Board of Managers shall arrange for the prompt repair and restoration of the Building and the Board of Managers or the Insurance Trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Home Owners for such deficit as part of the common charges.

If 75% or more of the Homes are destroyed or substantially damaged and 75% or more of the Home Owners do not resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Home Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceeds of insurance policies shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Home Owners in proportion to their respective common interests, after first paying out of the share of each Home Owner the amount of any unpaid liens on his Home, in the order of the priority of such liens.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the Building, including all of the Homes and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Home Owners and their mortgagees, as interest may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Home which shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. See Schedule B for details.

Reports to Home Owners

All Home Owners will receive within 3 months of the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement prepared by an independent public accountant, a statement regarding any taxable income attributable to the Home Owners, and a notice of the holding of the

annual Home Owners meeting. All Home Owners shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month. While Sponsor is in control of the Board of Managers, the financial statement will be certified by a Certified Public Accountant. During such time as the Sponsor retains a majority of the Board of Managers, the Board shall provide a certified annual statement at the cost of the Condominium.

Amendments

The Declaration may be amended upon a vote of 66 2/3% of the Home Owners in number held at a duly called meeting of the Home Owners, provided however, that:

(i) No amendment shall change any condominium parcel, nor a Home Owner's proportionate share of the common charges, nor the voting rights appurtenant to any home, unless all of the record owner(s) in number and common interest thereof and the first mortgagees, if any, of each of these same homes agree to such revocation by recorded instrument.

(ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees.

The By-Laws may be amended at any duly called Home Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty-six and two thirds percent (66 2/3%) of the Home Owners in number and common interest, and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Home Owners' interest and the interests of holders of a mortgage encumbering a Home or Homes.

Homes Acquired by the Board of Managers

All Homes which are acquired by the Board of Managers, or its designee, shall be held by it on behalf of all Home Owners whose respective interests shall be in proportion to the common interest to such Home Owners and the votes appurtenant to such Homes shall be cast by the Board of Managers or its designee at all meetings of the Home Owners, except that the Board will not vote the votes appurtenant to such Homes in any election of members of the Board.

Termination of Condominium

This property shall not be withdrawn from the provisions of Article 9-B of the Real Property Law unless at least 80% of the Home Owners in number and in common interest and the first mortgagees, if any, of these same Homes agree to the withdrawal of this property from the provisions of such Article. The Sponsor or its nominee will not cast any of its votes for withdrawal, unless 80% of Home Owners other than Sponsor so vote.

Covenant Against Partition of Common Elements

The common elements are not subject to partition nor are they severable from the Homes except in accordance with the Real Property Law.

XVIII. RIGHTS AND OBLIGATIONS OF HOME OWNERS AND BOARD OF MANAGERS

Sale or Lease of Homes

Homes can be sold or leased by a Home Owner, provided that he is not in arrears on the payment of common charges (except where the payment of such unpaid common charges and maintenance charges is paid by the Grantee or provided for out of the proceeds of the sale). Any lease entered into must contain a provision that the Lessee is subject to the Declaration, By-Laws and Rules and Regulations of 35 Havemeyer Street Condominium. Failure to comply with the above shall be deemed an automatic violation of the By-Laws of the Condominium. A Purchaser is free to make a gift of his Home to anyone during his lifetime or to devise his Home by will, or to have it pass by intestacy without any restriction. No Home can be sold without a simultaneous sale of the undivided interest in the common elements.

Restrictions on Occupancy and Use

There is no restriction upon ownership of a Home. Occupancy of a Home, however, may only be for residential purposes in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Community.

The By-Laws of the Condominium contain the following use restrictions: No immoral, improper, offensive or unlawful use shall be made of the Community nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Home Owners, their families, employees, guests and any permitted pets shall not use or permit the use of the Homes and common elements in any manner that would be illegal, disturbing or a nuisance to other homeowners. No resident shall put any advertisement, poster, or signs, including for-sale signs of any kind in or on the Community without the consent of the Board of Managers. It is prohibited to hang garments, rugs, etc. from the windows or from the building or to string clothes lines on or over the common elements or to use any of the common elements for storage. No Home Owner shall paint the exterior surfaces of the windows, walls or doors opening out of his Home. No television or radio antennas may be installed on the outside of the Building without the consent of the Board of Managers. See Schedule I, Article VIII for complete details.

Mortgage of Homes by Home Owners

The Home Owner may mortgage his Home at any time after he acquires title to the Home in whatever amount and under whatever terms he can obtain. A Home Owner may mortgage his Home only if all arrears for common charges, if any, are provided for at the closing of the mortgage.

Common Charges Assessment and Collection

The Board of Managers will prepare and furnish its budget to the Home Owners and their mortgagees annually. Based upon such budget and any modification thereof approved by the Board of Managers, the Home Owners will be charged for the cost of the operation of the Condominium in accordance with their interest in the common elements. Any special assessments will be charged to the Home Owners in accordance with their interest in the common elements. The charges assessed by the Board of Managers ("Common Charges"), in addition to the cost of repairing and maintaining the common elements, assessments and other normal operational costs, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of the Condominium. In addition common charges may have to be increased as a result of Home Owners not paying their common charges.

The estimate of Condominium expenditures in Schedules A and B was passed upon by Red Sky Capital LLC, 174 Bogart Street, Suite 203, Brooklyn, New York 11206. Although the Sponsor is of the opinion that such estimates are accurate and reasonable, they are not intended and cannot be construed as an assurance of the actual expenses and are merely based upon information available at this time. Actual costs may be lesser or greater than as set forth herein.

It is presently anticipated that the common charges are to be used primarily to pay for fire and other casualty insurance on the Building and the common elements, public liability and property damage insurance as set forth on pages 52 through 54, and legal and accounting expenses. The common charges do not include maintenance, repairs or decoration of interior of the Homes or portions thereof, payments required pursuant to the terms of Home Owners' mortgages or real estate taxes covering the individual Homes.

The common charges which may be collected monthly by the Board of Managers and other costs of maintenance of the Homes are set forth on Schedule A. See Schedule C for estimated heating and other utility costs for each model Type Home. However, additional services which the Home Owners may desire or other factors can increase these charges. The initial Board of Managers may commence the collection of common charges upon the closing of title to the first Home or at any subsequent date as in its sole discretion it may determine. Prior to the collection of common charges, sponsor shall be obligated to provide all the services disclosed in the first year budget at its sole expense. The Board's collection of common charges will be in an amount

necessary to carry out the duties of the Board of Managers as is set forth in this Offering Plan and such common charges shall be paid by the Home Owners and the Sponsor as owner of the unsold Homes in accordance with the common interest set forth herein.

Where a Home is damaged by casualty and the proceeds of insurance are not sufficient to cover the repair of the damage, the amount necessary to restore the Home over and above the proceeds from any fire insurance on the Homes will be a common charge to all Home Owners. In order to protect the Home Owner against the possibility of such common charges, the Board of Managers determines the amount of blanket casualty insurance covering all Homes (the cost of such insurance is part of the common charges) and reviews the amount of such coverage annually.

The Sponsor shall be liable for the common charges, special assessments, real estate taxes and individual utility costs of all Homes to which title has not been transferred to a Purchaser commencing when common charges are first collected by the Board of Managers. Once title has passed to a Purchaser, the Purchaser shall be solely responsible for all costs associated with the Home including but not limited to common charges, any special assessments, real estate taxes and all individual utility costs.

Liens for the Non-Payment of Common Charges

Under the Real Property Law of the State of New York, the Board of Managers shall have a lien against each Home for its unpaid common charges and legal interest thereon prior to all other liens except liens for the payment of taxes and all sums unpaid on a first mortgage of record. The lien shall continue in force even after resale of a Home except that the Board shall, in accordance with the Declaration, release the lien and right to collect unpaid common charges against any Purchaser of a Home where such purchase arises out of a foreclosure of a first institutional mortgage when the Board of Managers has been made a party to the foreclosure action.

The Board of Managers may foreclose the lien in the same manner as a mortgage on real property and in doing so shall be entitled to recover all costs incurred including reasonable attorney's fees. The liability of each Home Owner for the payment of common charges thereafter assessed against his Home shall terminate upon a sale, transfer or conveyance of such Home in accordance with the provisions of the Condominium Declaration and By-Laws. Further, any Home Owner may convey his Home to the Board of Managers or its nominee, on behalf of all other Home Owners, without any compensation and in accordance with the Declaration and By-Laws, and in such event he shall be exempt from any common charges thereafter assessed, but not relieved of his obligation to pay his mortgage. However a Home Owner may not exempt himself from liability for his common charges by waiver of the use or enjoyment of any of the common elements or by abandonment of his Home.

Upon a resale, the Purchaser of a Home shall be liable for the payment of unpaid common charges assessed against such Home prior to the acquisition of such Home by

the Purchaser, except that a mortgagee who acquires title to a Home or a Purchaser at a foreclosure sale shall not be liable and the Home shall not be subject to a lien for the payment of common charges assessed prior to the acquisition of title to such Home by the mortgagee or Purchaser at a foreclosure sale. In such event and in the event of a foreclosure by the Board of Managers of its lien on any Home for unpaid common charges where the proceeds of the foreclosure sale are not sufficient for the payment of such unpaid common charges, the unpaid balance shall be charged to all Home Owners as a common expense.

During the period of time the Sponsor retains a majority of the seats of the Board of Managers, the Sponsor will cause the board of managers to file a lien as provided for in Section 339-aa of the Real Property Law on units in which Sponsor is more than 30 days in arrears of common charges, unless a majority of the Managers, other than Sponsor designated Managers, decide otherwise.

Section 339-kk of the Real Property Law

Pursuant to the provisions of Section 339-kk of the Real Property Law of the State of New York, any non-occupying owner who rents any Home in the condominium to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such Home within sixty (60) days of the expiration of any grace period after they are due is subject to the following: Upon notice in accordance with the statute, all rental payments from the tenants shall thereafter be directly payable to the condominium association. Annexed hereto as Schedule L, is a complete copy of Section 339-kk of the Real Property Law.

Repairs, Alterations and Improvements to Homes

The Home Owner can make any interior alterations or improvements to the Home he desires without obtaining the consent of the Condominium so long as such alterations or improvements do not affect the Building in which the Home is located or any other common element. Repairs to common elements shall be the responsibility of the Board of Managers of the Condominium and the cost of such repairs shall be a common expense. Minor repairs, general cleaning and snow removal of any limited common element that is appurtenant to a Home shall be the sole responsibility of the Home Owner. All other costs associated with the limited common elements shall be the responsibility of the Board of Managers and the cost of such repair shall be a common expense. See page 45 for repairs, alterations and improvements to common elements. In the event such alterations or improvements affect the structural soundness of the Building in which the Home is located, the Home Owner must first obtain the written consent of the Board of Managers. All maintenance (including electrical repairs and plumbing stoppages in the Homes, painting and decorating of the Homes), repairs and replacements to the Homes including windows and doors abutting a Home (except painting or maintenance of the exterior surface of windows and doors which open from a Home, which are performed by the Board of Managers) and repairs to the heating/air conditioning system, pipes, wires and conduits located within and without the Home and

servicing the same Home other than as set forth in the Condominium By-Laws shall be made by the respective Home Owners at their own expense.

In the event that the Home Owner fails to make any repair or creates any condition which affects the Building in which his Home is located, the common elements, the limited common elements or any other Home, the Board of Managers, may, upon notice given in accordance with the provisions of the By-Laws, make such repair or correct such condition and charge the Home for the cost of such service.

In the event it becomes necessary for the Board of Managers to bring any lawsuit or other proceeding to enforce its right to make such repair or correct such condition or to collect any sum due on account thereof, the Board of Managers shall also be entitled to collect reasonable attorney's fees in connection with such suit or proceeding.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the Building, including all of the Homes and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Home Owners and their mortgagees, as interest may appear, in an amount equal to the full replacement value of the Building. Each Home Owner is listed as an additional insured. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Home which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. While the Sponsor controls the Board the insurance coverage obtained by the Board shall not be less than what is required by Part 13NYCRR20 of the Regulations issued by the Attorney General of the State of New York.

In addition to the insurance set forth herein, the Purchaser may desire to insure his personal effects and the interior of the Home itself for fire and liability. Such insurance, if taken by the Purchaser, will be payable by the Purchaser directly.

The proceeds of all policies of physical damage insurance carried by the Board shall be payable to the Board of Managers in the event of a loss amounting to $100,000 or less, and to the Insurance Trustee if the loss shall amount to more than $100,000 to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Home Owners, as hereinafter set forth.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by the Home Owners or of the invalidity arising from any acts of the insured or

any Home Owners and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Homes. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums shall be delivered to all mortgagees of Homes at least ten (10) days prior to expiration of the then current policies.

The amount of fire insurance to be maintained on the Condominium upon the transfer of title to all Homes and until the first meeting of the Board of Managers following the first annual meeting of the Home Owners will be on a replacement cash basis. The Board of Managers shall review the amount of fire insurance annually.

A New York Bank or Trust Company shall be the Insurance Trustee unless or until replaced by a bank or trust company in the State of New York, designated by the Board of Managers. In the event that the Insurance Trustee shall resign or not qualify, the new Insurance Trustee shall also be a bank or trust company in the State of New York designated by the Board of Managers. The Insurance Trustee shall hold all proceeds of insurance policies in accordance with Section 254.4 of the Real Property Law.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a common expense. The Board of Managers shall also obtain and maintain, to the extent obtainable: (1) fidelity insurance covering all employees of the Condominium who handle Condominium funds; (2) Worker's Compensation insurance; and (3) in order to limit the liability of Home Owners for personal injury and tort, public liability insurance covering each member of the Board of Managers and each Home Owner, in such limits as the Board of Managers may deem proper. The Board of Managers shall review such limits once each year.

The public liability insurance policy to be maintained until the first meeting of the Board of Managers following the first annual meeting of the Home Owners will be a limit of $1,000,000 per occurrence covering all claims for bodily injury and for property damage arising out of any one occurrence in the common elements.

Home Owners shall not be prohibited from carrying other insurance for their own benefit provided such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Home Owner's other insurance.

THE CONDOMINIUM INSURANCE COVERAGE DOES NOT COVER FIRE AND LIABILITY INSURANCE FOR THE PURCHASER'S PERSONAL EFFECTS AND INTERIOR OF THE HOME. PURCHASERS ARE ADVISED TO SECURE SUCH COVERAGE.

The insurance the Sponsor will initially procure for the Condominium will contain officers and directors liability or fidelity bond insurance.

The Board will arrange for repair of the Homes in the event of casualty loss. In the event the insurance proceeds are not sufficient to cover the cost of repairs to the Homes, the balance of the cost of such repairs will be assessed against all Home Owners. For further provisions regarding repair or reconstruction of Homes, after fire or casualty and condemnation provisions see Article VII and XII of the By-Laws. In the event of a casualty loss, the Home Owners will continue to pay the common charges on his Home.

Although there is no requirement for annual appraisals to ascertain whether the insurance coverage is adequate, such appraisals are required prior to renewal of any fire policy. See Schedule B for the estimated insurance costs of the Condominium.

Access by Board of Managers

The Board of Managers and its agents, employees and contractors shall have a right of access to any Home and to all portions of the common elements for the purpose of carrying out any of its obligations under the Declaration and By-Laws.

Compliance with Terms of Declaration,
By-Laws and Rules and Regulations

Ownership of a Home in the Condominium subjects the Home Owner to compliance with the provisions of the Declaration and By-Laws as well as any rules and regulations contained in the Declaration or By-Laws or established by the Condominium in accordance therewith. The rules and regulations set forth in the By-Laws and Declaration can be found in Part II of the Plan Schedule H, Article Seventeenth and Schedule I, Article VIII for the Condominium. The Board of Managers can institute legal actions to enforce compliance with the provisions of the Declaration and By-Laws as well as the rules and regulations established therewith. The Board of Managers, and not a Home Owner, can only enforce the rights of the Condominium, except when it is at least ninety days (90) days before the expiration of the statute of limitations or the Board has not enforced such rights after reasonable notice and opportunity.

The provision of the Declaration and By-Laws that requires written consent of the Board of Managers prior to a Home Owner making an alteration that would impair the structural soundness of the Building does not apply to the Sponsor.

The provisions of the By-Laws which requires members of the Board of Managers to be Home Owners will not apply to the first Board of Managers or any Sponsor designees to the Board of Managers.

Easements

Each Home Owner will have an easement in common with all other Home Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the common elements or located in other Homes and servicing his Home. Further, each Home Owner will have an easement for the continuance of any encroachment by his Home on any adjoining Home or common element now existing or which may come into existence hereafter as a result of the settling of the Homes or repair or alteration of the Home by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceedings, or by reason of an alteration made by the Board to the common elements so that any such encroachment may remain undisturbed so long as the Home stands. Each Home will be subject to such encroachments and easements in favor of all other Homes.

The Board of Managers, its agents and employees shall have a right of access to the Homes and to the common elements (irrespective of the restricted nature of such common element) to inspect, maintain or repair the common elements or any pipe, wire, or conduit therein or to make repairs to the Home to prevent damage to the common elements or any other Home.

Allocation of Common Interest

The common interest of the Condominium establishes the Home Owners percentage of ownership in the common elements and percentage of liability for the payment of common charges. Each Home Owner has the percentage of common interest in the Condominium set forth on Schedule A. Such allocation has been based upon equal percentages within separate classifications of Homes as of the recording of the Declaration. Percentage of common interest is based on equal percentages within separate classifications of Homes as of the recording of the Declaration pursuant to Real Property Law Section 339(i)(1)(iii).

The percentage of the undivided interest in the common elements shall not be changed except with the consent of all of the Home Owners affected expressed in a duly recorded amendment to the Declaration.

Copies of both the Declaration and By-Laws are contained in Part II of the Offering Plan.

XIX. REAL ESTATE TAXES

In accordance with the New York State Condominium Act, real estate taxes applicable to each Home will be separately assessed. The estimated monthly costs and charges to be incurred by the owner of each Home in the first year in which the property will be fully subject to real estate taxes together with estimated insurance costs for the fire and liability insurance on each Home and the monthly mortgage and other carrying

costs are set forth on Schedule A. Schedule A sets forth the estimated real estate taxes with and without 421-a Benefits set forth below and is based on the estimated Class 2 tax rate for 2011/2012 of $13.3530 per $100 of assessed value. Estimated assessed valuation for the entire Building of $16,200 at the start of construction and $765,000 upon completion of construction, is based upon information received from Ben Rottenstein Associates, Inc., 51 Willoughby Street, New York (the "Consultant"). See Schedule A and the Footnotes thereto for details regarding the estimated assessed valuation, the tax rates and the total taxes payable. The tax assessment for each Home may be allocated on a basis that differs from the allocation of common interest.

The Sponsor has made application for tax exemption under Section 421-a of the New York State Real Property Tax Law and has received a Preliminary Certificate of Eligibility. This Section of the law, which is administered by the Department of Housing Preservation and Development of the City of New York ("HPD"), provides for a fifteen (15) year partial tax exemption program applicable to multiple dwellings constructed in New York City under certain limiting conditions.

The Section 421-a tax exemption program provides that while the taxes on the Property may not be less than those assessed in prior years, real estate taxes on newly constructed buildings are exempted during the fifteen (15) year declining period as follows:

YEAR	PERCENTAGE EXEMPTION ON IMPROVEMENTS
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	100%
8	100%
9	100%
10	100%
11	100%
12	80%
13	60%
14	40%
15	20%
16	0%

At the end of the fifteen (15) year period, the Units will be subject to regular real estate taxes in accordance with the rates then in effect in the City of New York. No representation is made that a final Certificate of Eligibility will be issued for this

Condominium. The estimates in Schedule A reflect the real estate tax estimates with and without Section 421-a tax benefits.

Sponsor represents that it will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits, the result of which can be either the reduction or revocation of benefits if proper documentation is not provided. Sponsor represents that upon closing it will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits and it will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

In the event the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Home, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to the unsold Homes for such six month period and may collect at each closing the estimated amount of taxes attributable to such Home for the balance of the six month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and will be entitled to reimbursement from Home Owners to the extent of the actual assessment. There are no tax certiorari proceedings pending for the property. The By-Laws empower the Board of Managers to bring such proceedings on behalf of the Home Owners.

The Sponsor anticipates that the real estate tax rate will vary in future years rather than remain constant. The estimates of projected real estate taxes in this Offering Plan have been prepared by the Sponsor's Consultant and cannot be construed as an assurance of the final tax costs, but are merely estimates based upon information available at this time. In no event will the Sponsor, Sponsor's Consultant or Sponsor's Counsel be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind his Purchase Agreement, in the event the amount of the taxes differ from those projected. Sponsor will amend the Offering Plan if real estate tax projections increase or decrease after assessment.

XX. INCOME TAX DEDUCTIONS TO HOME OWNERS AND TAX STATUS OF THE CONDOMINIUM

The Sponsor has been advised by its counsel, Certilman Balin Adler & Hyman, LLP, that each Home Owner will be entitled under present law to a deduction for Federal and New York State income tax purposes for the real estate taxes paid by him covering his Home and, provided the Home is used as the Home Owners primary residence or one (I) other residence that he selects pursuant to Section 163(h) of the Internal Revenue Code of 1986, for the interest paid by him on any mortgage covering his Home. See the Opinion of Counsel at page 59. Similarly, the Sponsor has been advised by counsel that certain Home Owners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their respective Homes.

The Condominium may elect to be treated as a tax exempt organization under Section 528 of the Internal Revenue Code. Such an election will exempt from Federal and New York State Income Taxation all amounts received by the Condominium from Homeowners common charges and assessments. The Sponsor has been advised by its counsel that the Condominium will be taxed on any excess of income over expenses from unrelated sources. Examples of unrelated source income include interest earned on reserve and other invested funds, income from concessions and income from dues or fees received from persons other than the Home Owners. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional common charge. See Opinion of Counsel at page 59 for details.

CERTILMAN BALIN
ATTORNEYS

90 MERRICK AVENUE, 9TH FLOOR
EAST MEADOW, NY 11554
PHONE: 516.296.7000 • FAX: 516.296.7111
www.certilmanbalin.com

IRA J. ADLER
PARTNER
DIRECT DIAL 516.296.7099
iadler@certilmanbalin.com

XI. OPINION OF COUNSEL AND REAL ESTATE TAX CONSULTANT

June 28, 2011

35 Havemeyer Development Corp.
329 Glen Cove Avenue
Sea Cliff, New York 11579

Re: 35 HAVEMEYER STREET CONDOMINIUM

Gentlemen:

We note that the Offering Plan for the above-captioned Condominium states that it is believed that the monthly payments of interest on any mortgage which becomes a lien on a condominium Home and real estate taxes payable by a Homeowner which are assessed against his Home by any governmental taxing authority, are a proper deduction in connection with Federal and New York State Income Taxes payable by the owner of such Condominium Home.

We have given this matter careful study, and it is our opinion that, pursuant to the provisions of the Internal Revenue Code of 1986 (the "Code") (See Revenue Ruling 64-31, C.B. 1964-300) and the corresponding provision of the New York State Law (See Section 615 of the Tax Law), such interest payments and the aforesaid real estate payments are proper deductions by the owner of a Condominium Home, in connection with his Federal and New York State income taxes. Similarly, we are of the opinion that each Condominium Homeowner whose Home is either his principal residence or the one other residence he selects pursuant to Section 163(h)(5)(A)(i)(II) of the Code will be entitled, under Section 216(a)(2) of the Code and Section 615(a) of the State Law, to deduct interest paid or accrued by him on any mortgage which becomes a lien on a Condominium Home. The Home may be so selected if the Homeowner either uses it as a residence within the meaning of Code Section 280A(d)(1) (i.e., he uses it for personal purposes for a number of days which exceed the greater of 14 days, or 10% of the number of days during the year for which the Home is rented at a fair rental), or neither rents nor uses the Home at any time during the year. In addition, certain Homeowners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their Homes.

Section 528 to the Code affords certain Condominiums, substantially all of whose Homes are used for residences, the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Homeowners and ninety (90%) percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium Properties, which properties, as defined in Section 528 of the Code, include property held by the Condominium, property commonly held by the members of the Condominium, or property within the Condominium held by the members of the Condominium. Based upon our examination of the Offering Plan and subject to the Condominium actually satisfying the minimum percentage income and expenditure criteria set forth above, it is our opinion that the Condominium will be eligible to be treated as a tax exempt organization under Section 528 of the Code.

Such an election will exempt from Federal and New York State Income Taxation all amounts received by the Condominium from the Homeowners as membership dues, fees or assessments. The Condominium will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated sources income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the Homeowners. In the event the Condominium fails to qualify for and elect Section 528 taxation status in any year, it may, to the extent it has any income from unrelated sources or from accumulated revenues received by virtue of dues, fees and assessments received from Homeowners not expended in any taxable year, be subject to Federal and New York State Income Taxation (see Rev. Ruling 74-99, 1974-1 C.B. 131).

We have examined the exceptions to title set forth on pages 30 through 31 of the Offering Plan, and we are of the opinion that none of such exceptions of title are contrary to the terms of the purchase agreement nor do they interfere with the quiet use or enjoyment of the Purchaser's home as set forth in the Offering Plan.

We have examined the Declaration and By-Laws pertaining to the proposed Condominium. It is our opinion that the Declaration and By-Laws, when recorded, will validly create a Condominium in accordance with Article 9-B of the Real Property Law of the State of New York.

In our opinion, the Condominium will be eligible for tax exempt status, if it so elects and Home Owners will be entitled to the above-mentioned income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the given facts and document referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium, the selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on

which counsel relied which cause the Condominium to cease to meet the requirements of Section 528 of the Code, or the New York State tax law, as amended and Homeowners not to be entitled to income tax deductions.

In addition, we have reviewed the Offering Plan (the "Plan") and relevant documents to opine whether under present laws and regulations the Homes in the Condominium will be eligible upon their completion for the 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 Rules and Regulations promulgated thereunder by the New York City Department of Housing Preservation and Development ("HPD").

Based solely on our review of the Plan, the Preliminary Certificate of Eligibility issued by HPD on July 16, 2008, a copy of which is annexed hereto and a report provided by Ben Rottenstein Associates, Inc., Real Estate Tax Consultants, 56 Willoughby Street, Brooklyn, New York, (see attached report from Ben Rottenstein Associates, Inc.) a consulting firm that specializes in Section 421-a tax exemptions, Section 421-a and the Rules and Regulations referred to above, as well as the validity and correctness of the assumptions hereinafter set forth, it is our opinion that, subject to changes in Section 421-a or the regulations or rulings issued thereunder, or any judication interpretations thereof, upon which we have based this opinion, the completed Homes will be eligible for partial real estate tax exemption under Section 421-a. We notice that the estimated first year of operation covers two tax years, and the estimated taxes in Schedule A are based on the assessed valuation and tax rate for the 2011/2012 tax year and not the estimated assessed valuation and tax rate for the 2012/2013 tax year.

This opinion is conditioned upon the filing and approval of a Final Application to be submitted to HPD prior to initial occupancy and the submission of the temporary or permanent Certificate of Occupancy issued by the Department of Buildings of the City of New York.

Under Section 421-a, the Homes shall be exempt from taxation for local purposes; other than assessments for local improvements and except for the portions of the new building, if any, which are non-residential and which exceed twelve (12%) percent of the aggregate residential space; for a period not to exceed fifteen (15) years. The real estate taxes on the Homes (but not of the previous land and improvements) would be partially exempted during the fifteen (15) year declining period, as set forth below.

