THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO A CONDOMINIUM

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

2276 HOMECREST AVENUE CONDOMINIUM

2276 Homecrest Avenue
Brooklyn, New York 11229

16 Residential Units $5,190,000

TOTAL OFFERING -$5,190,000

Estimated Reserve Fund to be Retained by the Condominium at Initial Closing - $51,900

*PROSPECTIVE PURCHASERS SHOULD REFER TO SECTIONS XXVIII AND XXIX FOR A FURTHER EXPLANATION OF THE RESERVE FUND PURSUANT TO LOCAL LAW 70 AND THE WORKING CAPITAL. THE ESTIMATE IS THE MINIMUM AMOUNT REQUIRED UNDER THE FIRST ALTERNATIVE UNDER THE RESERVE FUND LAW. THE ACTUAL AMOUNT OF THE RESERVE FUND CANNOT BE DETERMINED UNTIL THE OFFERING PLAN IS DECLARED EFFECTIVE. PURCHASERS SHOULD FURTHER NOTE THAT THE BOARD OF MANAGERS IS AUTHORIZED TO UTILIZE THE RESERVE FUND FOR PERMITTED CAPITAL REPAIRS, REPLACEMENTS AND IMPROVEMENTS DURING THE PERIOD THE SPONSOR IS IN CONTROL OF THE BOARD OF MANAGERS.

SPONSOR
2276 HOMECREST OWNER LLC
295 Madison Avenue, 2nd Floor
New York, New York 10017
(212) 951-3898

SELLING AGENT
KORR REALTY INC.
2405 Avenue X
Brooklyn, New York 11235

The Date of Acceptance for Filing is _____, 2017. The Offering Plan May Not Be Used After _____, 2018 Unless Extended by Amendment.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE (iii).

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL THE RESIDENTIAL UNITS, THIS PLAN MAY RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE RESIDENTIAL UNITS ARE NOT OWNED BY OWNER-OCCUPANTS OR INVESTORS WHO ARE UNRELATED TO THE SPONSOR. SEE THE SPECIAL RISK SECTION OF THE PLAN. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS OF THE CONDOMINIUM UNDER THE TERMS OF THIS OFFERING PLAN. SEE SPECIAL RISK 2 OF THE OFFERING PLAN.

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

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SPECIAL RISKS

1. Purchasers should note that the Certificate of Occupancy for the Building was issued in 1981. Sponsor makes no representation or guarantee against water intrusion into the Building from the roof or windows. Buildings of this age and type can leak during periods of heavy precipitation. Waterproofing systems including foundation membranes and water-resistant wall barriers are concealed and cannot be viewed for their condition during visual observation of the building. Purchasers should note that since the Sponsor has owned the Building there has been only one instance of water intrusion in the Building which occurred in October of 2015. The Sponsor made all the necessary repairs which included installing rubber roofing cement, roofing mesh roll and rubber roof membranes to the portion of the roof that needed repair. There was also damage caused in Residential Unit 4A that was repaired. The overall cost was approximately $3,416. Other than this one instance there has been no water intrusion or leakage to the Building since the Sponsor acquired title on January 13, 2015. See Section III of the Offering Plan and the Description of Property Report, Schedule I, in Part II of the Offering Plan.

2. Sponsor will endeavor in good faith to sell the Residential Units in the Condominium. However, Sponsor is retaining the unconditional right to rent rather than sell the Residential Units. Because Sponsor is retaining the unconditional right to rent rather than sell the Residential Units, this plan may result in the creation of a condominium in which a majority of the Residential Units are not owned by owner-occupants or investors who are unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell the Residential Units, there is no commitment to sell more Residential Units than the fifteen (15%) percent necessary to declare the plan effective subject to the rights of Tenants in Occupancy to purchase during the exclusive purchase period and owner-occupants may never gain effective control and management of the Condominium. See Sections I and XVII of the Offering Plan.

3. Pursuant to existing law and regulation the Sponsor may not declare the Plan effective unless if within fifteen (15) months from the date of acceptance for filing of the Offering Plan at least fifteen (15%) percent of all Residential Units in the Building subscribed for by Bona Fide Tenants in Occupancy or Bona Fide Purchasers who represent that they intend that they or one or more members of their immediate family occupy the Residential Unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the Attorney General accepting the Plan for filing, the Purchase Agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements. Sponsor may declare the Plan effective with Purchase Agreements for a minimum of fifteen (15%) percent of the Residential Units being offered for sale. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close the Residential Units with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Residential Unit. In the current real estate market, banks and other lenders

are imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (such as 50% or 70%) of the Residential Units being offered for sale 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 Residential Units purchased is lower than a Lender's particular sales minimum. Even after Residential Units are closed, Lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell if prospective buyers are unable to obtain a loan due to such minimum sales requirements. See Section XVII.

4. The following obligations have been transferred to Purchasers and shall be at Purchaser's sole expense: New York State Real Estate Transfer Tax at the rate of $2.00 per $500 of consideration and the New York City Real Estate Transfer Tax at the rate of 1% of the Purchase Price where consideration is less than $500,000 and 1.4259% where the consideration is 500,000 or greater. Purchasers should note that said taxes are considered additional consideration on which each tax is based. Purchasers should note that the Transfer Taxes are generally a Seller's obligation but are being transferred to the Purchaser herein pursuant to the terms of the Offering Plan and the Purchase Agreement. See the Purchase Agreement set forth as Schedule D and Section XIX of the Offering Plan.

5. As a result of the fact Sponsor will be selling and closing Residential Units during the first year, the first annual meeting of the Residential Unit Owners may not be held until one (1) year after the date of the Closing of Title to the first Residential Unit in the Condominium. See Section XXII of the Offering Plan.

6. The projections for the first year of operation of the Condominium contained in the budget are only estimates. Actual expenses may vary from the amounts shown. Premiums for insurance, gas and electricity have been extremely volatile and have increased substantially over the last few years. Sponsor cannot predict whether the insurance rates will continue to increase or stabilize. Sponsor makes no representation that the premium costs for the insurance or the estimated expenses reflected in the proposed first year budget will be applicable at the time of the first closing of a Residential Unit in the Condominium. See Section VI of the Offering Plan, Schedule B, the proposed first year budget and the footnotes immediately following thereto.

7. Purchasers shall be responsible to pay the following closing costs, if applicable: (a) inspections, (b) appraisals, and (c) any other standard closing costs. In addition, each Purchaser shall make a payment the equivalent of two (2) months Common Charges to the Condominium towards a Working Capital Fund. In addition, each Purchaser shall pay $1,250 to Sponsor's counsel, representing a fee for services in connection with preparing the Residential Unit Deed, the Residential Unit Owner's Power of Attorney and for coordinating and attending the Closing. Such fee shall be payable at or prior to the Closing by Purchaser's unendorsed, personal check made payable directly to the order of Sponsor's attorney. In addition, in the event a Purchaser receives Sponsor Financing as described in Section XV of the Offering Plan,

shall pay $1,250 to Sponsor's counsel, representing a fee for services in connection with preparing the Sponsor Financing Documents. Purchaser shall also pay Sponsor a 1% origination fee based on the amount of the mortgage. Such fees shall be payable at or prior to the Closing by Purchaser's unendorsed, personal check made payable directly to the order of Sponsor's attorney and the Sponsor, respectively. See Section XIX of the Offering Plan for estimated costs.

8. In the event a Purchaser's Closing takes place at a location outside of the office of the Sponsor's Attorney, at the request of such Purchaser or such Purchaser's lender, Purchaser shall pay additional attorney's fees to Sponsor's Attorney in the sum of $500 for travel to and attendance at such outside location. In addition in the event a Closing is adjourned with Sponsor's consent, at the request of Purchaser of 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 $500. See Section XIX of this Plan entitled "Closing Costs and Adjustments".

9. All deposits (hereinafter "Deposits") received from Purchaser will initially be deposited into an escrow account of the law firm of Certilman Balin Adler & Hyman, LLP (the "Escrow Agent"), in Flushing Bank, 1122 Franklin Avenue, Garden City, New York 11530, as described in Section XV of the Offering Plan. The escrow account is an IOLA account consistent with Section 487 of the Judiciary Law of the State of New York. The maximum deposit insurance amount will be $250,000. If an individual makes a Deposit in excess of said amount for the purchase of a Residential Unit, it is a Special Risk of this offer that such Deposit will not be federally insured in excess of said amount. Purchasers should note that if the Purchaser has any accounts in the Bank, the funds in those accounts will count towards the $250,000 FDIC insurance limit. See Section XV.

10. No Residential Unit Owner shall make any alterations, improvements, additions or repairs, change the use or layout of, or number of rooms in the Residential Unit, to the Residential Unit, the interior load bearing walls, or any part of the Common Elements, amend the Certificate of Occupancy for the Building, change the size of the Residential Unit or its appurtenant Limited Common Elements without the prior written consent of the Board of Managers and execution and delivery of an Alteration Agreement. Said provision, requiring the written consent of the Board of Managers, does not apply to the Sponsor. See Section XXIII of the Offering Plan and Article IX of the By-Laws.

11. The Sponsor is offering Sponsor financing under the terms and conditions described in XV of the Offering Plan to Tenant and Non-Tenant Purchasers of vacant apartments and an occupied apartment in which the Tenant in Occupancy has waived in writing the Tenant's right to purchase as described in Section XII of the Offering Plan, during the initial Exclusive Purchase Period. Thereafter the Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility and risk of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's Deposit in the event a Purchaser is unable to obtain mortgage financing. The Purchase Agreement will remain in full force

and effect and Purchaser will be obligated to pay the balance of the purchase price at Closing regardless of the availability of financing. In the event a Purchaser does not Close Title to a Residential Unit as a result of Purchaser's inability to obtain a mortgage Sponsor will have the right to retain the Deposit to a maximum of ten (10%) percent of the sales price of the Residential Unit. Prospective Purchasers who require financing are advised to consult with a lending institution before execution of the Purchase Agreement. No representation is made by the Sponsor in regard to the availability or cost of such financing. See Section XV of the Offering Plan.

12. In the event Sponsor is unable to convey title to a Purchaser's Residential Unit twelve (12) months after the proposed date of delivery set forth in the Purchase Agreement a Purchaser shall have the option to cancel the Purchase Agreement and have the Deposit advanced by Purchaser returned to Purchaser. Purchaser shall be obligated to notify the Sponsor in writing of its intent to exercise said option within a reasonable period of time, but not more than thirty (30) days after the twelve (12) 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 Purchaser's Purchase Agreement due to Sponsor being unable to convey title to the Purchaser's Unit within the twelve (12) 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. In addition, the Sponsor anticipates that the first Closing of a Residential Unit will occur by December 1, 2017. Purchasers will be offered a right of rescission if: (i) the actual date of Closing of Title to the first Residential Unit; or (ii) the projected date of Closing of Title to the first Residential Unit occurs later than November 30, 2018, twelve (12) months after the projected date for the first Closing contained in this Offering Plan. If the Plan is amended to provide for a later projected date for the first Residential Closing, Purchasers will be entitled to an offer of rescission if the first Closing occurs more than twelve (12) months beyond that amended, later date. However if the first Residential Unit Closing occurs before December 1, 2018, the Sponsor may schedule the Closings of Title to other Residential Units significantly later than such date. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A RESIDENTIAL UNIT. Purchasers should further note that pursuant to the requirements of the GBL Section 352-eeee the Offering Plan will be deemed abandoned, void and of no effect if it does not become effective within fifteen (15) months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or development shall be submitted to the attorney general for at least twelve (12) months after such abandonment. See Section XV of the Offering Plan.

13. If through no fault of Sponsor, Purchaser fails for any reason to Close Title 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 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 .0438% per day (which equals an annual rate of 16%) of the purchase price for the Residential Unit 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. See Section XIX of the Offering Plan.

14. Common Charges are generally levied in proportion to each Residential Unit's Percentage of Common Interest in the Common Elements. However, as provided for in Section 339-m of The Real Property Law of the State of New York, the Board of Managers may also make allocations and assessments of Common Charges to the General Common Elements and any Individual Residential Unit's Limited Common Element that is the Condominium's obligation to repair and maintain, in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are based on intensive, special or exclusive use or availability or exclusive control of particular Residential Units or Common Elements by particular Residential Unit Owners. See Section XXIII of the Offering Plan.

15. Sponsor must either return a fully executed Purchase Agreement within thirty (30) days to the Purchaser or reject the Purchase Agreement and refund the Deposit monies. In the event the Sponsor does not act within said thirty (30) day period the Purchase Agreement will be deemed rejected by the Sponsor. See Section XV of the Offering Plan.

16. If Purchaser fails to appear and Close Title in accordance with the Purchase Agreement on the date and at the time and place stated in Sponsor's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under the Purchase Agreement, Sponsor may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Time is of the essence for Purchaser to cure such default within such thirty (30) day period. If not cured within the above time frame Purchaser may forfeit their Deposit and the Purchase Agreement would be terminated. See the Purchase Agreement contained in Part II of the Plan. See Section XV of the Offering Plan.

17. Purchasers should refer to Section XXIII of the Offering Plan and Article IX of the By-Laws contained in Schedule M in Part II of the Offering Plan regarding the Rules and Regulations applicable to the Residential Unit Owners in the Condominium.

18. Purchasers should note that pursuant to the terms of the Offering Plan as long as the Sponsor retains control of the Board of Managers, the Board of Managers retains the right to delay the commencement of the collection of Common Charges.

During any such delay period, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund provided in the budget on a monthly basis. Upon the commencement of the collection of Common Charges, there will be no assessment of Residential Unit Owners for prior expenses of the budget during the period Sponsor was paying the Common Expenses of the Condominium. The expenses that the Sponsor pays during such delay period will not include individual Residential Unit Owner expenses such as real estate taxes, utility charges, etc. Sponsor shall remain obligated to update the budget for the Condominium as provided for in the governing regulations. In the event Sponsor elects to delay collection of Condominium Common Charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Residential Unit Owners in writing of the expiration of the delay period at least thirty (30) days prior to commencing collection of Common Charges and will disclose such fact in the following Amendment to the Offering Plan. See Section XXIII of the Offering Plan.

19. Purchasers should note that the Residential Unit Owners shall indemnify and hold harmless each of the Members of the Board of Managers of the Condominium against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provision of the Declaration or of the By-Laws. It is intended that the Members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Residential Unit Owners). It is understood and permissible for the original Board of Managers, who may be affiliated with or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities. Notwithstanding the above, the Board of Managers has a fiduciary duty to the Residential Unit Owners to make contracts in good faith. It is also intended that the liability of any Residential Unit Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Members of the Board of Managers shall be limited to such proportion of the total liability thereunder as the Purchaser's Percentage of Common Interest in the Common Elements bears to the Percentage of Common Interest of all the Residential Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by a Member on behalf of the Condominium, shall provide that the Members of the Board of Managers, or the managing agent, or the Member, as the case may be, are acting only as agent for the Residential Unit Owners and shall have no personal liability thereunder (except as Residential Unit Owners). See Section XXII of the Offering Plan and Article III, Section 13 of the By-Laws of the Condominium.

20. Purchasers should note that the Building does not have any security system. See the Description of Property Report in Schedule I in Part II of the Offering Plan and Section III of the Offering Plan.

21. Purchasers should note that Certificate of Occupancy for the Building does not provide for any parking on site. See Section III of the Offering Plan.

22. Purchasers should note that the Building does not contain any laundry facility. Residential Unit Owners will have to utilize outside laundry facilities at their own cost. See Section III of the Offering Plan.

23. Purchasers should note that the Building is a non-elevator Building. See Section III of the Offering Plan.

24. Purchasers should note that Residential Unit Owners are responsible for depositing their own trash within the trash receptacles located in the outside shed. Trash is removed from the trash receptacle two times per week by Horizon Building Services, a subcontractor retained by the property manager. See Section III of the Offering Plan.

25. Purchasers should note that Residential Unit Owners are required to obtain insurance for their contents, finishes, improvements and betterments in accordance with the Declaration and By-Laws. Condominium insurance coverage will not cover a Residential Unit Owner's contents, finishes, improvements and betterments. Purchasers should refer to Article VII, Section 4 of the By-Laws regarding Residential Unit Owner Insurance and Section XXII of the Offering Plan.

26. The square footage of the Residential Units set forth in Schedule A are approximate, within reasonable tolerances, and are based on the Floor Plans set forth in Part II of the Plan. As shown on the Floor Plans, each Residential Unit will be measured horizontally from the outside face of the finished brick work of the exterior wall to the centerline of the demising wall or the concealed concrete structural member or the concealed blockwork of the interior walls and partitions separating one Residential Unit from another Residential Unit corridors, stairs, and other mechanical equipment space of any common elements or the unit side of the opposite exterior walls, side of the exterior walls. Each Residential Unit will consist of the area measured vertically from the top of the wood sub-floor (located under the finished flooring and sub-flooring materials) to the underside of the wood joist above including any beams or projections. Sponsor reserves the right to change the size, layout and/or the number of Residential Units; such change may alter the approximate square footage, within reasonable tolerances, of the Residential Units so affected. Sponsor shall file an amendment to the Plan and the Declaration to reflect any such change to that effect. Purchasers are advised that the Floor Plans show the perimeters of each Residential Unit and do not necessarily reflect interior partitions, if any, which may be or have been installed and/or utilized by prior or existing tenants of the Residential Unit. As such the areas are not based upon measurements from interior surfaces of interior walls, and the actual living area comprising a Residential Unit is significantly less than the area listed in Schedule A. See Schedule A and Section I of the Offering Plan.

27. Purchasers should note that at each Closing the Sponsor will collect the equivalent of two (2) months of 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 Common Charges, however the working capital fund may be utilized to reimburse Sponsor for prepaid expenses of the Condominium as detailed in Section XXIX of the Offering Plan.

28. Purchasers should refer to Section XXVIII of the Plan as to the Reserve Fund required pursuant to Local Law 70. No representation is made that the Reserve Fund will be adequate for future expenses including repairs or replacements of Common Elements during the first five (5) years of the Condominium. If additional funds are required over and above said funds, it may be necessary to increase the Common Charges payable by the Residential Unit Owners, collect a special assessment from each Residential Unit Owner or borrow money.

29. Purchasers should note that this property is subject to a Fence Agreement recorded in the New York City Register's Office in Reel 1262 Page 1022. The Agreement is between the owner of the property that is the subject of this Offering Plan and the owner of Tax Lot 57 that provides that the fence situated 5 feet 3 inches east of the westerly record line of this property may remain but shall not ripen nor become right to use any portion of this property. The Agreement further permits the owner of this property to discontinue use and remove the fence upon notice to the owner of Tax Lot 57. A copy of the Fence Agreement is contained as Schedule W in Part II of the Offering Plan.

30. Residential Unit Owners will be permitted to keep dogs, cats or other common household pets in their Residential Unit subject to the provisions of this regulation. The foregoing notwithstanding, no breed or mix of dog, including American Pit Bulls, Terrier or Rottweiler, deemed to be dangerous to the safety of the residents of the Condominium shall be permitted to be kept or harbored in the Condominium or any Residential Unit. No exceptions will be permitted unless the same in each instance be expressly permitted in writing by the Board of Managers of the Condominium. No animals may be kept or maintained in a Residential Unit for any commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Condominium Property upon fifteen (15) days written notice from the Board of Managers. All Residential Unit Owners shall advise the Board of Managers of any household pet intended to be kept in their Residential Unit prior to the household pet residing therein. In addition to the above restrictions, the Board of Managers shall have the right to further limit the number, size and type of pet including but not limited to the type of breed of such pet permitted to be kept in a Residential Unit. In no event shall any animal be permitted in any of the public corridors or lobbies of the Condominium unless carried or on leash and in compliance with the local and municipal rules and regulations regarding pets. All Residential Unit Owners shall be responsible for picking up and disposing of their pets' waste and for any damage caused by their pets to any Common Elements of the Condominium. Non-Purchasing Tenants with pets will continue to be governed by the parameters set forth in their rent regulated leases. Tenants who purchase who do not have pets or if have pets are compliant with the above provisions will be subject to the above restrictions,

Tenants who purchase their Residential Unit and are non-compliant with the above provisions will be permitted to keep their current pets. All Residential Unit Owners on a resale will be subject to the above restrictions. See Section XXIII of the Offering Plan.