Year	Percentage Exemption on Improvements
1	100%
2	100%
3	100%
4	100%

Year	Percentage Exemption on Improvements
5	100%
6	100%
7	100%
8	100%
9	100%
10	100%
11	100%
12	80%
13	60%
14	40%
15	20%
16	0%

Our opinion regarding the partial tax exemption under Section 421-a is based upon information and representations provided by the Sponsor and Ben Rottenstein Associates, Inc., and the facts, assumptions and interpretations referred to above. No warranties or representations are given by this firm that a Final Certificate of Eligibility will be issued by HPD or that HPD, the Department of Finance of the City of New York or the Tax Commission of the City of New York will allow Section 421-a benefits or that the laws, regulations or interpretations thereon on which this opinion is based will not change. Further, no warranties or representations are given by this firm as to when the benefit of the 421-a tax abatement will commence if a Final Certificate of Eligibility is issued by HPD. This firm will not be liable if the Property is not eligible for partial real estate tax exemption under Section 421-a as a result of changes in the information or oral representations made by the Sponsor and Ben Rottenstein Associates, Inc., or because of any changes in applicable law, regulations, interpretations or decisional law. In addition, we have not passed upon the accuracy of any figures or estimates contained in the Offering Plan and do not warrant the amount of tax savings if the Homes receive partial tax exemption pursuant to Section 421-a.

It is our understanding that this letter will be made a part of the Offering Plan of 35 Havemeyer Street Condominium.

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP.

By: _____
IRA J. ADLER, Partner

April 5, 2011

Mr. Raymond Gentile
C/o Anray Custom Builders Inc.
329 Glen Cove Avenue
Sea Cliff, NY 11579

Re: 421-A Application
35 Havemeyer Street. Brooklyn, NY
Block: **2323** Lot: **3**
Eight (8) Residential Condo Units

Dear Mr. Gentile:

I am writing in response to your request for an opinion regarding the eligibility of a construction project at the referenced site for tax benefits pursuant to Section 421-A of the Real Property Tax Law.

1. Eligibility requirements

To be eligible for Section 421-A tax benefits, the Project must comply with each of the eligibility requirements set forth in Chapter 6 of Title 28 of the Rules of the City of New York. The application of these requirements to the project is discussed in detail below.

A. Location Requirements

1. Geographic Exclusion Area Limitation

Sections 6-02(b)(2) and 6-02(c)(10) of the Rules provide that a project in the Geographic Exclusion Area is eligible for Section 421-A benefits only if carried out with Substantial Governmental Assistance or if affordable units are created in accordance with the requirements of Section 6-08 of the Rules.

The Project is not located in the Geographic Exclusion Area and is therefore not subject to these limitations.

2. Public and Private Park Limitation

Paragraphs (5) and (6) of Section 6-02(c) bar 421-A benefits for projects situated on land mapped as a public park (with certain exceptions) or utilized for ten (10) or more consecutive years immediately prior to October 1, 1971 as a Private Park. You state, and I assume, that the Site does not fall within either category.

B. Site Requirements

Section 6-02(f) of the Rules states that for a project to be eligible for 421-A benefits, the land on which it is located must have been vacant, predominantly vacant, underutilized, or improved with a non-conforming use on the operative date. "Operative Date" means, in the case of the Project, thirty-six months prior to the Commencement of Construction.

You have stated that construction will commence June 16, 2008. You have stated that construction will commence in the 2007/2008 Fiscal Year. Accordingly the Operative Date will fall within New York City's 2004/2005 Fiscal Year. You have also stated that the site was underutilized prior to the commencement of construction. Accordingly the Site will qualify as underutilized for the purposes of 421-A Rules.

C. Project Requirements

1. New Multiple Dwelling

Section 6-02(b) of the Rules provides that a project is eligible for Section 421-A benefits only if it is a "new multiple dwelling" containing three or more dwelling units. Section 6-02(c)(2) states that multiple dwellings resulting from the conversion or rehabilitation of a building or structure are ineligible for benefits, and Section 6-01 of the Rules provides that:

Construction shall not commence prior to the issuance by the Department of Buildings of either (i) a building or alteration permit for the construction of an entirely new multiple dwelling, the footprint of which consisted entirely of vacant and unimproved land upon such date, or (ii) an alteration permit for the construction of a new multiple dwelling above, and on an entirely separate tax lot from, one or more existing structures which are to be retained provided that only the floor area attributable to the new multiple dwelling, and any eligible commercial, community facility or accessory use space within such new structure shall be eligible for benefits under the act.

You state that the Project will be carried out pursuant to a new building permit and, upon completion, will be a newly constructed multiple dwelling constructed on land which was entirely underutilized as of the Commencement of Construction. Accordingly, the project will meet the requirements set forth above.

You state that the new construction will consist of 8 newly constructed residential condominium units, with an expected completion date of July 2011 (fiscal year 2011/2012)

2. Not used as a Hotel or for Single Room occupancy

Paragraphs (3) and (4) of Section 6-02(c) of the 421-A Rules deem any building or portion thereof which is used as a hotel or for single room occupancy ineligible for 421-A benefits. You state that no such use of the Project will occur.

D. Timing Requirements

1. Project Commencement

Chapter 6 of Title 28 of the Rules of the City of New York is amended by adding a new section 6-09 that defines "commencement of construction". The 421-A Rules requires that a project to be commenced prior to June 30, 2008 to be eligible for Fifteen (15) year benefits under that section and any amendment to the square footage of the building will not exceed 30% of the approved plans prior to June 30, 2008. You state, and we assume that the project has met the amended laws and requirements on what defines "commencement of construction" and has done so prior to June 30, 2008.

2. Reduction of Benefits for Excess Commercial, Community Facility or Accessory Use Space

Section 6-06(b) of the Rules provides that the tax exemption granted by 421-A will be reduced if the floor area of the Project's commercial, community facility and accessory use space exceeds twelve percent (12%) of the aggregate floor area.

The amount of commercial, community facility and accessory use space, and resulting decrease in benefits will be determined by the Department of Housing and Preservation and Development ("HPD") in accordance with the 421-A Rules based on building plans for the Project.

3. Exemption during construction

If the project satisfies all of the requirements set forth in Section 421-A and has received a Preliminary Certificate of Eligibility it shall be exempt from real property taxes, other than assessments for local improvements upon any increase in assessed valuation over the Prior Assessed Valuation during the statutorily defined period of construction or for a period of three years, whichever is less, provided that taxes shall be paid in each tax year in which full or partial exemption is in effect on the Prior Assessed Valuation, as defined in Section §6-01 of 421-A Rules.

4. Exemption after construction

After the first taxable status date immediately following the completion of the construction, any increase in assessed valuation over the Prior Assessed Valuation of the eligible Project which has received a Final Certificate of Eligibility shall be exempt from real property taxes, other than assessments for local improvements, for fifteen consecutive tax years pursuant to the following schedule. In addition, owners must pay full taxes on the Prior Assessed Valuation, as defined in §6-01 of Section 421-A. In addition, condo owners must pay full real estate taxes on the Prior Assessed Valuation and any increases until the Final Certificate of Eligibility is issued, as defined in Section §6-01 of 421-A Rules.

Fifteen Year Exemption

Year	Percent of Increased Assessed Valuation Which Is Exempt
First through Eleventh	100%
Twelfth	80%
Thirteenth	60%
Fourteenth	40%
Fifteenth	20%
Sixteenth	0%

Prior to the commencement of construction, records of the New York City Department of Finance Real Property Assessment Department reveal that assessed valuation of the subject premises is as follows: (Years 2007/2008)

BLOCK: 2323 LOT: 3 (35 Havemeyer Street. Brooklyn, NY)

ACTUAL VALUES	LAND: $15,750	TOTAL: $16,200
TRANSITIONAL VALUES	LAND: $15,255	TOTAL: $15,570

It is estimated the assessed value of the property upon completion of construction will be approximately $765,000. The Department of Finance will allocate the assessed value to the condominium units, usually based upon the percentage of common interest as listed in the Condominium Offering Plan. The 2011/2012 Tax Class 2 tax rate is estimated as, $13.3530 per $100.

Any increase in assessment due to the physical improvements attributable to the newly constructed residential condominium units shall be exempt as per the FIFTEEN YEAR EXEMPTION table shown earlier.

Although the aforesaid estimate of the post construction Assessed Valuation is a good faith estimate, it is not possible to estimate it with any degree of certainty, and thus such assessed valuation when actually made may be less or greater than estimated above. In no event will the firm of BEN ROTTENSTEIN ASSOCIATES INC., the Sponsor, the Sponsor's counsel, or any other person be liable if the assessed valuation when actually made, is less or greater than predicted above or if the Administrative Code and the applicable rules and regulations of the City of New York are in the future changed or if the facts as represented to the office of BEN ROTTENSTEIN ASSOCIATES INC., prove to be untrue.

Based on the foregoing, it is our opinion that the Department of Housing and Preservation and Development ("HPD") will consider the property eligible for real estate tax exemption benefits under Section 421-A.

NO WARRANTY IS OR CAN BE MADE BY THIS FIRM THAT HPD OR THE NEW YORK CITY BUREAU OF REAL PROPERTY ASSESSMENT, OR ANY OTHER AGENCY WITH JURISDICTION WILL APPROVE SPONSOR'S APPLICATION FOR SECTION 421-A TAX BENEFITS, OR THAT THE ASSESSED VALUATION WILL BE AS ESTIMATED HEREIN, AND THE WRITER OF THIS LETTER SHALL NOT BE LIABLE, IF BECAUSE OF CHANGES IN LAWS AND/OR REGULATIONS, OR THE INTERPRETATIONS OF LAWS AND/OR REGULATIONS, OR IF THE FACTS REPRESENTED BY SPONSOR, ARCHITECT OR APPRAISER PROVE INCORRECT, THE PROPERTY FAILS TO OBTAIN SECTION 421-A BENEFITS.

We consent to the inclusion of this letter in the Offering Plan.

Very truly yours,

BEN ROTTENSTEIN ASSOCIATES INC.

Adam J. Sabo

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
SHAUN DONOVAN, Commissioner
421-a Partial Tax Exemption Program
Office of Development-Division of Housing Incentives
100 GOLD STREET, NEW YORK, N.Y. 10038
(212) 863-8540

Preliminary Certificate of Eligibility

Docket #: TEO8919

Owner: 35 HAVEMEYER DEVELOPMENT CORP.

Owner Address: 329 GLEN COVE AVENUE
SEA CLIFF, NY - 11579

Address	Borough	Block	Lot	Permit Date	Construction Start Date
35 Havemeyer Street	Brooklyn	02323	0003	06/03/2008	06/16/2008

Total Number of Units: 8
Preliminary Initial Adjusted Monthly Rent Per Room: Condo
Ineligible AFA: 0.00%

Comments: NONE

This Certificate is for construction benefits only. Upon issuance of a Final Certificate of Eligibility, this project will be entitled to: 15 Year Tax Exemption

Based upon the information contained in the Application for Preliminary Certificate of Eligibility for Partial Tax Exemption filed 06/26/2008 and a determination by the Commissioner, the applicant, pursuant to Section 421-a of the Real Property Tax law and the 421-a Rules of the Department of Housing Preservation and Development issued pursuant thereto, is hereby granted this Preliminary Certificate of Eligibility for Partial Tax Exemption for the above premises, except as to those portions of the new building, if any, which are non-residential and which exceed the allowable 12% of Commercial, Community Facility and Accessory Use Space.

This Certificate is conditioned upon the filing and approval of a Final Application to be submitted to the Department of Housing Preservation prior to initial occupancy (for multiple dwellings owned as a rental), and prior to the first taxable status date following the completion of construction (for multiple dwellings owned as a co-op or condo), and the submission of the temporary or permanent certificate of occupancy issued by the Department of Building as evidence of the fact that the structure was completed. It entitles the property to benefits while under construction for up to three years. It is the applicant's responsibility to complete the necessary filing in order to obtain a Final Certificate of Eligibility. This Certificate must be filed with the New York City Department of Finance immediately upon issuance.

JUL 16 2008

Date of Issuance: JUL 16 2008

LISA S. J. YEE
Director, Tax Incentive Programs

[Rep Id:486]

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XXII. RESERVE FUND

There is a Reserve Fund of $2,957, to be collected out of the maintenance charges paid by the Home Owners. The Reserve Fund is to be used for replacement of the common elements. See Footnote 12 to Schedule B for complete details.

No representation is made that the Reserve Fund will be adequate for future replacements of common elements. If additional funds are required over and above the Reserve Fund, it may be necessary to increase the maintenance charges or common charges payable by the Home Owners or to collect a special assessment from each Home Owner.

During the period Sponsor is in control of the Board of Managers, the Reserve Fund will not be used to reduce the estimated common charges.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of the Reserve Fund.

XXIII. WORKING CAPITAL FUND

At closing the Sponsor will collect two months common charges from each Purchaser to be paid to the Condominium as initial working capital. While Sponsor is in control of the Board of Managers of the Condominium the working capital funds will not be used to reduce the maintenance charges. If any portion of the working capital funds are used during this period to pay for items in the budgets set forth as Schedule B, such amounts will be repaid to such fund out of common and maintenance charges collected.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of such funds.

XXIV. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Sponsor has not entered into any management contract to provide for management of the Condominium.

The Board of Managers of the Condominium will be responsible for the management of the Condominium, and may perform this function itself or hire a managing agent to bill and collect the Common Charges, hire and fire employees, supervise alterations and repairs, maintain the Condominium's books and records, advise the Board of Managers of its proposed annual budget, provide each Home Owner annually with a Financial Statement prepared by an independent public accountant, purchase supplies for the Condominium and generally perform the duties of a managing agent for residential property. During the period Sponsor maintains a

majority of the Board of Managers, the financial statement will be certified. In performing its duties, the Board of Managers or a managing agent employed by it, may engage contractors for the purpose of carrying out the maintenance and repair of the Condominium. **No representation is made as to the costs, terms or availability of a managing agent in the event the Board decides to hire one in the future.**

XXV. IDENTITY OF PARTIES

Sponsor

The Sponsor, 35 Havemeyer Development Corp, is a corporation organized under the laws of the State of New York with an address at 329 Glen Cove Avenue, Sea Cliff, New York 11579.

The sole shareholder of Sponsor is Raymond Gentile, with the same business address as the Sponsor.

Mr. Gentile is a builder and developer of homes in the New York Metropolitan area and was the Principal of the Sponsor of The Mews at Copper Beech Homeowners Association, Inc., Freeport, New York. All the Homes in such development have been sold and Sponsor and its Principals do not own more than 10% of the homes in any other condominium, cooperative or homeowners association.

Selling Agent

Apts and Lofts.Com, 482 Driggs Avenue, Brooklyn, New York 11211 is the Selling Agent. The Selling Agent is a licensed real estate broker in New York and is experienced in the sale of Condominium Homes. The Selling Agent is not affiliated with Sponsor.

Attorneys

All legal matters in connection with the establishment of the Condominium, the tax opinion of counsel contained herein and the preparation of this Offering Plan have been passed upon for the Sponsor by Certilman Balin Adler & Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554. The individual partner in said firm responsible for the preparation of this Offering Plan is Ira J. Adler. Murphy, Bartol and O'Brien, 22 Jericho Turnpike, Mineola, New York 11501, will represent the Sponsor in connection with the individual Home closings and will act as the Escrow Agent for such Homes, as described on page 23. Certilman Balin Adler & Hyman, LLP and Murphy, Bartol and O'Brien are not affiliated with Sponsor.

Insurance

The estimated insurance rates have been passed upon by John Specce Agency, Inc., 10 East Main Street, Oyster Bay, New York 11771. The aforementioned estimate has been included in this Offering Plan in reliance upon the opinions of said agency and upon its authority as an expert but the Sponsor has no knowledge that this estimate is not correct.

Architect

The Architect who prepared the report in Part II and who executed the Certification in Part II is Gerald J. Caliendo, R.A., A.I.A, 138-72 Queens Boulevard, Briarwood, New York. Gerald J. Caliendo, R.A., A.I.A, has no financial interest in the Property, the Sponsor or any other party involved in this transaction, except for its fee for services rendered in connection with this Development. Gerald J. Caliendo, R.A., A.I.A is experienced in the preparation of building plans for condominiums.

XXVI. REPORTS TO HOME OWNERS

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

(i) a financial statement of the Condominium prepared by a certified public accountant by a specific date; such statement shall be certified while the Sponsor is in control of the Board of Managers;

(ii) prior notice of the annual Home Owners' meeting; and

(iii) a copy of the proposed annual budget of the Condominium. While Sponsor is in control of the Board of Managers, the amendment to the Offering Plan disclosing the then current budget will contain a Certification of the Adequacy of the budget prepared by an independent expert who has experience in the management of condominiums.

XXVII. DOCUMENTS ON FILE

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

XXVIII. GENERAL

Pending Litigation

As of the date of this Offering Plan, there is no litigation or administrative proceedings pending against the Condominium or the Sponsor or any other party which would affect their ability to perform their obligations relating to this offering, or which would in any way affect this offering.

Prior Offerings

This property has not been the subject of any prior public offerings. Sponsor represents that no contracts or agreements have been entered into and no deposits or advances of funds accepted as of the date of acceptance for filing of this Offering Plan. All of the Homes offered in the Plan are vacant.

Non-Discrimination

In accordance with the provisions of the laws of the State of New York, the Sponsor represents that it will not discriminate against any person because of his or her race, creed, sex, color, disability, marital status, national origin or ancestry in the sale of Homes under this Plan.

Amendment of Plan

The Plan may be amended at any time and from time to time provided that, if the amendment is a material and substantial modification of the Plan which adversely affects Purchasers, then anyone who has theretofore executed a Purchase Agreement shall be given not less than thirty days after a copy of the duly filed amendment is mailed or otherwise delivered to them by written notice to the Sponsor to cancel the Purchase Agreement and to obtain a refund, in full, of the down payment made therewith with interest, if any. No person has been authorized to make any representation which is not expressly contained herein. This Plan may not be changed or modified orally.

XXIX. SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

Sponsor adopts the Description of Property set forth in Part II of the Plan. Sponsor has no knowledge of any material defects or need for major repairs to the property except as set forth in the Description of Property and Building Condition set forth as Schedule G, in Part II.

Dated: July 22, 2011
East Meadow, New York

35 HAVEMEYER DEVELOPMENT CORP.
SPONSOR

OFFERING STATEMENT

35 HAVEMEYER STREET CONDOMINIUM

35 Havemeyer Street
Borough of Brooklyn
City and State of New York

PART II

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SCHEDULE D

PURCHASE AGREEMENT

35 HAVEMEYER CONDOMINIUM

PURCHASE AGREEMENT

Agreement made and dated . between 35 Havemeyer Development Corp., a New York Corporation, having an address at 329 Glen Cove Avenue, Sea Cliff, New York 11579, hereinafter called the Seller, and _____

_____

residing at _____

_____

hereinafter called the Purchaser.

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

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

1. Sale of Home. The Purchaser hereby agrees to purchase and the Seller agrees to sell the Condominium Home designated as No. ., as shown on the plot plan which forms a part of the Offering Plan attached hereto, together with a % undivided interest in the common elements appurtenant thereto.

2. Delivery of Deed; Adjustments. The Closing of Title shall take place at an office to be designated by Seller at . o'clock on or about . ,20. ., or at another date and time designated by the Seller upon thirty (30) days' written notice mailed to the Purchaser at the address hereinabove set forth. The Seller shall be entitled to a reasonable adjournment in the closing of title as set forth in Paragraph 28. If the Purchaser is not ready to close title at the date and time fixed pursuant to this Paragraph, any adjournment exceeding seven (7) days granted at the request of the Purchaser shall be upon the condition that (a) interest on the balance of the purchase price computed from the date originally fixed for closing to the actual date of closing, shall be paid to Seller at closing at a rate equal to .04% of the purchase price per day which equals an annual rate of 14.6%, and (b) all adjustments shall be made as of the date originally fixed for the closing of title and the Purchaser also agrees to apportion with Seller such taxes, electricity, heating, security costs, insurance and Common Charges as may be determined to be due at the time of closing. Nothing herein contained shall be construed to require Seller to grant any adjournment beyond seven (7) days from the date originally fixed for closing.

3. Purchase Price. The purchase price is $ payable as follows:

$ on the signing of this agreement, the receipt of which is hereby acknowledged (the "Down Payment");

$ certified or bank cashier's check drawn on a New York bank payable directly to the order of Seller on closing of title;

Any payment made by check is accepted by Seller subject to collection. If any check tendered is not honored, Purchaser shall provide a certified check or bank cashier's check payable directly to Seller within 72 hours after demand for replacement therefor.

Notwithstanding the foregoing, if for any reason whatsoever the check given by Purchaser as the downpayment hereunder is dishonored, Seller shall have the right to cancel this Agreement. Seller's election to cancel shall not be deemed a waiver by Seller of its right to pursue other remedies.

ALL PAYMENTS AT CLOSING ARE TO BE MADE BY GOOD UNENDORSED CERTIFIED CHECK OR BANK CASHIER'S OR OFFICIAL CHECK PAYABLE DIRECTLY TO THE ORDER OF SELLER OR SELLER'S DESIGNEE AND DRAWN ON A BANK WHICH IS A MEMBER OF THE NEW YORK CLEARINGHOUSE. UNCERTIFIED CHECKS OF A FUNDING COMPANY OR ATTORNEY'S ESCROW ACCOUNT WILL NOT BE ACCEPTED BY SELLER ON ACCOUNT OF PROCEEDS DUE FROM PURCHASER.

4. Condominium Declaration. The Declaration and By-Laws will be recorded by Seller in the Office of the Register, Kings County prior to the closing of title to the first Home. The Seller shall file with the Declaration when it is recorded in shall amend the Declaration prior to the closing date and file at such time a verified statement of a registered architect or licensed professional engineer certifying that the plans theretofore filed or being filed simultaneously with such amendment fully and fairly depict the layout, location, Condominium Home designation and approximate dimensions of the Condominium Homes as built. The Declaration and By-Laws, as recorded by the Seller, are substantially in the form and substance of the Declaration and By-Laws delivered to the Purchaser and any changes made thereto will not substantially adversely affect the Purchaser.

5. Seller's Failure to Convey. It is specifically understood and agreed that in the event the Seller shall be unable to deliver or cause to be delivered a deed to the premises to the Purchaser in accordance with this agreement because of the inability of the Seller to complete the filing of the premises as part and parcel of a Condominium plan in accordance with the Offering Plan of 35 Havemeyer Street Condominium and any amendments thereto, and/or deliver title for any reason, then the Seller shall immediately notify the Purchaser and thereupon this agreement shall terminate and the sole liability between the parties shall be the return by the Seller to the Purchaser of the Purchaser's

Down Payment with interest, if any, under this agreement. Seller shall not be required to bring any action or proceeding or otherwise incur any expense to render title to the premises marketable or to cure any objections to title.

6. Construction of Condominium. The Seller has received a building permit from the City of New York which will permit the Seller to erect the Condominium Homes as residential dwellings on the property. Prior to the closing of title set forth herein, the Seller will declare the property and the Condominium Homes erected thereon to be a Condominium pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York.

7. Purchaser Bound by Offering Plan, etc. The Seller has exhibited and delivered to the Purchaser and the Purchaser acknowledges receipt of the Offering Plan at least three (3) business days prior to the execution of this Purchase Agreement and has read and agrees to be bound by the proposed Declaration, By-Laws and Offering Plan of the said Condominium (and the Schedules, Plans and Exhibits attached thereto) all of which are incorporated by reference and made a part of this agreement with the same force and effect as if set forth in full herein. Any conflict between the Offering Plan and the Purchase Agreement is to be resolved in favor of the Offering Plan. The Purchaser acknowledges that he is purchasing a Condominium Home in a Condominium to be formed, and that, except as stated in this agreement (and as set forth in the Declaration, By-Laws, Exhibits and Offering Plan), he has not relied on any representations or other statements of any kind or nature made by the Seller, any representatives of Seller, or otherwise, including but not limited to any relating to the description, size or dimensions of the Home or rooms therein, and the estimated common charges or other expense in connection herewith.

8. Closing Costs and Adjustments. The Purchaser shall pay the fee of his own attorney, and a travel fee to Seller's attorneys in the amount of $250.00 if the closing of title is held at an office other than that of Seller's attorney, and $1,000.00 to Sponsor's Counsel for coordinating the closing. The Purchaser further agrees to pay at the closing of title, the actual cost of title examination, cost of mortgage title insurance, bank attorneys' fees for preparation of the documents necessary for the mortgage loan, bank credit and appraisal fees, origination fee, commitment fees, New York City and New York State transfer taxes, recording and filing charges paid or payable to public officials, private mortgage insurance premiums, if applicable, mortgage recording taxes and other bank or governmental charges assessed on the loan or on the transfer of title.

9. Additional Closing Costs and Adjustments. The Purchaser agrees to pay two months' Common Charges to the Condominium at the closing of title as initial working capital of the Condominium and pro-rata share of first year Condominium insurance premium. The Purchaser also agrees to apportion with Seller such taxes, electricity, gas, insurance and Common Charges as may be determined to be due at the time of closing.

10. Seller's Right to Mortgage Tax Credit. The Purchaser agrees that any mortgage tax credit received pursuant to Section 339-ee of the Real Property Law will inure to the benefit of the Seller.

11. Contract Subject to Purchaser Receiving Mortgage Commitment. This Purchase Agreement is subject to and conditioned upon issuance of a written commitment (the "Commitment") for a conventional or FHA (fixed or adjustable rate) mortgage loan encumbering the Premises from a lender licensed to do business in the State of New York (the "Lender"), for a term of thirty (30) years, at the prevailing rate of interest, in an amount as applied for by Purchaser, not to exceed $_____ (the "Loan"). Purchaser shall make prompt application to Lender for the Loan but in no event shall Purchaser make application to Lender for the Loan later than seven (7) days from the date hereof and shall diligently, truthfully and in good faith pursue the Loan. Purchaser shall furnish and execute all documents and shall pay all costs and expenses required by Lender to process the application and issue a Commitment.

Purchaser shall, at Seller's request, furnish Seller with a copy of its application for the Loan, along with the name and address of the Lender.

Purchaser represents that it has no judgments outstanding or proceedings pending against Purchaser in any Court, nor has Purchaser ever been adjudicated as bankrupt. Purchaser has inquired and is familiar with the requirements to obtain the Commitment and believes it has sufficient income and assets to qualify for same.

Purchaser shall be obligated to obtain renewals or extensions through the date of closing on such terms and at such interest rate as the Lender may require and shall pay any fees and charges required to renew and extend the commitment. In the event the commitment lapses prior to closing, the Purchaser must make a good faith effort to extend the commitment on such terms. In the event the commitment is not extended, the Purchaser will be given the right of written notice to rescind the Purchase Agreement. In the event the Commitment contains a provision that it is conditioned upon the sale of any real estate or other assets owned by Purchaser or upon the occurrence of any other events, then such conditions in the Commitment shall not be grounds for Purchaser to cancel this Purchase Agreement, and to that extent, the Commitment shall be deemed unconditional.

Upon receipt by Purchaser of a written denial of Purchaser's application for the Loan (the "Denial"), Purchaser shall promptly notify Seller of such Denial, but in no event later than five (5) days from the date of such Denial, and shall enclose a copy of the denial letter.

In the event Purchaser has not received a Commitment or a Denial within thirty (30) days from the date hereof (the "Contingency Period"), then Purchaser may elect to cancel this Purchase Agreement by providing notice to Seller no later than thirty (30) days from the date hereof. Should Purchaser provide notice of cancellation to Seller, as set forth in this Paragraph, and provided Purchaser shall have complied with all of the provisions contained herein, the Down Payment made hereunder shall be returned to Purchaser, and all rights and obligations between the parties shall cease and terminate, except for those herein which expressly survive termination of this Purchase Agreement. Notwithstanding the foregoing, in the event Purchaser sends a notice of cancellation within the Contingency

Period, Seller may, in its sole discretion, extend Purchaser's time to obtain the Commitment for a period not to exceed thirty (30) days and shall exercise such right no later than seven (7) days from the date Seller received notice of the denial or Purchaser's notice of cancellation, and Purchaser's notice of cancellation shall not be deemed effective until the expiration of such additional time. In the event Seller elects to extend Purchaser's time to obtain the Commitment, then Purchaser shall continue to diligently pursue the issuance of the Commitment within such additional time. Notwithstanding the foregoing, if Purchaser does not provide Seller with the notice of cancellation, as provided in this Paragraph, the provisions of this Paragraph 11 shall be deemed satisfied and of no further force and effect, and the Purchase Agreement shall be deemed firm and unconditional.