31. Purchasers should note that no Residential Unit Owner shall make any alterations, improvements, additions or repairs, change the use or layout of, or number of rooms in the Residential Unit, to the Residential Unit, the interior load bearing walls, or any part of the Common Elements, amend the Certificate of Occupancy for the Building, change the size of the Residential Unit or its appurtenant Limited Common Elements without the prior written consent of the Board of Managers and execution and delivery of an Alteration Agreement as provided for in Article IX, Section (f) of the By-Laws and Section XXIII of the Offering Plan.

32. Purchasers should note that the boiler used to provide heat in the Building is a Weil McClain Model MD16566-01 and is approximately 40 years old. Based upon the observation of the engineer who prepared the Description of Property Report contained as Schedule I in Part II of the Offering Plan, the boiler has exceeded its useful life. Notwithstanding, the boiler has been providing generally acceptable comfort to the Building and the Sponsor does not intend to replace the system. In the event the Condominium decides to replace the boiler it will be a Common Expense of the Condominium. The current estimated cost of replacement of the boiler is approximately $14,480. The Sponsor is unaware of any additional capital items that may need to be replaced in the Building within the next five (5) years. Purchasers are advised to review the Description of Property regarding the overall condition of the Building contained in Schedule I in Part II of the Offering Plan.

2276 HOMECREST AVENUE CONDOMINIUM

PLAN OF CONDOMINIUM OWNERSHIP

I. INTRODUCTION

This is an Offering Plan (the "Plan") for the sale of sixteen (16) Residential Units (the "Residential Units" or "Units") in a Condominium to be known as 2276 Homecrest Avenue Condominium located at 2276 Homecrest Avenue, Brooklyn, New York 11229.

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 Residential Unit 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 Residential Unit 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 Residential Unit.

The Sponsor of the Offering Plan is 2276 Homecrest Owner LLC, 295 Madison Avenue, 2nd Floor, New York, New York 10017. Sponsor acquired the Property by deed on January 13, 2015.

Sponsor will endeavor in good faith to market and sell the Residential Units in the Condominium however, Sponsor is retaining the unconditional right to rent rather than sell Residential Units. Because Sponsor is retaining the unconditional right to rent rather than sell Residential Units this Plan may result in the creation of a condominium in which a majority of the Residential Units are not owned by owner-occupants or investors who are unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, there is no commitment to sell more Residential Units than the fifteen (15%) percent necessary to declare the plan effective subject to the rights of Tenants in Occupancy to purchase their Residential Units during the Exclusive Purchase Period 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 Residential Units, the transferee successor Sponsor will be bound by Sponsor's representations regarding its commitment to sell Residential Units.

The Building is currently subject to a first mortgage held by Customers Bank, 1015 Penn Avenue, Wyomissing, Pennsylvania 19610 (the Bank). Purchasers should note that the Loan Agreement for the Mortgage provides that the Loan subjects the Note and Mortgage to four (4) additional properties (the "Parcels") that are owned by related parties of the Sponsor herein. The loan agreement (the "Loan Agreement") for the Mortgage provides that each of the Parcels that are the subject of the Loan Agreement are entitled to a release of each respective Parcel in the event the respective Parcel is being converted to a condominium. In order to obtain a Partial Release, the Parcel that is the subject of this conversion would be required to make a prepayment of the then-outstanding principal balance of the Loan Facility in an amount equal to the greater of (a) $2,250,000 and (b) if applicable, eighty-five (85%) of the sale price of the Parcel. Thereafter the Bank will release the Building from the lien of its mortgage.

The Condominium will consist of sixteen (16) Residential Units located in one (1) building (the "Building").

The Building was originally constructed in 1928. A Certificate of Occupancy was issued by New York City on January 30, 1981.

The purpose of the Plan is to set forth all the terms of the offer for the benefit of Prospective Purchasers.

All portions of the Condominium, excluding the Residential Units, are Common Elements of the Condominium. The Common Elements of the Condominium are described as follows:

A. General Common Elements - General Common Elements are those shared by all Residential Unit Owners and include all portions of the Condominium except for the individual Residential Units and the Limited Common Elements (irrevocably restricted in use to specified Residential Units or Residential Unit Owners) and include without limitation the following:

1. The land on which the Building is located and all other land within the boundaries of the Condominium Property;

2. All portions of the roof, including gutters, leaders, parapets, coping and bulkheads that are not restricted in use to a specific Residential Unit or Residential Units and intended for the common use and service of the Building;

3. All exterior walls of the Building;

4. All foundations, footings, columns, girders, beams, supports, floor slabs and ceilings that are not part of a Residential Unit and any interior load bearing walls that are not part of a Residential Unit and that service the entire Building;

5. Stairs, stairways, common hallways which are not located wholly within a Residential Unit and entrances and exits to and from the Condominium other than entrances to the individual Residential Units which are intended for the common use and service of the Building;

6. All improved and unimproved areas of the Condominium located outside the boundaries of the Residential Units intended for common use and service of the Condominium;

7. All central and appurtenant installations for services such as power, light, telephone, television, gas, hot and cold water and heat (including all boilers, pipes, cooling towers (if any), condensers (if any) , ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces intended for the common use and service of the Building;

8. All drainage systems, pumps, sewers and/or storm sewer pipes, drywells or detention tanks or facilities intended for the common use and service of the Building;

9. All mechanical equipment, refuse rooms, utility meters, storage areas, if applicable, that are intended for the common use and that service of the Building;

10. Any heating, cooling or other mechanical system located in the Common Elements intended for the common use and service of the Building;

11. All telephone and cable rooms, meter rooms, equipment rooms, and any other mechanical rooms or areas intended for the common use and service of the Building;

12. All tanks, pumps, motors, fans, compressors, and control equipment intended for the common use and service of the Building;

13. Any fire protection system including standpipes/combined standpipe sprinkler risers, fire hose valve, sprinkler heads and Siamese connections that are intended for the Common Use and service of the Building

14. Any sprinkler system located in the Common Elements and intended for the common use and service of the Building;

15. Any plantings and landscaping located within the Condominium Property intended for the common use of the Condominium;

16. Any pedestrian walkways and ramps intended for the common use and service of the Residential Unit Owners, tenants, residents, guests and employees of the Condominium;

17. Any storage space area in the Building or Condominium Property for storage of building wide items;

18. Any mailbox area located in the lobby;

19. Any fences and gates located on the Property;

20. All flues, chimneys and vent caps for the common use and service of the Building;

21. Any refuse disposal chutes or refuse areas/equipment for the common use and service of the Building;

22. Any intercom system intended for the common use and service of the Building; and

23. All other parts of the Condominium, Building and all apparatus and installations existing in the Building or Condominium Property for common use, benefit, service necessary or convenient to the existence, maintenance or safety of the entire Condominium.

B. Irrevocably Restricted Areas/Limited Common Elements - Certain portions of the Common Elements are irrevocably restricted in use to specified Residential Units or Residential Unit Owners, subject to the right of the Board of Managers of the Condominium to enter upon any restricted area for maintenance, repair or improvement of a Residential Unit or the Common Elements and subject to the Rules and Regulations of the Board of Managers (see By-laws Article IX). Said irrevocably restricted Common Elements are also referred to as a Limited Common Element. Any portion of the Common Elements which is not restricted in use may be used by any Residential Unit Owner. Following are descriptions of the irrevocable restricted Limited Common Elements:

1. Individual Residential Unit's Limited Common Elements - Individual Residential Unit's Limited Common Elements are irrevocably restricted in use to a specific Residential Unit or specific Residential Units. Following are descriptions of irrevocable restricted Individual Residential Unit's Limited Common Elements:

   (a) Any hot water tank, boiler, air conditioning condenser and any other heating, cooling or other mechanical system servicing an individual Residential Unit that is located in or on the Common Elements; and

(b) All apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit a Residential Unit exclusively.

(c) Separate meters or sub meters exclusively serving a Residential Unit.

All repairs, maintenance and any replacement of any heating, cooling or other mechanical system servicing an individual Residential Unit that is located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit exclusively a Residential Unit shall be the responsibility of the Residential Unit Owner for such equipment services, etc.

Purchaser should refer to Schedule I-2 in Part II of the Plan for floor plans of the different Residential Units, located in the Building.

As in the ownership of a private one (1) family home, the Purchaser of a Residential Unit in a Condominium (the "Residential Unit Owner") owns their Residential Unit in fee simple absolute and is entitled to exclusive possession of their Residential Unit subject in certain instances to the rights of the Board of Managers. Each Purchaser of a Residential Unit will also own an undivided interest in and right to use the General Common Elements and a right to use the Limited Common Elements that pertain to an individual Residential Unit or to all the Residential Units. A full description of the General and applicable Limited Common Elements is described above.

The square footage of the Residential Units set forth in Schedule A are approximate, within reasonable tolerances, and are based on the Floor Plans set forth in Part II of the Plan. As shown on the Floor Plans, each Residential Unit will be measured horizontally from the outside face of the finished brick work of the exterior wall to the centerline of the demising wall or the concealed concrete structural member or the concealed blockwork of the interior walls and partitions separating one Residential Unit from another Residential Unit corridors, stairs, and other mechanical equipment space of any common elements or the unit side of the opposite exterior walls, side of the exterior walls. Each Residential Unit will consist of the area measured vertically from the top of the wood sub-floor (located under the finished flooring and sub-flooring materials) to the underside of the wood joist above including any beams or projections. Sponsor reserves the right to change the size, layout and/or the number of Residential Units; such change may alter the approximate square footage, within reasonable tolerances, of the Residential Units so affected. Sponsor shall file an amendment to the Plan and the Declaration to reflect any such change to that effect. Purchasers are advised that the Floor Plans show the perimeters of each Residential Unit and do not necessarily reflect interior partitions, if any, which may be or have been installed and/or utilized by prior or existing tenants of the Residential Unit. As such the areas are not based upon measurements from interior surfaces of interior walls, and the

actual living area comprising a Residential Unit is significantly less than the area listed in Schedule A. For a detailed description of the Residential Unit to be conveyed see Article Fourth of the Declaration of Condominium located in Schedule L, Part II of the Plan.

A Residential Unit 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 Residential Unit, however, see Section XXIII as to the right of the first Board of Managers to commence the collection of Common Charges during the period Sponsor retains control of the Board of Managers. During any such delay period, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund that is provided in the Budget. Upon the commencement of the collection of Common Charges, there will be no assessment of Residential Unit Owners for prior expenses of the budget during the period Sponsor was paying the Common Expenses of the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in the governing regulations. In the event Sponsor elects to delay collection of Condominium Common Charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Residential Unit Owners in writing of the expiration of the delay period at least thirty (30) days prior to commencing collection of Common Charges and will disclose such fact in the following Amendment to the Offering Plan. Until title to a Residential Unit has passed to a Purchaser, the Sponsor will pay such Common Charges and Special Assessments as are assessed by the Board of Managers on the Residential Units 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 that are being assessed and individual expenses associated with the Residential Unit, as well as any costs associated with the Limited Common Elements that pertain to the Purchaser's Residential Unit.

A Residential Unit Owner, upon acquiring title to their Residential Unit, will be obligated to comply with the Declaration of Condominium, Condominium By-Laws and its Rules and Regulations and any other requirements of the Board of Managers of the Condominium.

The conversion of the Residential Units are subject to the provisions of Section 352-eeee of the General Business Law ("Section 352-eeee). For an explanation of the rights of tenants under Section 352-eeee Purchasers should refer to Section XII of the Offering Plan. Purchasers should refer to Schedule A as to the Residential Units that maybe subject to any rent regulations pursuant to the Rent Stabilization Law (the "RSL").

This is a non-eviction plan and therefore Non-Purchasing Tenants may not be evicted by reason of the conversion to a condominium. A Non-Purchasing Tenant is

defined as a person who has not purchased under the Plan and who is a tenant entitled to possession at the time the Plan is declared effective or a person to whom a Residential Unit is rented by Sponsor subsequent to the effective date. A person who sublets a Residential Unit from a Purchaser under the Plan shall not be deemed a Non-Purchasing Tenant. The attention of both Original Tenants and Purchasers are directed to Sections XII and XIII of the Plan for a discussion of the rights of tenants.

As provided for in the rules and regulations promulgated by the New York State Attorney General's Office the following persons (the "Exclusive Offerees") will have an exclusive right for a period of ninety (90) days from the Date of Presentation of this Plan to purchase Residential Units at the prices set forth in Schedule A: (i) bona fide tenants in occupancy on the date the Plan is accepted for filing ("Original Tenants"); (ii) bona fide tenants with the right to renew their leases on the date the Plan is accepted for filing; (iii) bona fide tenants with the right to continued occupancy on the date the Plan is accepted for filing; (iv) a bona fide sublessee in occupancy on the date that the Plan is accepted for filing who either (a) has obtained permission to purchase the Residential Units to the subleased Residential Unit from the bona fide tenant of record, or (b) is the sublessee of a non-bona fide tenant. For the purpose of determining who has the right to purchase during the exclusive period, a bona fide tenant of record with an unexpired lease will be presumed to be a "tenant in occupancy" even though the tenant has sublet his or her Residential Unit or the Residential Unit is not the tenant's primary residence. Nothing herein shall be construed to deprive an owner of any legal remedy for illegal occupancy.

During this initial ninety (90) day period, the Plan will not be amended to change the terms of the offer in any way materially adverse to tenants in occupancy.

In the event Sponsor amends the terms and conditions of the offering prior to the closing of the first Residential Unit to be more favorable to Non-Purchasing Tenants, a Tenant-Purchaser entitled to purchase who executed and submitted a Purchase Agreement for the Residential Unit the tenant occupied on the date that the plan was accepted for filing shall benefit from the more favorable terms and conditions even though such Purchase Agreement was entered into before the Sponsor amended the terms. This will only apply to a Tenant-Purchaser who entered into a Purchase Agreement for the Residential Unit they occupied on the date the Offering Plan was accepted for filing.

The By-Laws provide that Non-Purchasing Tenants will be promptly notified of changes in ownership by Purchasers of their Residential Units and that the Board of Managers will retain and make available such information to Non-Purchasing Tenants.

Any Purchase Agreement from a Tenant in Occupancy for his or her own Residential Unit executed during any Exclusive Purchase Period shall have priority over and pre-empt any Purchase Agreement from Non-Tenant Purchasers.

Amendments will be served in accordance with the regulations promulgated pursuant to Section 352-e(6) of the General Business Law, on: (i) one residential tenant per apartment; (ii) Purchasers who have executed and delivered Purchase Agreements to the Sponsor, and are not in default; (iii) Residential Unit Owners; and (iv) any other person entitled to service pursuant to local law or regulation (collectively "Offerees").

Sponsor will not accept Purchase Agreements for Residential Units occupied by Exclusive Offerees from Non-Tenant Purchasers of a Residential Unit during the initial ninety (90) day exclusive purchase period. The price of the Residential Units to Exclusive Offerees during the ninety (90) day Exclusive Purchase Period is reflected in Schedule A, Vacant Residential Units will be offered for sale at the prices reflected in Schedule A. At the expiration of the ninety (90) day Exclusive Purchase Period, the then offering prices in Schedule A will be applicable to both Exclusive Offerees and Non-Tenant Purchasers of a Residential Unit without amendment to the Offering Plan.

There is no restriction upon ownership of a Residential Unit. Occupancy of a Residential Unit, however, may only be for residential purposes as described in Section XXIII of the Offering Plan and subject to the rights of Tenants in Occupancy. Residential Units can be sold by a Residential Unit Owner, provided that the Residential Unit Owner is not in arrears on the payment of Common Charges (except where the payment of such unpaid Common Charges is paid at the Closing of Title 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 Residential Unit. A Purchaser is free to make a gift of their Residential Unit to anyone during their lifetime or to devise their Residential Unit by will, or to have it pass by intestacy without any restriction. No Residential Unit can be sold without a simultaneous sale of the undivided interest in the Limited Common Elements that pertain to the Residential Unit. The purchase of an occupied Residential Unit is subject to the Non-Eviction provisions of Section 352-eeee and any rent regulation of the Residential Unit as disclosed herein.

The Residential Units can be purchased for all cash or may be purchased partly for cash and partly by mortgage. The Sponsor is offering Sponsor financing under the terms and conditions described in XV of the Offering Plan to Tenant and Non-Tenant Purchasers of vacant apartments during the initial Exclusive Purchase Period. Thereafter the Sponsor makes no representation as to the availability or cost of any financing that may be required by a Purchaser. If a Purchaser of a Residential Unit requires mortgage financing, the Purchase Agreement will not be conditioned upon such Purchaser obtaining financing from a lending institution designated by Sponsor and Purchaser shall obtain financing at its own risk. See Special Risk No. 11.

Purchasers should note that the Certificate of Occupancy does not provide for any parking on site.

A Residential Unit Owner may mortgage their Residential Unit at any time after they acquire title to the Residential Unit in whatever amount and under whatever terms they can obtain. Any Residential Unit Owner may also, upon the resale of their

Residential Unit, grant a purchase money mortgage to a Purchaser of their Residential Unit. A Residential Unit Owner may mortgage their Residential Unit 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 Residential Unit Owners. See Article III of the By-Laws in Schedule M in Part II of the Plan. For information concerning Sponsor's initial control of the Board of Managers, see Section XXI of the Offering Plan.

Each Residential Unit Owner, upon obtaining title, will automatically have the number of votes equal to the Residential Unit's Percentage of Common Interest for each of the Residential Units owned by such Residential Unit Owner.

Each Residential Unit will be taxed separately for real estate tax purposes and may be separately mortgaged. Therefore, no Residential Unit Owner is liable for the payment of real estate taxes or mortgage payments on any other Residential Unit. In the opinion of counsel, a Residential Unit Owner is presently entitled to deductions for income tax purposes for payments for real estate taxes applicable to their Residential Unit. In addition, provided the Residential Unit will be the Purchaser's principal residence or one (1) other residence selected pursuant to Section 163(h)(5)(A)(i)(II) of the Internal Revenue Code of 1986, a Residential Unit Owner may also deduct the interest on the mortgage they procure to finance the purchase of their Residential Unit for income tax purposes. See Sections XXV and XXVI of the Offering Plan.

Fire and liability insurance covering the General Common Elements are included with other items as part of Common Charges, but fire and liability insurance for the Purchaser's personal effects, the interior of the Residential Unit and the Limited Common Elements for an individual Residential Unit Owner's exclusive use must be carried by the individual Purchaser. Common Charges are levied in proportion to the interest in the "Common Elements" appurtenant to each Residential Unit. For possible increases in Common Charges upon default in payment by a Residential Unit Owner see Section XXIII of the Offering Plan. Each Residential Unit Owner is responsible for the cost of their own interior repairs and decoration in their Residential Unit after Closing.

The Property and Residential Units are being offered in their current "as is" condition. As of the date of this Offering Plan there are no plans for any work to be done in the Building. Part II of the Plan contains a detailed description of the Property which should be carefully reviewed by all prospective Purchasers. See "Description of Property and Building Conditions".

The prices for the Residential Units are set forth in Schedule A. THESE PRICES HAVE BEEN SET BY THE SPONSOR ALONE AND ARE NOT SUBJECT TO 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, at the office of the Sponsor or any Selling Agent engaged by Sponsor and at the New York State Department of Law, 120 Broadway, 23rd Floor, New York, New York 10271.

There are no restrictions on who may purchase a Residential Unit in the Condominium except that this offer is made only to persons over eighteen (18) years of age subject to the rights of Tenants in Occupancy.

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

II. DEFINITIONS

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

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

2. "Board Member" or "Member" – Each individual representative elected, designated or appointed to the Board of Managers.

3. "Bona Fide Purchaser" – A Purchaser who represents that Purchaser intends that they or one or more members of Purchaser's immediate family occupy the Residential Unit when it becomes vacant.

4. "Bona Fide Tenants" - Tenants in occupancy of all dwelling Residential Units in the Building on the date the Offering Plan is declared effective.

5. "Building" - The building containing the Residential Units and the Common Elements.

6. "By-Laws" - The document governing the operation of the Condominium.

7. "Closing" or "Close Title" or "Closing of Title" or "Title Closing" – The consummation of the sale of the Residential Unit transferring title via a deed from the Sponsor to the Purchaser.

8. Closing Costs" or "Closing Adjustments" or "Closing Fees" or "Closing Apportionments" – Fees and expenses over and above the price of the Residential Unit, incurred by the Purchaser and/or Sponsor at the Closing.

9. "Closing Date" - The date of the Closing of Title to the first Residential Unit.

10. "Common Charges" - Each Residential Unit Owner's proportionate share of the Common Expenses of the Condominium.

11. "Common Elements" - All portions of the Condominium, other than the Residential Units. The Common Elements are divided as follows:

    (a) General Common Elements which are Common Elements shared by all Residential Unit Owners.

    (b) Individual Residential Unit's Limited Common Elements which are Common Elements for the exclusive use of an individual Residential Unit Owner or Owners.

12. "Common Expenses" - (a) Expenses incurred by all Residential Unit Owners for the purpose of paying costs of the Condominium in connection with the repair, cleaning, maintenance, replacement, restoration or operation of, and any alteration, addition or improvement to the General Common Elements and Individual Residential Unit's Limited Common Elements that are the obligation of the Condominium to maintain, clean, repair and replace, as necessary; all of the foregoing whether ordinary or extraordinary and (b) All sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws including without limitation Special Assessments.

13. "Common Interest" - The proportionate, undivided interest each Residential Unit Owner has in the Common Elements.

14. "Community" or "Development" - As used herein refers to 2276 Homecrest Avenue Condominium.

15. "Condominium" – 2276 Homecrest Avenue Condominium which is comprised of the Common Elements, Residential Units and Residential Unit Owners.

16. "Condominium Act" – Article 9-B of the Real Property Law of the State of New York.

17. "Date of Acceptance" or "Acceptance Date" - The date the New York State Attorney General's Office accepts the Offering Plan or any amendments thereto for filing.

18. "Date of Presentation" - The date of completion of service of the Offering Plan and any amendment to the Offering Plan to Original Tenants by either personal delivery or by mailing after filing. Service by personal delivery shall be deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth (5^{th}) day after the date of mailing. The date of completion of service shall be the latest date on which service upon all Offerees is deemed and/or presumed complete.

19. "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 is amended, consistent with the provisions of the Condominium Act and of the By-Laws.

20. "Deposit" - The initial Deposit paid by a Purchaser upon the execution of the Purchase Agreement.

21. "Effective Date" - The date Sponsor provides notice to Purchasers that the conditions for declaring the Plan effective have been met and which

obligates the Sponsor to convert the Building to a Condominium, subject to the contingencies described in the Plan.

22. "Eligible Disabled Persons"- Non-Purchasing Tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the Attorney General has accepted the Plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty (60) days of the date the Attorney General has accepted the Plan for filing, on forms promulgated by the Attorney General and presented to such tenants by the Sponsor, to become Non-Purchasing Tenants under New York General Business Law § 352-eeee; provided, however, that if the disability first occurs after acceptance of the Plan for filing, then such election may be made within sixty (60) days following the onset of such disability unless during the period subsequent to sixty (60) days following the acceptance of the Plan for filing but prior to such election, the Sponsor accepts a written agreement to purchase the Residential Unit from a Bona Fide Purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the Residential Unit on the terms then offered to tenants in occupancy under the Plan.

23. "Eligible Senior Citizens" - Non-Purchasing Tenants who are sixty-two (62) years of age or older on the date the Attorney General has accepted the Plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty (60) days of the date the Attorney General has accepted the Plan for filing, on forms promulgated by the attorney general and present to such tenants by the Sponsor, to become Non-Purchasing Tenants under the provisions of New York General Business Law § 352-eeee. Such election shall not preclude any such tenant from subsequently purchasing the Residential Unit on the terms then offered under the Plan.

24. "Escrow Account" - The attorney's account where a Purchaser's initial deposit will be held as provided for in Section XV of the Offering Plan.

25. "Escrow Agent" - The attorney or law firm overseeing the Escrow Account as provided for in Section XV of the Offering Plan.

26. "Exclusive Offerees" -The class of persons who have an exclusive right to purchase their Residential Unit during the Exclusive Purchase Period at the prices set forth in Schedule A as follows:

(a) bona fide tenants in occupancy on the date the Plan is accepted for filing ("Original Tenants");

(b) bona fide tenants with the right to renew their leases on the date the Plan is accepted for filing;
(c) bona fide tenants with the right to continued occupancy on the date the Plan is accepted for filing;
(d) a bona fide sublessee in occupancy on the date that the Plan is accepted for filing who either (i) has obtained permission to purchase the Residential Units to the subleased Residential Unit from the bona fide tenant of record, or (ii) is the sublessee of a non-bona fide tenant.

27. "Exclusive Purchase Period" - The ninety (90) day period from the Date of Presentation of the Offering Plan in which Exclusive Offerees will have an exclusive right to purchase their Residential Unit at the prices set forth in Schedule A.

28. "Filing" - The date of the acceptance for filing of the Offering Plan or any amendment thereto by the New York State Department of Law.

29. "Institutional Mortgage" – A first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Sponsor, its successor, designee or assignee to a purchaser of a Residential Unit or in which the Sponsor, its successor, designee or assignee participates with one of the above.

30. "Irrevocably Restricted" or "Limited Common Elements" - A Common Element appurtenant to a particular Residential Unit or Residential Units, the use of which is restricted to the Owners of such Residential Unit or Residential Units.

31. "Local Law 70" – The New York City local law that requires the Reserve Fund as described in Section XXVIII of the Offering Plan.

32. "Market Rate Apartment" - An apartment in the Building that is not subject to any current rent regulations.

33. "Non-Purchasing Tenant" - A person who has not purchased under the Offering Plan and who is a tenant entitled to possession at the time the Offering Plan is declared effective or a person to whom a dwelling Residential Unit is rented by Sponsor subsequent to the effective date as per the provisions of Section 352-eeee of the General Business Law of the State of New York. A person who sublets a dwelling unit from a Purchaser under the Plan shall not be deemed a Non-Purchasing Tenant. A Non-Purchasing Tenant shall also include Eligible Senior Citizens and Eligible Disabled Persons who have elected to become such.

34. "Non-Tenant Purchaser" - A person who purchases a Residential Unit who is not an Original Tenant or Exclusive Offeree.

35. "Officers" – The Officers of the Condominium elected or designated by the Board of Managers, including the President, Vice President, Secretary and Treasurer.

36. "Original Tenant" - Bona fide tenants in occupancy on the date the Offering Plan is accepted for filing.

37. "Percentage of Common Interest"- The proportionate, undivided interest each Residential Unit Owner has in the Common Elements.

38. "Plan/Offering Plan" -The condominium Offering Plan and all amendments thereto.

39. "Property" – The overall area of the Condominium.

40. "Purchase Agreement" - The document to be executed by the Purchaser which will obligate the Purchaser to acquire the Residential Unit, in the Condominium and which will obligate the Seller to sell the Purchaser the Residential Unit in the Condominium.

41. "Purchase Money Mortgage" – The mortgage included as Schedule T in Part II of the Offering Plan that the Sponsor is offering to Tenant and Non-Tenant Purchasers of a vacant apartment and an occupied apartment in which the Tenant in Occupancy has waived in writing the Tenant's right to purchase during the Exclusive Purchase Period as described in Section XII of the Offering Plan.

42. "Purchase Money Mortgage Condominium Rider" - The condominium rider included as Schedule V in Part II of the Offering Plan that the Sponsor is offering to Tenant and Non-Tenant Purchasers of a vacant apartment and an occupied apartment in which the Tenant in Occupancy has waived in writing the Tenant's right to purchase during the Exclusive Purchase Period as described in Section XII of the Offering Plan.

43. "Purchase Money Note" - The mortgage included as Schedule T in Part II of the Offering Plan that the Sponsor is offering to Tenant and Non-Tenant Purchasers of a vacant apartment and an occupied apartment in which the Tenant in Occupancy has waived in writing the Tenant's right to purchase during the Exclusive Purchase Period as described in Section XII of the Offering Plan.

44. "Purchaser" - The person(s) or entities who have entered into a Purchase Agreement to acquire a Residential Unit in the Condominium.

45. "Purchaser for Investment or Resale" -A Purchaser who purchases for investment or resale and purchases three (3) or more Residential Units which Residential Units are not for occupancy by such Purchaser or persons related by blood, marriage or adoption to such Purchaser.

46. "Red-Herring Offering Plan"- The proposed Offering Plan submitted to the New York State Attorney General's Office.

47. "Reserve Fund"- The funds of the Condominium to be used towards capital improvements as described in Local Law 70.

48. "Residential Unit" – One (1) of sixteen (16) Residential Units designated in the Declaration of Condominium for residential use.

49. "Residential Unit Owner" - The owner of a Residential Unit. As used herein the term "Residential Unit" is equivalent to the term "Residential Unit" in Article 9-B of the Real Property Law of the State of New York.

50. "Rules and Regulations" – The Rules and Regulations contained in Article IX of the By-Laws as the same may be amended, altered, waived or added to by the Board of Managers.

51. "Section 352-eeee" – The applicable section of the New York State General Business Law governing the conversion of a rental building to a condominium in the City of New York.

52. "Special Assessment" – A Common Expense of the Condominium that is determined and imposed by the Board of Managers and is not part of, but may be billed and collected along with, the regular monthly Common Charges applicable to a Residential Unit. A Special Assessment may be determined in accordance with the Percentage of Common Interest appurtenant to a Residential Unit or may be based upon excessive or special use of a particular service and may not therefore directly correlate to the Percentage of Common Interest appurtenant to a Residential Unit, as permitted under Section 339-m of the Real Property Law of the State of New York.

53. "Sponsor"- 2276 Homecrest Owner LLC, a New York limited liability company and its successors, assignees and/or designees with an address at 295 Madison Avenue, 2nd Floor, New York, New York 10017.

54. "Sponsor Financing" – The financing being offered by the Sponsor as described in Section XV of the Offering Plan.

55. "Tenant-Purchaser" - A Purchaser who qualifies as an Exclusive Offeree.

56. "Unsold or Untitled Residential Unit" - Any Residential Unit in which title is retained by the Sponsor and any successors, assigns or designees until such time as the same has been sold and title conveyed to a third party. It shall not include a Residential Unit which is used for personal occupancy of the Sponsor, any of its principals or any of its successors or assigns or designees.

III. DESCRIPTION OF PROPERTY

General Description

The Condominium consists of sixteen (16) Residential Units located in one (1) Building containing four (4) stories and a cellar.

The types and number of rooms, layouts and variations of the Residential Units are set forth in the Description of Property Report in Part II of the Plan and floor plans attached thereto.

The Building was originally constructed in 1928. A Certificate of Occupancy from the New York City Department of Buildings was issued on January 30, 1981.

Recreation

The Building does not contain any active or passive recreational facilities.

Landscaping

Landscaping is described in the Description of Property Report in Part II of the Offering Plan.

Allocation of Common Interest

The Common Interest of the Condominium establishes the Residential Unit Owners' Percentage of ownership in the Common Elements and percentage of liability for the payment of Common Charges. Each Residential Unit Owner has the Percentage of Common Interest in the Condominium set forth on Schedule A. Such allocation has been made based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Residential Unit. Said method of determining the percentage of common interest in a condominium complies with and is pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York.

Trash Removal

Residential Unit Owners are responsible for depositing their own trash within the trash receptacles located in the outside shed. Trash is removed from the trash receptacle two times per week by Horizon Building Services, a subcontractor retained by the property manager.

Parking Spaces

As noted the Certificate of Occupancy does not provide for any onsite parking. All parking for the Building will be on public streets. Sponsor does not guarantee the availability of parking in the area.

Other

The Building does not have any security system and no elevator. In addition the building does not contain any laundry facility. Residential Unit Owners will have to utilize outside laundry facilities at their own cost.

IV. LOCATION AND AREA INFORMATION

Location

The Property is located on the west side of Homecrest Avenue in a mostly residential area of Brooklyn, New York.

Municipal Services

The following companies provide service to the Condominium:

Electric: Con Edison

Gas: National Grid

Water: New York City Water

Telephone: Individual Resident's preference: Verizon, Fios or Cable.

Fire: New York City Fire Department

Police: New York City Police Department

Shopping Facilities

Local shopping is within a two (2) mile area of the Condominium.

Water, Sewage and Refuse Removal

Separate storm and sanitary sewers installed in city streets owned by the City of New York provide domestic wastewater and storm water removal. The City of New York also provides domestic water supply. Residential Unit Owners are responsible for depositing their own trash within the provided trash receptacles. Trash is removed from the trash receptacle two times per week by Horizon Building Services, a subcontractor retained by the property manager.

Snow Removal

Snow removal of any General Common Elements will be the responsibility of the Condominium, and the cost thereof shall be included in the Common Charges.

Transportation

Local transportation in the vicinity of the Condominium includes the following:

Public Streets/Main Arteries servicing the Condominium are as follows:
Avenue V
Coney Island Avenue
Gravesend Neck Road
Homecrest Avenue
E. 12th Street

Local bus service servicing the Condominium is as follows:
Line: B68
Nearest Stop: Coney Island Av/Gravesend Neck Rd
Distance: 0.2 miles.

Local subway lines servicing the Condominium are as follows:
Line: Q
Nearest Stop: Neck Rd
Distance: 0.2 miles.
Nearest Stop: Sheepshead Bay
Distance: 0.6 miles.

Medical, Educational and Religious Facilities

Public elementary and high schools are part of the New York City school system, and numerous parochial and private schools are available. A representative list of the local public schools in the vicinity of the Condominium and their approximate distance include:

Elementary School
P.S. 153 Homecrest Avenue
Brooklyn, NY 11229
(718) 375-4484
Grades: PK, OK, 01, 02, 03, 04, 05, SE
District: 21
Distance: 0.58 ml

Middle School
J.H.S. 234 Arthur W. Cunningham (K234)
1875 East 17 Street
Brooklyn, NY 11229
(718) 645-1334
Grades: 06, 07, 08, SE
District: 22
Distance: 0.88 ml

High School
Sheepshead Bay High School (K495)
3000 Avenue X
Brooklyn, NY 11235
(718) 332-2003
Grades: 09, 10, 11, 12, SE
District: 22
Distance: 1.53 ml
Note: This school is in the process of phasing out and serves grade 12 only in 2015-2016

Nearby Schools:

Pre-K Center at 1215 Avenue X (Z014)
1215 Avenue X
Brooklyn, NY 11235
Grades: PK
District: 21
Distance: 0.26 ml

Bambi Day Care (KACI)
1981 Homecrest Avenue
Brooklyn, NY 11229
(718) 645-7010
District: 21
Distance: 0.58ml

Saint Mark School (KAKF)
2602 East 19 Street
Brooklyn, NY 11235
(718) 332-9304
Grades: PK
District: 22
Distance: 0.82 ml

Leon M. Goldstein
High School for the Sciences (K535)
1830 Shore Boulevard
Brooklyn, NY 11235
(718)368-8500
Grades: 09, 10, 11, 12, SE
District: 22

No representation is made as to whether these schools will be actually available for attendance; nor whether the children attending these schools will walk or have school bus service provided.

There are houses or worship of many faiths in the vicinity of the property.

Zoning/Acreage

The site consists of approximately 11,800 square feet zoned R4, Residential by the City of New York.

All surrounding areas are fully developed. Sponsor makes no representation as to whether or not said areas will remain in their current use or if redeveloped, as to their eventual use.

Neither Sponsor nor any of its Principals have an option or right to acquire any of the adjoining areas.

V. SCHEDULE A

INFORMATION FOR THE FIRST YEAR OF THE 2276 HOMECREST AVENUE CONDOMINIUM
OPERATING DECEMBER 1, 2017 TO NOVEMBER 30, 2018 AND PURCHASE PRICES AS OF THE DATE OF ACCEPTANCE
ADDRESS: 2276 HOMECREST AVENUE, BROOKLYN, NY 11229

(2)	(2)	(2)	(1)	(3)	(4)		(5)		(4) (5)	
Condo Unit	Square Footage	Number of Bedrooms and Bathrooms	Purchase Price	Common Interest	Est. Common Charges Monthly	Est. Common Charges Annually	Est. 2017/18 R.E. Taxes Monthly	Est. 2017/18 R.E. Taxes Annually	Total Expenses Monthly	Total Expenses Annually
1A*	526	1 Bedroom/1 Bathroom	$325,000.00	5.9977%	$444	$5,327	$168	$2,010	$612	$7,337
1B	447	0 Bedroom/1 Bathroom	$285,000.00	5.0969%	$377	$4,527	$142	$1,708	$519	$6,235
1C	550	1 Bedroom/1 Bathroom	$325,000.00	6.2714%	$464	$5,570	$175	$2,101	$639	$7,671
1D	449	1 Bedroom/1 Bathroom	$325,000.00	5.1197%	$379	$4,547	$143	$1,716	$522	$6,263
2A	641	1 Bedroom/1 Bathroom	$360,000.00	7.3090%	$541	$6,492	$204	$2,449	$745	$8,941
2B	449	0 Bedroom/1 Bathroom	$285,000.00	5.1197%	$379	$4,547	$143	$1,716	$522	$6,263
2C*	556	1 Bedroom/1 Bathroom	$325,000.00	6.3398%	$469	$5,630	$177	$2,125	$646	$7,755
2D	620	1 Bedroom/1 Bathroom	$360,000.00	7.0696%	$523	$6,278	$198	$2,370	$721	$8,648
3A*	641	1 Bedroom/1 Bathroom	$355,000.00	7.3090%	$541	$6,491	$204	$2,450	$745	$8,941
3B	449	0 Bedroom/1 Bathroom	$280,000.00	5.1197%	$379	$4,546	$143	$1,717	$522	$6,263
3C	556	1 Bedroom/1 Bathroom	$320,000.00	6.3398%	$469	$5,630	$177	$2,125	$646	$7,755
3D	620	1 Bedroom/1 Bathroom	$355,000.00	7.0696%	$523	$6,278	$198	$2,370	$721	$8,648
4A	641	1 Bedroom/1 Bathroom	$350,000.00	7.3090%	$541	$6,491	$204	$2,450	$745	$8,941
4B	449	0 Bedroom/1 Bathroom	$275,000.00	5.1197%	$379	$4,546	$143	$1,717	$522	$6,263
4C	556	1 Bedroom/1 Bathroom	$315,000.00	6.3398%	$469	$5,630	$177	$2,125	$646	$7,755
4D	620	1 Bedroom/1 Bathroom	$350,000.00	7.0696%	$523	$6,279	$197	$2,369	$720	$8,648
Total	**8,770**		**$5,190,000**	**100.0000%**	**$7,400**	**$88,819**	**$2,793**	**$33,509**	**$10,193**	**$122,327**

** Rent Stabilized Unit*

FOOTNOTES TO SCHEDULE A

1. No change in the sales prices 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 price does not constitute a general offering but is rather the result of an individually negotiated Residential Unit purchase. No increase in sales price will be made to Exclusive Offerees during the Exclusive Purchase Period. The then current price being offered to Outsiders will be the price for all prospective purchasers without Amendment to the Offering Plan. See Section IX of the Offering Plan as to other terms of the offering which are negotiable. See Section XIX of the Offering Plan for estimated closing costs and adjustments, which costs are in addition to the sale prices set forth herein.