In the event Purchaser elects to terminate the Purchase Agreement pursuant to the terms of this Paragraph 11, Seller shall have the right but not the obligation to require Purchaser to make application with a lender of Seller's choice within seven (7) days from the date Seller's receives notice of the Denial or Purchaser's notice of cancellation, or obtain a loan commitment letter within seven (7) days for Purchaser from a lender licensed to do business in the State of New York or a licensed mortgage banker, upon similar terms and conditions as set forth herein (the "Loan Commitment Letter"). In the event that Seller obtains a Loan Commitment Letter pursuant to the terms of this Paragraph, Purchaser shall be obligated to accept such Loan Commitment Letter, comply with its requirements and close title hereunder.

In the event the Loan is approved in a reduced amount, Purchaser agrees to accept the Loan on the condition that it can be reduced no more than $10,000.00, and Purchaser shall pay the difference at closing in cash or certified check.

If the Purchase Agreement is terminated in accordance with the above and Purchaser receives a refund of the Down Payment, said refund shall not include any monies deposited by Purchaser with Seller or any of Seller's sub-contractors for payment towards extras ordered by Purchaser. Seller or its sub-contractors shall retain such monies notwithstanding the termination of the Purchase Agreement pursuant to the terms of this Paragraph 11.

12. Escrow or Bonding of Deposits. The Seller will hold all monies received directly or through its agents or employees hereunder in trust until the closing of title to a home or Sponsor may use said funds prior to closing if a bond or an irrevocable letter of credit is posted to insure a return of such payment in the event a Purchaser is entitled to a refund of such monies pursuant to the terms of this Purchase Agreement or the Offering Plan. If no bond or letter of credit is posted, such funds will be held as trust funds pursuant to Section 352-h and 352-e(2)(b) of the General Business Law, in a special account entitled "Murphy, Bartol and O'Brian, LLP, 35 Havemeyer Street Condominium IOLA Escrow Account" in J.P. Morgan Chase Bank, located at 32 Jericho Turnpike, Mineola, New York. The signature of Kevin O'Brian or Ernest Bartol shall be required to withdraw such funds. The funds existing in the trust account will be immediately payable to the Seller at the closing of title to the Home covered by this Purchase Agreement. In the event of default by the Purchaser under this Purchase Agreement, which default continues for thirty days after notice of such default from the Seller to the Purchaser, the Down Payment plus the cost of

any extras ordered may immediately be released to the Seller from such account as liquidated damages and thereafter neither party shall have any rights or obligations to or against the other. If a bond has been posted, it may be withdrawn after such default and notice.

In addition, although all funds received by Seller for upgrades, options or extras to the Residential Unit will initially be placed in the Escrow Account, such funds may be released from the Escrow Account as long as the Sponsor uses the funds for such upgrade or extra. In the event Purchaser is entitled to a right of rescission, the return of their Down Payment shall not include any funds paid towards, upgrades, options or extras.

In the event the Seller cannot convey title to the Home, all moneys advanced by the Purchaser hereunder shall be returned to the Purchaser with interest, if any.

13. Subordination of Purchase Agreement to Mortgages. The Purchaser agrees that all terms and provisions of this agreement are and shall be subject and subordinate to the lien of any institutional mortgages on the Condominium property 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, and any purchase money mortgages, pursuant to the terms thereof, to the full extent thereof without the execution of any further legal documents by the Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the schedule of payments or accelerated thereunder by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments. The Seller shall satisfy all such mortgages or obtain a release of the Home from the lien of such mortgages at or prior to the closing date, except for the individual mortgage of Purchaser thereon, whether same be by extension, assumption, consolidation or otherwise.

14. Construction of Home by Seller. The Seller agrees, at its own cost and expense to erect and complete the aforementioned Home in accordance with the requirements as to materials and workmanship of the Building Department of the City of New York and with the requirements of the lending institution which shall make the mortgage loan herein set forth and further agrees that when completed, same will be in substantial accordance with the plans as filed with the Building Department. The issuance of a temporary or permanent Certificate of Occupancy shall mean that the Home is substantially complete, subject to Paragraph 20 below.

15. Personal Property Included in Sale; Excluded Items. All articles of personal property, fixtures and equipment as set forth in the Offering Plan for the Condominium Home referred to herein are included in this sale, and same will be delivered free and clear of all liens and encumbrances except the lien of the mortgage applied for by Purchasers herein. Decorative fixtures, furniture, furnishings, paint, wall paper, carpeting, ceramic floors, mirrors, shelves, wall and window treatments, built-ins, electric fixtures on site lighting, intercom systems, high back splash on kitchen cabinets, ceiling high kitchen

cabinets, wall mounted vanities, special kitchen cabinets, whirlpool bathtubs, wood ceiling treatments, high hat lighting, additional fixtures and switches added for decorative purposes exhibited in the Model Homes, excepting those specifically set forth herein or in the Offering Plan, are for display purposes only and are not included in this sale.

16. Selection of Colors. It is further agreed that wherever the Purchaser has the right to make a selection of colors, fixtures and/or materials from Seller's designated samples, he shall do so within seven (7) days after written demand therefor. In the event the Purchaser fails to make such selection within such period, the Seller shall have the right to use its own judgment in the selection of colors, fixtures and materials and the Purchaser shall accept the same. Such written demand shall be by ordinary mail addressed to the Purchaser at the address herein set forth. Seller shall not be responsible for variations in the color of siding, appliances, plumbing fixtures, carpeting or tiles from the samples due to manufacturer's variations, nor shall such variations constitute an objection to closing or entitle Purchaser to compensation therefor.

17. Sellers Right to Make Changes in Materials, etc. The Seller reserves the right to: (a) make changes or substitutions of materials or construction for items as set forth in the Offering Plan or Building Plan, provided any such changes are of comparable value and quality; (b) determine the grading, elevation and design (including reversal of the Home and building layout) of all dwellings to fit into the general pattern of the Condominium; and (c) determine elevation of front, rear and sides of building, and elevation and location of foundations, walkways, stairs, window fenestration (d) determine the ultimate house mix of Homes in the Condominium; (e) determine location of electric and gas meters, mail boxes, hose bibs, gas furnaces and air conditioning units.

18. Closing Deed; Power of Attorney. The closing deed shall be in proper statutory form for recording; shall be Bargain and Sale with covenant; shall be duly executed and acknowledged by the Seller at the Seller's expense and shall contain such a description of the premises as shall be acceptable and/or approved so as to validly convey under the Condominium Act, the Home and the undivided interest in the common elements referred to herein. At the closing of title the Purchaser agrees to execute and deliver to Seller the Power of Attorney in the form annexed hereto (and made a part hereof) and designated "Schedule F".

19. Insurable Title, Subject To. The Seller shall give and Purchaser shall accept a good and insurable title (subject to the terms of the Declaration and By-Laws as filed and of the Offering Plan), free and clear of all liens and encumbrances except the lien of the mortgage applied for by Purchaser herein and except as set forth in the Offering Plan and such title as First American Title Insurance Company of New York or any other licensed title insurance company will approve and insure for mortgages and/or fee title insurance. Fee title insurance, if ordered by Purchaser, shall be purchased at Purchaser's own cost and expense. Purchaser shall deliver to Seller's attorney at least ten (10) days prior to closing, a written notice setting forth each objection to title, if any (other than those specifically set forth herein subject to which the Premises are being sold), and a copy of Purchaser's title report. Seller shall have the right to a reasonable adjournment of Closing

not to exceed sixty (60) days for the purpose of curing any title defect; however, no such action taken by Seller shall be deemed an admission by Seller that such defect is one that would entitle Purchaser to cancel this Agreement.

20. Completion of Construction; Purchaser's Inspection. Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Home or the building in which it is located or (b) other Homes or (c) the landscaped areas or (d) other portions of the common elements have not been completed. Purchaser will inspect his Home with a representative of the Seller during normal business hours prior to the closing date and will sign and deliver to Seller on or before closing date a Pre-Title Inspection Statement supplied by Seller, acknowledging the condition in which he has received his Home. Seller shall complete all unfinished items within ninety (90) days from the date of the closing of title, weather and other circumstances permitting. Any such incomplete items shall not constitute an objection to closing provided Seller executes and delivers to Purchaser, a letter agreement in accordance with the foregoing. Purchaser shall permit Seller, its agents, servants and/or employees to enter upon the Premises and shall provide reasonable access thereto subsequent to closing to complete any incomplete items. In no event shall Seller be required to hold any proceeds in escrow for completion of any incomplete items on the Pre-Title Inspection Statement.

In the event Seller is required to make any repair or complete any item of work to be performed by Seller after closing, the limit of Seller's liability shall be to make said repair and/or to complete such item. This Paragraph shall survive the delivery of the deed.

21. Acceptance of Deed Full Compliance by Seller; Waiver of Jury Trial. Anything to the contrary herein contained notwithstanding, it is specifically understood and agreed by the parties hereto that the acceptance of the delivery of the deed at the time of the closing of title hereunder shall constitute full compliance by the Seller with the terms of this agreement and none of the terms hereof, except as otherwise herein expressly provided, shall survive the delivery and acceptance of the deed. All representations contained in the Offering Plan shall survive delivery of the deed. The parties hereto do hereby agree that trial by jury in any action, proceeding or counterclaim arising out of or from this Agreement is hereby waived.

22. LIMITED WARRANTY. SELLER HEREIN MAKES NO HOUSING MERCHANT IMPLIED WARRANTY OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE PURCHASE AGREEMENT OR HOME COVERED HEREBY AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS PROVIDED IN THE LIMITED WARRANTY ANNEXED HERETO AS SCHEDULE "1". THE TERMS OF THE LIMITED WARRANTY ARE HEREBY INCORPORATED INTO THIS PURCHASE AGREEMENT AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE THEREOF. PURCHASER HEREBY ACKNOWLEDGES THAT A WRITTEN COPY OF THE TERMS OF THE ANNEXED LIMITED WARRANTY HAS BEEN PROVIDED BY SELLER TO PURCHASER FOR PURCHASER'S EXAMINATION AND THAT A REASONABLE PERIOD OF TIME FOR ITS EXAMINATION BY PURCHASER HAS BEEN AFFORDED TO PURCHASER PRIOR TO THE TIME OF PURCHASER'S EXECUTION OF THE PURCHASE AGREEMENT. PURCHASER UNDERSTANDS AND ACCEPTS THE ANNEXED WARRANTY TO THE PURCHASE AGREEMENT IN LIEU OF ANY OTHER EXPRESS OR

IMPLIED WARRANTIES IN CONNECTION WITH THIS TRANSACTION. THE ANNEXED WARRANTY WILL BE FULLY EFFECTIVE WITHOUT THE EXECUTION OF ANY OTHER DOCUMENT BY EITHER PURCHASER OR SELLER ON THE DATE THAT PURCHASER OR ITS FAMILY SHALL FIRST OCCUPY THE HOME WHICH IS THE SUBJECT OF THIS AGREEMENT AS A RESIDENTIAL HOME OR THE DATE THAT THE DEED TO SUCH HOME SHALL BE DELIVERED TO PURCHASER, WHICHEVER OCCURS FIRST. IN ADDITION TO THE ANNEXED LIMITED WARRANTY, PURCHASER WILL RECEIVE ANY MANUFACTURERS' WARRANTIES APPLICABLE TO THE APPLIANCES INSTALLED IN THE HOME.

The provisions of this Paragraph shall survive the delivery of the deed.

23. Lack of Labor/Materials; Seller's Right to Cancel. The parties hereto do hereby agree that the Seller may cancel this Agreement by forwarding its check in the full amount paid by the Purchaser, with interest, if any, together with a notice in writing, addressed to the Purchaser, at their addresses hereinabove set forth in the event of the occurrence of either of the following: (I) that any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restriction shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (2) that the Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, or the installation of public utilities is restricted or curtailed.

24. Lien of Deposit; Risk of Loss. All sums paid on account of this Agreement and the reasonable expense of the examination of the title to the Home are hereby made liens hereon, but such liens shall not continue after default by the Purchasers under this Agreement. The risk of loss or damage to the Home by fire or any other cause until the delivery of the deed or possession by the Purchaser is assumed by the Seller. In the event a substantial portion of the Home or Community shall be destroyed or damaged prior to closing, Seller shall be entitled to cancel this Agreement by written notice to Purchaser, together with a check in the full amount paid by Purchaser, with interest, if any. The parties shall thereafter be released from any further liability hereunder.

25. Liens Satisfied at Closing. The existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided the Seller shall deposit a sufficient amount with a title company so that said company shall be willing to insure against collection of same from the property herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property, not provided for in this Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

26. Possession Prior to Closing. It is expressly understood and agreed that the Purchaser shall in no event take possession of the premises prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Agreement and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove them from the premises as a squatter and intruder by summary

proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and upon such election, the amount paid hereunder shall belong to the Seller as liquidated damages. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the property on or after the closing of title herein.

27. Execution of Required Documents. Purchasers agree to perform all acts required by the Seller to carry out the provisions of the Offering Plan, establish the Condominium and conform to the provisions of all applicable laws and regulations. This Paragraph shall survive delivery of the deed.

28. Delay in Closing; Purchaser's Option to Cancel; Abandonment. In the event the Seller shall be unable to convey title to the Condominium Home on or before twelve (12)months after the date of delivery of title set forth herein, except for delays due to strikes, acts of God, wars, lockouts, military operations, national emergencies, installation of public utilities, governmental restrictions preventing Sponsor from obtaining necessary supplies and/or materials, in which event the period shall be extended to eighteen (18) months, except for the Purchaser's default, the Purchaser shall have the option to cancel this agreement and to have the Down Payment advanced by him returned to the Purchaser with interest, if any. Seller must receive Purchaser's written notice of his intention to exercise such option to cancel no later than ten (10) days after the expiration of the twelve (12) or eighteen (18) month periods, whichever applicable. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of this Agreement. The Seller has the option not to close title to the Condominium Home described herein if less than 80% of all of the Condominium Homes to be constructed as part of the Condominium are sold, so long as title to any Condominium Home has not been conveyed, and the Declaration has not been filed at such time. In the event Seller exercises such option, it shall forthwith return the Purchaser's Down Payment with interest, if any.

29. Options Ordered by Purchaser. Any special work ordered or changes ordered by Purchaser shall be signed by the Purchaser and must be paid for in full within seven (7) days of the order. If for any reason the Sponsor fails to install said special work in accordance with the work order, the limit of the Sponsors liability is a refund of the amount of the charge, and same shall not be deemed an objection to title. In the event Purchaser orders upgraded or optional items other than the standard provided by Seller, Seller shall not be responsible or liable for any defects in quality of materials or workmanship in installation.

30. Breach of Purchase Agreement. Should Purchaser violate, repudiate, fail to perform any of the terms of this Agreement, fail to close title, or fail to make any payment required hereunder in a timely manner, Seller may, at its option, retain all of the monies paid on account plus the cost of optional extras ordered hereunder as liquidated damages, in which event the parties shall be discharged of all further liability hereunder, or Seller may otherwise avail itself of any legal or equitable rights which it may have under this

Agreement. Seller shall not be required to tender a deed to enforce this provision. This provision shall apply whether or not construction has commenced and regardless of any sale of the Home subsequent to Purchaser's default.

31. Binding Nature of Purchase Agreement, Assignability; Recordation. The parties agree that the stipulations and agreements herein contained shall be binding upon them, their respective heirs, executors, administrators and/or assigns. The Purchaser agrees that he will not record or assign this Agreement or any of his rights hereunder without the written consent of the Seller. In the event the Seller, in its discretion, permits an assignment of this Purchase Agreement it may elect to impose an assignment fee. In no way should this be construed as a requirement that the Seller must consent to an assignment and Seller reserves the right to refuse to permit an assignment of this Purchase Agreement.

32. Notice. Any notices, statements, certificates, requests or demand required or permitted to be given or delivered under this Purchase Agreement shall be in writing and may be sent by mail, overnight courier or personal delivery, addressed to Purchaser or to Seller, as the case may be, at their respective addresses shown at the beginning of this Purchase Agreement, or to such other address as Purchaser or Seller may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given

(a) when delivered to an overnight courier service, if sent by overnight courier,

(b) upon personal delivery actually being made, and

(c) upon receipt or first refusal of delivery or inability of delivery after delivery to the United States Post Office with proper postage prepaid, if sent by regular mail, registered or certified mail return receipt requested.

Notwithstanding the foregoing, any notice of default must be delivered only by overnight courier service, personal delivery, or certified mail return receipt requested.

33. Prohibition Against Advertising of Home for Sale. The placing of an advertisement for the sale of this Home in any newspaper or other periodical prior to closing will constitute a material breach of this Agreement entitling Sponsor to retain all monies paid on account of this Agreement (including the cost of extras) as liquidated damages.

34. Broker. The parties agree that no broker except Apts and Lofts.Com. (the "Broker") brought about this sale and Purchaser agrees to indemnify Seller against any claim brought for brokerage based upon Purchaser's acts. Seller shall pay the Broker pursuant to separate agreement. In the event Purchaser is represented or has consulted with an outside broker (other than the Broker), Purchaser shall be responsible for all costs and commissions associated therewith and Seller shall not be responsible for any co-broker commission. This Paragraph shall survive Closing and delivery of the deed.

35. Purchaser as Agent for Each Other. If two or more persons are named as the Purchaser herein, any one of them is hereby made agent for the other in all matters of any and every kind or nature affecting the premises herein or this Agreement.

36. Delivery of Purchase Agreement. This Purchase Agreement shall not be binding on Purchaser until it is accepted, by endorsement hereon by the Seller, and a fully signed copy thereof shall have been delivered or mailed to Purchaser or his attorney. If this Agreement shall not be accepted within twenty (20) days of the date hereof by the delivery or mailing to Purchaser of such endorsed and fully signed copy, this Purchase Agreement shall be deemed to be rejected and canceled and Purchaser's deposit shall be promptly refunded within ten (10) days thereafter.

37. Entire Agreement. This agreement states the entire understanding of the parties and the Seller shall not be bound by any oral representations and/or agreements made by Seller, its agents, or representatives. Any conflict between this Purchase Agreement and the Plan shall be resolved in favor of the Plan.

THIS AGREEMENT STATES THE ENTIRE UNDERSTANDING OF THE PARTIES AND THE SELLER SHALL NOT BE BOUND BY ANY ORAL REPRESENTATIONS AND/ OR AGREEMENTS MADE BY SELLER, ITS AGENTS, OR REPRESENTATIVES.

35 HAVEMEYER DEVELOPMENT CORP.

By:_____

_____(L.S.)

_____(L.S.)

"YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE."

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SCHEDULE D-1

LIMITED WARRANTY

RIDER TO PURCHASE AGREEMENT DATE _____, 20__ BY AND BETWEEN **35 HAVEMEYER DEVELOPMENT CORP.**, AS SELLER, AND _____, AS PURCHASER.

LIMITED WARRANTY

NAME OF PURCHASER(S):	_____
ADDRESS OF PURCHASER(S):	_____
DESIGNATION OF HOME WARRANTED:	_____
NAME OF SELLER:	35 HAVEMEYER DEVELOPMENT CORP.
ADDRESS OF SELLER:	329 Glen Cove Avenue Sea Cliff, New York 11579
EFFECTIVE DATE OF THIS LIMITED WARRANTY:	The date that Purchaser or its family shall first occupy the home warranted or the date of delivery of the deed to such home to Purchaser, whichever occurs first.
SELLER'S LIMIT OF TOTAL LIABILITY:	Seventy-five (75%) percent of the purchase price of the home set forth in the Purchase Agreement to which this Warranty is annexed as a rider less any insurance proceeds received by Purchaser.

THIS LIMITED WARRANTY EXCLUDES AND PRECLUDES ALL CONSEQUENTIAL, INCIDENTAL, SPECIAL, AND INDIRECT DAMAGES.

THIS LIMITED WARRANTY IS IN LIEU OF AND REPLACES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE HOME AND ITS COMPONENTS, BOTH EXPRESS AND IMPLIED (INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE). THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THE PURPOSE OF THIS LIMITED WARRANTY IS TO IDENTIFY THE SELLER'S RESPONSIBILITIES FOR CONSTRUCTION DEFECTS OF A LATENT OR HIDDEN NATURE THAT COULD NOT HAVE BEEN FOUND OR DISCLOSED ON FINAL INSPECTION OF THE HOME.

1. To Whom Given. This Limited Warranty is given to the Purchaser named on page I while the Purchaser owns the Home. IT DOES NOT EXTEND TO SUBSEQUENT OWNERS, HEIRS, TENANTS OR MORTGAGEES IN POSSESSION OF THE HOME, ANY ONE WHO MAY SUCCEED TO THE RIGHTS OF PURCHASER OR ANY OTHER PERSONS.

2. By Whom Made. This Limited Warranty is made exclusively by the Seller whose name and address appear on page I.

3. Final Inspection of the Home. Before the Purchaser moves into the Home or accepts the deed, the Seller will schedule an appointment for final inspection of the Home with the Purchaser. The purpose of this final inspection is to discover any defects of a visible, obvious or patent nature, or any other unfinished work.

All defects found on final inspection of the Home will be itemized on a Final Inspection Sheet, which will be signed by the Purchaser and the Seller before occupancy of the Home or delivery of the deed.

4. Warranty Coverages and Periods. The Warranty Period for all of the following coverage begins on the Effective Date of this Warranty shown on page I of this warranty.

FIRST YEAR BASIC COVERAGE: for one year from the Effective Date of this warranty, the Home will be free from latent defects that constitute:

(a) defective workmanship by the Seller, or an agent, employee or subcontractor of the Seller;

(b) defective materials furnished by the Seller, or an agent, employee or subcontractor of the Seller;

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Seller; or

(d) defective installation of appliances sold as part of the Home by the Seller or an agent, employee or subcontractor of the Seller.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

TWO YEAR MAJOR SYSTEM COVERAGE: for two years from the Effective Date of this warranty, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Home which have been installed by the Seller are warranted to be free from latent defects resulting from defective installation by the Seller.

The Plumbing System refers to the gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system.

The Electrical System refers to all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System refers to all duct work, steam, water and refrigerant lines, registers, convertors, radiation elements and dampers.

Except by reason of a defect in installation by Seller, this major system coverage does not include defects in appliances, fixtures and items of equipment.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six years from the Effective Date of this warranty, the Home will be free from latent Major Structural Defects that result from:

(a) defective workmanship by the Seller, or an agent, employee or subcontractor of the Seller;

(b) defective materials furnished by the Seller, or an agent, employee or subcontractor of the Seller; or

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Seller.

A Major Structural Defect is a defect resulting in actual physical damage to the following 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.

Damage to the following non-load bearing portions of the Home are not covered by this six-year coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Home; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; and insulation.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

In all coverages under this Paragraph 4, workmanship, materials, design and installation will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the applicable building code of the municipality in which the Home is located, in effect on the date that the building permit for the Home was issued, as supplemented by the annexed locally accepted building standards and practices.

ALL TIME PERIODS FOR THESE COVERAGES ARE OF THE ESSENCE AND WILL NOT BE EXTENDED.

5. Exclusions From All Coverages. The following are not covered by this warranty:

(a) patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Home prior to the Effective Date of this warranty ought to have revealed;

(b) defects in detached garages and carports; swimming pools and other recreational facilities, if any; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); and any other improvements not a part of the Home itself;

(c) raised butt joints; ridging, scuffing on kitchen cabinet or vanity surfaces; variations of wood grain or staining of kitchen cabinets or vanities; shading variations of the exterior siding staining (on the face surface or grooves), and on fascias from staining; doors and windows sticking because of weather; adjustment of bi-fold doors; chips, scratches, marks, breaks, or other blemishes in windows, sliding doors, screens, electric fixtures and globes, woodwork and doors; dented appliances; broken screens; and minor chips (nicks) to cultured marble floors and countertops;

(d) defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors and for incidental or consequential damages resulting from such work or materials;

(e) damage caused by the failure by the Purchaser or anyone other than the Seller, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment;

(f) damage caused by the misuse, abuse, or interference by Purchaser or anyone other than Seller or its employees, agents and subcontractors with the Seller's original construction or installations;

(g) additional damage caused by the failure of the Purchaser to give notice to the Seller of any defects or damage in a timely manner as provided in this warranty;

(h) damage caused by changes in grade made by anyone other than the Seller, its employees, agents or subcontractors and damage caused by changes in grade made by Seller's agents and subcontractors if such work was ordered directly by Purchaser;

(i) damage caused by changes, alterations or additions made to the Home by anyone other than Seller or its employees, agents or subcontractors after the Effective Date of this warranty;

(j) damage caused by changes, alterations or additions made to the Home by Seller's agents and subcontractors if such work was ordered directly by Purchaser after the Effective Date of this warranty;

(k) damage or mold caused by dampness or condensation due to the failure of the Purchaser to maintain adequate ventilation or, in areas partly or wholly below grade, or to employ dehumidifiers or air conditioning;

(l) loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, acts of God, lightning, windstorm, hail, flood, mud slide, earthquake, volcanic eruption, wind-driven water, soil movement and changes in the underground water table;

(m) loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect;

(n) any damage which Purchaser has not taken timely action to minimize;

(o) normal wear and tear and normal deterioration;

(p) insect, vermin and/or rodent damage and infestation, or damage caused by other animals or pests;

(q) bodily injury, death, or damage to personal property;

(r) costs of shelter, transportation, food, moving, storage or other expenses related to relocation during repair or replacement;

(s) consequential, incidental, special and indirect damages;

(t) any claim not filed in a manner set forth in paragraph 7 of this warranty;

(u) damage which arises while the home is being used for nonresidential purposes; and

(v) damage due to abnormal loading on floors which exceeds design loads as mandated by the applicable building code or building standards.

6. What Seller Will do in the Event of a Defect Covered by This Warranty. If a defect occurs in an item covered by this warranty, the Seller will repair, replace, or pay the Purchaser the reasonable cost of repairing or replacing the defective item(s), within sixty (60) days after the Seller's inspection or testing discloses the problem, subject to weather conditions, acts of God, availability of materials, and other events beyond Seller's control. The choice among repair, replacement or payment is solely that of the Seller. In making any repairs or replacements, Seller shall have the right to select the method and materials to be used in performing such repairs or replacements.

Seller's liability under this warranty is limited in the aggregate to the amount listed on page I of the warranty.

Repair of damage to the load-bearing portions of the Home will be limited to that which is necessary to restore their load-bearing function. Repair of other Major Structural Defects will be limited to repair of those defects which made the Home unsafe, unsanitary or otherwise unlivable.

7. Step by Step Claims Procedures. (a) Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and must be received by the Seller no later than the tenth (I0th) day after the expiration of the applicable warranty period. Such notice must be sent by Purchaser to Seller by certified or express mail, return receipt requested. If this form shall not properly be completed and received by the Seller by that deadline, the Seller will have no duty to respond to any complaint or demand contained in such form, and any or all claims may be rejected. COMPLETION AND DELIVERY OF SUCH NOTICE OF WARRANTY CLAIM IN A TIMELY MANNER IS NECESSARY TO PROTECT THE RIGHTS OF THE PURCHASER UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Seller, Purchaser or any other person to inspect, test or correct defects will extend any time period under this Warranty. No steps taken by the Seller in response to an improperly completed or untimely notice of a warranty claim will give rise to any liability of Seller to Purchaser in connection with such claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Seller and the Seller's agents will have the right to inspect and test the portion of the Home to which the claim, complaint or request relates. The Purchaser and occupants of the Home must provide reasonable access to the Seller and the Seller's agents during normal business hours, Monday through Friday, to complete inspection, testing and repair or replacement. Failure by Purchaser to provide such

access shall invalidate this warranty with respect to the defect(s) set forth on the Notice of Warranty Claim.

(d) The Seller will complete inspection and testing within a reasonable time under the circumstances after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Seller will determine whether to accept or reject the claim. If the Seller rejects the claim, the Seller will give written notice of that decision to the Purchaser at the address shown on the Notice of Claim Form. If the Seller accepts the claim, the Seller will take corrective action within a reasonable time under the circumstances. The Seller will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessary are subject to weather conditions, availability of materials, and other events beyond the Seller's control.