2. Purchasers should refer to the floor plans in Schedule I-2 of Part II of the Plan for details of each type of Residential Unit. The square footage of the Residential Units set forth in Schedule A are approximate, within reasonable tolerances, and are based on the Floor Plans set forth in Part II of the Plan. As shown on the Floor Plans, each Residential Unit will be measured horizontally from the outside face of the finished brick work of the exterior wall to the centerline of the demising wall or the concealed concrete structural member or the concealed blockwork of the interior walls and partitions separating one Residential Unit from another Residential Unit corridors, stairs, and other mechanical equipment space of any common elements or the unit side of the opposite exterior walls, side of the exterior walls. Each Residential Unit will consist of the area measured vertically from the top of the wood sub-floor (located under the finished flooring and sub-flooring materials) to the underside of the wood joist above including any beams or projections. Sponsor reserves the right to change the size, layout and/or the number of Residential Units; such change may alter the approximate square footage, within reasonable tolerances, of the Residential Units so affected. Sponsor shall file an amendment to the Plan and the Declaration to reflect any such change to that effect. Purchasers are advised that the Floor Plans show the perimeters of each Residential Unit and do not necessarily reflect interior partitions, if any, which may be or have been installed and/or utilized by prior or existing tenants of the Residential Unit. As such the areas are not based upon measurements from interior surfaces of interior walls, and the actual living area comprising a Residential Unit is significantly less than the area listed in Schedule A.

3. The Common Interest of each Residential Unit has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Residential Unit. Said method of determining the percentage of common interest in a condominium complies with and is pursuant

to Section 339-i (1) (iv) of the Real Property Law of the State of New York. This percentage determines the amount each of said Residential Unit Owners will pay for their Common Charges, subject to the provisions of Section 339-m of the Real Property Law of the State of New York. See Special Risk No. 14.

4. Common Charges have been estimated by the Sponsor and include fire and liability insurance for the Common Elements and maintenance and operation of the General Common Elements and any Limited Common Elements that are the responsibility of the Condominium as detailed in the Declaration and By-Laws of the Condominium. Common Charges exclude insurance for the interior of a Residential Unit and a Residential Unit's contents, improvements and betterments thereto, and does not include water damage for the interior of a Residential Unit, repair and decoration to the inside of a Residential Unit, utilities for each Residential Unit and any other insurance for personal belongings. See Schedule C for estimated heating and electrical costs for the Residential Units. At closing each Purchaser shall also pay to the Condominium the equivalent of two (2) months Common Charges to the Condominium towards a Working Capital Fund.

   The Common Charges have been estimated by the Sponsor based on the Sponsor's analysis of operating costs and projections of future expenses for the first year of Condominium operation which is expected to commence on December 1, 2017. See the Schedule of Projected Receipts and Expenses for the First Year of Condominium Operation (Schedule B). The Common Charges include fire and liability insurance for the Condominium and the cost of maintenance, repair and painting of the Common Elements of the Condominium. Common Charges also include electricity and gas consumed in the Common Elements only. Each Residential Unit is separately metered for electricity and gas and the cost thereof is the responsibility of each Residential Unit Owner.

   Further, each Residential Unit Residential Owner will be responsible for all mortgage payments under any loan or loans obtained to finance the acquisition of his Residential Unit.

5. The projection for real estate taxes is based on the actual 2015/2016 Taxes of the City of New York of $33,509 for the Building divided by the Percentage of Common Interest of each Residential Unit.

   Each Residential Unit will be taxed as a separate tax lot for real estate tax purposes and a Residential Unit Owner will not be responsible for the payment of, nor will the Residential Unit be subject to, any lien arising from the non-payment of taxes on other Residential Units or any other portion of the Building. The estimated real estate taxes for each Residential Unit for the first year of condominium operation further assumes that the amount of real estate taxes payable with respect to each Residential Unit will be levied based on the Residential Unit's Percentage of Common Interest. There is no assurance that

the taxing authority will allocate taxes among the Residential Unit's Percentage of Common Interest. If Residential Units have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Residential Unit, Sponsor will place in escrow with Sponsor's Attorney, on behalf of the Condominium, an amount equal to the unpaid real estate taxes which is estimated will be levied against the parcel for the six month period following the first Closing. Sponsor will pay the real estate taxes from the escrow account when taxes are due and payable and Sponsor will be entitled to reimbursement from Residential Unit Owners as an adjustment at each individual Closing based on that Residential Unit's Percentage of Common Interest. In addition, an agreement will be executed at each Closing which will survive the Closing, which agreement will obligate the parties to reimburse each other in the event the actual taxes paid are more or less than placed in escrow. Sponsor will be obligated to pay the real estate taxes out of the escrow account until the Residential Units are separately assessed.

See Section XXV for a full discussion of the real estate taxes applicable to the Residential Units.

6. The Sponsor is offering Sponsor financing under the terms and conditions described in Section XV of the Offering Plan to Tenant and Non-Tenant Purchasers of vacant apartments and an occupied apartment in which the Tenant in Occupancy has waived in writing the Tenant's right to purchase during the initial Exclusive Purchase Period as described in Section XII of the Offering Plan. Thereafter the Sponsor is not offering any mortgage financing for individual Purchasers of a Residential Unit. 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, a Purchaser's 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.

   In the event a Purchaser of a Residential Unit obtains a mortgage, the interest payable on the mortgage will be deductible for income tax purposes provided the Residential Unit will be the Purchaser's principal residence or one (1) other residence selected pursuant to the Internal Revenue Code.

   Projected tax deductions (where applicable) may vary in future years due to changes in the interest rate on the Residential Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from changes in the assessed value, the tax rate or the method of assessing real property.

VI. SCHEDULE B

The 2276 Homecrest Avenue Condominium
Projected Budget for the First Full Year of Condominium Operation
December 1, 2017 – November 30, 2018

PROJECTED INCOME:

Common Charges (1).....	$ 88,819
TOTAL PROJECTED INCOME.....	$ 88,819

PROJECTED EXPENSES:

Electricity (2).....	$ 2,970
Heat and Hot Water (3)	$ 12,300
Water & Sewer (4).....	$ 12,064
Repairs, Maintenance & Supplies (5).....	$ 10,000
Service Contracts (6)	$ 9,600
Insurance (7).....	$ 12,865
Management Fee (8).....	$ 11,520
Legal & Auditing Fees (9).....	$ 7,500
Contingency (10).....	$ 10,000
TOTAL PROJECTED EXPENSES (11).....	$ 88,819

The accompanying notes are an integral part of this Schedule B and should be read in conjunction herewith

FOOTNOTES TO SCHEDULE B

(1) COMMON CHARGES - (Budget - $88,819)

The estimated Common Charges to be collected from Unit Owners during the first year of Condominium operation are based upon the assumption that the first year of Condominium operation will be the twelve months commencing December 1, 2017. The actual first year of operation may be earlier or later.

In the event the projected commencement date of the first year of Condominium operation is to be delayed more than six (6) months from the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. Sponsor will not declare the plan effective if any material changes to the budget are not yet disclosed in an amendment to the plan.

If the Common Charges in the revised budget projections exceed the earlier budget projections by twenty-five percent (25%) or more, the Sponsor will offer all purchasers the right to rescind their Purchase Agreements and have their Deposits refunded to them, whether or not the Sponsor offers to guarantee the earlier budget projections. Any Deposit from a Purchaser who rescinds their Purchase Agreement pursuant to this provision will be returned to the Purchaser within a reasonable period of time not to exceed thirty (30) days.

(2) ELECTRICITY – (Budget - $2,970)

The budgeted amount for electricity consumption during the first year of Condominium operation was determined by a comparison of the cost of usage of electricity from January, 2013 through December, 2015. The kilowatt hours used from January, 2013 through December, 2013 was 6,590 KWH at an average cost of $.3027 per KWH for a total of $1,995. The kilowatt hours used from January, 2014 through December, 2014 was 7,785 KWH at an average cost of $.3192 per KWH for a total of $2,485. The kilowatt hours used from January, 2015 through December, 2015 was 6,574 KWH at an average cost of $.3101 per KWH for a total cost of $2,039. It is anticipated that for the first year of Condominium operation, the electric consumption will be approximately 9,000 KWH at an average cost of $.33 per kilowatt hour (which reflects the application of a 5% inflation factor) for a total cost of $2,970.

Recapitulation	Electricity KWH Usage	KWH Cost	Total
1. January 2013 – December 2013	6,590 KWH	$.3027 KWH	$1,995
2. January 2014 – December 2014	7,785 KWH	$.3192 KWH	$2,485
3. January 2015 – December 2015	6,574 KWH	$.3101 KWH	$2,039

This estimate includes costs for the common area distribution pumps, miscellaneous floor loads, and lighting. Electricity costs can vary depending on consumption and demand factor.

These costs are only the estimated electricity costs for the Common Elements within the building. Each unit is individually metered for consumption of electricity within their own units.

(3) HEAT & HOT WATER - (Budget - $12,300)

The amount budgeted is based on an analysis of gas usage for heat and hot water from January, 2013 through December, 2015. The cost of gas used from January, 2013 through December, 2013 was approximately $11,840. The cost of gas used from January, 2014

through December, 2014 was approximately $11,020. The cost of gas used from January, 2015 through December, 2015 was approximately $8,987. The annual cost of gas during the first year of condominium operation is estimated at $11,715. In addition, a 5% inflation factor has been added, bringing the budgeted amount to $12,300.

It is not possible to predict how closely the budgeted figure will reflect the actual cost of heat and hot water during the first year of Condominium operation, because such cost will vary with the level of consumption and the price of gas. Consumption will be affected by the severity of the weather and by any conservation measures adopted by the Condominium Board or individual unit owners.

(4) WATER & SEWER – (Budget - $12,064)

Based on an analysis of water usage from January 2013 through December 2015 the average cost of water was $10,275 per year based on an average consumption of 1,088 HCF per year at an average price of $9.44 per HCF.

The annual water and sewer charges during the first year of condominium operation are estimated at $10,967. In addition, a 10% inflation factor has been added, bringing the budgeted amount to $12,064. Based on the property's average annual consumption of 1,088 HCF, this is $11.09 per HCF.

(5) REPAIRS, MAINTENANCE & SUPPLIES – (Budget - $10,000)

The budgeted figure for this item includes the cost of normal maintenance and repairs to the Common Elements of the Building that are the responsibility of the Condominium, as well as the cost of cleaning equipment and miscellaneous supplies for the Common Elements. Each Unit Owner will be responsible for the cost of the interior cleaning, maintenance, repairs, decoration and painting of their respective units, including the appliances, heating/air-conditioning units and any Limited Common Elements appurtenant thereto.

(6) SERVICE CONTRACTS - (Budget – $9,600)

The budgeted amount includes the anticipated cost of service contracts during the first year of Condominium operation. Maintenance or service contracts have been entered into as of the date of the Plan for common area maintenance. The budgeted amounts are based upon the experience of the Managing Agent in operating similar buildings. While this Schedule B includes a reasonable allowance for possible increases in cost that may occur prior to and during the first year of Condominium operations, no warranty is made that the actual cost for these or other services will be in accordance with this projection.

It is projected that the Condominium will enter into maintenance agreements for the following services:

Horizon Building Maintenance (Common Area Maintenance)	$9,600

Horizon Building Maintenance staff will be responsible for the cleaning and maintenance of the Common Elements. The estimated budgeted costs for cleaning supplies, plastic bags and other building supplies for the first year of Condominium operation are included in the budgeted Repairs, Maintenance & Supplies number. The above agreements satisfy the Multiple Dwelling Law.

(7) INSURANCE – (Budget - $12,865)

Based upon the proposal dated June 1, 2016 from Praxis International Corporation, having an office address at 338 Westbury Avenue, Carle Place, New York 11514. The following insurance coverage will be obtained for the Building for the first year of Condominium operation:

A Comprehensive Condominium Package Policy, including Boiler & Machinery and Water Damage, with the following General Coverage and Limits:

Property Policy

$1,888,000	Building "Special Form", Agreed Amount, Replacement Cost, $10,000 Deductible
$200,000	Rents
Included	Terrorism
Included	Building Ordinance
Included	Back-up of Sewers and Drain
$50,000	Flood (subject to $5,000 deductible)
$50,000,000	Equipment Breakdown (subject to $2,500 deductible)

General Liability Policy

$ 2,000,000	General Aggregate
$ 1,000,000	Each Occurrence
$ 1,000,000	Personal & Advertising Injury
$ 1,000,000	Products/Completed Operations Aggregate
$ 100,000	Fire Damage Legal Liability
$ 1,000	Medical Payments
$ 1,000,000	Non-Owned Automobile/Hired Car
$ 1,000,000	Directors & Officers Liability
$ 5,000,000/$15,000,000	Environmental Insurance
$ 1,000,000	Employment Practices
Statutory	Workers' Compensation
Statutory	NYS Disability

Umbrella Liability

$100,000,000	Umbrella Liability

The annual premium for the above mentioned insurance policy is estimated to be $12,865.

The insurance costs are for the entire Condominium and have been allocated to all units within the Condominium based upon each unit's respective Percentage of Common Interest.

The coverage amount stated above for casualty insurance is based on full replacement value and should be sufficient to avoid the effects of co-insurance. The Condominium Board

of Managers should review said amount annually. The insurance coverage meets the requirements of any mortgage lender that will be procured by the Sponsor.

The fire, casualty and general liability insurance policies will provide that (i) each Unit Owner is an additional insured; (ii) there will be no cancellation without notice to the Condominium Board and/or their legal representatives; (iii) the right to subrogation against Unit Owners is waived; (iv) a waiver of invalidity because of acts of the insured and Unit Owners; and (v) a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

The above coverage will be in place prior to or simultaneously with the closing of the first Unit in the Condominium.

Although no coverage is provided as part of the Common Charges for fire and casualty losses to the contents of each Unit nor does the above coverage take into account any future replacements or additions to the Units or the fixtures and improvements contained therein pursuant to the requirements of the Declaration and By-Laws each Purchaser is required to obtain insurance for their contents, finishes, improvements and betterments. In addition, no liability coverage for an individual Unit Owner is included in the coverage provided above for occurrences not within the Common Elements. Prospective Purchasers should consult their attorney or insurance agent to determine the advisability of obtaining insurance of their own risk of liability and fire and casualty losses at their own cost.

(8) MANAGEMENT FEE - (Budget - $11,520)

At or prior to the First Closing, the Condominium will enter into a management agreement with Crosstown Management Corp., having an office address at 97-77 Queens Blvd, Suite 1120, Rego Park, NY, a real estate management firm. The agreement will be for an initial term of 1 year. The condominium may cancel the agreement with cause on 30 days prior written notice.

The Managing Agent will receive an annual fee of $11,520 payable in equal monthly installments of $960. The Managing Agent's fee for the first year of Condominium operation is comparable to the "going rate" for similar services in comparable buildings.

See the section of the plan entitled "Agreements Affecting Building Operations" for further details.

(9) LEGAL & AUDIT FEES – (Budget - $7,500)

The Condominium will engage a law firm in the future to act as the attorney for the Condominium. As of the date of this Offering Plan no specific attorney has been selected to represent the Condominium. The estimated cost for minor legal services which do not include special collection matters or litigation for the Condominium's first year is $3,500. It is anticipated that the Condominium will enter into an agreement with Reilly, Deane & Raboy LLP, 60 East 42nd Street, New York, N.Y. to prepare tax returns and audited financial statements of the Condominium. It is estimated that the first year cost for these services will be $4,000.

These professional fees are for the entire Condominium and have been allocated to units based on their percentage of the Common Interest.

(10) CONTINGENCY – (Budget - $10,000)

This item is included in the budget to provide funds for unforeseen increases in Residential Common Expenses and General Common Expenses before or after the First Closing or to

cover expenses not included in this budget. The contingency fund is in addition the Reserve Fund and Working Capital Fund described in Sections XVIII and XIX of the Offering Plan.

(11) TOTAL PROJECTED EXPENSES – (Budget - $88,819)

The projections set forth in this budget assume that the first year of Condominium operation will cover the period from December 1, 2017 through November 30, 2018.

IN THE OPINION OF PENMARK PROPERTY ADVISORS, LLC, HAVING AN OFFICE AT 828 HEMPSTEAD TURNPIKE, FRANKLIN SQUARE, NEW YORK, 11010, THE PROJECTED INCOME IS ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION. THE BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE BOARD WILL BE AS SET FORTH IN THE BUDGET. IN FACT, IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

VII. SCHEDULE C

PROJECTED BUDGET FOR INDIVIDUAL ENERGY COSTS

The following are the projected individual electrical costs for typical Residential Units based on the attached letter from R&W Engineers, P.C., 1383 Veterans Memorial Highway, Hauppauge, New York 11788.

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. The above figures can also vary substantially depending upon actual equipment usage hours, thermostatic settings, and proper maintenance of equipment. The figures provided are not intended to be a guarantee. 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 Residential Unit or in subsequent years.

R & W / Engineers, P.C.
1383 Veterans Memorial Highway – Suite 45
Hauppauge, New York 11788
Larry A. Rubinson, P.E. (631) 969-8535
Michael L. Williams, P.E. Fax: 969-8518

May 13, 2016

2276 Homecrest Avenue Owner LLC
295 Madison Avenue
New York, NY 10017

Re: 2276 Homecrest Avenue, Brooklyn, NY
Water, Sewer, Natural Gas and Electric Utility Budgets

Ladies & Gentlemen:

Per your request, we prepared the following annual individual unit and common utility consumption (electric, natural gas, sewer and water) estimates and anticipated present day costs. The cost factor of 6.5% added to each item is based on a utility sales tax rate of 4.5% (simplified average) and an inflation factor of 2.0% over the next year. The project Sponsor indicates that New York City Water Board is the water purveyor, Consolidated Edison will provide electric and National Grid* will provide gas service. The building contains sixteen residential units. Four (4) units are studio and twelve (12) are one bedroom residential units. All sixteen residential units have one bathroom. Utility cost estimates are categorized and calculated in two categories; studio and one bedroom. For the purposes of these estimates it is assumed that all units within a category equally consume utilities.

The building consists of a cellar and four (4) stories above grade. Each of the four above grade stories contains four residential units (one studio and three one bedroom units). The first floor has a vestibule. There are common stairs and hallway on each above grade story. There are storage areas, a workshop, meter and boiler rooms on the cellar level. The studio apartments range in size from 447 to 449 interior square feet. The one bedroom units range in size from approximately 499 to 641 interior square feet.

Domestic hot water to all building units is provided by a common 81 gallon hot water heater. There is a single 360,000 BTU gas fired boiler for the entire building. The property report describes 16 gas meters. It is not clear what natural gas appliances are served in each unit. Assumptions are made relative to the appliances in each unit (as they are not shown on the architectural drawings provided). It is assumed that there are no common or individual laundry appliances.

This report is based on information contained on building plans prepared under the title block of Peter F. Farinella, Architect and a report of the property prepared by Engineered Building Inspections, P.C. dated February 11, 2016. Utility rates are based on those used in calculations in recent utility bills for the building (in simplified format).