8. Legal Actions. (a) No claim under this warranty may be commenced or asserted against Seller in any lawsuit unless a properly completed Notice of Warranty Claim Form has been received by the Seller in the time period set forth in paragraph 7 of this warranty.

(b) No lawsuit against the Seller under this warranty may be commenced more than thirty (30) days after the expiration date of the applicable warranty coverage, or thirty (30) days after Seller has given written notice of its rejection of Purchaser's claim with respect to such claim, or thirty (30) days after Builder has substantially completed corrective action for a defect with respect to such defect.

9. Miscellaneous Provisions. (a) To the extent any coverage under this warranty applies to common elements of a condominium, such coverage shall be deemed given to the Board of Managers of the condominium.

(b) This warranty may not be amended in any way without Seller's prior written consent in each instance.

(c) If any provision of this warranty will not be enforced by an appropriate court, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this warranty includes the other gender, and use of the plural includes the singular, as may be appropriate.

(e) This warranty shall be governed in accordance with the laws of the State of New York.

(f) The annexed Building Standards establishes the standards by which it will be determined whether the home has a problem which is covered by this Limited Warranty and the obligation of the Seller to correct such problem.

NOTICE OF WARRANTY CLAIM FORM

Dear Purchaser:

To ask the Seller to correct a defect in your Home that you think is covered by the Seller's Limited Warranty, you must complete this form and deliver it to the Seller. This is necessary to protect your rights to warranty performance under the Limited Warranty.

The information you will need to fill out the form will be on page 1 of the Limited Warranty. However, if you do not know the answers to any questions, write "Don't know." Please do not leave any items blank.

Your Name: _____

Mailing Address: _____

_____

_____

Phone: _____

Home No.: _____

Effective Date of the Warranty: _____

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem:

_____

_____

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_____

_____

_____ _____
(date) (signature)

_____ _____
(date) (signature)

This completed and signed form must be sent to Seller at its address listed on the first page of the Warranty by certified or express mail, return receipt requested.

PERFORMANCE STANDARDS

The following performance standards are the accepted standards for the construction of all homes to be built.

While these performance standards define the builder's responsibility, these performance standards shall not apply and the builder shall not be responsible to items installed or modified by the owner, or their agents, or to items subject to neglect or abnormal or improper use. Unnecessary service calls or service calls caused by misuse, modification, abuse or changes from original installation and construction shall result in a service call charge to the homeowner of a minimum of $50.00.

In no event shall the builder be responsible for the partial or total death of any trees, shrubs, bushes, or any other landscape improvements. Healthy stock is planted initially.

In no event shall the builder be responsible for normal lumber shrinkage and any ramifications caused by same, i.e. ridging of floor over "built-up" double, or triple, etc. floor beams, or shrinkage of floor or ceiling beams.

ACCEPTED STANDARDS

The performance standards list specific items (defect) within each separate area of coverage. The first section covers workmanship and materials; the second section covers systems. The standards are expressed in terms of performance criteria. For easy comprehension, the format is designed as follows:

Possible Deficiency:
A brief statement, in simple terms, of problems that may be encountered.

Performance Standard:
A performance standard relating to a specific deficiency.

Responsibility:
A statement of the corrective action required of the builder to repair the deficiency or a statement of the Home Owner's maintenance responsibilities.

Workmanship and Materials, First Year Only:

1. Site Work
2. Concrete
3. Masonry
4. Wood and Plastic
5. Thermal and Moisture Protection
6. Doors and Windows
7. Finishes
8. Specialties
9. Equipment
10. Plumbing
11. Heating and Cooling
12. Ventilation
13. Electrical
14. Roofing

Systems, First and Second Year:
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.

Major Structural Material Defects:

"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.

PART I

GENERAL ELECTRICAL, PLUMBING, MECHANICAL AND STRUCTURAL STANDARDS

A. Mechanical, plumbing, structural and electrical standard should be governed by the N.Y.C. building code.

B. The issuance by the appropriate authorities of the documents indicating evidence of compliance, shall be deemed evidence of compliance. Use of the building must always comply with the Certificate of Occupancy issued at title closing to the first purchaser.

C. Appliances, Fixtures and Equipment:

a. Appliances, fixtures and equipment (including their fittings, attachments, controls and appurtenances) shall include but not be limited to furnaces, humidifiers, air purifiers, air handling equipment, ventilating fans, air conditioning condensers and compressors, water heaters, boilers, pumps, stoves, automatic garage door openers, washers and driers, bath tubs, sinks, commodes, faucets and fittings, light fixtures, light switches, convenience outlets, circuit breakers thermostats and controls.

b. The warranty period for appliances, fixtures and equipment (including their fittings, attachments, controls and appurtenances) for which there is no written manufacturer's warranty shall be one year. The initial warranty period for appliances, fixtures and equipment on those items where a manufacturer's warranty is provided by the manufacturer is the builder's warranty under these performance standards and shall be limited to the duration of the manufacturer's warranty but in no event shall the builder's responsibility under these performance standards exceed one year. (This does not, however, limit to one year the stated period of the applicable manufacturer's warranty where such warranty exceeds one year).

PART II

QUALITY STANDARDS

General workmanship and material defects are guaranteed under the initial warranty period. The following quality standards are intended to define the specific limits of permissible defects in materials and general workmanship. These performance standards have been developed after careful analysis of building custom and practices within this jurisdiction. These performance standards may be periodically supplemented; However if a buyer complaint on a warrantable item should arise which is not governed by any specific performance standard, then determination of builder responsibility through conciliation and arbitration shall be made on the basis of good industry practice within jurisdiction where the home is situated.

These performance standards represent the basis for determining the validity of all home buyer complaints relating to defective materials and workmanship during the initial one year warranty program. If any specific performance standard listed below conflicts with any of the general standards set forth in Part I, then that standard which requires a greater quality of performance shall govern.

I. SITE WORK

A. Site Drainage

1. Improper draining and water runoff from the site.

Approved Standard: The builder shall be responsible for providing grades and swales to insure proper drainage away from the house as per approved plans, if any. Standing water shall not remain thirty-six hours after a rain, except swales which may drain as long as forty-eight hours. No grading decisions shall be made while there is frost on the ground or while ground is saturated.

Required Remedy: The builder is required only to establish proper grades and swales to effectuate proper drainage. It is the owner's responsibility to maintain such grades and swales once they have been properly established by the builder.

B. Backfill and Excavation

1. Settling of ground around filled areas, including foundation, utility trenches, etc.

Approved Standards: The maximum allowable settling around utility trenches, foundations or other filled areas shall be six inches, and settling foundation shall further not interfere with proper water drainage away from the house.

Required Remedy: The builder shall be responsible for refilling any excessively settled areas. The builder's responsibility shall be limited to one such occurrence during the one year warranty period. The builder shall not be held responsible for any grass, shrub or other landscaping affected by such settling or by such additional backfilling.

C. Paved Driveways

1. Pooling of water and uneven settling of pavement.

Approved Standard: No standing water more than 1" deep should remain on the paved driveway twenty-four hours after a rain. Improper draining resulting from non-clearance of snow and ice is not the builder's responsibility.

Required Remedy: Builders shall fill in low spots to meet the above standard. However, the builder is not responsible for matching the patch in color or texture to the rest of the driveway.

II. MASONRY

A. Unit Masonry

1. Cracking of foundation and basement walls.

Approved Standard: While it is not unusual for some minor cracking to appear in mortar joints of masonry foundation walls, such cracks are considered excessive if greater than 1/4 inch in width.

Required Remedy: The builder shall repair visible cracks in excess of 1/4 inch by surface patching. Any such repairs should be made near the end of the one year warranty so as to permit stabilization of the normal settling process of the home. The color or texture of the patch may not match.

2. Cracks in veneer or masonry walls.

Approved Standard: Cracks greater than 1/4 inch in width are considered excessive.

Required Remedy: The builder shall repair cracks in excess of 1/4 inch by surface patching, but shall not be responsible for matching color or texture. Any such repairs should be made near the end of one year warranty period so as to permit stabilization of the normal settling process of the home.

III. CONCRETE WORK

A. Cast-in-Place Concrete

1. Cracks in basement floor.

Approved Standard: Minor cracks in concrete basement floors are not unusual. Cracks exceeding 1/4 inch in width or 1/4 inch in vertical displacement are considered excessive.

Required Remedy: The builder shall repair by surface patching all cracks exceeding maximum tolerances in the performance standard.

2. Cracks in basement or foundations walls.

Approved Standard: While some non-structural cracking is not unusual, such cracks greater than 1/4 inch in width are considered excessive.

Required Remedy: The builder shall repair visible nonstructural cracks in excess of 1/4 inch by surface patching. Such repairs should be done once during the first year limited warranty period.

3. Settling, cracking, or heaving of steps or stoops.

Approved Standard: Cracks of less than 3/4 inch are acceptable in concrete stoops; however, steps of stoops should not settle or heave in excess of 1-1/2 inch in relative position to the adjacent house.

Required Remedy: Builder shall repair excessive crack by surface patching.

4. Cracks in slab floor of attached garage.

Approved Standard: Cracks in excess of 1/4 inch in width and 1 inch in vertical displacement in slab floor of attached garage are considered excessive.

Required Remedy: Builder shall repair excessive cracks as required by any acceptable method.

5. Water staying on stoops.

Approved Standard: All water should drain from outdoor steps and stoops.

Required Remedy: Builder shall repair by surface patching to assure appropriate drainage.

6. Cracking in attached patio floors.

Approved Standard: Only those cracks greater than 1/4 inch in width or 1 inch in vertical displacement are considered to be excessive.

Required Remedy: Builder shall repair by surface patching providing this deficiency has not been caused by freezing fall action which is beyond the control of the builder.

7. Excess chalking or powdering of concrete surface.

Approved Standard: Excess chalking or powdering of concrete surfaces is not acceptable, but shall not be confused with surface dust.

Required Remedy: The builder shall repair surfaces as necessary, utilizing "proper" resurfacing or coating material.

8. Cracking of concrete slab-on-grade floors greater than 1/4 inch.

Approved Standard: Cracks significantly diminishing performance and/or appearance of the flooring material shall not be acceptable.

Required Remedy: The builder shall repair by surface patching the cracks as necessary to diminish visibility when finish flooring material is in place. Builder is not responsible for color differences or discontinued floor covering patters.

IV. MOISTURE PROTECTION

A. Shingles and Roofing Tiles

1. Leaking of the roof or flashing

Approved Standard: Under normal conditions, leaking of roofing or flashing shall not be acceptable.

Required Remedy: The builder shall take corrective action as necessary to repair verified roof or flashing leaks caused by poor workmanship or materials.

B. Waterproofing

1. Leaking of foundation or basement.

Approved Standard: Dampness of foundation or basement walls occurs frequently in newly constructed homes and should not be considered a defect. No leaks producing trickling water shall be acceptable. Any leaking which is caused by faulty landscaping installed by owner or caused by owner's failure to maintain proper grades is not covered by warranty.

Required Remedy: Except when caused by owner negligence, builder shall repair leaks as necessary; builder represents and warrants that the basement will remain free of leaks for a period of one year from date of closing under the following terms and conditions:

a. Seller shall repair said leak and/or seepage, if any, in a manner consistent with standard building practices in the City of New York.

b. In the event that all reasonable attempts to repair said leaks shall fail to resolve said problem, Seller shall have the right at Seller's sole discretion to alleviate said leak and/or seepage condition by the installation of a sump pump or similar liquid transfer system; installation of said system shall constitute complete compliance with the terms of Seller's warranty under this clause and Purchaser agrees, warrants and recognizes that no cause of action shall lie subsequently to sellers installation of said pump or similar system. Seller shall provide manufacturer's warranty on said system if available.

c. This warranty shall be void and of no force and effect in the event that leak or seepage is caused by:

(i) Act of the Purchaser
(ii) Act of God

C. Siding and Cladding

1. Cracks in siding and cladding

Approved Standard: Cracks in excess of ½ inch in joints of siding or cladding are considered excessive. Frequently, bowing in siding appears as a result of shrinkage and drying of lumber.

Required Remedy: The builder shall correct or repair as necessary open cracks in excess of ½ inch, but shall not be responsible for bowing caused by shrinkage. Caulking or wood fillers are acceptable remedies.

D. Membrane roofing

1. Leaking.

Approved Standard: Should not leak under normal conditions.

Required Remedy: The builder shall repair or correct as necessary any verified roof leaks caused by poor workmanship or materials.

E. Flashing and Sheet Metal.

See IV.A.I.

F. Sealants

1. Inadequate caulking causing leaking in exterior walls.

Approved Standard: Some shrinkage in caulking is not unusual and is acceptable. Caulking around joints and cracks in exterior wall surfaces and openings to exclude entry of water must be properly maintained by the homeowner.

Required Remedy: The builder shall caulk joints, cracks and openings as necessary in exterior wall surfaces to prevent entry of water. Recaulking is a maintenance item to be done by the owner.

A. LOUVERS AND VENTS:

Possible deficiency:

Leaks due to snow or rain driven into the attic through louvers or vents.

Performance Standard:

Attic vents and/or louvers must be provided for proper ventilation of the attic space of the structure. Builder shall not be responsible if homeowner modifies ventilation as provided by builder.

Responsibility:

NONE

B. ROOFING AND SIDING:

1. Possible Deficiency:

Ice build-up on roof.

Performance Standard:

During prolonged cold spells, ice build-up is likely to occur at the eaves of a roof. This condition occurs when snow and ice accumulate and gutters and downspouts freeze up.

Responsibility:

Prevention of ice build-up on the roof is a Home Owner maintenance item.

2. Possible Deficiency:

Roof or Flashing leaks

Performance Standard:

Roofs or flashing shall not leak under normally anticipated conditions, except where cause is determined to result from ice build-up or Home Owner action or negligence.

Responsibility:

Builder will repair any verified roof or flashing leaks not caused by ice build-up or Home Owner action or negligence.

3. Possible Deficiency:
   Standing water on flat roof.

   Performance Standard:
   Water shall drain from flat roof except for minor ponding immediately following rainfall or when the roof is specifically designed for water retention.

   Responsibility:
   Builder will take corrective action to assure proper drainage of roof.

H. PLASTIC AND WOOD

A. Exterior Finish Carpentry

1. Unsatisfactory workmanship on exterior trim.

Approved Standard: Cracks in excess of ½ inch in joints between exterior trim elements are considered excessive (this includes siding). Exclusion of the elements is necessary in all cases for exterior trim and siding to be acceptable.

Required Remedy: The builder shall repair as necessary any open cracks in excess of ½ inch by caulking same.

B. Interior Finish Carpentry

1. Unsatisfactory workmanship on interior trim.

Approved Standard: Cracks and/or gaps between moldings and joints and adjacent surfaces should not exceed 1/4 inch in width or vertical displacement, except in the case of gaps between base or floor mounding and flooring, in which case gaps shall not exceed ½ inch.

Required Remedy: The builder shall repair or correct as necessary defective joints so as to meet the above standard. A shoe molding of quarter round molding may be installed to cover space between floor and base molding.

C. Rough Carpentry

1. Squeaking floors.

Approved Standard: While some squeaking may occur due to normal shrinking in wood floors, excessive squeaking due to loose boards is not acceptable. This applies to sub-floors.

Required Remedy: The builder shall be responsible only for face nailing loose boards. The builder is not responsible for normal squeaking due to shrinkage in wood floors. This applies to sub-floors as well.

2. Floors not level.

Approved Standard: Floor slope within any room shall not exceed 1/240 of the room width, and floors should not be more than 1/4 inch out of level within any 32 inch measurement.

Required Remedy: The builder shall repair uneven floors as necessary to meet the above standard.

3. Carpeting

1. Possible Deficiency: Open carpet seams.

   Performance Standard: Carpet seams will show. However, no visible gap is acceptable.

   Responsibility: Builder will correct.

2. Possible Deficiency: Carpeting becomes loose, seams separate or stretching occurs.

   Performance Standard: Wall to wall carpeting, installed as the primary floor covering, when stretched and secured properly shall not come up, become loose, or separate from its point of attachment.

   Responsibility: Builder will re-stretch or re-secure carpeting as needed, if original installation was performed by Builder.

3. Possible Deficiency: Spots on carpet, minor fading.

   Performance Standard: Exposure to light may cause spots on carpet and/or minor fading.

   Responsibility: None.

VI. FINISH ITEMS

A. Ceramic Tiles

1. Loosening or cracking of ceramic tiles.

Approved Standard: Loosening or cracking of ceramic tile is unacceptable under normal use conditions.

Required Remedy: The builder shall reseal any loose ceramic tiles and replace any cracked ceramic tiles unless cracking and/or loosening is due to poor owner maintenance or misuse.

2. Grout in joints or junctions with other material (bath, etc.) cracks; ceramic tile cracks.

3. With regard to Tile & Grout, Color and Style will be matched as close as possible. Builder shall not be responsible for discontinued patters or colors.

Approved Standard: Normal shrinkage conditions often results in cracks in the grouting of ceramic tile joints.

Required Remedy: The builder does not warrant against normal shrinkage or separation of ceramic tile grout.

B. Resilient Flooring

1. Appearance of nail "pops" on the surface of the resilient flooring material.

Approved Standard: Easily visible nail "pops" are not acceptable.

Required Remedy: The builder shall repair or replace as necessary only if material used was originally applied and installed from builders samples, but is not responsible for color differences or discontinued floor covering patters.

2. Appearances of hollows and/or ridges in the resilient flooring due to irregularities beneath floor surface.

Approved Standard: Hollows and/or ridges exceeding 1/8 inch are not acceptable and should be repaired. Determination of hollow or ridge measurement is established by taking the measurement of the gap created at one end of a 6 inch straight edge placed over the hollow or ridge, holding three inches of the straight edge tight to the floor on the other side.

Required Remedy: The builder shall correct or repair as necessary to reduce visibility of irregularity and to bring the defect within acceptable tolerance. The builder is not responsible for color differences or discontinued patterns.

3. Resilient Flooring becomes unglued.

Approved Standard: Flooring should not become unglued, causing lifts, bubbles, etc. under normal use and proper maintenance.

Required Remedy: The builder shall repair or reinstall resilient flooring as necessary but shall not be responsible for color differences or discontinued patterns.

4. Appearance of gaps due to shrinkage or seams at joint in resilient flooring.

Approved Standard: Gaps in excess of 1/16 inch in width are not acceptable. Where resilient flooring borders other material, gaps in excess of ½ inch are not acceptable.

Required Remedy: The builder shall correct or repair as necessary, but stall not be responsible for color differences or discontinued patterns.

C. Paint

1. Peeling or degeneration of exterior paint and/or stain.

Approved Standard: While some wearing out of deck paint or stain from traffic is normal, exterior paints and/or stains should not degenerate appreciably during the first year.

Required Remedy: The builder shall appropriately repaint or restain the area so affected, including entire wall or area if the majority of such wall or area is affected. However, the warranty on the repainted or restained area shall not exceed the original warranty period. The builder shall match colors as closely as possible.

2. Other repair work necessitates painting surrounding area.

Approved Standard: Builder shall refinish area as made necessary by other repairs covered under this warranty, matching surrounding area closely.

Required Remedy: Builder shall refinish areas as may be necessary, matching surrounding areas as closely as possible.

3. Lacquer finish and/or varnish degeneration.

Approved Standard: Interior varnish and lacquer deterioration within the first year is not acceptable. However, varnish type finishes applied on the exterior are not covered by the warranty as they do tend to quickly degenerate.

Required Remedy: The builder shall refinish affected areas of interior natural finished woodwork as necessary, matching colors as closely as possible.

4. Poor quality or defective application of interior paint.

Approved Standard: Where specified, interior paint shall be applied so as to visually cover surfaces (trim, wall, ceiling, etc.) matching color closely.

Required Remedy: The builder shall repaint unacceptable surfaces where necessary to cover underlying surface.

D. Plaster and Lath

1. Cracking appears in stucco wall surfaces.

Approved Standard: Cracks in excess of 1/8 inch in width area are not acceptable. However, hairline cracks in stucco wall surfaces are not uncommon. Cracks may appear where stucco abuts other material. These cracks may be repaired by caulking or surface patching.

Required Remedy: The builder shall repair cracks in excess of 1/8 inch as necessary. However, the builder does not warrant color matching.

E. Plaster, Lath, and Gypsum Wallboard.

1. Flaws due to poor quality of workmanship (trowel Marks, excess compound, blisters, bubbles, cracks, etc).

Approved Standard: Cracks in interior wall and ceiling surfaces, nail pops and hairline cracks are not unusual in interior wall and ceiling surfaces and are not the responsibility of the builder. Cracks greater than 1/8 inch in width shall be repaired.

Required Remedy: Builder will repair cracks exceeding 1/8 inch in width one time only, during the first year of the Limited Warranty period. Paint touch ups, if necessary, with color match as closely as possible.

VII. WINDOWS AND DOORS

A. Windows

1. Windows difficult to open and close are inoperative.

Approved Standard: Windows shall open and close reasonably easy. Some air infiltration is normally noticeable around doors and windows, especially during high winds. It may be

necessary for the homeowner to have storm doors and windows installed to provide satisfactory solutions during wind conditions.

Required Remedy: Builder shall take steps as necessary to facilitate proper functioning. Any channels must be kept clean to prevent clogging of week holes.

B. Wooden Doors

1. Interior passage doors warp.

Approved Standards: Warping of full opening interior doors in excess of the National Woodwork Manufacturers Association standard of 1/4 inch is not acceptable.

Required Remedy: Builder shall replace or correct warped doors and refinish if necessary, matching finish as closely as possible.

2. Exterior doors warp.

Approved Standard: Warping in excess of the National Woodwork Manufacturers Association standard of 1/4 inch is unacceptable.

Required Remedy: The builder shall adjust or replace exterior doors as required and refinish if necessary.

C. Garage doors

1. Garage door difficult to operate or inoperable.

Approved Standard: Should operate easily and as intended.

Required Remedy: The builder shall adjust or repair garage door as necessary.

D. Seals and Weather Stripping

1. Drafts around windows and doors, except garage doors.

Approved Standard: An unusually great amount of draft produced by doors and windows which don't fit properly, weather stripping that does not fit properly, or open cracks is not acceptable, although some drafting is almost always noticeable around windows and doors, particularly during storms and high winds.

Required Remedy: The builder is required to repair open cracks and to adjust ill-fitting weather stripping and ill-fitting windows and doors excluding garage doors.

VIII. EQUIPMENT

A. Residential Equipment

1. Kitchen drawers, cabinet doors, or other moving parts difficult to operate or inoperable. Equipment cannot be misused or damaged by purchaser. Builder will not be responsible for chips and cracks noted following first occupancy, or fading due to over-sunlight exposure.

Approved Standard: All kitchen drawers and cabinet doors should operate reasonably as intended.

Required Remedy: Builder shall adjust or replace operating parts as necessary, matching colors closely.

2. Appearance of chips or surface cracks and/or delamination of high pressure laminated countertops.

Approved Standard: There should be no chips, cracks, or delamination in counter tops fabricated with high pressure laminate. However, abuse, misuse or damage caused by purchaser voids warranty.

Required Remedy: The builder shall repair or replace equipment as required, matching color as closely as possible.

IX. MECHANICAL.

A. Generating Heat or Power.

1. Insufficient heat.

Approved Standard: According to the specifications in the ASHRAE handbook, the heating system should be able to produce an interior temperature of 70 degrees F. as measured in the middle of each room as a height of 5 feet above the floor under local winter conditions. Shall conform to the N.Y.S. Energy Code.

Required Remedy: The builder shall adjust or repair the heating system as necessary to produce the required temperatures. However, the owner shall be responsible for balancing dampers, registers, radiators, and other minor adjustments, including filter changes and furnace lighting.

B. Refrigeration

1. Insufficient cooling.

Approved Standard: According to the specifications in the ASHRAE handbook, under local outdoor summer design conditions, the cooling system should be able to maintain a temperature of 80 degrees F., as measured in the middle of each room at a height of 5 feet above the floor, where air-conditioning is provided, with a 95 degree outside temperature.

Required Remedy: The builder shall adjust or repair the cooling system as necessary to produce and maintain the required temperatures. However, the homeowner shall be responsible for balancing dampers, registers, and other minor adjustments.

C. Plumbing

1. Fixtures, drains, and plugged sewers.

Approved Standard: Drains, fixtures and sewers should all operate properly as intended.

Required Remedy: If faulty construction practices are shown to be the cause of problems with sewers, fixtures and drains, the builder shall assume the repair costs. If owner negligence or misuse is shown to be the cause of the problems, the owner shall assume the repair costs. When a problem occurs, the owner should notify the builder and ask for recommendations. The builder shall to be responsible for drains, sewers and fixtures plugged due to negligence or misuse by owner. Stoppage in City sewers are not the responsibility of the builder.

2. Piping Leaks

Approved Standard: Condensation on piping is common and should not be construed as a leak, and is not covered under the warranty. No leaks of any kind in soil, vent, waste, or water pipes are acceptable.

Required Remedy: The builder shall repair or adjust pipes as necessary to stop leaking.

3. Leaking valves or faucets

Approved Standard: No leaks should exist in valves or faucets due to poor quality of the materials or the workmanship.

Required Remedy: The builder shall repair or replace faucets and/or valves which leak unless the leaking is caused by defective washer. Leaks caused by warn out washers are the responsibility of the owner after 90 days.

4. Defects in appliances, trim fittings, and plumbing fixtures.

Approved Standard: Manufacturer's standard should be used to determine whether or not appliances, fixtures or fittings are defective.

Required Remedy: The builder shall replace fittings and fixtures which do not meet manufacturer's standards.

D. Pipe insulation

1. Freezing of plumbing pipes.

Approved Standard: All pipes (water, drain, waste, and vent) should be protected properly so as to prevent freezing during normally anticipated winter temperatures. It is the home owners responsibility to maintain adequate heat to prevent freeze ups.

Required Remedy: The builder shall repair or correct conditions causing pipes to freeze and shall also repair any piping which was damaged due to freezing. It is the homeowners responsibility to drain or otherwise protect lines and exterior faucets exposed to freezing temperatures.

E. Septic Tanks

1. Malfunction of septic system.

Approved Standard: The septic system should be able to adequately handle a normal flow of household effluent, based on requirements of local regulatory agency.

Required Remedy: The builder shall adjust or repair system as necessary. The builder shall not be responsible for malfunctioning caused by owner misuse or negligence.

F. Controls and Instruments

See IX.A.1

G. Air Distribution

See IX.A.1 and IX.B.1

H. Liquid Heat Transfer

See IX.A.1 and IX.B.1

X. ELECTRICAL

A. Conductors, Switches, Receptacles and Lighting

1. Electric switches, outlets and fixtures malfunction.

Approved Standard: Electrical outlets, fixtures and switches should operate properly and as intended.

Required Remedy: The builder shall repair or replace defective wiring, outlets, switches, and fixtures.

XI. SPECIALTY ITEMS

A. Chimneys and Fireplaces

1. Chimney or fireplace does not draw adequately.

Approved Standard: Although high winds may cause temporary negative draft situations, a correctly designed and installed chimney or fireplace should function properly and draw adequately.

Required Remedy: The builder shall correct or repair the chimney or fireplace as necessary if the problem is caused by faulty design or construction and not by obstruction.

B. Vents and Louvers

1. Attic and crawl spaces poorly ventilated.

Approved Standard: Attics should have a natural ventilation area equal to either 1/150 of the floor area or 1/300 of the floor area when an accepted vapor barrier is installed on the warm side of the ceiling, or when at least 50% of the required ventilation is provided at least 3 feet above the ceiling. Crawl spaces should have a natural ventilation area equal to either 1/150 of the floor are to 1/1500 of the floor area when the surface is covered with an accepted vapor barrier.

Required Remedy: The builder shall make provision for adequate ventilation in accordance with the above Approved Standard.

XII. CONDENSATION

Builder shall not be responsible for any damage caused by acts of the purchaser which result in condensation. These acts include, but are not limited to the use of humidifiers, improper use of any equipment or improper ventilation.