Water Consumption: (Does not include sewer charge)
New York City charge = $3.81/100 cubic feet or $3.81/748 gallons

Water use = 125 gpd/unit for studio units and 175 gpd/unit for one bedroom units

Residential Water Use = {(125 gpd/unit x 4 unit) + (175 gpd/unit x 12 units)} x 365 dys/yr

x $3.81/748 gal x 1.065 = **$5,148.01/year**

Sewer Charge:
New York City charge = $6.06/100 cubic feet or $6.06/748 gallons

Sewer Charge Based on Water Usage of 125 gpd/unit for studio units and 175 gpd/unit for one bedroom units

Sewer Charge = {(125 gpd/unit x 4 unit) + (175 gpd/unit x 12 units)} x 365 dys/yr x $6.06/748 gal x 1.065 = **$8,188.17/year**

Electric Costs
Electric costs are based on a rate of $0.25/KWH (Simplified Delivery & Supply)

Studio Residential Electric Costs: (Four Units)

Refrigerator: 75 KWH/month x 12 months x $0.25/KWH x 1.065 = **$239.63/year**
Range Top/Oven: 2.0 KW x 0.5 Hr/Day x 240 Day/Yr x $0.25/KWH x 1.065 = **$63.90/year**
Microwave: 10 KWH/month x 12 months x $0.25/KWH x 1.065 = **$31.95/year**
Small Appliances & Lighting: 300 Watts/day x 12 hrs/day x 365 days x $0.25/KWH/1,000 x 1.065 = **$349.85/year**
Through Wall Air Conditioner: 0.75 KW x 10 Hrs/Dy x 120 dys/yr x $0.25/KWH x 1.065 = **$239.63/year**

One Bedroom Residential Electric Costs: (Twelve Units)

Refrigerator: 75 KWH/month x 12 months x $0.25/KWH x 1.065 = **$239.63/year/unit**
Range Top/Oven: 2.0 KW x 0.5 Hr/Day x 240 Day/Yr x $0.25/KWH x 1.065 = **$63.90/year/unit**
Microwave: 12 KWH/month x 12 months x $0.25/KWH x 1.065 = **$38.34/year/unit**
Small Appliances & Lighting: 500 Watts/day x 12 hrs/day x 365 days x $0.25/KWH/1,000 x 1.065 = **$583.09/year/unit**
Dish Washer: 15 KWH/month x 12 months x $0.25/KWH x 1.065 = **$47.93/year/unit**
Through Wall Air Conditioner: 2 x 0.75 KW x 10 Hrs/Dy x 120 dys/yr x $0.25/KWH x 1.065 = **$479.25/year/unit**

Common Area Electric Costs:

Vestibule, Hallway & Stairway Lighting: 1.0 Watts/sf x 761 sf x 24 hrs/day x 365 days x $0.25/KWH/1,000 x 1.065 = **$1,774.92/year**
Exterior Lighting: 6 Fixtures (assumed) x 75 watts/fixture x 10 hrs/dy x 365 dy/yr x $0.25/KWH/1,000 x 1.065 = **$72.88/year**
Common Cellar Lighting: 1.0 watts/sf x 2,393 sf x 8 hr/dy x 365 dy/yr x $0.25/KWH/1,000 x 1.065 = **$1,860.44/year**
Ventilation Blower (assumed): 0.25 hp (assumed) x 0.746 kw/hp x 24 hrs/dy x 365 dys/yr x $0.25/KWH x 1.065 = **$434.98/year**
Circulator Pumps (¼ & 1/3 HP): 0.58 hp x 0.746 kw/hp x 8 hrs/dy (average) x 365 dys/yr x $0.25/KWH x 1.065 = **$336.39/year**

Natural Gas Costs:
Certain assumptions are made regarding the appliances that will utilize gas.

Gas costs are based on a rate of $1.01/therm (Simplified Delivery & Supply)

Hot Water Heater: 199,000 btu/hr/1 therm/100,000 btu x 6 hrs/dy x 365 dys/yr x $1.01/therm x 1.065 = **$4,687.79/year**

Heat: (Assumes that the boiler heats all residential units and common area)
360,000 BTU Boiler: 360,000 btu/hr/1 therm/100,000 btu x 10 hrs/dy x 210 dys/yr x $1.01/therm x 1.065 = **$8,131.91/year**

Combined utility purveyor commodity and delivery costs with several averaging assumptions were applied to derive at the single unit cost for each utility. It is not possible to predict how closely the estimated costs will reflect the actual costs for providing water, sewer, electricity and natural gas to the individual and common spaces during the first year of operation, in part because such costs will vary with the levels of consumption, the unit price for water, electric and natural gas, weather and any conservation measures adopted by the owners and residents. It is believed that the projected figures should be sufficient to cover the cost of water, electricity and gas during the first year of operation. However, the unit prices for natural gas and electricity have been highly volatile and unpredictable. No budgeted item is warranted.

Should you have any questions, please call my office. Trusting that the above is as requested, I remain

Very truly yours,
R & W / Engineers, P.C.

Larry A. Rubinson, P.E.
President



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

PENMARK
PROPERTY ADVISORS LLC

PART 23: LETTER TO ATTORNEY GENERAL
RE: REAL PROPERTY LAW SECTION 339-i.1 COMPLIANCE

June 3, 2016

New York State Department of Law
Real Estate Finance Bureau
120 Broadway, 23rd Floor
New York, New York 10271

Re: Condominium Offering Plan
2276 Homecrest Avenue Condominium
2276 Homecrest Avenue
Brooklyn, New York

Dear Sir/Madam:

2276 Homecrest Owner, LLC ("Sponsor") of the Condominium Offering Plan ("Offering Plan") for the Property retained Penmark Property Advisors, LLC ("Firm") to review the percentage of Common Interest in the Common Elements allocated to each Unit in the Property set forth in Schedule A of the Offering Plan.

The Firm is licensed as a real estate brokerage firm in the State of New York. The principals of the Firm have been engaged in the real estate and brokerage business for over 35 years and have been actively associated with sale and management of condominium and cooperative buildings.

The Firm has been advised by Sponsor that the Common Interest of each Unit has been determined in accordance with Real Property Law Section 339-i.1 based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

In the Firm's opinion, within the framework of Real Property Law Section 339-i.1, this method of determining Common Interest is reasonable and equitable.

The Firm certifies that it is not owned or controlled by Sponsor and that it has no financial interest in the offering other than its fee for services rendered in connection with the preparation of this letter (and acting as Selling Agent under the Offering Plan). The Firm understands that a copy of this letter is intended to be incorporated into the Offering Plan.

PENMARK PROPERTY ADVISOR, LLC
828 HEMPSTEAD TURNPIKE FRANKLIN SQUARE, NY 11010
T: 646.485.6139 • C: 212.702.8732 • PENMARKPROPERTYADVISORS.COM

PENMARK
PROPERTY ADVISORS, LLC

All capitalized terms not defined in this letter shall have the meaning ascribed to them in the Offering Plan.

Very truly yours,
PENMARK PROPERTY ADVISORS, LLC

By: _____
Name: Leslie Bogen Winkler
Title: Manager

PENMARK PROPERTY ADVISOR, LLC
828 HEMPSTEAD TURNPIKE FRANKLIN SQUARE, NY 11010
T: 646.485.6138 • C: 212.702.8732 • PENMARKPROPERTYADVISORS.COM

IX. CHANGES IN PRICES AND RESIDENTIAL UNITS

There will be no increase in the price of the Residential Units to Exclusive Offerees during the initial ninety (90) day exclusive purchase period. At the conclusion of the ninety (90) day exclusive purchase period, the price to all Residential Units will be the then current price offered as reflected in Schedule A or as provided in an amendment to the Offering Plan. The Sponsor reserves the right at any other time for Exclusive Offerees and at any time for Non-Tenant Purchasers of a Residential Unit, without prior notice, to change the price required to some or all of the Residential Units shown on Schedule A. The price will not be changed except by a duly filed amendment to the Plan if such change is (i) an across the board increase or decrease affecting one or more lines of Residential Units or Residential Unit models, or (ii) an increase or decrease to be advertised, or (iii) an increase for an individual Purchaser. Individually negotiated reductions of a change in the price may be made without amendment so long as such reductions do not constitute a prohibited discriminatory inducement.

Sponsor will not make any material adverse change in the size nor material adverse change in the quality of Common Elements without the consent of all Residential Unit Owners. Sponsor will not make any material change in the Residential Units size, layout, Percentage of Common Interest or in the amount or quality of Common Elements directly affecting or servicing the Residential Unit if a Purchase Agreement has been executed and delivered to Sponsor for that Residential Unit and the Purchaser is not in default, unless the Purchaser consents in writing to such change.

Unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of the Common Elements.

If any amendment is a material adverse modification of the Plan, anyone who previously executed and delivered a Purchase Agreement and is not in default thereunder, will be given not less than thirty (30) days to rescind the Purchase Agreement by written notice to the Sponsor, after a copy of the duly filed amendment is mailed or otherwise served upon the Purchaser. In the event of rescission, Sponsor will return all funds paid under the Purchase Agreement within (10) days after receipt of notice.

The foregoing notwithstanding and in order to meet the possible varying demand for number and type of Residential Units, or to meet particular requirements of prospective Purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without requiring the consent of the Board of Managers, Residential Unit Owners or any mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Residential Unit, (b) change the size and./or number of Unsold Residential Units by dividing one (1) or more Residential Units into two (2) or more separate Residential Units, combining separate Unsold Residential Units (including those that result from such subdivision or otherwise)

into one (1) or more Unsold Residential Units, altering any boundary walls between one (1) or more Residential Units, or otherwise, including incorporating common elements (such as a portion of a hallway) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit, (c) designate a Common Element as part of a newly created Residential Unit or designate all or part of a Residential Unit as a newly created Common Element (d) incorporate and enclose Limited Common Elements within a Residential Unit and (e) if appropriate, reapportion among the Unsold Residential Unit and (e) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate common interest. Notwithstanding the above, no change will be made in the size or number of Residential Units and/or their respective percentages of common interest and no material change will be made in the size or quality of Common Elements, except by amendment to the Offering Plan and, when applicable to the Declaration of Condominium.

The Sponsor further reserves the right, but not the obligation, to negotiate with a Non-Tenant Purchaser of a vacant Residential Unit, Non-Tenant Purchaser of an occupied Residential Unit after any exclusive purchase period and a Tenant Purchaser after the Offering Plan has been declared effective on an individual basis in connection with all aspects of the purchase price, including but not limited to: upgrades to the Residential Unit or the fixtures or equipment contained therein or credits or allowances therefore; treatment of reduced and/or split Deposit; 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 Residential Unit; maintenance subsidies, rebates or other costs associated with maintaining a Residential Unit as a credit against the purchase price or payable on a periodic basis or any other manner as is negotiated between the parties; promotional gifts on purchase of a Residential Unit and application of rent toward the purchase price. As a result, a Purchaser may receive different terms as other Purchasers for a similar Residential Unit. 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. ACCOUNTANT'S CERTIFIED STATEMENTS OPERATION

REILLY, DEANE & RABOY LLP
CERTIFIED PUBLIC ACCOUNTANTS
60 EAST 42ND STREET
NEW YORK, N.Y. 10165

(212) 986-3667
(212) 986-3669 – FAX

BENJAMIN GOLDBERG, CPA
JOSEPH E. SODIKOFF, CPA
MARTIN M. APPELBAUM, CPA, PC

ABRAHAM M. RABOY
1913-1977

Independent Auditors' Report

To the Members of
2276 Homecrest Owner LLC

We have audited the accompanying schedules of building operating expenses and the related notes of 2276 Homecrest Owner LLC for the years ended December 31, 2015 and December 31, 2014.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedules based on our audits. We conducted the audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedules. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the schedules, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedules of building operating expenses referred to above present fairly, in all material respects, the building operating expenses for 2276 Homecrest Owner LLC for the years ended December 31, 2015 and December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in Note 2 (basis of accounting) to the financial statements, the accompanying schedules of building operating expenses exclude certain expense items and other such items that are not applicable to the operation of the building, such as depreciation, vacancy advertising, credit checking, interest income, rental commissions, and painting and repairs to individual units. These schedules are not intended to be a complete presentation of the building's operating results.

Reilly, Deane & Raboy LLP

June 15, 2016

2276 HOMECREST OWNER LLC
SCHEDULES OF BUILDING OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015 -	2014 -
Building operating expenses:		
Utilities	$ 11,026	$ 13,503
Water charges and sewer rents	11,004	9,986
Repairs, maintenance and supplies	27,248	7,342
Management fees	9,600	9,600
Insurance	6,385	4,581
Legal, audit and other professional	7,500	9,000
Other expenses	500	500
	$ 73,263	$ 54,512

See independent auditors' report and accompanying notes to schedules of building operating expenses.

2276 Homecrest Owner LLC
Notes to Schedules of Building Operating Expenses
For the Years Ended December 31, 2015 and 2014

Note 1 – Nature of Activities

2276 Homecrest Owner LLC, was formed on November 3, 2014 in the state of New York and operates pursuant to a Limited Liability Statement (the Agreement). The Company was formed to acquire, own, and operate a residential rental property located at 2276 Homecrest Avenue, Brooklyn, New York. The Company plans to develop and convert the building into a residential condominium by the name of 2276 Homecrest Condominium. The condominium intends to file an offering plan with the New York State Department of Law Real Estate Finance Bureau.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying schedules of building operating expenses have been prepared on the accrual basis of accounting, whereby expenses are recognized when incurred. These schedules exclude certain income and expense items and other such items that are not applicable to the operation of the building, such as depreciation, vacancy advertising, credit checking, interest income, rental commissions, and painting and repairs to individual units. The schedules are not intended to be a complete presentation of the building's operating results.

Use of Estimates

The preparation of the schedules of building operating expenses in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of expenses recognized during the reporting period. Actual results could differ from those estimates.

Income Taxes

Limited liability companies organized as provided under the Agreement generally do not exist for federal, state and local income tax purposes and, accordingly, income taxes have not been provided for. The members are responsible for reporting the Company's income, gains, deductions, losses and credits in their individual income tax returns.

2276 Homecrest Owner LLC
Notes to Schedules of Building Operating Expenses
For the Years Ended December 31, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (continued)

Date of Management's Review

In preparing the schedules of building operating expenses, the Company has evaluated events and transactions for potential recognition or disclosure through June 15, 2016, the date that the schedules of building operating expenses were available to be issued.

Note 3 - Management Agreement

The Company entered into a verbal agreement with an independent firm to be the sole and exclusive manager of the building located at 2276 Homecrest Avenue, Brooklyn, New York. The monthly management fee will be fixed at the rate of $50 per apartment. For the years ended December 31, 2015 and 2014, the management fees were estimated to be $9,600 per annum.

XI. RIGHTS OF ELIGIBLE SENIOR CITIZENS AND ELIGIBLE DISABLED PERSONS

Under the terms of the Plan, Eligible Senior Citizens and Eligible Disabled Persons of a Market Rate Apartment are eligible to elect the status of a Non-Purchasing Tenant upon acceptance for filing of the Plan by the Department of Law. Eligible Senior Citizen and Eligible Disabled Person election forms promulgated by the Department of Law, forms SH-1 and SH-2, respectively, are included in Part II of the Plan as Schedules S-1 and S-2.

An Eligible Senior Citizen is a Non-Purchasing Tenant and the spouse of such Non-Purchasing Tenant who:

(i) is 62 years of age or older on the date the Plan is accepted for filing by the Department of Law; and

(ii) has elected not to purchase Purchaser's Residential Unit within sixty (60) days from the Date of Presentation by completing the senior citizen election form contained in Part II of the Plan as Schedule S-1, signing the form and having the signature notarized, and personally delivering it to 2276 Homecrest Owner LLC, 295 Madison Avenue, 2nd Floor, New York, New York 10017 or by mailing it by certified or registered mail, return receipt requested to the Sponsor, 2276 Homecrest Owner LLC, 295 Madison Avenue, 2nd Floor, New York, New York 10017.

An eligible disabled person is a Non-Purchasing Tenant and the spouse of such Non-Purchasing Tenant who:

(i) has an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which is demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which is expected to be permanent, and which prevents the disabled person from engaging in any substantial gainful employment on the date the Department of Law accepted the Plan for filing; and

(ii) has elected not to purchase Purchaser's Residential Unit within sixty (60) days from the Date of Presentation by completing the disabled person election form in Part II of the Plan as Schedule S-2, signing the form and having the signature notarized, and personally delivering it to 2276 Homecrest Owner LLC, 295 Madison Avenue, 2nd Floor, New York, New York 10017 or by mailing it by certified or

registered mail, return receipt requested to the Sponsor, 2276 Homecrest Owner LLC, 295 Madison Avenue, 2nd Floor, New York, New York 10017; and

(iii) if the disability first occurs after acceptance of the Plan for filing, then such election may be made within 60 days following the onset of such disability unless during the period subsequent to 60 days following the presentation of the Plan for filing but prior to such election, the offeror accepts a written agreement to purchase the Residential Unit from a Bona Fide Purchaser.

As a Non-Purchasing Tenant under the Plan, Eligible Senior Citizens and Eligible Disabled Persons are entitled to the following protections upon electing Non-Purchasing Tenant status:

(i) No eviction proceeding will be commenced at any time against either Eligible Senior Citizen or Eligible Disabled Persons unless they are in violation of their lease.

(ii) Eligible Senior Citizens and Eligible Disabled Persons who reside in Residential Units subject to government regulations as to rentals and continued occupancy shall continue to be subject thereto.

(iii) The rents of Eligible Senior Citizens and Eligible Disabled Persons who reside in the Building not subject to government regulations as to rentals and continued occupancy, and Eligible Senior Citizens and Eligible Disabled Persons who reside in the Building with respect to which government regulations as to rentals and continued occupancy is eliminated or becomes inapplicable after the Plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable Residential Units during the period of their occupancy.

Any owner of a unit occupied by an Eligible Senior Citizen or Eligible Disabled Person shall be bound by the provisions of the New York General Business Law and the terms of the Plan. The By-Laws of the Condominium require that such purchase is subject to all the rights of the Eligible Senior Citizen or Eligible Disabled Person occupying the Residential Unit and that the Purchaser, Purchasers' successors and assigns shall continue to be bound as long as such occupancy continues.

Sponsor may dispute the election by a tenant to be an Eligible Senior Citizen or an Eligible Disabled Person by applying to the Department of Law for a determination of the tenant's eligibility within 30 days of the receipt of the election form. The Department of Law shall issue a determination of eligibility within thirty (30) days thereafter.

In the absence of fraud, the determination by the Department of Law is the sole method for resolving a dispute as to whether a tenant is an Eligible Senior Citizen or Eligible Disabled Person. The determination by the Department of Law is reviewable only through a proceeding under article 78 of the Civil Practice Law and Rules.

An election not to purchase shall not preclude an electing senior citizen or disabled person from subsequently purchasing Purchaser's Residential Unit on the terms and conditions set forth in the Plan.

XII. RIGHTS OF EXISTING TENANTS

The conversion of the Residential Units are subject to the provisions of Section 352-eeee of the General Business Law ("Section 352-eeee). The Offering Plan is being converted as a non-eviction plan for the Residential Units and therefore Non-Purchasing Tenants of a Residential Unit may not be evicted by reason of the conversion to a condominium. A Non-Purchasing Tenant is defined as a person who has not purchased a Residential Unit under the Plan and who is a tenant entitled to possession of the Residential Unit at the time the Plan is declared effective or a person to whom a Residential Unit is rented by Sponsor subsequent to the effective date. A person who sublets a Residential Unit from a Purchaser under the Plan shall not be deemed a Non-Purchasing Tenant of a Residential Unit. As used in this Plan, the term "Date of Presentation" refers to the date copies of the Offering Plan or any amendment thereto, are delivered to the tenants in the Building following the acceptance of the Plan for filing. In the event the Sponsor delivers the Plan or any amendment thereto by mail, however, the Date of Presentation shall be five (5) days following the actual mailing date.

Rights of All Tenants under General Business Law Section 352-eeee.

The Sponsor presents the Plan to all Exclusive Offerees. Exclusive Offerees on the date the Attorney General accepts the Plan for filing shall have the exclusive right to purchase their Residential Units for ninety (90) days after the Date of Presentation of the Plan ("Exclusive Purchase Period"), during which time a tenant's Residential Unit shall not be shown to a third party unless the Exclusive Offeree has, in writing, waived the Exclusive Offeree's right to purchase.

The Exclusive Purchase Period in which to purchase shall be applicable to the following ("Exclusive Offerees"):

(a) All bona fide tenants in occupancy of a Residential Unit on the date the Plan is accepted for filing will have the exclusive right to purchase their Residential Unit for ninety (90) days after the Plan is presented;

(b) Any bona fide tenant of a Residential Unit with the right to renew a lease on the date the Plan is accepted for filing has the right to purchase as a tenant during the exclusive period,

(c) Any bona fide tenant of a Residential Unit who has the right to continued occupancy on the date the Plan is accepted for filing has the right to purchase as a tenant during the exclusive period;

(d) For the purpose of determining who has the right to purchase during the exclusive period, a bona fide tenant of record of a Residential Unit with an unexpired lease on the date the Plan is accepted for filing shall be presumed to be a "tenant in occupancy" even though the tenant has sublet his or her Residential Unit or the Residential Unit is not the tenant's primary residence; and

(e) A bona fide sublessee in occupancy of a Residential Unit who at the time the Plan was accepted for filing sublets from a non-bona fide tenant or has obtained permission to purchase the Residential Unit from a bona fide tenant of record has the right to purchase during the exclusive period. However, nothing herein shall be construed to deprive an owner of any legal remedy for illegal occupancy.

After the ninety (90) day Exclusive Purchase Period expires and subject to the right of Original Tenants to Purchase their Residential Unit during any subsequent Exclusive Purchase Period, non-tenants as well as Original Tenants, may purchase occupied Residential Units.

The Plan will not be declared effective and will be abandoned unless, within fifteen (15) months from the date the Plan was Accepted for Filing, written Purchase Agreements have been executed and delivered for at least fifteen (15%) percent of all Residential Units on the Property by bona fide tenants in occupancy or Bona Fide Purchasers who represent that they intend that they or one or more specified members of their immediate family occupy the Residential Unit when it becomes vacant. As to tenants who were in occupancy of a Residential Unit on the date a letter was issued by the Attorney General accepting the Plan for filing, the Purchase Agreements shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements. Purchase Agreements from any Purchaser of a Residential Unit who is the Sponsor or any Selling Agent, or is a principal of the Sponsor or any Selling Agent, or is related to the Sponsor or the Selling Agent or to any principal of the Sponsor or the Selling Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner shall not be used to declare the Plan effective, except that such a purchaser, other than the Sponsor or a principal of the Sponsor, may be included only if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is a Bona Fide Tenant of a Residential Unit.

If the Plan is substantially amended after it is presented to the Original Tenants of a Residential Unit (prior to the closing of the first Residential Unit), the time periods set forth above shall be extended, if applicable, from the date on which the amendment is presented to the Original Tenants, as follows

(i) if the date of presentation of the amendment occurs during the ninety (90) day Exclusive Purchase Period set forth above, such period shall terminate not less than thirty (30) days after the Date of Presentation of such amendment or the expiration of the ninety (90) day Exclusive Purchase Period, whichever is later; and

(ii) if the Date of Presentation of the amendment occurs at any time after the ninety (90) day Exclusive Purchase Period has expired, then for thirty (30) days after such Date of Presentation, an Original Tenant shall have the exclusive right to purchase on the amended terms.

The provisions of this Section are set forth in compliance with said Section 352-eeee. If Section 352-eeee or any portion thereof, is repealed or revised, or judicially held illegal or invalid for any reason, then the Sponsor reserves the right to amend this Plan so as to eliminate or modify the provisions of this Section in conformity with such repeal or revision, or judicial holding (as the case may be), it being intended that the rights of tenants of the Residential Units of the Building contained in this Section of the Plan shall be no greater than those set forth in Section 352-eeee and no rights independent of said Section 352-eeee are being created under this Plan. Subject to any repeal or revision of Section 352-eeee or judicial holding of illegality or invalidity as aforesaid, in the event of any inconsistency between the provisions of this Section and any other provision of the Plan, the provisions hereof shall govern.

THIS IS A NON-EVICTION PLAN as defined in Section 352-eeee of the General Business Law, and therefore:

(a) Prior to the Offering Plan being declared effective a Non-Purchasing Tenant is entitled to remain in occupancy without eviction for the term of their lease. Under this non-eviction offering plan, tenants whose leases expire and against whom holdover proceedings are commenced before the offering plan is declared effective retain only the minimal protections available to the common-law "tenant at sufferance," and ARE NOT PROTECTED from eviction for failure to purchase or any other reason applicable to expiration of tenancy and from unconscionable rent increases absent some special circumstance, as found by a court of competent jurisdiction. Tenants who lease Unsold Residential Units after the Offering Plan is declared effective are protected from eviction for failure to purchase or any other reason applicable to expiration of tenancy and from unconscionable rent increases. Unconscionable increases are defined by law as increases that are "beyond ordinary rentals for comparable apartments during the

period of their occupancy." See (b) below for further discussion of unconscionable increases regarding unregulated apartments. No eviction proceedings will be commenced after the Offering Plan is declared effective against Non-Purchasing Tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of access to the owner or a similar breach by the Non-Purchasing Tenant of his or her obligations to the landlord, and provided further that the owner of the Residential Unit thereto may not commence an action to recover possession of a Residential Unit from a Non-Purchasing Tenant on the grounds that he or she seeks the Residential Unit for the use and occupancy of the Residential Unit Owner or the Residential Unit Owner's family.

(b) The rentals of Non-Purchasing Tenants who reside in Residential Units not subject to government regulations as to rentals and continued occupancy and Non-Purchasing Tenants who reside in Residential Units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Plan has become effective shall not be subject to unconscionable increases beyond ordinary rentals for comparable unregulated apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses. Complaints of unconscionable rent increases may be referred to the New York State Department of Law, Real Estate Financing Bureau, 120 Broadway, New York, New York 10271.

(c) This Plan may not be amended at any time to provide that it shall be an "Eviction Plan."

(d) On the 30th, 60th, 88th and 90th days following the Date of Presentation of the Plan, and at least every thirty (30) days thereafter until the Plan is declared effective or is abandoned and on the 10th and 2nd day before the expiration of any exclusive purchase period provided in a substantial amendment to the Plan, the Sponsor will file a written statement under oath with the Attorney General's Office setting forth the percentage of bona fide tenants in occupancy of all Residential Units who have agreed in writing to purchase under the Plan as of the date of the statement. The Sponsor will also arrange to have a copy of the statement posted in a prominent place accessible to all tenants in the Building covered by the Plan. The statement shall include the following information:

(i) The date and time of the statement.
(ii) The date the plan was filed with the Department of Law.
(iii) The date of presentation of the plan (and the current amendment).
(iv) The last day of any exclusive period(s).
(v) The number of tenants in occupancy on the filing date who have signed Purchase Agreements for the Residential Units as of a time specified in the statement who qualify to be included in the count pursuant to these regulations and applicable law. No tenant who is a relative, employee, shareholder or business associate of the Sponsor or Selling Agent will be included in determining the required percentage unless they are a bona fide tenant in occupancy on the date the Plan is accepted for filing.
(vi) The number of Residential Units or tenants counted in the base.
(vii) The percentage obtained by dividing the number of Purchasers to be counted towards effectiveness given in sub-paragraph (v) by the number of tenants or Residential Units counted in the base given in subparagraph (vi).

(e) All Residential Units occupied by Non-Purchasing Tenants shall be managed by the same managing agent who manages all other Residential Units in the Building. Such managing agent shall provide to Non-Purchasing Tenants all services and facilities required by law on a non-discriminatory basis. The Sponsor shall guarantee the obligation of the Managing Agent to provide all such services and facilities until such time as the Sponsor surrenders control of the Condominium's Board of Managers, at which time the Condominium shall assume responsibility for all services and facilities required by law on a non-discriminatory basis.

(f) It is unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his or her use or occupancy of his or her Residential Unit or the facilities related thereto. A tenant may apply to the Attorney General for a determination that such conduct does exist or has taken place. The tenant or the Attorney General may apply to a court of competent jurisdiction for an order restraining such conduct and, if he or she deems it appropriate, an order restraining the owner from selling the Residential Unit.

(g) An Offering Plan may not be accepted for filing if an excessive number of long term vacancies of the Residential Units exist on the date the Offering Plan is first submitted for review to the

Department of Law. Long term vacancies means Residential Units not leased or occupied by Bona Fide Tenants for more than five (5) months prior to the date of such submission. Excessive means a vacancy rate in excess of the greater of (i) ten (10%) percent of the Residential Units; or (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two (2) years prior to the January preceding the date of the submission.

(h) Original Tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the Offering Plan to the Department of Law, during normal business hours, upon written request made by them to the Sponsor, provided such representatives are registered architects or professional engineers licensed to practice in the State of New York.

(i) The Sponsor or any Selling Agent will not show a Residential Unit to prospective Purchasers during the ninety (90) day Exclusive Purchase Period or any thirty (30) day period following the Date of Presentation of a substantial amendment to the Plan, if the Residential Unit is occupied by an Original Tenant of that Residential Unit during either period. However, if any Original Tenant waives their right to Purchase their Residential Unit in writing, during any Exclusive Purchase Period in which the Original Tenant has the right to Purchase, the Selling Agent may exercise whatever right the Sponsor may have under the existing lease or then applicable law to show that Residential Unit to prospective Purchasers and also to accept a Purchase Agreement from any prospective Purchaser of the Residential Unit, subject to any rights afforded to the tenant of the Residential Unit by the RSL, the Code, the OHA or subsequent amendments to this Offering Plan and any subsequent Exclusive Purchase Period.

The rights granted under the Plan to Purchasers and to Non-Purchasing Tenants may not be abrogated or reduced regardless of any expiration of or amendment to Section 352-eeee.

The By-Laws provide that Non-Purchasing Tenants will be notified of any changes in ownership of a Residential Unit they occupy by registered or certified mail, within fifteen (15) days of any change in ownership.

The Purchase Agreement is not assignable unless the Sponsor consents. See Section XVI of the Plan, "Assignment of Purchase Agreements".

If prior to the effective date of the Plan or the expiration of any exclusive period, whichever is later, the Sponsor amends the terms and conditions of the offering to be more favorable to a Tenant Purchaser, a tenant who was in occupancy on the date the

Plan was accepted for filing and who executed and submitted a Purchase Agreement before the Sponsor amended the terms will be deemed to benefit from the more favorable terms and conditions.

Any Purchase Agreement from a Tenant in Occupancy for his or her own Residential Unit executed during any Exclusive Purchase Period shall have priority over and pre-empt any Purchase Agreement from a Non-Tenant Purchaser.

Non-Purchasing Tenants will have access to all of the General Common Elements in the Building. Non-Purchasing Tenants will not have any exclusive use of any portion of the Common Elements of the Building.

Original Tenants will be permitted to purchase vacant Residential Units on a first come first served basis at the prices for Residential Units being offered as disclosed in Schedule A as the same may be amended under the following guidelines:

(a) Each Purchaser who delivers an executed Purchase Agreement and the requisite Deposit personally to the Sponsor or Selling Agent will receive a receipt as to the date and time of such Purchase.

(b) Any Purchase Agreements mailed to the Sponsor or Selling Agent will be deemed received as of 5 P.M. of the day such Purchase Agreement, along with the requisite Deposit, are actually received.

(c) In the event two (2) or more Purchase Agreements are received simultaneously for the same Residential Unit, a random lottery will be held within seven (7) days at the office of the Sponsor or Selling Agent to determine the successful Purchaser. Each such Purchaser shall be promptly notified of the time and place of, and shall have the right to attend such lottery.

(d) Sponsor will notify all prospective Purchasers within fifteen (15) days as to whether or not their Purchase Agreement for the Residential Unit has been accepted.

(e) Within three (3) days of notice that the Purchase Agreement for the Residential Unit has been accepted by Sponsor, the Original Tenant must execute and deliver to the Sponsor: (i) an Interim Lease for the Residential Unit (at the rent and on the terms set forth below) and (ii) an agreement cancelling any existing lease or tenancy effective on the date the term of the Interim Lease commences (such cancellation agreement to be in form and substance satisfactory to Sponsor) and transferring any unapplied rent security to secure tenants' obligations under the Interim Lease.

(f) The Interim Lease shall be on the form required by Sponsor and shall provide for rent equal to the maximum legal rent in accordance with the Rent Stabilization guidelines. The Interim Lease contains a cross-default provision whereby a default under the Interim Lease is a default of the Purchase Agreement, and vice versa. However, in the event an Original Tenant who purchases a Residential Unit subsequently elects to rescind their Purchase Agreement as a result of a materially adverse amendment to the Plan, such rescission shall not constitute a default of the Interim Lease and such Original Tenant shall be entitled to continued occupancy in accordance with the provisions of the Rent Stabilization Guidelines, including renewal of the lease.

(g) In addition, an Original Tenant who purchases a vacant Residential Unit and enters into an Interim Lease pursuant to the above will not benefit from the more favorable terms granted to other Original Tenants as a result of an amendment granting more favorable terms to Original Tenants.

(h) On the date of commencement of the term of the Interim Lease, the Original Tenant shall surrender possession of the Residential Unit in which the Original Tenant presently resides (i) in broom swept clean condition (with all personal belongings, furniture, furnishings, wall coverings and decorations removed), (ii) in good order, condition and repair (subject only to reasonable use, wear and tear) and (iii) vacant, free and clear of all leases, tenants, occupants and rights of possession.

If there is any inconsistency between the terms of this Plan, on the one hand, and Section 352-eeee on the other, the terms and provisions of Section 352-eeee, shall prevail to the extent of such inconsistency as if the same were above set forth herein verbatim, so that all requirements of Section 352-eeee, applicable to the Plan are met hereby.

XIII. OBLIGATIONS OF OWNERS OF OCCUPIED RESIDENTIAL UNITS BY NON-PURCHASING TENANTS

Except as otherwise noted, all of the Residential Units in the Building (as shown on Schedule A), are occupied by persons under leases. Except as expressly permitted by Section 352-eeee, the leases of Non-Purchasing Tenants are not affected by the conversion of the Property to a Condominium. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under Section 352-eeee or the rules and regulations promulgated pursuant thereto shall be void as contrary to public policy.

Consequently, a Purchaser of an occupied Residential Unit is subject to: (a) the lease for the Residential Unit then in effect (and any renewal of the term thereof effected after the date of presentation of the Plan, but prior to the date on which the Purchaser's executed Purchase Agreement is delivered to the Sponsor); (b) any existing statutory tenancy or occupancy of the Apartment; (c) all of the rights of any existing tenant of a Residential Unit who has not purchased their Residential Unit afforded by Section 352-eeee, including the right (among others) to continue to reside in their Residential Units, without having any eviction proceedings commenced against them at any time other than for nonpayment of rent, illegal use or occupancy of the premises, refusal of access to the owner or similar breach of their obligations to the owner of their Residential Unit; (d) any additional rights of an Eligible Senior Citizen or Eligible Disabled Person as detailed in Section XII of the Plan; and (e) any other applicable federal, state or local laws, regulations and rules limiting or controlling rent and occupancy terms and the landlord's rights to evict tenants or other occupants now existing or hereinafter enacted.

Purchasers of occupied Residential Units should note that some of the Residential Units in the Building, as noted in Schedule A, are subject to the Rent Stabilization Law and Code. A Purchaser of an occupied Residential Unit subject to the Rent Stabilization Law and Code will be subject to all of the obligations of said law and code and will be required to register the Residential Unit with the Division of Housing and Community Renewal ("DHCR"). A Purchaser of an occupied Rent Stabilized Residential Unit will also be obligated to adhere to the rental guidelines issued by DHCR regarding terms and increases of renewal leases.

If an Apartment is purchased by someone other than the tenant or occupant, thereof, the tenant or occupant will become the Purchaser's tenant on the Closing Date and the Purchaser will become the Tenant's landlord.

A Purchaser who acquires an occupied Residential Unit will be required to pay to the Condominium the Common Charges for such Residential Unit whether such charges are greater or less than the rent payable or received by the Purchaser from the tenant in occupancy. By reason of the terms of the Purchaser's Declaration of Condominium and By-Laws and Section 352-eeee, the Purchaser will also be responsible for the due performance of all of the obligations of the landlord under the lease, statutory tenancy or other tenancy of the tenant, including obligations to maintain, repair and replace plumbing fixtures, the refrigerator, range, lighting fixtures and other equipment in the Residential Unit, and to paint the Residential Unit as provided in the lease with the tenant, or as required by any applicable law, as the case may be. In addition, any litigation costs, fees and dues related to the tenancy will be the sole responsibility of the Purchaser.

Any Purchase Agreement to purchase a Residential Unit occupied by Non-Purchasing Tenants for said Residential Units will include an agreement by the Purchaser to:

1. Irrevocably appoint the Managing Agent for the Condominium and its successors (or the Board of Managers if no managing agent is employed by the Condominium) as his or her agent to perform for the account and at the expense of the Purchaser all services required to be furnished or performed by a landlord under the Non-Purchasing Tenant's lease and the laws and regulations specified above that are not to be provided by the Condominium, including, but not limited to, interior repairs and Condominium painting; and

2. Except for the Sponsor, Purchase Agreements or other agreements to purchase Residential Units occupied by Non-Purchasing Tenants for said Residential Units shall include an agreement to deposit with the Managing Agent (or the Board of Managers if no managing agent is employed by the Condominium) at closing a sum not less than an amount equal to 2 months' Common Charges to be used as working capital to furnish services required under the Non-Purchasing Tenant's lease and the laws and regulations specified above. Upon notice by the Managing Agent (or the Board of Managers if no managing agent is employed by the Condominium) that said deposit has been diminished, said fund shall be replenished by the Residential Unit Owner within a specified period of time. The failure of the Residential Unit Owner to replenish the fund in a timely fashion shall result in the Condominium having a lien against the Residential Unit. Interest, if any, earned on the fund shall be the property of the Residential Unit Owner.

Any person interested in purchasing a Residential Unit in which he or she does not reside is entitled to and is urged to examine any lease pertaining to the Residential Unit verifying not only the expiration date of the lease (or any renewal thereof) and the obligations of the landlord thereunder, but also the rent currently payable for the Residential Unit. The rent may be more or less than the Common Charges that will be payable by the Purchaser to the Condominium for the Residential Unit after the Closing Date.

IT IS ALSO RECOMMENDED THAT EVERY PURCHASER OF AN OCCUPIED RESIDENTIAL UNIT CONSULT AN ATTORNEY IN ORDER TO BECOME FULLY APPRISED OF THE EFFECT OF SECTION 352-eeee, ON HIS OR HER RIGHTS AS A PURCHASER AND HIS OR HER OBLIGATIONS TO ANY EXISTING TENANT OR OCCUPANT.

A Purchaser of a Residential Unit of a non-regulated occupied Residential Unit subject to a lease will be entitled to receive the unapplied portion of any security deposit held by the Sponsor under the terms of the lease. Said Purchaser will be required to execute an agreement, in form approved by counsel to the Sponsor indemnifying the Sponsor from any liability therefor. Such security must be held by the Purchaser in a special, interest bearing bank account in accordance with Section 7-103 of the General

Obligations Law. A Purchaser of a regulated rent stabilized occupied Residential Unit subject to a lease will be subject to the provisions of Section 7-107 of the General Obligations Law which provides in part that "... any grantee or assignee of any dwelling unit [subject to rent stabilization] shall be liable to a tenant for any sum of money or any other thing of value deposited as security for the full performance by such tenant of the terms of his lease, plus any accrued interest."