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SCHEDULE D-2

FORM TO RELEASE ESCROW FUNDS

FORM FOR THE RELEASE OF ESCROWED FUNDS

Date

Murphy, Barto and O'Brien. LLP
22 Jericho Turnpike
Mineola, NY 11501

Re: 35 HAVEMEYER STREET CONDOMINIUM
Purchaser:
Home #:

Gentlemen:

You have been holding in a trust account my/our down payment for the above-referenced unit in the amount of $_____. I/we acknowledge that closing has taken place this date. Accordingly, you are authorized to release the funds being held in said amount to whomever the Sponsor so designates. In addition, you, as Escrow Agent on said account, are hereby released from any and all liability or further obligation to us with respect to said down payment.

Very truly yours,

_____
Purchaser

_____
Sponsor's representative

SCHEDULE D-3

WAIVER OF NOTICE OF CLOSING

WAIVER OF NOTICE OF CLOSING

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

, being duly sworn, does hereby depose and state:

1. I am the purchaser of Home # at 35 Havemeyer Street Condominium.

2. Pursuant to a Purchase agreement dated , 200 , I am entitled to thirty (30) days' written notice of the closing for my Home.

3. I hereby waive the applicable notice provision contained in the Purchase Agreement and agree to close on , 200 .

_____
Purchaser's signature

_____
Purchaser's signature

Sworn to before me this
day of , 20 .

_____
Notary Public

SCHEDULE E

POWER OF ATTORNEY

POWER OF ATTORNEY

I (We) residing at

the owner of Condominium Home No. in the Condominium known as 35 Havemeyer Street Condominium covering the property located in Brooklyn, City and State of New York, do hereby nominate, constitute and appoint the members of the Board of Managers of 35 Havemeyer Street Condominium, c/o 35 Havemeyer Development Corp., 329 Glen Cove Avenue, Sea Cliff, New York 11579 and their successors, jointly, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on my behalf to acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Homes in said property, any Condominium Home whose owner desires to abandon the same, or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale, at such price and on such terms as my said attorneys-in-fact shall, in their sole discretion deem proper and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Condominium Home so acquired, at such terms as my attorneys-in-fact may in their sole discretion determine, granting to my said attorneys-in-fact the power to do all things in the said premises which I could do if I were personally present.

I (We) do hereby further irrevocably nominate, constitute and appoint 35 Havemeyer Development Corp, and its successors, my true and lawful attorneys-in-fact coupled with an interest in my name and on my behalf to vote at any Home Owners meeting for, and to file an amendment to the Declaration of 35 Havemeyer Street Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Homes as built, and to amend any Filed Map or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Tenth, Section (c) of the Declaration of Condominium of 35 Havemeyer Street Condominium.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, I (we) have set my (our) hand(s) and seal this day of , 20 .

_____

_____

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

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

_____
Notary Public

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SCHEDULE F

FORM OF DEED

DEED

THIS INDENTURE, made the day of , 20 , between 35 Havemeyer Development Corp., a New York corporation, having its office at 329 Glen Cove Avenue, Sea Cliff, New York 11579, Party of the First Part, and

Party of the Second Part,

WITNESSETH:

THAT the Party of the First Part, in consideration of Ten Dollars ($10.00) and other good and valuable consideration paid by the Party of the Second Part, does hereby grant and release unto the Party of the Second Part, the heirs or successors and assigns of the Party of the Second Part forever,

ALL that certain plot, piece or parcels of land, with the improvements therein contained, situate, lying and being a part of the condominium located in Brooklyn, City and State of New York, known and designated as Home No. together with % undivided interest in the common elements of the Condominium hereinafter described as the same is defined in the Declaration of Condominium hereinafter referred to.

The real property above described is a Home shown on the plans of a Condominium prepared and certified by and filed in the Office of the Register of Kings County on the day of , 200 , as Map No. defined in the Declaration of Condominium entitled 35 Havemeyer Street Condominium made by 35 Havemeyer Development Corp., under Article 9-B of the New York Real Property Law dated , 20 and recorded in the Office of the Register of Kings County on the day of , 20 , in Liber of Conveyances at page covering the property therein described. The land area of the property is described as follows:

(PROPERTY DESCRIPTION)

Together with the appurtenances and all the estate and rights of the Party of the First Part in and to said premises.

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, rules, regulations and easements all as set forth in the condominium documents filed and recorded as aforesaid.

SUBJECT TO: The provisions of the Declaration, By-Laws, site plan and floor plans of the Condominium as the same may be further amended from time to time by instruments recorded or filed in the Office of the Register of Kings County, which provisions, together with any amendments thereto shall bind any person having at any time any interest or estate in the Home, as though such provisions were recited at length herein.

TO HAVE AND TO HOLD the premises herein granted unto the Party of the Second Part, the heirs or successors and assigns of the Party of the Second Part forever.

AND the Party of the First Part covenants that the Party of the First Part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

AND the Party of the First Part, in compliance with Section 13 of the Lien Law, covenants that the Party of the First Part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement before using any part of the total of the same for any other purpose.

The use for which the Home is intended is that of a one family residence, subject to the applicable governmental regulations and the restrictions contained in the Declaration.

This conveyance has been made in the regular course of business actually conducted by the Party of the First Part.

The word "Party" shall be construed as if it read "Parties" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Party of the First Part has duly executed this deed the day and year first above written.

35 HAVEMEYER DEVELOPMENT CORP.

By:_____

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

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

_____
Notary Public

SCHEDULE G

DESCRIPTION OF PROPERTY AND BUILDING CONDITION

Architect Report for Project:
35 Havemeyer Street Condominium
35 Havemeyer Street
Brooklyn, N.Y. 11211

DESCRIPTION OF PROPERTY
AND
SPECIFICATIONS OF BUILDING CONDITIONS

March 26, 2011

Prepared by: Gerald J. Caliendo Architects, P.C.

138-72 Queens Boulevard
Briarwood, N.Y. 11435
Tel. (718) 268-9098 Fax (718) 268-9097

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AND
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35 HAVEMEYER STREET CONDOMINIUM
35 Havemeyer Street
Brooklyn, N.Y. 11211

LOCATION AND USE OF PROPERTY

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S. VIOLATIONS
T. UNIT INFORMATION
U. FINISH SCHEDULE OR SPACERS OTHER THAN LIMITS
V. SAFETY AND WARNING DEVICES
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A. LOCATION AND USE OF PROPERTY

The property is located in Brooklyn, New York, occupying an interior lot on the South side of Havemeyer Street, 50 feet North of the intersection of North 7th Street and Havemeyer Street.

1. **Address: 35 Havemeyer Street, Brooklyn, NY 11211**
2. **Tax Block 2323, Lot 3**
3. **The property lies in a R-6A residential district.**
4. **The proposed use is for a Class-A residence, Multiple Dwelling (Use Group 2) as permitted as of right in R-6A districts.**

B. STATUS OF CONSTRUCTION

Under the current requirement of the New York City Building Code, the building has the following characteristics:

1. **New Construction.**
2. **Classification J-2.**
3. **Construction Classification I-D.**
4. **The Final Certificate of Occupancy will be obtained Approx. Aug. 01, 2011 upon the completion of the work filed under Job No 310085261, application approved by NYC Department of Buildings on May 9, 2008.**
5. **The building was completed on June 30, 2011**
6. **The sponsor will obtain a Temporary Certificate of Occupancy prior to closing on any of the apartments.**

C. SITE

1. **Site area 2,200 sq. ft.**
2. **Existing Street**

The condition of the existing street is newly paved and the sidewalk is fair. New sidewalks and curbs will be replaced along the Havemeyer Street frontage of the site. The sidewalk will be of concrete with steel faced concrete curbs to meet the requirement of the New York City Department of Transportation.

a) **On site area drains capture storm water and divert it to the City storm water disposal system located in the street.**
b) **Street lighting is existing and maintained by NYC Department of Highway Traffic and Lighting.**

3. **There is no apparent danger of flooding.**

D. UTILITIES

Electric power and natural gas to be provided by Consolidated Edison Company, New York, NY. Sanitary sewer and storm water system (off site) are to be provided by the City of New York. Application for site utilities connections made to New York City Department of Environmental Protection. Each apartment will be provided with a separate electric meter. Cooking, space heat and domestic hot water will be gas fired and metered individually. Water service is provided by NY City DEP. The water metering is done collectively for billing

E. SUB-SOIL CONDITIONS

1. **The building foundation is concrete.**
2. **Based on the borings below the foundation, the soil is wet at 10' & Ground surface is stable**
3. **The site is bound by paved streets. Mud slides and erosion possibilities are unlikely.**
4. **Fema Zone AE/X**
5. **There is no even foundation movement**
6. **There is no danger of flooding or evidence of moisture & infiltration**

F. LANDSCAPING AND ENCLOSURES

1. **Trees. The length of the East 128th Street frontage shall be planted with one minimum 3" diameter tree of the type approved by the Department of Highways and Department of Parks for street planting.**

2. **Fencing.**
   a) **Vinyl fence shall enclose the rear yard of the building.**
3. **There are no display pools on the premises.**
4. **There is Grass in the Rear Yard only.**

G. BUILDING HEIGHT

1. **The buildings height from sidewalk to the top of the roof deck is approximately 58' 0" in the five (5) story portions fronting Havemeyer Street.**
2. **There is no sub-sub cellar.**
3. **There is a cellar under the entire building. The cellar height from floors to underside of ceiling of is 8' 0" – 9' 0".**
4. **There are five (5) floors plus a cellar in the building. Local Law 11 is inapplicable.**
5. **The highest structure is the top of the elevator bulkhead at an approximate height of 58' above the finished grade.**
6. **Parapet heights are a minimum of 3' 6" above the finished roof.**

1.

H. STRUCTURAL SYSTEM

The superstructure of the existing building is composed of light gauge steel. One layer of lightweight concrete panel will be used as a sub floor. Openings in the floors where required by design. The interior partitions are structural steel, metal stud and gypsum board on all floors.

1. **Exterior of Building** 36

a) **Walls**

Exterior walls are composed of steel, brick and stucco. The walls are designed to bear superimposed loads. Finish is 5/8" gypsum drywall supposed on studs w/ 6" R-19 BATT insulation which complies with NYS ECC. Building is not Land marked.

b) **Windows**

The windows are manufactured by Marvin Windows. Windows are vinyl-clad wood with insulated glass double-hung. Window openings under 4' 0" are supported by steel lintels. Joints between window and walls will be caulked and flashed. Windows furnished shall be certified as fully warranted against any defects in material or workmanship, under normal use and service, for a period of five years from date of fabrication. Sliding glass doors to balconies and backyard are vinyl and of same manufacture and warranties. There are no lot line windows.

c) **Metal**

Flues are only for furnaces

2. **Parapets**

Parapets are extensions of the exterior bearing walls and rise to a minimum height of 3' 6" above the finished roof. They are constructed of steel studs and aluminum caps.

3. **Roof Terraces**

Terraces in the back and front of the building each have a rubber-tile finish and 3" 6" knee walls. Glass doors will provide access to the balconies. One sconce light will be provided for each balcony. Balustrade to be solid 42" parapet walls w/ metal coping, no railings. Terraces have area drains for drainage.

4. **Exterior Entrances**

The building has one primary street entrance into the building lobby. The lobby has access to the cellar.

a) **Exterior doors and frames are thermally broken aluminum with tempered glass.**
b) **The vestibule door is specified to be an aluminum door with tempered glass.**
c) **Mailboxes are aluminum front-loading type as approved by the U.S. Post Office.**
d) **Exterior lighting in the form of wall sconces are specified for the main building entrance and balconies above.**
e) **Three are no service entrances.**

5. **Roof and Roof Structures**

a) **Roof Type**

i. **Roof is specified to be a rubber membrane.**
ii. **Roof is specified to be insulated with foil faced batt insulation with minimum insulation value R-30.**
iii. **Surface finish to have rubber tiles as at roof.**
iv. **The roof is specified to be guaranteed for 7-years in accordance with the manufactures requirements for installation. The manufacturers specified to be**

Celotex Corporation, GAF Corporation, Manville Building Materials Corp. or approved equal. The warranty covers membrane and flashing insulation.

v. Flashing material is either 28-gauge stainless steel or 20-gauge aluminum sheet, as per manufacturer recommendations.

b) Drains

i. The building is drained by a combination of leaders and gutters, and roof drains.

ii. There are drains on the main roof with leaders and gutters at the bulkhead roofs.

iii. Roof drains are cast iron.

c) Skylight

Fixed Hip Vent type skylights are located on the stair bulkhead roof and manufactured by S&J Sheet Metal Supply.

d) Bulkheads

i. Bulkhead will be constructed of metal studs with stucco finish.

e) Metal Work at Roof Levels

There are no metal railings at parapet or at roof levels. There is a vertical ladder from the new roof terrace to access HVAC compressor located above mechanical room.

f) Fire Escapes

None

6. Rear Yard

There will be a 25' 0" x 30' 0" yard in the rear of the building. Planting, appropriate for a rear yard, e.g. shrubs and grass, shall be provided.

a)Drainage: Drainage from the rear yards shall be by means of cast iron area drains. All storm water shall be collected by means of underground cast-iron piping system and connected to New York City combined sanitary and storm sewer system.

b) Fence: Vinyl fencing or equivalent will be provided around the perimeter of the property.

7. Interior Stairs

a) There is a non-combustible steel stair for general egress in the building. The stair runs from the cellar to the roof of the building.

b) The buildings stair is enclosed in 6" steel stud construction offering two-hour fire protection. It is finished on the interior with paint.

c) The egress stair is constructed of metal pan with poured concrete treads and metal risers.

d) There will be a 1 ½" diameter steel primed and painted pipe rail continuous from floor on one side of the stair with painted steel pipe rail and balustrade to the other side of the egress stair in the building.

e) Egress stair guardrails are of steel pipe.
f) Egress stair balusters are of steel.
g) Unit stairs are of steel frames, steel railings and steel steps for the fourth floor duplex and wood stairs for the first floor front and rear units.

8. Interior Doors and Frames

a) All doors within apartments are of wood with wood frames.
b) Doors and frames in apartments not required to be rated.
c) Stair hall door and frames are of metal, non-combustible and are 1 ½ hour F.P. S.C. rated. This meets the required rating.
d) Roof and basement doors and frames are of metal, non-combustible and are 1 ½ hour F.P. S.C. rated. This meets the required rating.
e) Entrance to the apartments is provided by the hallway doors, which are both metal, non-combustible and are 1 ½ hour F.P. S.C. rated. This meets the required rating.

9. Elevator

a) The elevator hoist shall be a Kone ecospace roped-hydraulic elevator. The elevator will be an ADA compliant elevator, which runs from the cellar to the roof. The capacity of the elevator shall be 2,000 lbs and 13 passengers. The elevator will have a camera, which will be connected, to the buildings video and intercom station.
b) The elevator cab is by Park Avenue Elevator Cab, and shall have stainless steel doors and trim with laminate wall panels. The lighting shall be direct fluorescent. The ceiling shall be baked enamel steel. The floor shall be a ceramic tile finish. Elevator has FDNY recall.
c) The elevator machine room shall be located in the basement adjacent to the elevator shaft way. . . . .

I. AUXILIARY FACILITIES

1. Laundry Room

Each dwelling unit is provided with a laundry closet with complete hookups for an electric washer and non-venting dryer

a) Public pick-up of the refuse is two times a week at the curbside.
b) There is no refuse disposal, incinerators, compactors.

J. PLUMBING AND DRAINAGE

1. Water Supply

Portable water shall be supplied via New York City public water system. The water piping shall be copper Type L. The water pressure is obtained by means of the street pressure. The system shall maintain water pressure within code-required limits. Piping has rubberized foam insulation (Armatex)

2. Fire Protection System

a) The building is required to have a full wet sprinkler system.

b) The system will consist of concealed and exposed piping and heads throughout all floors and areas within the building.
c) A Siamese connection is located adjacent to the street entrance door of the building & is an approved FDNY type.
d) There is no standpipe.

3. Sanitary Sewage System
a) Sanitary piping shall be no-hub cast iron.
b) A duplex sewage ejector is specified to handle the below cellar slab waste water.
c) Public sewer will be connected to the building.

4. Permit Required
Approval has been obtained from the New York City Department of Environmental Protection for one (1) 4" sprinkler main, (1) 8" sewer drain, and (1) 2" water main from street. Application has been filed with the NYC Department of Environmental Protection.

5. Storm Drainage System
Storm water shall be collected by means of a series of roof-mounted drains and cast iron no-hub piping system, which is located in the building interior, and disposed of into the public combined sanitary/storm water system. Details of sanitary and storm water system are as indicated on the plumbing drawings.

K. HEATING

Domestic hot and cold water shall be provided by means of electric water heaters each with one 40 gallon tank. Domestic hot and cold water shall be distributed to each apartment by means of type L copper pipe distribution system. All hot water piping shall be insulated with fiberglass insulation with thickness as per New York State Energy Conservation Code.

The heating system is designed for extreme temperatures conditions as required by NYC Building Code. Winter outdoor design is 0 degree F. Indoor design temperature is 70 degree F and is manually controlled thermostats.

The distribution of domestic hot water is capable of providing peak required service. The Hot water heaters are manufactured by State and the model#'s are ES6 40 DOLNS with 1 year warranty.

The heating system is a manufactures by Luxaire (model # for each unit noted below). A new thermostatically controlled gas-fired hot air furnace service each unit and is located in a mechanical closet in each unit.

Furnace Model # - 10 Year limited warranties

5) TG9S060B12MP = 2nd and 3rd floor, front and back and 4th floor back
1) TG9S080B12MP11 = Basement / 1st floor front.
2) TG9S100C16MP11 = Basement / 1st floor and 4th and 5th floor duplex front.

M. AIR CONDITIONING - 10 Year limited warranties

The air conditioning system for each unit have been designed to meet the requirements of the American society of Heating, refrigerating and Air Conditioning Engineers (ASHRAE) Standards and guidelines.

The air conditioning systems is as manufactured by Laxaire the model numbers and the capacity for the condensers for each unit are as noted below for each unit.

Condensers - 10 Year limited warranties

5) TCJD24S41S3 = 2nd and 3rd Floor, front and back, and 4th floor back – 2 Ton
1) TCJD36S41S3 = Basement / 1st floor front – 3 Ton
1) TCJD42S41S3 = Basement / 1st floor back – 3.5 Ton
1) TCJD48S41S3 = 4th and 5th floor duplex front – 4 Ton

Vaparate Coil - 10 Year limited warranties

5) FC35B3XN2 = 2nd and 3rd floor, front and back , and 4th floor back
1) FC43B3XN1 = Basement / 1st floor front
1) FC43C3XN1 = Basement / 1st floor back
1) FC48C3XN1 = 4th and 5th floor duplex front

L. GAS SUPPLY

The building is provided with gas service for gas cooking and gas-fired furnaces. Gas is individually metered. Piping material is black iron Schedule 40 pipe with malleable fittings.

M. VENTILATION

1. Each bathroom and laundry closet shall be mechanically ventilated by a 50 CFM fan.
2. All kitchens and bathrooms shall be mechanically vented with individual ceiling exhaust fans that discharge into common galvanized exhaust ducts that terminate at the roof with a goose-neck and screen.
3. The elevator shall have mechanical ventilation.

N. ELECTRICAL SYSTEM

1. The Main electrical service shall enter the building underground at Havemeyer Street. The service shall have the capacity of 600 amps at 208 volt, three phases. The wiring shall be protected by fused switches in accordance with the New York City Electrical Code. There shall be an electric meter room in the cellar containing the electric meters for the apartment units in the building. The typical apartments shall be served by a 100 Amp 208-volt single-phase panel.
2. The typical apartment shall have approximately 15-25 circuits, including air conditioning. Appliance circuits and general lighting circuits as required. Each apartment to have entry light, and corridor lights, as required smoke detector in apartments as per NYC Code and convenience outlets in each room as required by NYC Electrical Code.
3. The building shall be equipped with an intercom system, with an intercom panel located at each exterior entry door and tenant intercoms in each apartment. The system is to be of the hand set audio/video type.
4. The building is to be pre-wired with riser for cable TV and satellite TV from the roof. Each apartment is to have one cable TV connection in the living room and bedrooms. The cable will end in a terminal box for future connection by cable TV Utility Company.
5. Public corridors shall be lit by means of overhead lighting.

6. Cellar areas to be lit by means of standard fluorescent industrial type exposed surface or recessed mounted lights.
7. Each unit shall have adequate electrical service and convenience outlets for current or modem usage.

O. INTERCOMMUNICATION AND/OR DOOR SIGNAL SYSTEMS

1. Provisions for cable TV hook-up and satellite TV to be provided.
2. Each unit will be wired with video and audio intercoms. The cameras will be mounted in the elevator, the lobby and at the entrance to the building. A-1 phone 6H1KDS

P. LIGHTING

All lighting levels have been designed in accordance with the NYC Building Code and the housing Maintenance Code. These fixtures have been wired to the building house meter.

Lighting Fixture Schedule

Location	Finish	Type	Lamp Type
Common Hall	White	Ceiling	Fluorescent 16W
Stair Enclosure	White	Wall	Fluorescent 2 twin 16W
Balcony Porch Light	Bronze	Wall	Incandescent 60W
Cellar Hall	White	Wall	Fluorescent 2 twin 32W
Entrance foyer	White	Ceiling	Incandescent 4-40W
Roof	Bronze	Wall	Incandescent 60W

Q. GARAGE AND PARKING AREAS

No garage or parking provided.

R. RECREATION FACILITIES

As per 28-30 of the NYC Zoning Code only buildings with 9 or more dwelling units require recreation space, therefore this building has 8 dwelling units which does not require recreation space.

S. PERMITS AND CERTIFICATES

1. One (1) Certificate of Occupancy will be obtained upon the completion of the work, filed under Building Application No. 310085261, application approved by NYC Department of Buildings on May 09/2008.
2. All necessary permits will be obtained and all the required inspections will be completed prior to obtaining a new Certificate of Occupancy.

T. VIOLATIONS

Violation Number	Respondent	Date Of Viol.	Description	Status
34776331Y	35 Havemeyer	6/5/2009	Failure to protect roof outside of adjoining Property	Over Due Complaicne
347-783-30M	35 Havemeyer	6/5/2009	Failure To maintain safey Equipment measures	No Comp
347-604-48L	MDG	2/23/2009	Failure to provide gurdrails	Active
347-604-47J	35 Havemeyer	2/23/2009	Failure to adequately support adjoining structure	Active
347-387-61L	Ray Gentile	1/8/2009	work does not match approved plans	No Comp
347-604-45X	MDG	2/23/2009	Failure to safeguard all persons and property affected by construction	Over Due Complaicne
176-577-051	MDG	3/11/2010	Dot Permits	Active
176-577-042	MDG	3/11/2010	Dot Permits	Active
176-577-033	MDG	3/11/2010	Dot Permits	Active

U. UNIT INFORMATION

Unit Information/Rooms

Unit	Description	Rooms	Approx. Sq. Ft *		Access
1a	ST	Living-Dining, Kitchen, 0BR, 1.5BA	598	Duplex	Elevator
1b	ST	Living-Dining, Kitchen, 0BR, 1.5BA	911	Duplex	Elevator
2a	1BR	Living-Dining, Kitchen, 1BR, 1BA	592		Elevator
2b	1BR	Living-Dining, Kitchen, 1BR, 1BA	599		Elevator
3a	1BR	Living-Dining, Kitchen, 1BR, 1BA	592		Elevator
3b	1BR	Living-Dining, Kitchen, 1BR, 1BA	599		Elevator
4a	2BR	Living-Dining, Kitchen, 2BR, 2BA	809	Duplex	Elevator
4b	1BR	Living-Dining, Kitchen, 1BR, 1BA	599		Elevator

Unit's 1a and 1b will have shared private rear yards of approximately 750 square feet each. All units will have oak floors.

***The square footage's noted above do not include terraces and the rear yards.**

1. **Occupancy**

   a) **There will be an 8 residential apartment unit count (as per NY City Zoning Resolution).**
   b) **Total number of zoning or residential apartments as defined by the General Provisions of the New York City Zoning Resolutions Section 12-16 apartments is seven (7) 1-bedroom units and one (1) 2-bedroom unit.**

2. **Finish Schedule for a Typical Apartment**

Space	Floor	Wall	Base	Ceiling	Remarks
Foyer	CT	P	CT	PT	-
Living Room	WD	P	WD	PT	-
Bedrooms	WD	P	WD	PT	-
Kitchen	WD	P	WD	PT	-
Bathroom	CT	P/CT	CT	PT	-
Closets	WD	P	WD	PT	-

3. **Bathroom Fixtures**

Lavatory	Del Mar Ceramic Sink	or units of equivalent size and quality, or better
Water Closet	Kohler Wellworth	or units of equivalent size and quality, or better
Tub	Sterling	or units of equivalent size and quality, or better

4. **Kitchen**

Refrigerator	GE – Model GTK17JBCBS	or units of equivalent size and quality, or better
Range	GE – Model JGB281MERBS	or units of equivalent size and quality, or better
Dishwasher	GE – Model GSD2350RCS	or units of equivalent size and quality, or better
Sink	Elkay - PSR2522	or units of equivalent size and quality, or better
Counter Tops	Quartz – Ceasar Stone	or units of equivalent size and quality, or better
Cabinets	Maple	or units of equivalent size and quality, or better

5. **Laundry**

Washer/Dryer Hookup included

V. FINISH SCHEDULE OF OTHER SPACES

Space	Floor	Wall	Ceiling	Remarks
Stairs	CONC	PT	PT	-
Street Lobby	CT	PT	PT	-
Vestibule	CT	PT	PT	-

ABBREVIATIONS FOR FINISHES

BR	BRICK
CT	CERAMIC TILE
CONC	CONCRETE
DP	DUSTPROOFING AND HARDENER
DP	DECK PAINT
LWP	LIQUID WATERPROOFING
MR	MARBLE
PT	PAINT (Benjamin Moore regal 1 primer 2 finish)
ST	STONE
WRWB	WATER RESISTANT GYPSUM WALLBOARD
WD	WOOD (3/4" Oak Flooring tongue and grooved)

W. SAFETY AND WARNING DEVICES

W. SAFETY AND WARNING DEVICES

1. **Apartment Smoke and Carbon Monoxide Detection System.**
   a) **Each apartment will contain a smoke detector located in the vicinity of the bedrooms. The detector is wired to a 120-volt local power supply and is self-contained with its own sounding device.**
   b) **Sponsor will provide carbon monoxide detectors in each apartment.**

X. HANDICAP PROVISIONS

The building is in compliance with Law 58 (Handicapped Access Law).

ADDITIONAL INFORMATION

To the best of my knowledge, belief and professional judgment, these plans and specifications are in compliance with the Energy Conservation Code of New York State, using chapter 4, section 401.3.

- **There are no asbestos made products or lead based paints partially or in whole, anywhere in the building.**
- **The sponsor shall not construct any additional units or phases after completion of the structure, as per the DOB approved plans.**

LOCATION AND AREA INFORMATION

The premises are located 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 local elementary school is P.S. 196; the local middle school is J.H.S. 49. The L subway line serves the area. The local medical center is Woodhull.

Zoning of the site is residential. There is no landmark designation of the site. There are no adjoining undeveloped areas of the site. All property surrounding the subject premises is similarly residential. Neither the Sponsor, nor any principals of the Sponsor, own in whole or in part, or have an optional right to acquire in whole or in part, any adjacent areas which are not fully developed.



SCHEDULE G-1

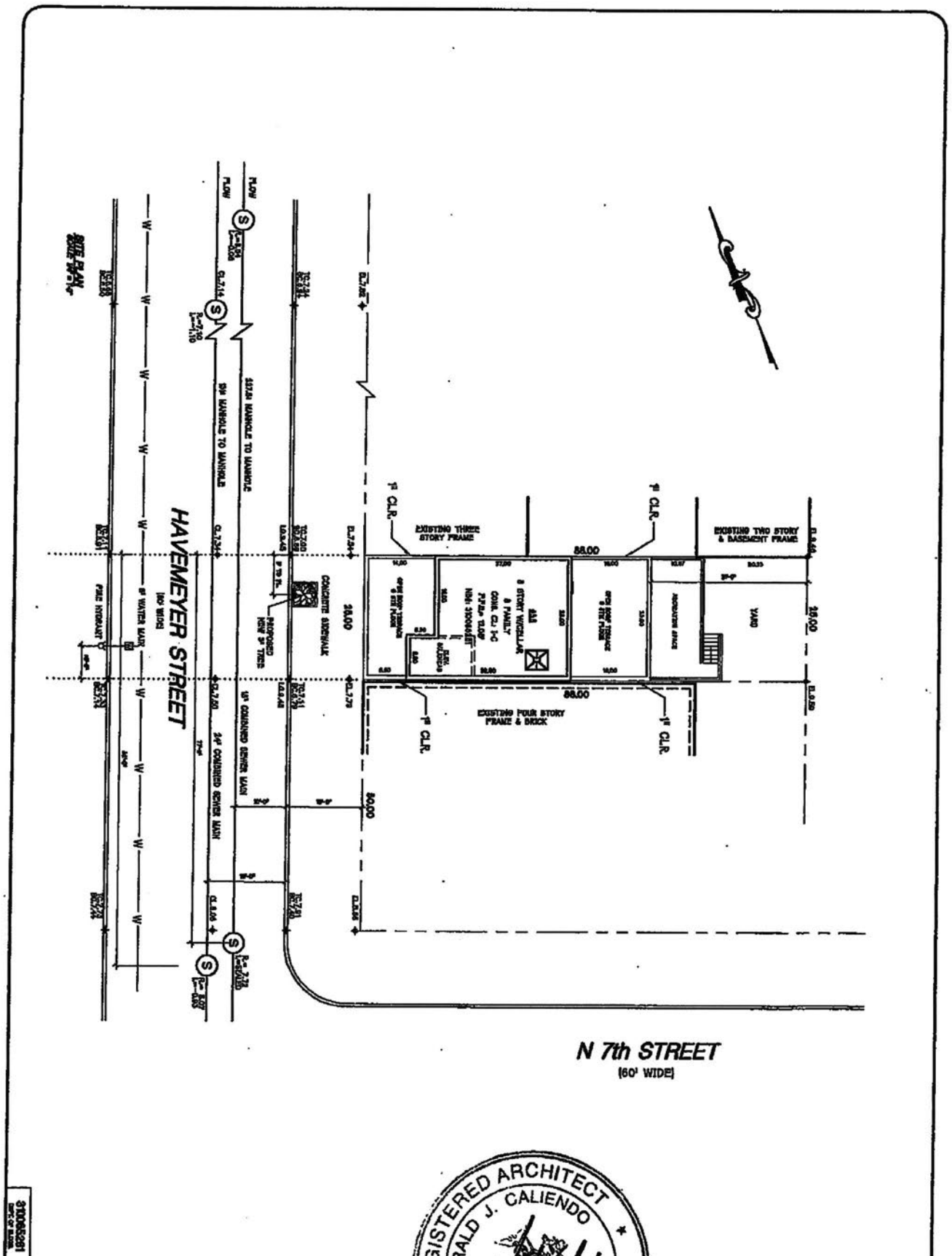
AREA MAP

Google maps Address 35 Havemeyer St
Brooklyn, NY 11211



SCHEDULE G-2

SITE PLAN

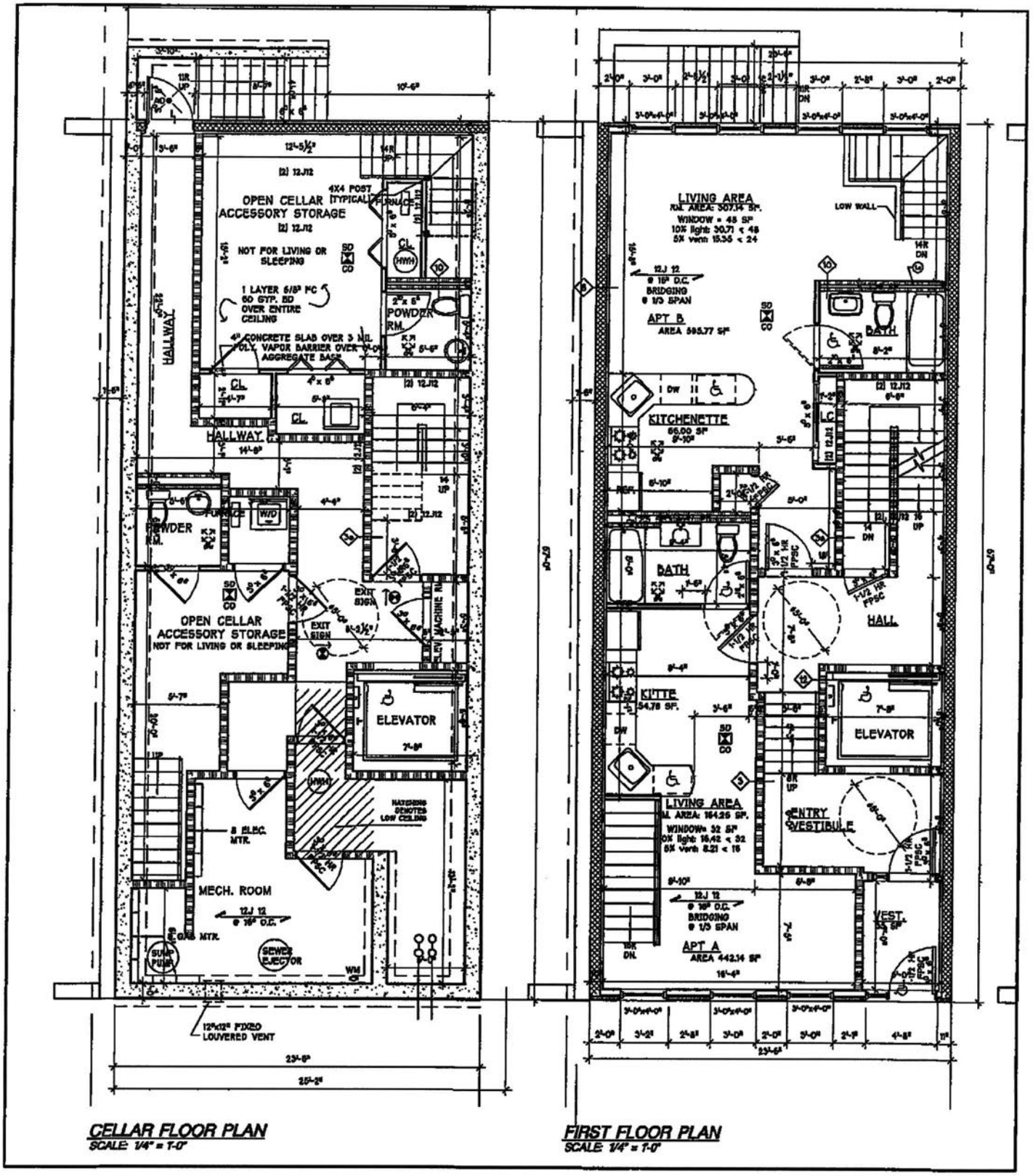


REGISTERED ARCHITECT
GERALD J. CALIENDO
STATE

A-2		SITE PLAN	35 HAVEMAYER STREET BROOKLYN, NY	Gerald J. Caliendo, R.A., A.L.A. Architect, P.C.	

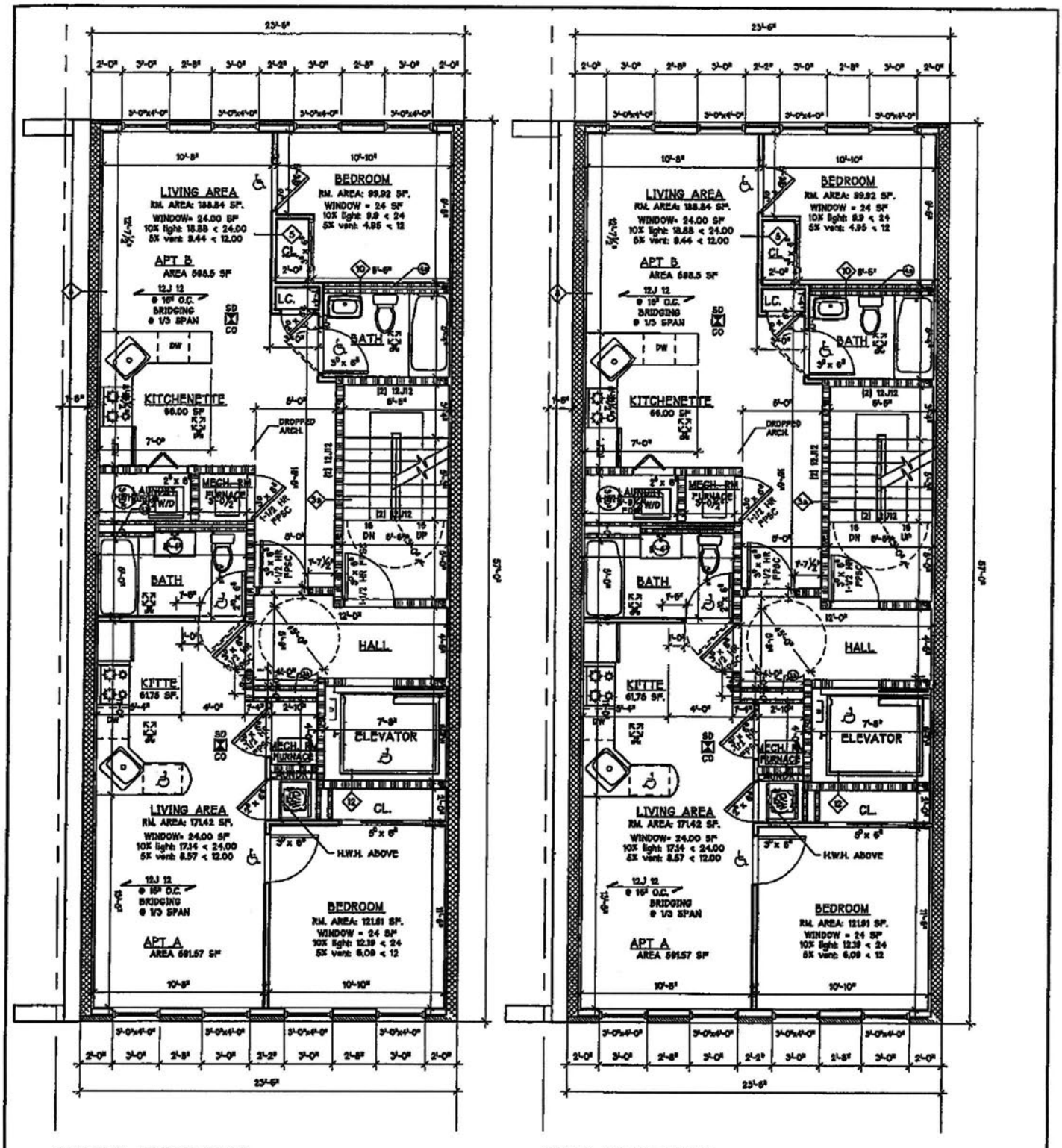
SCHEDULE G-3

FLOOR PLANS



A-001.00	DRAWING No: 1 OF 1	SEAL:	DRAWN BY: C.E.	DRAWING TITLE: CELLAR & FIRST FLOOR PLAN
			CHECKED BY: G.J.C.	
			SCALE: 07285	PREMISES: 35 HAVEMEYER STREET
			JOB No: AS NOTED	
			DATE: 6/21/11	BROOKLYN, NY

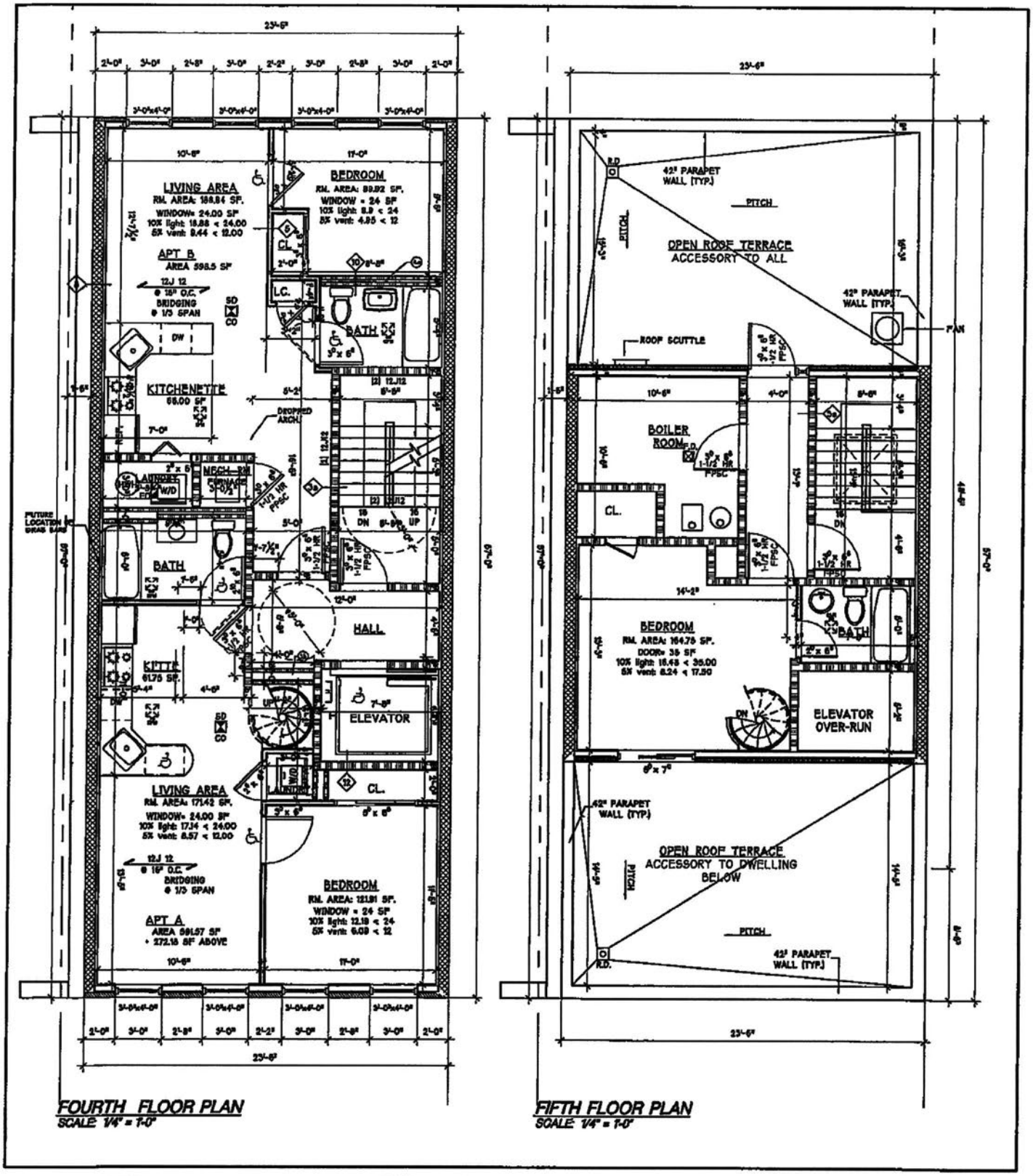
Gerald J. Caliendo, R.A., A.I.A.
Architect, P.C.
Architecture
Interior Design
Code Consultant
Building Dept. Expediting
136-72 Queens Boulevard Flushing, N.Y. 11435
www.caliendoarchitect.com



SECOND FLOOR PLAN
SCALE: 1/4" = 1'-0"

THIRD FLOOR PLAN
SCALE: 1/4" = 1'-0"

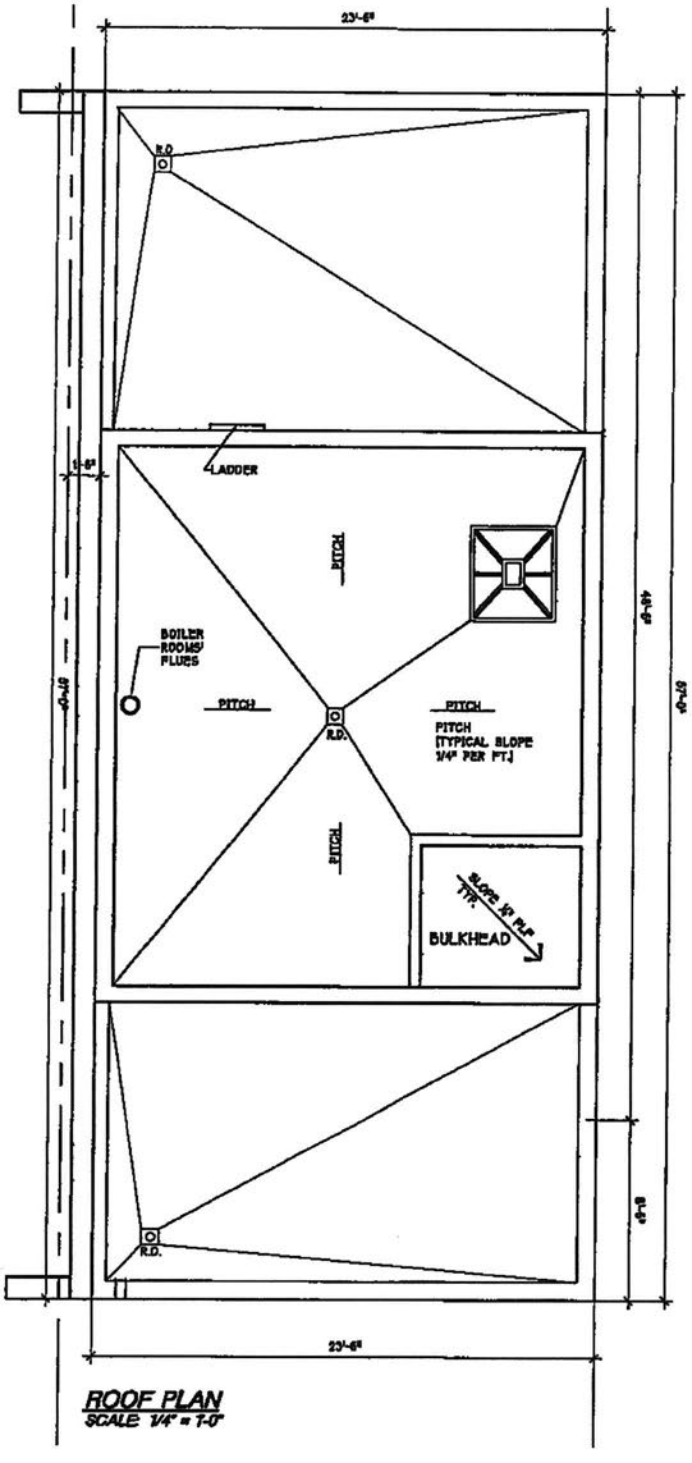
A-002.00	SEAL:	DRAWN BY: C.E	DRAWING TITLE: SECOND AND THIRD FLOOR PLAN	Gerald J. Caliendo, R.A., A.L.A. Architect, P.C.
DRAWING No: 1 OF 1		CHECKED BY: GJC		11372 Queens Boulevard Forest Hills, N.Y. 11375
		SCALE: 07285	PREMISES: 35 HAVEMEYER STREET	Architecture, Interior Design, Code Consultant, Building Dept. Expediting
		JOB No: AS NOTED		
		DATE: 6/21/11	BROOKLYN, NY	



FOURTH FLOOR PLAN
SCALE: 1/4" = 1'-0"

FIFTH FLOOR PLAN
SCALE: 1/4" = 1'-0"

A-003.00	DRAWING No: 1 OF 1	SEAL:	DRAWN BY: C.E CHECKED BY: GJC SCALE: 07285 JOB No: AS NOTED DATE: 6/21/11	DRAWING TITLE: FOURTH AND FIFTH FLOOR PLAN PREMISES: 35 HAVEMEYER STREET BROOKLYN, NY	Gerald J. Caliendo, R.A., A.L.A. Architect, P.C. Architecture Interior Design Code Consultant Building Dept. Expediting



ROOF PLAN
SCALE: 1/4" = 1'-0"

A-004.0.0	DRAWING No: 1 OF 1	SEAL:	DRAWN BY: C.E.	DRAWING TITLE: ROOF PLAN	Gerald J. Caliendo, R.A., A.I.A. Architect, P.C.
			CHECKED BY: GJC		
			SCALE: 07285	PREMISES: 35 HAVEMEYER STREET	
			JOB No: AS NOTED		
			DATE: 6/21/11	BROOKLYN, NY	

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SCHEDULE G-4

FEE TITLE DESCRIPTION

FEE TITLE DESCRIPTION

A "Home" as hereinafter referred to shall be defined as follows:

"Each Home is measured horizontally from the exterior surface of the sheetrock of all opposite walls to the exterior surface of the sheetrock of all opposite walls and vertically from the lower surface of the concrete slab or sub-floor forming the floor of the Home up to the exterior surface of the sheetrock or other material forming the ceiling of the Home. Doors, windows, interior walls and fire places which abut a Home are part of the Home. The Description of Homes set forth herein pertains to the location of the walls, floors and roof of the Homes as they are finally set forth in the building plans to be filed simultaneously with the recording of this Declaration".

SCHEDULE H

DECLARATION OF CONDOMINIUM

DECLARATION

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP
OF PREMISES LOCATED IN BROOKLYN,
CITY AND STATE OF NEW YORK,
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY
LAW OF THE STATE OF NEW YORK.

NAME: **35 HAVEMEYER STREET CONDOMINIUM**

SPONSOR: **35 HAVEMEYER DEVELOPMENT CORP.**
329 Glen Cove Avenue
Sea Cliff, New York 11579

DATE OF DECLARATION:

SECTION: BLOCK:

LOT(S):

CERTILMAN BALIN ADLER & HYMAN, LLP
The Financial Center at Mitchel Field
Attorneys for the Sponsor
90 Merrick Avenue
East Meadow, NY 11554

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PLAN OF CONDOMINIUM HOME OWNERSHIP

DECLARATION OF 35 HAVEMEYER DEVELOPMENT CORP.

PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK

In Brooklyn, City and State of New York on this day of , 20 , 35 Havemeyer Development Corp., a corporation organized and existing under the laws of the State of New York, whose principal office is situated 329 Glen Cove Avenue, sea Cliff , New York, New York 10027, hereinafter referred to as the "Owner" represented in this Declaration by , who is fully empowered and qualified to execute this Declaration on behalf of the limited liability company, does hereby state:

FIRST: Submission of Property. By this Declaration the Owner submits the property described in this Declaration, including the land and the Building and all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith, to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: Description of Property. The Owner owns all that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in Brooklyn, City and State of New York, and more particularly bounded and described on Schedule A annexed hereto and made a part hereto.

THIRD: Definitions.

(a) The Owner of each Home is hereinafter referred to as the "Home Owner." Every Home Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common or tenancy by the entirety. Where such ownership is joint, in common or tenancy by the entirety, majority vote of such owners shall be necessary to cast the Home Owner's vote referred to in Article EIGHTH of this Declaration.

(b) A "Home" as hereinafter referred to shall be defined as follows: Each Home is measured horizontally from the exterior surface of the sheetrock of all opposite walls to the exterior surface of the sheetrock of all opposite walls and vertically from the lower surface of the concrete slab or sub-floor forming the floor of the Home up to the exterior surface of the sheetrock or other material forming the ceiling of the Home. Doors, windows, interior walls, garages, and fire places which abut a Home are part of the

Home. The Description of Homes set forth herein pertains to the location of the walls, floors and roof of the Homes as they are finally set forth in the building plans to be filed simultaneously with the recording of this Declaration.

(c) "Owner" or "Sponsor" shall mean and refer to 35 Havemeyer Development Corp., and its successors and assigns.

(d) A "Building" as hereinafter referred to shall be defined as a number of Homes all of which are constructed under a continuous roof.

(e) "Party Wall" as hereinafter referred to shall be defined as a wall which is common to and separates two Homes.

(f) "Condominium" as hereinafter referred to shall mean 35 Havemeyer Street Condominium which is composed of the Home Owners.

(g) The term "Home" and "Home Owner" as used herein shall be construed to mean Unit and Unit Owner as defined in Section 339-e of Article 9-B of the Real Property Law of the State of New York.

FOURTH: Community. The Owner is constructing on the parcel of land described above a Condominium Home Community known as 35 Havemeyer Street Condominium, according to the plans filed simultaneously with the recording of this Declaration in the Office of the Register of Kings County, which Plans set forth a description of the buildings stating the number of stories and number of Homes.

The Community will consist of eight (8) single family Homes to be located in one (1) building containing five (5) stories plus cellar, as set forth on the Plot Plan filed simultaneously herewith. The Homes are constructed of concrete foundations, masonry and stucco walls and rubber polyisosyanurute membrane roof. Each of the Homes has access to a public street by means of a sidewalk. For the purposes of describing the location of the Building, approximate area, type and number of rooms of each Home and the common elements to which each Home has immediate access, each Home is described on Exhibit B annexed hereto. Each Home will be sold to one or more Owners, each Owner obtaining fee ownership in, and exclusive right of occupancy and possession of the Home, together with an undivided interest in the common elements of the Community, as listed hereinafter in this Declaration, and referred to as the "common elements", all of the above in accordance with Article 9-B of the Real Property Law of the State of New York. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities may be changed by mutual consent of the Owner and the Home Owner at the time of construction of the Home.

The aforesaid Community has a total plot area of approximately .05 acres.

FIFTH: Common Elements. The common elements of the Community will consist of all of the Community, except the Homes, including, but without limitation,

outside walls and roofs of the Building, the land and improvements (other than the Homes) comprising the Community (including the land under the Homes and under the improvements), all utility or other pipes and material located outside of the Homes.

IRREVOCABLY RESTRICTED AREAS

Certain portions of the common elements are irrevocably restricted in use to specified Home Owners, subject to the right of the Board of Managers to enter upon any restricted area for maintenance, repair or improvement of a Home or common element and subject to the rules of the Board of Managers (see By-Laws, Article VIII). Any portion of the common elements which is not restricted in use may be used by any Home Owner. The common elements are not subject to partition nor are they severable from the Homes except in accordance with the Real Property Law. Following are detailed descriptions of the irrevocably restricted common elements:

1. The rear yard areas located behind the Homes 1a and 1b, as shown on the "as built" floor plans of the Condominium is restricted in use to the Owners of Homes 1a and 1b. No structural changes or additions may be made to the rear yard area except that additional plantings may be installed.

2. The roof terrace adjacent to Home Nos. 4a-PH is restricted in use to the Owner of such Home.

The common elements shall remain undivided and no Home Owner shall bring any action for partition or division unless otherwise provided by law.

The percentage of the undivided interest in the common elements established herein shall not be changed except with the consent of all of the Home Owners affected expressed in a duly recorded amendment to this Declaration.

The undivided interest in the common elements shall not be separated from the Home to which it appertains and shall be deemed conveyed or encumbered with the Home even though such interest is not expressly mentioned or described in the conveyance or other instrument.

SIXTH: Easements. All pipes, wires, conduits and public utility lines located within each Home shall be owned by such Home Owner. Any portion of such pipes, wires, conduits and public utility lines located in the common elements including electric meter banks located on the exterior of a home and servicing one or more other homes, will be owned in common by the Home Owners. Every Home Owner shall have an easement in common with the owners of other Homes to maintain and use all pipes, wires, conduits and public utility lines located in other Homes and servicing such Home Owner's Home. Each Home shall be subject to an easement in favor of the Home Owners of other Homes to maintain and use the pipes, wires, conduits and public utility lines servicing such other Homes and located in such Home. The Board of Managers shall have a right of access to each Home for maintenance, repair or improvements to

any pipes, wires, conduits and public utility lines located in any Home and servicing any other Home. The cost of such repairs shall be a common expense. The Board of Managers shall have a right of access to all common elements for maintenance, repair or improvement whether such common elements are restricted or not.