If the maximum legal rent for any Residential Unit occupied by the Non-Purchasing Tenant is entitled to be increased by reason of any act of the Condominium, such as major capital expenditures for improvements or increased services provided by the Condominium, or increases in operating costs for which pass-alongs or decreases in rent may be granted or allowed by any provision of law, the Condominium will cooperate with the Residential Unit Owners at no cost to the Condominium to secure such increases in rent, and the Condominium will provide and file such documentation and will provide such information as is reasonably necessary or required by law to obtain such increases at no cost to the Condominium. The Condominium will cooperate at no cost to the Condominium with the Residential Unit Owners of Residential Units occupied by Non-Purchasing Tenants in any other application for rent increases, including, but not limited to hardship increases which may be applicable. The Condominium will not be obligated to engage in litigation or to take any action to insure such increases, other than to provide and file any information reasonably necessary or required by law to permit the Residential Unit Owners occupied by Non-Purchasing Tenants to secure such increases. The Residential Unit Owners of Residential Units occupied by Non-Purchasing Tenants will be under no obligation to account to the Condominium for any rents received from Non-Purchasing Tenants. The Condominium, in addition, will provide such Residential Unit Owners with any contractor's certificate which may be required to obtain any such increase. If an extra charge is incurred for any of the foregoing, the Residential Unit Owner will reimburse the Condominium to the extent therefore.

No warranty is made that the Section 352-eeee will (or will not) continue to apply to any Residential Units on the Property or to the Plan, or that there will or will not be any further amendments to Section 352-eeee. In the event of any amendment to Section 352-eeee or other applicable law, regulation or code, the Plan may be amended to reflect the amended law, regulation or Code, as the case may be.

Neither Counsel nor the Sponsor makes any representation or statement of any kind as to the requirements of Section 352-eeee or any other law, regulation or code, except as specifically set forth herein with respect to the Plan.

XIV. INTERIM LEASES

The Sponsor reserves the right to enter into leases with a prospective Purchaser who enters into a Purchase Agreement for Residential Units in the Building that are vacant on the date of acceptance of the Plan for filing or which become vacant after such date. Such leases are referred to as Interim Leases.

The Interim Lease shall be prepared on the standard form of apartment lease currently used by the Sponsor. The rent payable for any such Residential Unit under an Interim Lease will not exceed the maximum permitted by law, or any other applicable laws, regulations or rules, if any.

The existence of the Interim Lease will be specifically conditioned upon full performance of the Purchaser's obligations under the Purchase Agreement. Any breach of the Purchaser's obligations under the Purchase Agreement will be considered a material breach of the Interim Lease and will cause a default thereof. Similarly, a failure to fully perform the obligations under the Interim Lease will be considered a default under the Purchase Agreement. If an Interim Lessee defaults under the lease, the lease shall automatically terminate. The Lease may be terminated on ten (10) days written notice reciting the date of termination and the facts constituting the failure to comply with the Purchase Agreement. In order for Sponsor to declare a default under the Purchase Agreement for an uncured default under the interim lease, either: (i) the Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim lessee, or (ii) the interim lessee must have vacated the Residential Unit. No payments under any Interim Lease shall be applied toward the purchase price or any other sums due or to become due under the Purchase Agreement.

NO EXERCISE OF A RIGHT OF RESCISSION AS DESCRIBED IN SECTION XXXV OF THE PLAN BY AN INTERIM LESSEE SHALL BE EFFECTIVE UNLESS THE INTERIM LESSEE VACATES THE RESIDENTIAL UNIT AND SURRENDERS THE INTERIM LEASE. If an Interim Lessee exercises a right of rescission, the lease shall automatically terminate in all events as of the date the rescission right is exercised. However, unless the Interim Lessee has previously vacated the Residential Unit and surrendered the Interim Lease before the right is exercised, the rescission shall be deemed ineffective and the Interim Lessee and the Sponsor will continue to be entitled to all of their respective rights under the Purchase Agreement.

In the event the Plan is abandoned, any tenant residing in the Building pursuant to an Interim Lease will be entitled to remain as a tenant in accordance with the terms of that lease and subject to applicable laws, rules and regulations.

It should be noted that until the Closing of Title to a Residential Unit, Purchasers for Residential Units in the Building will not be able to claim the income tax deductions described in this Plan. Such deductions may become available, only (a) when and if the Plan is declared effective and there is a Closing of Title to the Residential Unit under this Plan, and (b) when and if the conditions set forth in Counsel's Tax Opinion have been met, and then only for the period subsequent to the Closing Date.

XV. PROCEDURE TO PURCHASE

Any person may accept the Sponsor's offer to sell the Residential Units by entering into a Purchase Agreement with the Sponsor. The Agreement provides that the Purchaser will purchase from the Sponsor a designated Residential Unit in 2276 Homecrest Avenue Condominium described in the Declaration creating such Condominium. Upon signing a Purchase Agreement prior to the Plan being declared effective, a Tenant-Purchaser shall make a Deposit of ten (10%) percent of the Purchase Price.

The Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to their Residential Unit. At the Closing of Title, such Purchaser shall pay the balance of the sales price stated in the Purchase Agreement by a wire transfer, personal certified check or by official cashier's check. However, such Purchaser may apply the proceeds of any financing obtained by such Purchaser to make such payment provided that the obligation to close is not contingent upon a Purchaser obtaining financing.

Upon full payment of the balance of the sales price at the Closing, in cash, wire transfer, certified check or official cashier's check, the 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 fee title to the Purchaser of ownership in the Residential Unit 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 in Section XVIII. The form of deed to be given to the Purchaser shall be substantially the same as the form set forth as Schedule H in Part II of this Plan. At the Closing, each Purchaser shall be required to sign the deed to the Residential Unit so as to acknowledge their obligation to comply with the Declaration and the By-Laws of the Condominium. The Purchase Agreement may be modified with the consent of Purchaser and Sponsor in a manner not inconsistent with the law, subject to the terms of this Offering Plan.

At the Closing, each Purchaser will be required to execute and deliver a Power of Attorney in the format contained in Schedule F of Part II of this Offering Plan. Each Residential Unit is being offered in its current "AS-IS" condition.

If a Purchaser fails to make any payment or perform any obligation on his/her part to be performed under the Purchase Agreement or to Close Title and pay the balance of the Purchase Price for Purchaser's Residential Unit on or before the date set forth in Sponsor's notice, and such failure is not cured within a further period of thirty (30) days after written notice thereof, the Sponsor's sole remedy is to cancel the Purchase Agreement and be paid and/or retain as and for liquidated damages a sum equal to ten percent (10%) of the Purchase Price plus the cost of any special work, options, or extras ordered for or installed, constructed or performed in the Residential Unit at the request of the Purchaser and agreed to by Sponsor, together with any interest earned thereon. **Time is of the essence with respect to the curing of any**

such default within said thirty (30) day grace period. This means that it is essential to cure any such default within the thirty (30) day grace period in order to avoid cancellation of the Purchase Agreement and a forfeiture of the Purchaser's Deposit and payment of any additional costs for any special work, options or extras ordered for or installed, constructed or performed in the Residential Unit as provided above. In the event the Purchase Agreement is canceled, the Sponsor will have the right to sell the Residential Unit to others as though said Purchase Agreement had never been made (and without accounting to Purchaser for the proceeds of such sale), and Purchaser, the Condominium and the Sponsor shall be relieved of all further liability and obligations thereunder and under the Plan.

Within twenty (20) days after a prospective Purchaser submits a duly executed Purchase Agreement, together with the required Deposit, the Sponsor or Selling Agent, if any, on behalf of the Sponsor will either accept said agreement by executing the same and returning a copy to the prospective Purchaser or otherwise reject such agreement. If the agreement is not signed and returned by Sponsor within said twenty (20) day period, it will be deemed to be rejected and cancelled, and any Deposit shall be promptly returned. The Purchase Agreement of a Tenant-Purchaser will be deemed to be accepted so long as the Tenant-Purchaser submits a duly executed Purchase Agreement within the prescribed time periods of any Exclusive Purchase Period, and the Tenant-Purchaser remains a Bona Fide Tenant under the terms and conditions of their lease.

The Sponsor is hereby offering Sponsor Financing during the ninety (90) day Exclusive Purchase Period to Tenant and Non-Tenant Purchasers of a vacant apartment and an occupied apartment in which the Tenant in Occupancy has waived in writing the Tenant's right to purchase.

Sponsor financing is being offered in the form of a Note (hereinafter the "Note") and first (1st) mortgage (hereinafter the "First Mortgage" or "Mortgage") towards the purchase of their Residential Unit subject to normal credit approval of the Purchaser. The Sponsor Financing (hereinafter "Mortgagee" in this Section) will be offered under the following terms and conditions:

Principal Amount:	Up to a maximum of eighty (80%) percent of the Purchase Price of the Residential Unit.
Annual Interest Rate:	Four (4%) percent.
Sponsor Points:	The Mortgagee will be entitled to a one (1%) percent origination fee equal to one (1%) percent of the total amount of the First Mortgage payable at the closing of the financing.
Payment Terms:	Equal, consecutive, monthly payments of interest only on the first day of each month for five (5) years. At maturity of the date of the Note and First

	Mortgage the total principal amount of the Note and First Mortgage and any accrued interest, fees and/or expenses will be due and payable.
Prepayment:	The loan may be prepaid on the first day of a month, in full or in part (in the full amount or in multiples of $1,000 if in part), upon giving not less than ten (10) days prior written notice of intention to prepay, without penalty, but with interest, any fees and/or expenses accrued to the date of prepayment on the amount prepaid.
Maturity Date:	Five (5) years from the closing date of the financing.
Security:	First mortgage lien on the Residential Unit.
Restrictions:	The unpaid principal and all accrued interest and any fees and/or expenses will be immediately due and payable at the option of the Mortgagee in the event of a default under the Note or First Mortgage or in the event that the Residential Unit is sold or further mortgaged or is leased to, or occupied by other than the Purchaser or approved occupant of the Mortgagee.
Late Charge:	Five (5%) of the overdue payment for more than fifteen (15) days, together with attorney's fees and expenses incurred for the cost of collection.
Closing Costs:	All Closing Costs associated with issuance of the Note and First Mortgage will be the obligation of the Purchaser and will include a payment of $1250.00 to Seller's attorney and one (1%) percent origination fee to Mortgagee.
Default Interest:	Sixteen (16%) percent or such higher maximum interest rate permitted under the then current law charged for a default under the First Mortgage and Note.
Presentation Date:	The Presentation Date referred to above shall be five (5) days from the mailing the Amendment to Tenant Purchasers.
Guaranty:	In the event the Mortgagor is a corporation, partnership, limited liability company or such other type of entity, the officers, partners, members and/or other individuals as required in Mortgagor's

sole discretion will be required to execute a Guaranty and such officers, partners members and/or individuals will personally be jointly and severally liable and will personally guaranty to the Lender the due and punctual payment when due of the terms of the Note and First Mortgage.

Assignment: Mortgagee will have the right to assign or sell the Note and First Mortgage.

The loan documents will be prepared by the Mortgagee's attorney and will be in form and content satisfactory to the Mortgagee and Mortgagee's attorney. A copy of the proposed First Mortgage, Condominium Rider and Note are annexed to and made a part of this Amendment as respectively.

THEREAFTER THIS PLAN WILL 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 RESIDENTIAL UNITS.

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 except as described above during the Exclusive Purchase Period. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's Deposit in the event a Purchaser is unable to obtain a mortgage thereafter. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at Closing regardless of the availability of financing subsequent thereto. In the event a Purchaser does not close title to the Residential Unit as a result of their inability to obtain a mortgage subsequent thereto, the Deposit plus the cost of any custom work ordered, will be retained as liquidated damages.

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 THEIR APPLICATION FOR FINANCING IS NOT ACCEPTED.

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

Purchase Agreements will not be accepted from Purchasers unless they have had a minimum of three (3) business days to review the Plan and any amendments thereto prior to executing a Purchase Agreement.

Any conflict between the Plan and Amendments thereto and the Purchase Agreement is to be resolved in favor of the terms of the Plan and Amendments thereto.

The Purchase Agreement may not be modified to contain a provision which waives a Purchaser's rights or abrogates Sponsor's obligations under Article 23-A of the General Business Law. The Purchase Agreement used by Original Tenant Purchasers who purchase during any Exclusive Purchase Period may not be modified except by a duly filed Amendment to the Plan.

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.

The Sponsor anticipates that Closing of the first Residential Unit will occur by December 1, 2017. Purchasers will be offered a right of rescission if: (i) the actual date of Closing of Title to the first Residential Unit; or (ii) the projected date of Closing of Title to the first Residential Unit occurs later than November 30, 2018. If the Plan is amended to provide for a later projected date of the first Closing, Purchasers will be entitled to an offer of rescission if the first Closing occurs more than twelve (12) months beyond that amended, later date. Purchasers must advise the Sponsor no later than the date provided in an Amendment to the Offering Plan disclosing the later date but not less than fifteen (15) days from the date of the notice. However if the first Residential Unit Closing occurs before December 1, 2018, the Sponsor may schedule the Closings of Title to other Residential Units significantly later than such date. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

In addition each Purchase Agreement provides that in the event Sponsor is unable to convey title to a Purchaser's Residential Unit eighteen (18) months after the proposed date of delivery set forth in the Purchase Agreement a Purchaser shall have the option to cancel the Purchase Agreement and have the Deposit advanced by Purchaser returned to Purchaser. Purchaser shall be obligated to notify the Sponsor in writing of its intent to exercise said option no later than thirty (30) days after the 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 Purchaser's Purchase Agreement due to Sponsor being unable to convey title to the Purchaser's Residential Unit within the 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. In the event Sponsor shall be unable to convey title to the Residential Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the Purchase Agreement shall be deemed null and void and

Sponsor shall return all monies being held in escrow within thirty (30) days thereafter. See Paragraph 7 of the Purchase Agreement in Part II of the Plan.

After the Offering Plan is declared effective, the Sponsor will give each Purchaser who enters into a Purchase Agreement not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to the Residential Unit. Any Purchaser may waive such thirty (30) day notice by closing on an earlier date mutually agreed upon by the Purchaser and Sponsor. A form to waive the thirty (30) day period is contained in Part II of the Offering Plan as Schedule D-2.

The Purchase Agreement may not be assigned by Purchaser without the written consent of Sponsor which may be withheld for any reason.

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

The Purchase Agreement and Plan comply with Section 71.a(3) of the New York Lien Law. Said statute provides that the initial advance of the Purchase Agreement be deposited in an escrow account in a bank, trust company, savings bank, state or federal savings and loan association, located in New York State. The escrow and trust fund provisions disclosed below complies with said statute.

ESCROW AND TRUST FUND PROVISIONS

The Sponsor will comply with the escrow and trust fund requirements of General Business Law ("GBL") Sections 352-e(2-b) and 352-(h) and the Attorney General's regulations promulgated pursuant thereto as amended on November 14, 2012 as follows:

The Escrow Agent:

The law firm of Certilman Balin Adler & Hyman, LLP, with an address at 90 Merrick Avenue, East Meadow, New York 11554 and telephone number of (516) 296-7000, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. The authorized signatories on the account authorized to withdraw funds are the members of the Firm. The members of this firm are admitted to practice law in the State of New York. Neither the Escrow Agent nor its authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account:

The Escrow Agent has established the escrow account at Flushing Bank, 1122 Franklin Avenue, Garden City, New York 11530 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "2276 Homecrest Avenue IOLA Escrow Account" ("Escrow Account"). The Escrow Account is federally

insured by the FDIC at the maximum amount of $250,000 per deposit (the "Deposit"). The maximum deposit insurance amount will be $250,000. Any Deposit in excess of $250,000 will not be insured. It is a Special Risk of this Offering Plan that if an individual makes a Deposit in excess of said amount for the purchase of a Unit, the excess amount will not be federally insured. Purchaser's should note that if the Purchaser has any accounts in the Bank where the funds are being held, the funds in those accounts will count towards the $250,000 FDIC insurance limit.

All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Certilman Balin Adler & Hyman, LLP, as Escrow Agent.

Any Deposits made for upgrades, extras, or custom work shall initially be deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

The Escrow Account is an Interest-on-Lawyer Account ("IOLA") account consistent with Section 487 of the Judiciary Law of the State of New York. Pursuant to said law, all interest earned on the IOLA account will be paid to the State of New York.

The Purchase Agreement:

The Purchase Agreement is attached hereto as Schedule D in Part II of the Plan. The relevant escrow trust fund provisions are included in Paragraph 23 of the Purchase Agreement, which must be executed by the Sponsor/Seller, Purchaser and the Escrow Agent.

Notification to Purchaser:

Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Purchaser shall be required to complete the Tender of Escrow Agreement contained as Schedule D-1 in Part II of the Offering Plan upon execution of the Purchase Agreement. Within ten (10) business days of the placing of the Deposit in the Escrow Account, the Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number of the account. Any Deposits made for upgrades, extras or custom work shall be initially deposited into the Escrow Account and released in accordance to the terms of a written agreement between Purchaser and Sponsor as provided in Paragraph 13 of the Purchase Agreement.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such Deposit within fifteen (15) business days after tender of the Deposit, Purchaser may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to the Escrow Agent. Complaints concerning the failure to

honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

Release of Funds:

All Deposits, except for advances made for Extras received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-(h).

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until consummation of the Plan as defined in Section 23.1 (c) (6) of the Department of Law regulations which defines consummation of the Plan, as the filing of the Declaration of Condominium and the first transfer of title to a Residential Unit to at least one Purchaser under the Offering Plan following a declaration of effectiveness by the Sponsor and acceptance of the amendment of the declaration of effectiveness by the Attorney General's Office. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

The Escrow Agent shall release the Deposit Funds in escrow if so directed:

(a) pursuant to terms and conditions set forth in the Purchase Agreement upon Closing of Title to the Residential Unit; or

(b) in a subsequent writing signed by both Sponsor and Purchaser; or

(c) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Residential Unit is located and shall give written notice to both parties of such Deposit.

The Sponsor will not object to the release of the Deposit to:

(a) a Purchaser who timely rescinds in accordance with an offer or rescission contained in the Plan or an Amendment to the Plan; and

(b) 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 as Schedule D-3 which will enable the Escrow Agent to release the escrow funds, if not previously released as provided above.

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

Waiver Void:

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 any Deposit is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Purchase Agreement, Offering Plan or any amendments.

General:

Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to GBL § 352-h to hold in trust all Deposits, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser. Consummation of the plan does not relieve Sponsor of its obligations pursuant to GBL § 352-h. Funds from any Escrow Account remain the property of the Purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the Sponsor or the Escrow Agent upon any bankruptcy, incapacity or death.

The Escrow Agent shall maintain all records concerning their Escrow Account for seven (7) years after release of the funds.

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

XVI. ASSIGNMENT OF PURCHASE AGREEMENTS

The Purchase Agreement is not assignable or transferable without the prior written consent of the Sponsor which consent may be denied or conditioned in the Sponsor's sole and absolute discretion. In the event the Sponsor consents to an assignment or transfer then the following will apply:

1. Permission to assign or transfer the Residential Unit prior to Closing will be granted on a non-discriminatory basis.

2. Any assigning or transferring Original Tenants must execute an agreement terminating their existing lease.

3. Assignee must pay the sum of $500 to Sponsor's Counsel, for the cost of reviewing the assignment documents.

4. In order for assigned or transferred Purchases to be counted towards effectiveness, Original Tenants must:

   (i) Sign a Purchase Agreement and tender the full Deposit of ten (10%) percent of the Purchase Price to the Sponsor;

   (ii) Provide to the Sponsor the Assignee's notarized Affidavit stating that the Assignee was not procured by Sponsor and that the Assignee or a specified Member of the Assignee's immediate family intends to personally occupy the Residential Unit. See Schedule G of the Plan for the form of the affidavit that the assignee is required to sign.