The Owner, its successors, assigns, and Purchasers, reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the common elements of the Condominium for the purpose of completing construction and sale of Homes and facilities in the Condominium and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the common elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Owner, its successors, assigns, and Purchasers, also reserve the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the common elements. Finally, the Owner, its successors, assigns and Purchasers reserve the right to continue to use the common elements and any facilities, sales offices, model homes, signs located on the common elements, in its efforts to market homes constructed in the Condominium and to complete construction of the Condominium. This paragraph shall not be amended without the consent of the Owner.

The Owner, its successors and assigns have retained the unused air rights and air light easements applicable to the Condominium parcel. These rights may not be used to expand the size of the Condominium Building but may be transferred to adjacent properties or other parcels. All monies received in connection with such transfer shall inure to the benefit of the Owner, its successors and assigns and not to the Condominium. This paragraph shall not be amended without the consent of the Owner.

All emergency personnel, including, but not limited to, police, fire and medical purposes shall be granted an easement of ingress and egress over, upon and through the common elements in 35 Havemeyer Street Condominium for ingress and egress, if necessary. This Paragraph may not be amended by the Home Owner's in the Condominium.

SEVENTH: Service of Process: Service of process on the Home Owners in any action with relation to the common elements shall be made upon the Secretary of State as the agent of the Board of Managers of the Condominium. The post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon him as agent of this Condominium during the period the Declarant controls the Board of Managers is: c/o 35 Havemeyer Development Corp., 329 Glen Cove Avenue, Sea Cliff, New York 11579. Once the Declarant no longer controls the Board of Managers, the Board of Managers must notify the Secretary of State that the post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon him as agent of this Condominium

is: Board of Managers, 35 Havemeyer Street Condominium, 35 Havemeyer Street, Brooklyn, New York 11211.

EIGHTH: Common Interest. Each Home Owner shall have such percentage interest in the common elements as is set forth in Exhibit B attached hereto and shall bear such percentage of the common expenses of the Condominium. Each Home Owner shall have one vote for all voting purposes at any meeting of the Home Owners. The percentage of interest of each Home in the common elements has been based on equal percentages within separate classifications of Homes as of the date of recording this Declaration.

NINTH: Administration. The administration of the Condominium, the Community and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto as Exhibit A.

TENTH: Amendments and Withdrawal.

(a) The dedication of the property to Condominium ownership herein shall not be revoked or the property withdrawn from Condominium ownership unless 80% of the Home Owners in number and in common interest and the first mortgagees, if any, of each of these same homes agree to such revocation or removal of the property from the Plan by duly recorded instruments.

(b) The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of sixty-six and two-thirds percent (66⅔%) of the Home Owners in number held at a duly-called meeting of the Home Owners, provided however, that:

(i) No amendment shall change any condominium parcel, nor a home owner's proportionate share of the common charges, nor the voting rights appurtenant to any home, unless all of record owner(s) in number and common interest thereof and the first mortgagees, if any, of each of these same homes agree to such revocation by recorded instrument.

(ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees.

There shall be a presumption for a period of 60 days subsequent to the recording of the amendment that the vote of the home owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the 60 day period such presumption will be deemed conclusive.

(c) The Owner, its successors and assigns shall have the right without vote or consent of the Home Owners, the Board of Managers or the holders of Home mortgages to execute or (on its request) to require the Board of Managers to

execute and record in the Office of the Register of Kings County and elsewhere, if required by law, an amendment or amendments to this Declaration (together with such other documents, plan and maps as may be required to effectuate the same) to reflect (i) the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Homes as built, or (ii) utility easements, or (iii) technical corrections to the Declaration to conform to other documents including but not limited to the Offering Plan or as-built plans (iv) to amend Exhibit B of this Declaration to conform the Model type, square footage and type and number of rooms and any other required information for a specified Home, so long as the appurtenant percentage of common interest does not change for said Home, or (v) the carrying out of other provisions of the Offering Plan of 35 Havemeyer Street Condominium.

(d) Any amendment to this Declaration shall not take effect until it is recorded in the Office of the Register of Kings County.

Irrespective of any other provision of this Declaration, no action for partition or division of the common elements shall be brought nor shall this plan of condominium ownership be terminated where such partition, division or termination will result in a violation of the then existing local zoning and building laws and codes.

ELEVENTH: Subject to Declaration, By-Laws, etc. All present or future Home Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Homes of the Condominium or the mere act of occupancy of any of said Homes shall signify that the provisions of this Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Home, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

TWELFTH: Common Charges. All sums assessed as common charges by the Board of Managers of the Condominium but unpaid together with the maximum interest permitted in New York thereon, chargeable to any Home Owner shall constitute a lien on his Home prior to all other liens except: (a) tax or assessment liens on the Home by the taxing subdivisions of any governmental authority, including but not limited to State and City taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Home. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorneys' fees (but such right shall not

be a lien against the Home). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid common charges, the unpaid balance shall be charged to all Home Owners as a common expense. However, where the holder of an institutional mortgage of record, or other Purchaser of a Home at a foreclosure sale of an institutional mortgage, obtains title to the Home as a result of foreclosure, or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall not be liable and the Home shall not be subject to a lien for the payment of common charges chargeable to such Home which were assessed and became due prior to the acquisition of title to such Home by such acquirer. In such event, the unpaid balance of common charges will be charged to all other Home Owners as a common expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, mortgage company, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Owner to a Purchaser of a Home or in which the Owner participates with one of the above.

Every Home Owner shall pay the common charges assessed against him when due and no Home Owner may exempt himself from liability for the payment of the common charges assessed against him by waiver of the use or enjoyment of any of the common elements or by the abandonment of his Home. However, no Home Owner shall be liable for the payment of any common charges accruing subsequent to a sale, transfer or other conveyance by him of such Home made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

THIRTEENTH: Homes Acquired by the Board. In the event any Home Owner shall convey his Home to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Home at a foreclosure sale in accordance with Article IX of the By-Laws, title to such Home or the rights to the lease of such Home shall be held by the Board of Managers or its designee on behalf of all of the other Home Owners.

In order to carry out the provisions of this Paragraph each Home Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest to the Board of Managers and their successors to acquire title or lease any such Home under whatever terms the Board may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Home under such terms as the Board in its sole discretion shall deem proper.

FOURTEENTH: Encroachments. The Home Owners agree that if any portion of a Home or the common elements (whether restricted in use to an individual Home Owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of the Building, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and is

rebuilt, the Home Owners agree that encroachments of any portion of the Home or the common elements as aforedescribed due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed Building shall stand.

FIFTEENTH: Home Ownership. Upon the closing of title to a Home, a Purchaser shall automatically become a Home Owner in the Condominium and shall remain such until such time as he ceases to own the Home for any reason.

SIXTEENTH: Conveyance of a Home. In any conveyance of a Home, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the Grantee of the Home shall be jointly and severally liable with the Grantor for any unpaid common charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid common charge against the Grantor and such Grantee shall not be liable for, nor shall the Home conveyed be subject to a lien for any unpaid common charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other Purchaser of a Home at a foreclosure sale of an institutional mortgage.

SEVENTEENTH: Covenants and Restrictions. The use of the Home by the Home Owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

(a) The Home and area restricted to the Home Owner's use shall be maintained in good repair and overall appearance.

(b) No alterations to any part of the common elements may be made and no structure may be built on any portion of the common elements or restricted common elements without the written consent of the Board of Managers. No alterations to the inside of a Home which would affect the structural soundness of the Building may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested to the Management Agent, if any, or to the President of the Board of Managers, if no Management Agent is employed. The Board of Managers shall have the obligation to answer within sixty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. All work done pursuant to this Section must be done in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof. All necessary approvals must be obtained and submitted to the Board of Managers upon submission of the written request for consent to do the work to the Board of Managers. The

provisions of this paragraph shall not apply to Owner as it pertains to the initial construction of the Condominium or any work required to correct a problem raised in a warranty claim.

(c) Any interior alterations or improvements made to a Home shall be made in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof.

(d) No building, balcony, terrace, patio, fence, sign, statuary, wall or other structure, or change or alteration to the exterior of the Homes shall be commenced, erected, replaced, repaired or maintained, nor shall any exterior addition to, or change or alteration thereto, be made unless the Home Owner complies with requirements of the Architectural Control provisions contained in Article VIII, Section 7 of the Condominium By-Laws.

(e) Any Home Owner who mortgages his Home shall notify the Board of Managers providing the name and address of his mortgagee.

(f) The Board of Managers shall, at the request of the mortgagee of the Home, report any unpaid common charges due from the Home Owner of such Home.

(g) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents.

(h) No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(i) Regulations promulgated by the Board of Managers concerning the use of the property shall be observed by the Home Owners, provided, however, that copies of such regulations are furnished to each Home Owner prior to the time the said regulations become effective.

(j) The common charges shall be paid when due.

(k) Occupancy of the Homes shall be restricted to Residential Occupancy in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Community.

(l) No smoking is permitted in the lobby, hallways, elevator and Common Areas.

(m) All dogs must be leashed when walking through the Common Areas. Homeowners must pick up after their pets.

EIGHTEENTH: First Lien Holder Rights

(a) Notices of Action. A holder, insurer or guarantor of a first mortgage, upon written request to the Condominium, (such request to state the name and address or such holder, insurer or guarantor and the Home number), shall be entitled to timely written notice of:

(1) Any proposed amendment of the Condominium instruments effecting a change in (i) the boundaries of any Home or the exclusive easement rights appertaining thereto, (ii) the interest in the general or limited Common Elements appertaining to any Home or the liability for common expenses appertaining thereto, (iii) the number of votes in the Condominium appertaining to any Home or (iv) the purposes to which any Home or the Common Elements are restricted;

(2) Any proposed termination of the Condominium regime;

(3) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Home on which there is a first mortgage held, insured or guaranteed by such eligible holder;

(4) Any delinquency in the payment of assessments or charges owed by a Home Owner of a Home subject to the mortgage of such eligible holder, insurer or guarantor, which such delinquency has continued for a period of sixty (60) days; and

(5) Any lapse, cancellation or material modification of any insurance policy maintained by the Condominium.

(b) Other Provisions for First Lien Holders. To the extent permitted under applicable law, the following protections for the benefit of first mortgage holders will be legally binding with respect to the Condominium:

(1) Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications unless the approval of the eligible holders of first mortgages on Homes to which at least 51% of the votes of Homes subject to mortgages held by such eligible holders are allocated, is obtained;

(2) Any election to terminate the Condominium regime after substantial destruction or a substantial taking in condemnation of the Condominium property must require the approval of the eligible holders of first mortgages on Homes to which at least 51% of the votes of Homes subject to mortgages held by such eligible holders are allocated; and

(3) Unless the formula for reallocation of interests in the Common Elements after a partial condemnation or partial destruction of the Condominium project is fixed in advance by the Declaration or by applicable law, no reallocation of interests in the Common Elements resulting from a partial condemnation or partial destruction of the Condominium project may be effected without the approval of the eligible holders of first mortgages on Homes to which at least 51% of the votes of Homes subject to mortgages held by such eligible holders are allocated.

Implied approval is assumed when a mortgagee fails to submit a response to any written proposal for an amendment within 60 days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

As used in this section, the term "eligible holder, insurer or guarantor" shall mean a holder, insurer or guarantor of a first mortgage on a Home in a Condominium which has requested notice in accordance with the provisions of (a) above.

NINETEENTH: Invalidity. Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no wise affect any of the remaining part or parts hereof, and the same shall continue in full force and effect.

35 HAVEMEYER DEVELOPMENT CORP.

By: _____
, Member

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

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

_____
Notary Public

EXHIBIT A

35 HAVEMEYER STREET CONDOMINIUM

Home Designation	% of Common Interest Interest	Approximate Square Footage	Type and Number of Rooms

TO BE COMPLETED PRIOR TO RECORDING DECLARATION

SCHEDULE I

CONDOMINIUM BY-LAWS

BY-LAWS

OF

35 HAVEMEYER STREET CONDOMINIUM

CERTILMAN BALIN ADLER & HYMAN, LLP
The Financial Center at Mitchel Field
Attorneys for the Sponsor
90 Merrick Avenue
East Meadow, New York 11554

BY-LAWS

OF

35 HAVEMEYER STREET CONDOMINIUM

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BY-LAWS

OF

35 HAVEMEYER STREET CONDOMINIUM

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Home Ownership. The property located at 35 Havemeyer Street, Brooklyn, Kings County, as specifically set forth in the Declaration and more commonly known as 35 Havemeyer Street Condominium has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and the building and improvements thereon including the Condominium Homes (hereinafter referred to as "Homes"), and the common elements and the use and occupancy thereof, the Term "Building" as hereinafter used shall be defined as the exterior walls and roof of a Home or number of Homes all of which are constructed under a continuous roof or the entire interior and exterior of any building or structure which shall form a portion of the Condominium but which does not contain any of the Homes.

Section 3. Personal Application. All present or future Home Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Community in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Homes or the mere act of occupancy of any of said Homes will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

Section 4. Definitions. The definitions contained in the Declaration of Condominium shall be applicable to these By-Laws unless otherwise indicated.

ARTICLE II. CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium. The condominium shall be limited to Home Owners. "Home Owner" as referred to herein shall mean all of the owners of each Home.

Section 2. Voting. Each Home Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Homes) shall be entitled to cast one vote at all Home Owners' meetings for each Home or Homes owned by such Home Owner, but in the event the Board of Managers

acquires a Home on behalf of the Condominium it shall not cast any of its votes appurtenant to said Home for the election of any member to the Board.

Section 3. Quorum. So many Home Owners as shall represent at least 51% of the total authorized votes of all Home Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Home Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Homes Owners, the Home Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting so many Home Owners as shall represent at least 33 1/3% of the total authorized votes of all Home Owners shall constitute a quorum. If, however, such reduced quorum shall not be present or represented at such adjourned meeting of the Condominium, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting. At least 5 days written notice of such adjourned meeting shall be given to all Unit Owners. At such adjourned meeting, any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting, so many Unit Owners as shall represent at least 25% of the total authorized votes of all Unit Owners shall constitute a quorum.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Home Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Home Owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Home Owners, every Home Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever the vote of Home Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Home Owners may be dispensed with if all Home Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Home Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings Control of Board of Managers by Sponsor. The initial Board of Managers will call for the first annual meeting of the Home Owners to elect a new Board of Managers within one (1) year of the closing of the first Home. At such meeting, members of the Board of Managers shall be elected by the Home Owners, other than the members of the Board the Sponsor shall have the right to designate, and the former members of the Board shall thereupon resign. Thereafter annual meetings shall be held on the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the Home Owners a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Home Owners may also transact such other business of the Condominium as may properly come before them. The Sponsor will have voting control and may designate a majority of the Board of Managers until all of the Homes in the Condominium are closed.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Home Owners as directed by the Board of Managers or upon a petition signed by a majority of the Home Owners having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Home Owner of record, at least five but not more than ten days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

(a) Roll Call
(b) Proof of notice of meeting or waiver of notice
(c) Reading of minutes of preceding meeting
(d) Report of officers
(e) Report of committees
(f) Election of inspectors of election (in the event there is an election)
(g) Election of managers (in the event there is an election)
(h) Unfinished business
(i) New business

ARTICLE III. BOARD OF MANAGERS

Section 1. Number and Term. The affairs of the Condominium shall be governed by a Board of Managers. The first Board of Managers shall consist of three Managers designated by the Sponsor who shall hold office and exercise all powers of

the Board of Managers until the first annual meeting of the Home Owners. Until succeeded by the Managers elected at the first annual meeting of Home Owners, Managers need not be Home Owners; thereafter, all Managers, other than designees or nominees of the Sponsor, shall be Home Owners. The Managers shall be elected or designated at the annual meeting of the Home Owners. At the first annual meeting of Home Owners called pursuant to Section 9 of Article II a total of three (3) Managers shall be elected or designated. All managers, other than those designated by the Sponsor, shall be elected by the Home Owners. The term of office of one (1) of the Managers shall be fixed for three (3) years, the term of office of one (1) of the Managers shall be fixed at two (2) years, and the term of office of one (1) of the Managers shall be fixed at one (1) year. Separate ballots shall be conducted for each of the three terms of office. Each Home Owner shall be entitled to cast one vote on each ballot for each Home he owns. The nominee on each of the ballots, as the case may be, receiving the highest number of votes on their ballot shall constitute the duly elected Board of Managers. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. The Managers shall hold office until their successors have been elected and hold their first meeting. Notwithstanding the foregoing, the Sponsor shall have the right to designate a majority of the Board of Managers until all of the Homes in the Condominium are closed. The provisions of this Section 1 may not be amended without the consent of Sponsor.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reasons of death, resignation, retirements, disqualification, removal from office or otherwise, a majority of the remaining managers, though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. If the vacancy occurs with respect to any member of the First Board of Managers (see Section 4 of this Article III) or any other manager who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such Manager's successor to fill the unexpired portion of his term.

Section 3. Removal. Managers, other than Sponsor designated Members, may be removed for cause by an affirmative vote of a majority of the Home Owners. No manager, other than a member of the First Board of Managers or a designee of the Sponsor, shall continue to serve on the Board if, during his term of office, he shall cease to be a Home Owner. In the event a Sponsor designee is removed for cause, the Sponsor shall have the sole right to designate a replacement.

Section 4. First Board of Managers. The first Board of Managers shall consist of three (3) managers designated by Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Home Owners. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 5. Powers.

A. The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws, directed or required to be exercised or done by the Home Owners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments ("common charges") to cover the cost of common expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Home Owners pro-rata according to their respective common interest;

2. To collect, use, and expend the assessments collected to maintain, care for and preserve the Homes, Buildings, and other common elements;

3. To make repairs, restore or alter any Homes or the common elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

4. To enter into and upon the Homes when necessary and at as little inconvenience to the Home Owners as possible in connection with the maintenance, care, and preservation of the property;

5. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts;

6. To insure and keep insured the common elements and Homes in accordance with Article VII of these By-Laws;

7. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Home Owners of the property for violations of the house rules or rules and regulations herein referred to;

8. To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Home Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Home.

9. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters hereinabove set forth.

10. To bring and defend actions by or against more than one Home Owner and pertinent to the operation of the Condominium and to levy special assessments to pay for the cost of such litigation.

11. To acquire Homes in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Home so acquired and to vote as a Home Owner, offer such Home for sale or lease or take any other steps regarding such Home as shall be deemed proper by the Board of Managers;

12. To make additions, alterations, or improvements to the common elements of the Community.

13. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that (i) the consent of at least 66-2/3% in number of all Home Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of $100,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Home or its appurtenant interest in the common elements without the written consent of the Owner of said Home.

14. To act as an agent for one or more Home Owners to file a single complaint and bring a special proceeding on behalf of Home Owners who wish to contest the real estate tax assessments of their Home pursuant to Section 339-y(4) of the New York Property Law. In such event, the Board could retain counsel on behalf of such Home Owners and charge each Home Owner for whom it is acting a pro rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Home. The Board of Managers is not obligated to perform such services and it is necessary to obtain the written authorization of the Home Owners.

15. To grant utility or other easements over or to the common elements as may, at any time, be required for the benefit of the Condominium and the Home Owners without the necessity of the consent thereto, or joinder therein, by the Home Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Home Owners who have the right to use such common elements to the exclusion of any other Home Owner, the consent of all such affected Home Owners shall be required in writing before such easement shall be granted);

B. The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to include at least one (1) manager which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business affairs of the Condominium and may

have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

C. Notwithstanding anything to the contrary contained in these By-Laws, for a period ending not more than five (5) years after the closing of the first Home or whenever the unsold Homes constitute less than twenty-five (25%) percent of the common interest, whichever is sooner, the Board of Managers may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the common elements or to any Home, costing cumulatively more than $5,000, the foregoing not to include necessary repairs and maintenance work, or (ii) assess any common charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, in excess of the reserve for contingencies contained in the condominium budget for the first year of operation, (iii) hire any employee in addition to the employees referred to in the Plan of Condominium ownership, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of closing of the First Home, or (v) borrow money on behalf of the Condominium, or of the Offering Plan (vi) reduce the services or maintenance set forth in the Condominium budget for the first year of operation, or (vii) charge any special assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the condominium; or (viii) increase the common charges of the Condominium more than ten (10%) from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates, evidencing the need for an increase greater than ten (10%) percent. The above provisions do not apply if there is an increase in the budget or an assessment as a result of expenses required: (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer; or (iv) any repair or replacement necessary for the preservation or safety of the building or the safety of its occupants.

Section 6. Repairs and Maintenance. All maintenance, repairs and replacements to the common elements of the property including but not limited to exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any public utility lines as are located in the common elements and serve one or more Homes, and exterior maintenance shall be a common expense. All maintenance (including electrical and plumbing repairs in the Homes and painting and decorating of the inside of the Homes), repairs and replacements to the Homes including windows (including all glass breakage), doors, windows and doors which open from a Home (except painting and maintenance of the exterior surface which is performed by the Board of Managers), and repairs to any heating/air conditioning system servicing a unit, pipes, wires and conduits located within or without the same Home other than as set forth above shall be made by the respective Home Owners at their own expense. In addition, all costs and maintenance associated with a limited

common element appurtenant to a Home shall be the sole responsibility of the Board of Managers except for minor repairs, general cleaning and snow removal which is the sole responsibility of the Home Owner. However, the Board of Managers shall repair and replace any public utility lines located underground or overhead of any irrevocably restricted common element except where such repair or replacement is necessitated because of the negligence or misuse or neglect of the Home Owner to which the common element is restricted in use, in which event such Home Owner shall make such repairs or replacements at his own expense. The Board of Managers and its agents, employees and contractors shall have a right of access to any Home and to all portions of the common elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of the Condominium. All replacements, repairs, painting or maintenance, whether made by the Home Owner or by the Board of Managers to the doors, windows, or the exterior surface of the Building, including roofs, or to any generally visible portion of the common elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor and shall comply with the requirements of the Architectural Control provisions contained in Article VIII, Section 7, of these By-Laws. In the event that a Home Owner fails to make any maintenance or repair which maintenance or repair is necessary to protect any of the common elements or any other Home, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Home Owner to do so after 10 days written notice, or written or oral notice of a shorter duration in the event of any emergency situation) and to charge the Home Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Home Owner for repairs or maintenance to his Home or for repairs to any common element restricted in use to such Home Owner, and the Home Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Home Owner shall be liable for the reasonable Attorneys' fees and costs of such suit or proceeding together with interest on all sums due.

Section 7. Compensation. Managers and officers, as such, shall receive no compensation for their services.

Section 8. Meetings. (a) The first meeting of each Board newly elected by the Home Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Home Owners meetings, and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board shall take place.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each manager either personally or by mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least three (3) managers.

(d) At all meetings of the Board, a majority of the managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meetings of managers, the managers present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

(f) Members of the Board may participate in a meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting.

Section 9. Annual Statement. The Board of Managers shall furnish to all Home Owners and their mortgagees and shall present annually (at the annual meeting, but in no event later than four months after the close of the fiscal year) and when called for by a vote of the Home Owners at any special meeting of the Home Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Home Owner and a notice of the holding of the annual Home Owners meeting.

Section 10. Fidelity Bonds. The Board of Managers shall require that all officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

Section 11. Liability of the Board of Managers, Officers and Home Owners. Any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers, as agent for the Home Owners as a group only and that no member of the Board of Managers, Officer of the Condominium nor individual Home Owners shall be liable for such contract, agreement or commitment. The Home Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Home Owner shall be limited to such proportion of the total liability thereunder as his common interest bears to the common interest of all Home Owners. The Board of Managers and Officers of the Condominium shall have no liability to the Home Owners in the management of the Community except for wilful

misconduct or bad faith and the Home Owners shall severally indemnify all members of the Board of Managers and Officers of the Condominium against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties as such member except acts of wilful misconduct or acts made in bad faith. Such several liability of the Home Owners shall, however, be limited as to each Home Owner to such proportion of the total liability thereunder as such Home Owner's common interest bears to the common interest of all Home Owners.

ARTICLE IV. OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. All officers must be Home Owners, members of the First Board of Managers or designated members of the Board of Managers of the Sponsor.

Section 2. Election. The Board of Managers at its first meeting after each annual Home Owners Meeting shall elect a president, a vice president, a secretary and a treasurer. Only the president must be a member of the Board.

Section 3. Appointive Officers. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Home Owners and Managers, he shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation of the State of New York.

Section 6. The Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Home Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all Home Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision he shall be.

Section 8. The Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the condominium in such depositories as may be designated by the Board of Managers.

He shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Managers, at the regular meeting of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

He shall keep detailed financial records and books of account of the Condominium, including a separate account for each Home which, among other things, shall contain the amount of each assessment of common charges against such Home, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 9. Agreements, etc. All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

ARTICLE V. NOTICES

Section 1. Definition. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager or Home Owner, 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 manager or Home Owner at such address as appears on the books of the Condominium.

Section 2. Service of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI. FINANCES

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other officer or officers or such other person or persons as the Board of Managers may from time to time designate.

Section 2. Assessments. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and supplement to the budget to every Home Owner and mortgagee. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the common elements and other operating expenses as well as charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Homes and prorated against each of said Homes according to the respective common interest appurtenant to such Homes. This proration of assessments shall remain constant regardless of the percentage of the building square footage included in each Home or the common elements restricted to the use of the Home Owner of said Home. Said assessments shall be payable monthly or such other manner as ordered by the Board of Managers. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments.

The Home Owner agrees to pay promptly when due the monthly common charges and all special assessments assessed against his own Home. In the event any Home Owner fails to make payment of his Common Charge, the Home Owner who owns such Home shall be obligated to pay (a) a "late charge" of $.04 for each $1.00 of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of 2% per month (but in no event in excess of the maximum rate theretofore collected on such amounts) computed from the due date thereof, and (c) all expenses, including, without limitation, attorneys' fees paid or incurred by the Board or by any Managing Agent in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Home Owner's Home arising from said unpaid Common Charges in the manner permitted by applicable law. All such "late charges", interest and expenses shall be added to and shall constitute Common Charges payable by such Home Owner. In addition, in the event of a default in payment of common charge assessments by any Home Owner, the Board, at its sole option, may declare the common charge assessment on said Home Owner's Home for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board shall send notice to the delinquent Home Owner and the mortgagee, if any, of such Home giving the Home Owner a five day grace period in which to make his payment. The Board may take action to collect any common charges due from any Home Owner which remains unpaid 90 days from its due date by way of foreclosure of the lien on such Home in accordance with Section 339 of the Real Property Law or otherwise.

No Home Owner shall be liable for any common charges which accrue against his Home subsequent to a sale, transfer or other conveyance by him of his Home in accordance with these By-Laws and the Declaration. A Purchaser of a Home (other than a mortgagee or a Purchaser at a foreclosure sale) shall be liable for the payment of all common charges assessed against the Home and unpaid at the time of the purchase.

Section 3. Foreclosures of Liens for Unpaid Common Charges. The Board shall have the power to purchase any Home at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Home because of unpaid common charges. In the event of such purchase, the Board shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Home. A suit to recover a money judgment for unpaid common charges shall also be obtainable separately without waiving the lien on the Home.

Section 4. Statement of Common Charges. Upon the written request of any Home Owner or his mortgagee, the Board shall promptly furnish such Home Owner or his mortgagee with a written statement of the unpaid common charges due from such Home Owner.

Section 5. Liability for Utilities. Any utility, including gas and electricity, consumed in the Homes shall be an expense of each individual Home Owner.

Section 6. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Homes. Disbursements from said account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the common elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Homes.

Section 7. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purpose.

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: blanket property insurance, liability insurance as provided below, flood insurance (if applicable), fidelity bond coverage and worker's compensation, insuring all of the Common Elements, Limited Common Elements and the Homes in the Building in the Condominium (except land, foundations, excavation and other items normally excluded from coverage) including fixtures, to the extent they are part of the Common Elements of the Condominium, building service equipment and supplies, and other common personal property belonging to the Condominium. In addition, any fixtures,

equipment or other property within the Homes originally provided by Sponsor which are to be financed by a mortgage (regardless of whether or not such property is part of the Common Elements, but not including wall, ceiling or floor decoration, furniture, furnishings or other personal property supplied or installed by the Home Owners), contained therein, covering the interest of the Condominium, the Board of Managers and all Home Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building exclusive of land foundation, excavation and other items normally excluded from coverage. Each of such policies shall be in favor of the Condominium, and shall contain a New York standard mortgagee clause in favor of each mortgagee of a Home which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, as defined below; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, as defined below, and that the net proceeds thereof, if $100,000 or less, shall be payable to the Board of Managers, and if more than $100,000 shall be payable to the Insurance Trustee. Each Home Owner and each Home Owner's mortgagee, if any, shall be beneficiaries of the policy in the percentage of common ownership applicable to said Home. While the Sponsor controls the Board, the insurance coverage obtained by the Board shall not be less than what is required by part 13NYCRR20 of the Regulations issued by the Attorney General of the State of New York.

The fire insurance will commence with the Closing of Title to the first Home in an amount as required by the mortgagee of such Home and such amount will be increased upon the Closing of Title to all Homes. Until the first meeting of the Board of Managers following the first Home Owners meeting, such insurance will be at least in the sum as provided for in the estimated first year budget contained in the Offering Plan upon completion of the Building.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Home Owners or of the invalidity arising from any acts of the insured or any Home Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of a Home. Duplicate originals of all policies of physical damage insurance and of all renewals thereof together with proof of payment of premiums, shall be delivered to all mortgagees of a Home at least ten (10) days prior to expiration of then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building, including all of the Common Elements appurtenant thereto for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

All policies must also provide for the following: recognition of any, Insurance Trust Agreement; a waiver of the right of subrogation against Home Owners individually;

that the insurance is not prejudiced by any act or neglect of individual Home Owners which is not in the control of such Home Owners collectively; and that the policy is primary in the event the Home Owner has other insurance covering the same loss. All policies shall include the standard form of a "Special Condominium Endorsement" or its equivalent. All policies shall include an "Agreed Amount Endorsement" and, if available, an "Inflation Guard Endorsement".

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering the Common Elements, each Member and Officer of the Board of Managers, the managing agent and each Home Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Home Owners meeting, such public liability insurance shall be a minimum of $1,000,000 covering all claims for bodily injury, deaths and property damage arising out of one occurrence in connection with the operation, maintenance or use of the Common Elements. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least 10 days' prior written notice to the Condominium and to each holder of a first mortgage on any Home in the Condominium which in listed as a scheduled holder of a first mortgage in the insurance policy. Such coverage may also include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and use, including, but not limited to, host liquor liability, employers liability insurance, contractual and all-written contract insurance, comprehensive automobile liability insurance and Directors and Officers Liability Insurance, if available. Such public liability insurance shall commence on the Closing of Title to the first Home.

In addition to the above, blanket fidelity bonds shall be required to be maintained by the Condominium for all officers, directors and employees of the Condominium and all other persons handling or responsible for, funds of or administered by the Condominium. In the event a management agent has the responsibility for handling or administering funds of the Condominium, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of the Condominium. Such fidelity bonds shall name the Condominium as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Condominium or the management agent, as the case may be, at any given time during the term of each bond. In no event may the aggregate amount of such bonds be less than a sum equal to 3 months aggregate assessments on all Homes plus reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Condominium as a Common Expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Condominium or Insurance Trustee.

Such bonds shall also provide that, if applicable, the Federal National Mortgage Association, ("FNMA") Services on behalf of FNMA, also receive such notice of cancellation or modification.

Home Owners shall not be prohibited from carrying other insurance for their own benefit 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 such additional insurance carried by any Home Owner.

Section 2. The Insurance Trustee. The Board of Managers on behalf of the Condominium, shall name an authorized representative, including any trustee with whom the Condominium may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee") who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose subject to the adjustment of loss provision contained in the first paragraph of this Section 1 of Article VII. The Insurance Trustee shall be a bank or trust company located in the State of New York, designated by the Board of Managers and costs associated with the Insurance Trustee shall constitute a Common Expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York. The Insurance Trustee shall have a capital, surplus and undivided profits of $50,000 or more.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Buildings as a result of fire or other casualty (unless seventy-five [75%] percent or more of the Homes are destroyed or substantially damaged and seventy-five [75%] percent or more of the Home Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Buildings (including any damaged Homes, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Home Owners in the Homes), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Home Owners for such deficit as part of the common charges.

If seventy-five [75%] percent or more of the Homes are destroyed or substantially damaged and seventy-five [75%] percent or more of the Home Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Home Owner or lienor, as if owned in common in

which event the net proceeds of sale, together with the net proceed of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Home Owners in proportion to the respective common interests, after first paying out of the share of each Home Owner the amount of any unpaid liens on his Home, in the order of the priority of such liens.

ARTICLE VIII. HOUSE RULES

Section 1. In addition to the other provisions of these By-Laws, the following house rules and regulations together with such additional rules and regulations as may hereafter be adopted by the Board of Managers shall govern the use of the Homes and the conduct of all residents thereof.

Section 2. All Homes shall be used for residential purposes only.

Section 3. Owners of a Home, members of their families, their employees, guests and their pets shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other said owners, or in such a way as to be injurious to the reputation of the Condominium.

Section 4. The common elements shall not be obstructed, littered, defaced or misused in any manner.

Section 5. Every Home Owner shall be liable for any and all damage to the common elements and the property of the Condominium, which shall be caused by said Home Owner or such other person for whose conduct he is legally responsible.

Section 6.

(a) Every Home Owner must perform promptly all maintenance and repair work to his own Home which, if omitted, would affect the Community in its entirety or in a part belonging to other Home Owners, or the building of which his Home forms a part, he being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs to internal installations of the Home located in and servicing only that Home, such as telephones and sanitary installations shall be at the Home Owner's expense.

Section 7. A Home Owner may not make any alterations to any part of the common elements nor may any structure be built on any portion of the common elements or restricted common elements without the written consent of the Board of

Managers. No alterations to the inside of a Home which would affect the structural soundness of the building may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested to the Management Agent, if any, or to the President of the Board of Managers, if no Management Agent is employed. The Board of Managers shall have the obligation to answer within sixty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. All work done pursuant to this Section must be done in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof. All necessary approvals and permits must be obtained and submitted to the Board of Managers upon submission of the written request for consent to do the work to the Board of Managers. Any interior alterations or improvements made to a Unit shall be made in accordance with all applicable rules, regulations and zoning ordinances of any governmental agencies having jurisdiction thereof. This paragraph shall not apply to Sponsor as it pertains to the initial construction of the Condominium or any work required to correct a problem raised in a warranty claim.

Section 8.

(a) No resident of the Condominium shall post any signs, advertisement, or posters of any kind in or on the Condominium including "For Sale" and "For Rent" signs except as authorized and approved by the Board of Managers.

(b) It is prohibited to hang garments, rugs, etc., from the windows or from the Building or to string clothes lines on or over the common elements or to use any of the common elements for storage purposes.

(c) No television or radio antenna or any other type of receiving or transmitting antenna or structure shall be erected on the exterior Home without the prior written consent of the Board of Managers.

(d) No building, deck, patio, fence, gate, sign, statuary, wall or other structure, or change or alteration to the exterior of the Homes or in the landscaping shall be commenced, erected, replaced, repaired or maintained, nor shall any exterior addition to, or change or alteration thereto, be made unless the Home Owner complies with requirements of the Architectural Control provisions contained in Article VIII, Section 7 of these By-Laws.

(e) Any Home Owner who mortgages or sells his Home shall immediately notify the Board of Managers, providing the name and address of his mortgagee or new Home Owner.

(f) The Board of Managers shall, at the request of the mortgagee of the Home, report any delinquent assessments due from the Owner of such Home.

(g) Every Member shall be liable for any and all damage to the Common Area, which shall be caused by said Member, its permitted lessees and occupants of Homes, their respective family members and guests and such other person for whose conduct the Member is legally responsible.

(h) No Home Owner shall make or permit any disturbing noises in any Home or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Home Owners.

(i) Upon receipt, by the President of the Board of Managers or by the Managing Agent, of a signed written complaint alleging violation of any of the House Rules or other provisions of the By-Laws as herein established or hereafter established or adopted by the Board of Managers, the President of the board, or in his absence, the Vice President together with a minimum of two (2) other members of the Board, without a formal meeting of the Board, shall make a determination as to the validity of the complaint. If in their determination the complaint is valid and justified the Managing Agent shall be directed to send written notice to the violator. If the violation is not corrected or eliminated within a period of three (3) days from the date of receipt of such notice, another notice will be sent levying a fine of up to $100.00 upon the violator; such fine is to be considered as an additional common charge to the account of the violator and shall be treated as such regarding late penalties and a lien upon the property as elsewhere provided for in the Declaration of Condominium, By-Laws or Offering Plan. If after imposition of a fine the violation is not corrected or eliminated, the Board of Managers may assess additional fines of up to $100.00 each after serving written notice upon the violator as provided for above. If the violation results in loss of or damage to property classified as common area, the Board of Managers shall itself or direct the Managing Agent, if employed, to have said loss or damage repaired or replaced and the actual cost of said repair or replacement shall be assessed to the violator as an additional common charge.

The above provisions shall not apply to the Sponsor unless required: (a) to comply with applicable laws or regulations, or (b) to remedy any notice of violation.

ARTICLE IX. DEFAULT

In the event a Home Owner does not pay any sums, charges or assessments required to be paid when due, the Board of Managers, acting in behalf of the Board shall notify the Home Owner and the mortgagee, if any, of such Home. If such sum, charge or assessment shall remain unpaid for 90 days after the giving of such notice, the Board may foreclose the lien encumbering the Home as a result of the non-payment of the required monies as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure of a mortgage. In the event the owner of a Home does not pay the assessment required to be paid by him on its due date, the Board of Managers may collect said fees and take such action as is provided in Article VI Section 2 of these By-Laws and said Home Owner shall be liable for the

Condominium's reasonable costs and a reasonable attorney's fee incurred by it incident to the collection or enforcement of such lien.

ARTICLE X. AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Home Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty-six and two-thirds percent (66 2/3%) of the Home Owners in number and common interest and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Home Owners' interest and the interests of holders of a mortgage encumbering a Home or Homes. No amendment, modification, addition or deletion of, to or from the By-Laws or any Rules and Regulations shall be effective in any way against Sponsor or its designee or any unsold Home, as long as the Sponsor owners an unsold Home in the Condominium unless Sponsor has given its prior written consent thereto. This provision is not subject to Amendment.

In addition, in the case of material changes, approval must be obtained from first mortgage holders representing at least 51% of the votes of Homes that are subject to first mortgages. A change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of common areas; responsibility for maintenance and repairs; reallocation of interests in the general or limited common areas, or rights to their use; boundaries of any Home; convertibility of Homes into common areas or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; leasing of Homes; imposition of any restrictions on a Home Owner's right to sell or transfer his or her unit; a decision by the Condominium to establish self management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors.

An addition or amendment to these By-Laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request to approve amendments who does not deliver to the Condominium a negative written response within 30 days of the receipt of the request shall be deemed to have approved such amendment.

ARTICLE XI. SELLING, LEASING AND GIFTS OF HOMES

Section 1. Selling and Leasing Homes. Any Home may be conveyed or leased by a Member free of any restrictions except that no Member shall convey, mortgage, pledge, hypothecate, sell or lease his Home unless and until all violations against the Home are removed and all unpaid Common Charges assessed against the Home shall have been paid as directed by the Board of Managers. Such unpaid Common Charges, however, may be paid out of the proceeds from the sale of a Home, or by the Grantee. Any sale or lease of a Home in violation of this section or the applicable Article of the Declaration shall be voidable at the election of the Board of Managers. Upon the written request of a Member or his mortgagee, the Board or its designee shall furnish a written statement of the status of any violation and the unpaid charges due from such Member which shall be conclusive evidence of the payment of amounts assessed prior to the date of the statement. A reasonable charge may be made by the Board for the issuance of such statements.

The provisions of this Section as they apply to unpaid Common Charges shall not apply to the acquisition of a Home by a mortgagee who shall acquire title to such Home by foreclosure or by deed in lieu of foreclosure. In such event the unpaid Common Charges against the Home which were assessed and became due prior to the acquisition of title to such Home by such mortgagee shall be deemed waived by the Condominium and shall be charged to all other Members of the Condominium as a Common Charges. Such provisions shall, however, apply to any Common Charges which are assessed and become due after the acquisition of title to such Home by the Mortgagee and to any Purchaser from such mortgagee.

Section 2. Gifts, etc. Any Member may convey or transfer his Home by gift during his lifetime or devise his Home by will or pass the same by intestacy, without restriction.

ARTICLE XII. CONDEMNATION

In the event all or part of the common elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than $100,000 and to the Board of Managers if the award is $100,000 or less, to be distributed in accordance with Section 3 of Article VII but in the following amounts:

(a) so much of the award as is applicable to unrestricted common elements, to the Home Owners pro rata according to the respective common interest appurtenant to the Homes owned by such Home Owners.

(b) So much of the award as is applicable to irrevocably restricted common elements to the Home Owner having general use of such common element.

In such eminent domain or condemnation proceeding the Board shall request that the award shall set forth the amount allocated to unrestricted common elements and to each irrevocably restricted common element. In the event the award does not set forth such allocation then the question of such allocation shall be submitted to the arbitration in accordance with the Arbitration Statutes of the State of New York.

ARTICLE XIII. MISCELLANEOUS

Section 1. Insurance. Under no circumstances shall a Home Owner permit or suffer anything to be done or left in his Home which will increase the insurance rates on his Home or any other Home or on the common elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Home Owner who mortgages his Home, shall notify the Condominium through the management agent, if any, or the President of the Board of Managers in the event there is no management agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Homes".

Section 4. Notice of Unpaid Assessments. The Board of Managers shall at the request of a mortgagee of a Home, report any unpaid assessments due from the Home Owners of such Home.

Section 5. Examination of Books and Records. Every Home Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month.

Section 6. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural; wherever the context so requires.

Section 7. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

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SCHEDULE J

APPLICATION FORM TO THE ATTORNEY GENERAL FOR DETERMINATION OF THE DISPOSITION OF DOWN PAYMENTS

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 down payment.
[ ] 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 if 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:

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SCHEDULE K

ESCROW AGREEMENT

ESCROW AGREEMENT

AGREEMENT made this 8th day of April , 2011, between 35 HAVEMEYER DEVELOPMENT CORP., as Sponsor of an Offering Plan for Condominium Homes in a Condominium known as 35 HAVEMEYER STREET CONDOMINIUM and MURPHY, BARTOL AND O'BRIEN, LLP, as ESCROW AGENT.

WHEREAS, 35 HAVEMEYER DEVELOPMENT CORP., is the SPONSOR of an Offering Plan for Condominium Units in a Condominium located at 35 Havemeyer Street, Brooklyn, New York, which Condominium is to be known as 35 HAVEMEYER STREET CONDOMINIUM; and

WHEREAS, MURPHY, BARTOL AND O'BRIEN, LLP, is authorized to act as an ESCROW AGENT hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the New York State Attorney General's ("Attorney General") 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, N.A. (depository bank) at its branch located at 32 Jericho Turnpike, Mineola, NY 11501 . The account number is [redacted]

1.2 The name of the account is "MURPHY, BARTOL AND O'BRIEN, LLP, IOLA FOR 35 HAVEMEYER STREET CONDOMINIUM, ATTORNEY ESCROW ACCOUNT".

1.3 A member or members of the ESCROW AGENT are the sole signatories on the account.

1.4 The escrow account is an Interest-on-Lawyer-Account ("IOLA") account 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 shall be made payable to, or endorsed by the purchaser or subscriber to the order of MURPHY, BARTOL AND O'BRIEN, LLP, as ESCROW AGENT. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser 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 SPONSOR shall deliver to the ESCROW AGENT all deposits submitted pursuant to a subscription or purchase agreement, within three (3) business days after tender of the deposit by a prospective purchaser to the SPONSOR or any agent engaged by the SPONSOR, along with the form of tender of deposit attached hereto as Exhibit A to this Escrow Agreement, executed by the SPONSOR.

2.3 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement, the ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan or amendment thereto, 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 the tender of the deposit, the purchaser may cancel the subscription or purchase agreement 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 the escrow regulations promulgated by the Attorney General 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 deposited by 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 (d) until released pursuant to the regulations of the

Attorney General pertaining to release of escrowed funds; or (e) the ESCROW AGENT is changed pursuant to the terms of the Escrow Agreement in connection with the transfer of funds to the new escrow agent; or (f) funds which were deposited prior to the acceptance of the contract are returned to the purchaser because of rejection of the contract by the SPONSOR; or (g) any governmental authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from SPONSOR's regular suppliers or from using same in the construction and/or completion of the Home making the construction or completion of the Development unlikely; or (h) SPONSOR is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, acts of God or national emergencies making the construction or completion of the Development unlikely; or (i) the installation of public utilities is restricted or curtailed making the construction or completion of the Development unlikely; or (j) until released in accordance with paragraphs 3.3 and 3.4.

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 Offering 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 an 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.

3.5 ESCROW AGENT shall disburse the purchaser's deposit(s) escrowed under this Escrow Agreement within twenty (20) business days after the escrowed funds are permitted to be released in accordance with this Agreement.

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 the 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.

5.3 No disbursement need or will be made by ESCROW AGENT until the deposit has actually and finally cleared ESCROW AGENT's account.

5.4 ESCROW AGENT shall only be responsible for monies actually received and cleared, and monies earned thereon, if any.

5.5 ESCROW AGENT may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statements or assertions contained in such writing or instrument; and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so.

5.6 ESCROW AGENT undertakes to perform only such duties as are expressly set forth in this Agreement and the Escrow Regulations promulgated by the New York State Attorney General's Office, and no implied duties or obligations shall be read into this Agreement against ESCROW AGENT.

6. RESPONSIBILITIES OF SPONSOR

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall within three (3) business days of receipt of all deposits and payments deliver to ESCROW AGENT all such deposits and payments received by them prior to closing of an individual transaction.

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. INDEMNIFICATION

7.1 ESCROW AGENT shall not be liable for SPONSOR's failure to tender the purchasers' funds to ESCROW AGENT within three (3) business days, for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence, and SPONSOR agrees to indemnify and hold ESCROW AGENT harmless from any claims, demands, causes of action, liability, damages, judgments, including the cost of defending any action against it together with any reasonable attorneys' fees incurred therewith and/or reasonable value of services rendered by ESCROW AGENT's litigation attorneys representing ESCROW AGENT pro se, in connection with ESCROW AGENT's undertaking pursuant to the terms and conditions of this Escrow Agreement, unless such act or omission is a result of the willful misconduct or gross negligence of ESCROW AGENT.

7.2 ESCROW AGENT shall not be liable in any manner for the sufficiency or correctness as to form, manner or execution, or validity of any written instructions delivered to it, nor as to the identity, authority, or rights of any person executing the same.

7.3 The duties of ESCROW AGENT shall be limited to the safekeeping of the deposits and for disbursements of same in accordance with the written instructions described in this Agreement.

8. TERMINATION OF AGREEMENT

8.1 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 Homes offered pursuant to the Offering Plan have been sold and all sales transactions have been consummated.

(d) ESCROW AGENT shall have no responsibility to verify qualifications of any successor escrow agent.

8.2 Upon termination of the duties of ESCROW AGENT as described in Paragraph 8.1 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 designated in the duly filed amendment related thereto.

8.3 Upon delivery of all funds held by the ESCROW AGENT to the new escrow agent pursuant to 8.2 supra, this Agreement shall be terminated and the ESCROW AGENT shall be released from all liability hereunder.

8.4 Upon ESCROW AGENT disbursing the deposit of an individual purchaser in accordance with the provisions of this Agreement, the escrow obligation's shall terminate as regards said purchaser's deposit, and ESCROW AGENT shall thereafter be released of all liability in connection with said purchaser.

9. MISCELLANEOUS

9.1 In the event of a good faith disagreement about the interpretation of this Agreement, or about the rights and obligations, or the propriety, of any action contemplated by ESCROW AGENT hereunder, ESCROW AGENT may, at its sole discretion, retain purchasers's deposits and payments in escrow and apply to the Attorney General for a determination on the disposition of the down payment or file an action and deposit any applicable funds in court to resolve said disagreement. ESCROW AGENT shall be indemnified by SPONSOR for all costs, including reasonable attorneys' fees or reasonable value of services rendered by ESCROW AGENT's litigation attorneys representing ESCROW AGENT pro se, in connection with the aforesaid action. No such action shall be filed where the ESCROW AGENT's required course of action is clearly dictated within this Agreement.

10. SUCCESSORS AND ASSIGNS

10.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

11. GOVERNING LAW

11.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

12. ESCROW AGENT'S COMPENSATION

12.1 SPONSOR agrees that ESCROW AGENT's compensation, if any, 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.

13. SEVERABILITY

13.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

14. ENTIRE AGREEMENT

14.1 This Agreement, read together with GBL Section 352-e(2-B) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

15. NOTICES

15.1 Any notice required to be given or given hereunder shall be given by depositing such notice in a post-paid wrapper, in an official depository under the exclusive care and custody of the United States Postal Service within New York State, or by Express Mail, Federal Express or similar overnight courier, facsimile transmission, messenger service (with proper receipt therefor), addressed to the party at the address hereinabove set forth with a copy of any such notice by regular mail to the attorney for such party as follows:

IF TO ESCROW AGENT:

MURPHY, BARTOL AND O'BRIEN, LLP,
22 Jericho Turnpike
Mineola, New York 11501

IF TO SPONSOR:

35 HAVEMEYER DEVELOPMENT CORP.
329 Glen Cove Avenue
Sea Cliff, New York 11579

Any notice may be given by the attorney for a party and shall have the same force as if given by the party. Either party may, by notice, change the address at which notices are to be given hereunder.

16. CAPTIONS AND HEADINGS

16.1 The captions and headings used in this Agreement are intended for convenience and reference only and shall not imply or convey any additional meanings to the contents of the respective provisions.

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

ESCROW AGENT:

MURPHY, BARTOL AND O'BRIEN, LLP,

By: _____
KEVIN J. O'BRIEN, ESQ., Partner

SPONSOR:

35 HAVEMEYER DEVELOPMENT CORP.

By: _____ Shareholder
RAYMOND GENTILE, Shareholder

TENDER OF ESCROW DEPOSIT

Date:

Tender of Deposit of $_____, for Unit _____ at _____ _____located at_____ _____, New York.

Purchaser(s) named below has/have tendered on _____, 20___, the above escrow deposit to Sponsor/Selling Agent as a deposit for the above Unit.

Purchaser(s) _____
_____

Address of Purchaser(s) _____
_____
_____

Phone number of Purchaser(s):
Home: _____
Business: _____

Social Security Number(s) or Tax Identification Number(s) of Purchaser(s) _____
_____

RECEIPT

The SPONSOR/SELLING AGENT of the above named property hereby acknowledges receipt of the above escrow deposit.

By:_____
_____
Title or Position

Date of Receipt:_____

Exhibit "A"

SCHEDULE L

REAL PROPERTY LAW SECTION 339-kk

REAL PROPERTY LAW

SECTION 339-kk

The Real Property Law is amended by adding a new Section 339-kk to read as follows:

"§ 339-kk. Rents. (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 rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within 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 or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(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."

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.

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SCHEDULE M

HOUSING MERCHANT IMPLIED WARRANTY LAW
(Article 36-B of the General Business Law)

HOUSING MERCHANT IMPLIED WARRANTY LAW

ARTICLE 36-B

WARRANTIES ON SALE OF NEW HOMES

Section 777. Definitions.
777-a. Housing Merchant Implied Warranty
778-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 titled 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 which the builder has resided in or leased continuously for three years or more following the date of completion of construction, as evidenced by the 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; 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.

777-b. Exclusion or Modification of Warranties.

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all 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;

l. any limitation on or exclusion of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5.

a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under Section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

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SCHEDULE N-1

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPAL

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPAL PURSUANT TO 13 NYCRR 20.4 (b)

Date:

State of New York
Department of Law
120 Broadway
23rd Floor
New York, NY 10271

RE: **35 HAVEMEYER STREET CONDOMINIUM**

Gentlepeople:

I am the Sponsor and the principal of Sponsor of the Condominium Offering Plan for the above-captioned property.

I understand that I have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law; the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as they may be applicable.

I have read the entire Offering Plan. I have investigated the facts set forth in the Offering Plan and the underlying facts. I have exercised due diligence to form a basis for this certification. I jointly and severally certify that the Offering Plan, does, and that documents submitted hereafter by me which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

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

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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

(vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

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

Very truly yours,

35 HAVEMEYER DEVELOPMENT CORP.

By: Raymond Gentile, Shareholder
RAYMOND GENTILE, Shareholder

SPONSOR'S PRINCIPAL:

Raymond Gentile
RAYMOND GENTILE

Sworn to before me this
21 day of March, 2011.

Mae E. Sabatino
Notary Public

MAE E. SABATINO
NOTARY PUBLIC STATE OF
NEW YORK NO. 4840592
NASSAU COUNTY COMM. EXP 6/11

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SCHEDULE N-2

CERTIFICATION OF SPONSOR'S ARCHITECT

(TO BE COMPLETED AND PLACED ON THE LETTERHEAD OF THE ARCHITECT/ENGINEER PREPARING)

SPONSOR'S ENGINEER OR ARCHITECT CERTIFICATION PURSUANT TO 13 NYCRR 20.4 (c)

Date: 4/2/11

State of New York
Department of Law
120 Broadway
23rd Floor
New York, NY 10271

RE: **35 HAVEMEYER STREET CONDOMINIUM**

Gentlepeople:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me/our firm to prepare a report describing the construction of the property (the "Report"). I/We examined the building plans and specifications that were prepared by GERALD J. CALICCHIO R.A. dated _____ and I/we prepared the Report dated 3/26/11, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I am/We are a registered architect/licensed engineer in the State in which the property is located.

I/We understand that I/we am/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 this Report.

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

I/We certify that the Report:

(i) sets forth in narrative form the description of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I/we examined;

(ii) in my/our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I/we examined;

(iii) does not omit any material fact;

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

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

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

(vii) does not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I/we further certify that I am/we are not owned or controlled by and have no beneficial interest in the sponsor and that my/our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Very truly yours,

REGISTERED ARCHITECT GERALD J. CALIENDO 020241 STATE OF NEW YORK

Signature of Individual or Name of Firm

By: _____

Signature of Individual if prepared by Firm

_____

Title or Position if prepared by Firm

Sworn to before me this
12 day of April, 2011.

Mae E. Sabatino
Notary Public

MAE E. SABATINO
NOTARY PUBLIC STATE OF
NEW YORK NO. 4840592
NASSAU COUNTY COMM. EXP 6/11

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SCHEDULE N-3

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

CERTIFICATION OF ADEQUACY OF BUDGET
PURSUANT TO 13 NYCRR 20.4(d)

Department of Law
State of New York
120 Broadway - 23rd Floor
New York, NY l0271

RE: 35 HAVEMEYER STREET CONDOMINIUM

The sponsor of the condominium offering plan for the captioned property retained our firm to review or prepare Schedule B, containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes acquisitions, management, and development of residential and commercial properties concentrated in Brooklyn.

A list of other properties operated by RedSky Capital include:

267-269 Kingsland Ave Brooklyn, NY 11222
759-761 Manhattan Ave Brooklyn, NY 11222
1008 Manhattan Ave Brooklyn, NY 11222

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

We have reviewed the Schedule and investigated the facts set forth in the Schedule, and the facts underlying it, with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

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

We certify that the Schedule:

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

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

(iii) does not omit any material fact;

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

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

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

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

(a) knew the truth;

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

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

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

We further certify that I am/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 expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

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

RedSky Capital, LLC

By:_____
Benjamin Stokes, Principal

Sworn to before me this
day of 20th April 2011.

_____
Notary Public

LUTHA FRANCIS
Notary Public - State of New York
No. 01FR6218608
Qualified in Kings County
My Commission Expires Mar. 08, 2014

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