XVII. EFFECTIVE DATE OF THE PLAN

1. Declaring the Plan Effective. The following provisions will determine whether and when the Plan will be declared effective:

   (a) This Plan is a Non-Eviction Plan and may not be amended at any time to provide that it will be an eviction plan. The Sponsor shall have the right to declare the Plan effective if within fifteen (15) months after the date the Plan was Accepted for Filing, written Purchase Agreements have been executed and delivered for at least fifteen (15%) percent of all of the Residential Units (15% x 16 = 3 Residential Units) in the Building by Bona Fide Tenants in Occupancy, or Bona Fide Purchasers who represent that they or one or more specified members of their immediate family intend to occupy the Residential Unit when it becomes vacant, pursuant to which they agree to purchase said Residential Unit. As to Tenants in Occupancy on the date of acceptance of filing of the Plan, the offering shall have been made without fraud, discriminatory

repurchase agreements or other discriminatory inducements. (See Section 352-eeee set forth in full in Part II of the Plan). In calculating the percentage, no Purchaser will be counted more than once, and only one Purchase Agreement will be counted for any one Residential Unit. Notwithstanding the foregoing, the purchase of non-contiguous Residential Units by one Purchaser for more than one bona-fide Purchaser (e.g. one Unit for parents and one for adult child) shall be treated as individual Residential Units for effectiveness purposes.

(b) After the conditions in paragraph (a) have been met, the Sponsor may, at its option, declare the Plan effective.

(c) The Offering 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) Assigned or transferred without compliance with Section XVI of this Plan; or

(iii) Conditioned upon an amendment to the Plan in which the Purchaser has not had at least three (3) business days to review; or

(iv) With any Purchaser who is the Sponsor or the Selling Agent, or is a principal of the Sponsor or the Selling Agent, or is related to the Sponsor or the Selling Agent or to any principal of the Sponsor or the Selling Agent by blood, marriage or adoption or as a business associate, an employee, a member, shareholder or a limited partner, except that such a Purchaser other than the Sponsor or a principal of the Sponsor, may be included only if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is a Bona Fide Tenant in occupancy on the date the Plan is declared effective.

(d) If Purchase Agreements have been executed and accepted for the sale to Purchasers of at least eighty (80%) percent of the Residential Units offered under the Plan, the Sponsor must declare the Plan effective.

(e) The Sponsor will notify all Purchasers and tenants when the aforementioned conditions of effectiveness have been met by delivery to them (personal delivery or by ordinary mail) of written notice to that effect.

(f) The Plan will be declared effective by delivery by regular mail to all Purchasers and Non-Purchasing Tenants of written notice only upon compliance with the above provisions. An Amendment (the "Amendment") will be submitted for filing within five (5) business days thereafter to disclose the fact that the Plan has been declared effective. No Closing shall be held until this Amendment is accepted for filing by the Department of Law.

2. Affirmative Affidavits.

The Department of Law requires an affirmative representation from each Bona Fide Purchaser as part of an investigative process. A Purchaser who is bona fide, as defined above, will be required to execute an affidavit entitled "Affidavit of Bona Fide [Tenant/ Non-Tenant] Purchaser For Purposes of Declaring Offering Plan Effective." Copies of the affidavits are attached hereto as Schedules E-1 and E-2 in Part II of the plan.

3. Right to Amend to Conform to Applicable Law.

If any of the provisions of the RSL Code or Section 352-eeee, or any other applicable laws and regulations are amended, repealed or declared invalid or unconstitutional within the time in which the Plan may be declared effective, the Sponsor reserves the right to amend the Plan to reflect any such changes, subject to any rights granted to Non-Purchasing Tenants.

4. Closing Date.

On or after the date that the Plan has been declared effective, the Sponsor will have the right to designate a date on which title to the first Residential Unit will be transferred to the Purchaser (the "Closing Date"). The Closing Date of the first Residential Unit shall not be less than 30 days after the Date of Presentation of the Amendment that discloses that the Plan has been declared effective unless Purchaser gives a written waiver of such thirty (30) day notice or the Closing Date is adjourned.

On the Closing Date and on the dates of subsequent closings, fee title to the Residential Unit will be conveyed to a Purchaser of the Residential Unit and such Purchaser will thereupon become obligated for the payment of Common Charges, whether or not they have taken possession of their Residential Unit and whether or not the tenants in possession, if any, pay the rent required to be paid by them.

5. Abandonment of Plan.

The Sponsor, at its option, may declare the Plan abandoned for any reason whatsoever before the percentage referred to in the subsection 1(d) above has been reached. 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 (the "Total Offering Amount) or (ii) work orders of a mortgagee or violations of record exceeding ½% of the Total Offering Amount, or (iii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than ½% of the Total Offering Amount, or (iv) the taking of any material portion of the property by condemnation or eminent domain. The amount of money relied upon as a basis for abandonment after the date of effectiveness will not include any attorney fees or any such title defects, violations, work orders, or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are known to the Sponsor or a matter of public record. In the event Sponsor does not abandon the Plan and consummates this offering, Sponsor will be obligated to cure those items which would have permitted the Sponsor to abandon the Plan.

Pursuant to Section 352-eeee 2(a) of the General Business Law the Plan will be deemed abandoned, void and of no effect if it has not been declared effective within fifteen (15) months from the Date of Acceptance of the Offering Plan and, in the event of such abandonment no new Plan for conversion of such Building shall be submitted to the Attorney General for at least twelve (12) months after such abandonment. If the Plan is not declared effective within the time limits set forth above, the Plan will be deemed abandoned.

If abandoned as set forth above the Offering Plan will be amended and a form RS-3 will be filed with the New York State Department of Law. All funds received towards the purchase of the Residential Unit will be returned to Purchasers within five (5) days of the acceptance for filing of the amendment abandoning the Offering Plan by the New York State Department of Law.

XVIII. TERMS OF SALE

After the Plan has been declared effective the Sponsor will fix a date for the Closing of Title to each of the Residential Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating such Purchaser's Closing Date. Notice will be sent to each Purchaser who has executed and delivered a Purchase Agreement to the Sponsor and whose Purchase Agreement is then in effect by (i) personal delivery; or (ii) mailing by regular mail or registered or certified mail with or without return receipt requested, addressed to the Purchaser at the last known residence of such Purchaser or, if the Purchaser has provided written information of an alternative address for notices, addressed to the Purchaser at the alternative address. If Sponsor has no information of the last known residence address, but has written information of the place of business or employment of such Purchaser, the mailing shall be addressed to such last business or employment address.

Such notice will be served no less than thirty (30) days before the date set for the Closing of the Residential Units for which such notice is being given. Each Purchaser has the right to waive the thirty (30) day provision only by a written waiver and only if the Sponsor, in its sole discretion, is willing to close before the expiration of such period. 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 Residential Unit will be conveyed to the Purchaser together with the Residential Unit's undivided interest in the Common Elements. The Closing of Title to the first Residential Unit is expected to commence by approximately December 1, 2017. Such Closing, however, will only take place after or simultaneously with the happening of the following events:

1. The delivery to the Residential Unit Owner of a Bargain and Sale Deed with covenants against grantor's acts. A copy of the Deed is set forth as Schedule H in Part II of the Plan.

2. The risk of loss or damage to the Residential Unit by fire or other casualty until the closing of title is assumed by Sponsor unless and until the Purchaser takes possession or closes title to the Residential Unit, at which time the risk of loss shall be assumed by such Purchaser. If damage to the Residential Unit exceeds ten (10%) percent of the purchase price, as reasonably determined by the Sponsor, Purchaser shall have the option to terminate the Purchase Agreement and receive a refund of Purchaser's Deposit. However although Sponsor shall have no obligation or liability to repair or restore any Residential Unit, if Sponsor elects to repair or restore any such Residential Unit, the Purchase Agreement shall continue in full force and effect and Purchaser shall not have the right to reject title or receive a credit against, or abatement in the Purchase Price. In that event, Sponsor shall be entitled to a reasonable period of time in which to complete the repair or restoration. In the event Sponsor decides not to repair any damage to the Residential Unit, Sponsor shall be entitled to cancel the Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Deposit paid by Purchaser. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall belong entirely to Sponsor. If those proceeds are paid to the Purchaser, such Purchaser shall promptly, upon receipt thereof, turn them over to the Sponsor. Notwithstanding, in the event the loss or damage is due to the negligence or misconduct of a Tenant in Occupancy, the Sponsor shall have no obligation or liability to repair or restore the Residential Unit and the Purchase Agreement shall remain in full force and effect. In the event a substantial portion of the Condominium, as determined by Sponsor, shall be destroyed or damaged prior to Closing, Sponsor shall be entitled to cancel the Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Deposit paid by Purchaser. However, in any event of a cancellation of the Purchase Agreement, Purchaser will not receive a refund of any funds paid for Extras which have been installed by Sponsor, paid for by Sponsor or which have been ordered by Sponsor and for which Sponsor is obligated to pay for such Extras unless the Offering Plan has been abandoned. If the Offering Plan is abandoned pursuant to the terms of the Offering Plan, Purchaser shall be entitled to a return of all monies paid for Extras. The parties shall thereafter be released from any further

liability thereunder. In the event Sponsor elects to restore the Residential Unit pursuant to this Paragraph, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Sponsor. Sponsor agrees to notify Purchaser of Sponsor's decision within ten (10) business days of the date of such casualty. In the event Sponsor elects not to restore the Residential Unit, then the Purchase Agreement will terminate and Purchaser will receive a full refund of the Deposit. The parties shall thereafter be released from any further liability.

3. Title to each Residential Unit and its appurtenant interest in the Common Elements will be conveyed at the closing free and clear of all liens, encumbrances and title exceptions other than those described in the Offering Plan and the proposed Residential Unit Deed.

4. If so requested by the Purchaser, Stewart Title Insurance Company, 300 East 42nd Street, New York, New York 10017 Attn: Michael Fluss, a title insurance company licensed to do business in the State of New York, (212) 922-0050 shall agree to insure that such Purchaser has good and marketable fee title in the Residential Unit, free and clear of all liens, encumbrances and title exceptions, except those set forth below, and in 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. A Purchaser is free to obtain title insurance from any title company licensed to do business in the State of New York at no additional charge or penalties.

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

6. The Declaration, By-Laws, floor plans and architect or engineers and tax authority certifications 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 Residential Unit and its undivided interest in the Common Elements shall be released from 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 has entered into a Purchase Agreement not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to their Residential Unit unless a

Purchaser waives such thirty (30) days notice and Sponsor, in its sole discretion, is willing to close before the expiration of such period.

9. At the time of the conveyance of the first Residential Unit, each mortgagee of any existing mortgage encumbering the Property, will either consent to the formation of a condominium and acknowledge that its lien will be limited to Unsold Residential Units, subordinate the lien of its mortgage to the Declaration of Condominium or release its lien on the condominium unit being conveyed.

10. The filing of an amendment to the Offering Plan disclosing that the Plan has been declared effective.

11. Purchaser shall receive any available manufacturers' warranty certificates with respect to any new equipment and appliances installed in the Residential Unit that are in Sponsor's possession and Sponsor shall assign any warranties with respect to any new equipment and appliances installed in Common Elements to the Board of Managers.

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, subleasing, voting or otherwise dealing with any Residential Units acquired by the Board of Managers in accordance with any of the provisions of the By-Laws and designating the Sponsor as their 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 any 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, within reasonable tolerances, of the Residential 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 and to act on behalf of the Residential Unit Owners in connection with the exercise of such powers and the performance of such duties as are specified under the Declaration, the Condominium's By-Laws and the Condominium Act (Article 9-B of the Real Property Law).

13. Residential Unit Owners are required to obtain insurance for their contents, finishes, improvements and betterments in accordance with the Declaration and By-Laws. Condominium insurance coverage will not cover a Residential Unit Owner's contents, finishes, improvements and betterments.

Title to the Residential Unit 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 building 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 Floor Plans of the Residential Units, 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 including:

   (a) Easements in favor of the Owners of other Residential Units to access and use the pipes, wires, conduits, cable television, and public utility lines located in the Common Elements or in the Residential Unit itself servicing such other Residential Units 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 any Residential Unit and to the Common Elements to inspect, maintain or repair or to make repairs to any Residential Unit to prevent damage to the Common Elements or any other Residential Units, to make repairs to the Common Elements, to any wires, pipes, conduits or cable television system servicing any of the Residential Units or to make repairs to any other Residential Unit, regardless of the nature of the Common Element.

   (c) Easements in favor of those Residential Units having restricted use to portions of the Common Elements.

   (d) Easements in favor of the Residential Unit Owners for access through any other part of another Residential Unit or the Building for the purpose of access, installation, maintenance, repair and replacement of any flues, vents, gas, air-conditioning, heating, ventilation, water and other mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing an individual Residential Unit.

   (e) Easements for the continuance of encroachments on any Residential Unit and on the Common Elements by other Residential Units or portions of the Common Elements, now existing by reason

of the construction of the Residential Units, or hereafter occurring by reason of the settling or shifting of the Residential Units, or by reason of the repair and/or restoration by the Board of Managers of the Residential Units or such other Residential Units 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 Residential Units stand.

5. Any additional declarations, covenants, restrictions, 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 a Residential Unit 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 hereinabove set forth are contrary to the terms of the Purchase Agreement nor do they interfere in any material respect with the quiet use and enjoyment of the Purchaser's Residential Unit as represented in this Offering Plan. However, the underlying documents concerning the exceptions will be available to a purchaser's attorney for inspection at the office of the Sponsor both prior to and following the execution of the Purchase Agreement.

All personal property located within the Residential Unit on the date the Purchase Agreement is signed, which is owned by the Sponsor, is included in the transfer of title. All personal property affixed to or located within the Common Elements that is owned by the Sponsor is included in the property transferred to the Condominium by the Declaration.

Damage to Residential Units

The risk of loss or damage to the Residential Unit by fire or other casualty until the closing of title is assumed by Sponsor unless and until the Purchaser takes possession or closes title to the Residential Unit, at which time the risk of loss shall be assumed by such Purchaser. If damage to the Residential Unit exceeds ten (10%) percent of the purchase price, as reasonably determined by the Sponsor, Purchaser shall have the option to terminate the Purchase Agreement and receive a refund of Purchaser's Deposit. However although Sponsor shall have no obligation or liability to repair or restore any Residential Unit, if Sponsor elects to repair or restore any such Residential Unit, the Purchase Agreement shall continue in full force and effect and Purchaser shall not have the right to reject title or receive a credit against, or abatement in the Purchase Price. In that event, Sponsor shall be entitled to a reasonable period of time in which to complete the repair or restoration. In the event Sponsor decides not to repair any damage to the Residential Unit, Sponsor shall be entitled to cancel the Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Deposit paid by Purchaser. Any proceeds received from insurance or in

satisfaction of any claim or action in connection with such loss shall belong entirely to Sponsor. If those proceeds are paid to the Purchaser, such Purchaser shall promptly, upon receipt thereof, turn them over to the Sponsor. Notwithstanding, in the event the loss or damage is due to the negligence or misconduct of a Tenant in Occupancy, the Sponsor shall have no obligation or liability to repair or restore the Residential Unit and the Purchase Agreement shall remain in full force and effect. In the event a substantial portion of the Condominium, as determined by Sponsor, shall be destroyed or damaged prior to Closing, Sponsor shall be entitled to cancel the Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Deposit paid by Purchaser. However, in any event of a cancellation of the Purchase Agreement, Purchaser will not receive a refund of any funds paid for Extras which have been installed by Sponsor, paid for by Sponsor or which have been ordered by Sponsor and for which Sponsor is obligated to pay for such Extras unless the Offering Plan has been abandoned. If the Offering Plan is abandoned pursuant to the terms of the Offering Plan, Purchaser shall be entitled to a return of all monies paid for Extras. The parties shall thereafter be released from any further liability thereunder.

In the event Sponsor elects to restore the Residential Unit pursuant to this Paragraph, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Sponsor. Sponsor agrees to notify Purchaser of Sponsor's decision within ten (10) business days of the date of such casualty. In the event Sponsor elects not to restore the Residential Unit, then the Purchase Agreement will terminate and Purchaser will receive a full refund of the Deposit. The parties shall thereafter be released from any further liability.

XIX. CLOSING COSTS AND ADJUSTMENTS

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

1. Each Purchaser will be free to obtain title insurance from a title insurance company, at no additional charge or penalties, licensed to do business in the State of New York.

2. Fee title insurance is available through, Stewart Title Insurance Company, 300 East 42nd Street, New York, New York 10017 Attn: Michael Fluss as agent for a title insurance company licensed to do business in the State of New York. The estimated rate of fee title insurance is $10.06 per thousand for the first $50,000 of fee title insurance, approximately $5.43 for each additional $1,000 of insurance up to $100,000, approximately $4.36 per thousand for each additional $1,000 up to $500,000 and approximately $3.98 per thousand for each additional $1,000 up to $1,000,000.

3. Mortgage title insurance at the estimated rates of $8.56 per thousand for the first $50,000 of mortgage title insurance, approximately $4.54 for each additional $1,000 of mortgage title insurance up to $100,000, $3.64 per

thousand for each additional $1,000 up to $500,000 and approximately $3.31 per thousand for each additional $1,000 up to $1,000,000.

4. When Mortgage title insurance is purchased simultaneously with Fee title insurance, and the loan amount to be insured does not exceed the purchase price, the rate for the Mortgage title insurance will be thirty (30%) percent of the rate described in (2) above.

5. Purchasers should anticipate additional fees for Loan Policies and Endorsements and miscellaneous charges. These fees can be estimated at approximately $1,214.

6. Recording fees for documents which total approximately $625.

7. In the event the Purchaser shall obtain a purchase money first mortgage, Purchaser shall pay recording fees for the mortgage of approximately $100 and mortgage tax of 2.05% of the amount of the mortgage less $25, 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. If applicable, 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 may have previously paid in connection with existing mortgage on the Condominium. There will be no mortgage closing costs pursuant to this Paragraph 7 on Residential Units which are not covered by mortgages.

8. New York State Transfer Tax of $2.00 per $500 of the purchase price and New York City Transfer Tax at the rate of 1% of the total consideration when the consideration is less than $500,000 and 1.4259% where the consideration is $500,000 or more. These taxes are normally an expense of the Sponsor, however, by contractual arrangement they will be paid by Purchaser. As a result, when a Purchaser assumes the obligation to pay these taxes, the amount of such taxes will be included in the consideration subject to tax. The steps to compute the tax are:

   (a) Multiply the purchase price by the State Tax Rate to compute a tentative tax.

   (b) Multiply the purchase price by the New York City Tax Rate to compute a tentative tax.

   (c) Add both tentative taxes to the purchase price.

   (d) Multiply the total of "c" above by the State Rate.

   (e) Multiply the total of "c" above by the New York City Rate.

EXAMPLE: Purchase Price = $360,000

(1) $360,000 x .004 = $1,440
(2) $360,000 x .01 = $3,000
(3) $360,000 + $1,440 + 3,600 = $365,040
(4) $365,040 x .004 = $1,460 = amount due for State Transfer Tax
(5) $365,040 x .01 = $3,650 - amount due for New York City Transfer Tax

9. At the Closing of Title to each Residential Unit, the Purchaser shall pay the equivalent of two (2) months Common Charges to the Condominium towards a Working Capital Fund, which payment shall be non-refundable. While Sponsor is in control of the Board of Managers, the working capital fund will not be used to reduce 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.

10. At the Closing of Title to each Residential Unit, the Purchaser shall pay the equivalent of two (2) months Common Charges to the Condominium towards a Working Capital Fund.

11. Each Purchaser shall pay $1,250 to Sponsor's counsel, representing a fee for services in connection with preparing the Residential Unit Deed, the Residential Unit Owner's Power of Attorney and for coordinating and attending the Closing. Such fee shall be payable at or prior to the Closing by Purchaser's unendorsed, personal check made payable directly to the order of Sponsor's attorney.

12. In the event a Purchaser receives Sponsor Financing Purchaser shall pay $1,250 to Sponsor's counsel, representing a fee for services in connection with preparing the Sponsor Financing Documents. Purchaser shall also pay Sponsor a 1% origination fee based on the amount of the mortgage. Such fees shall be payable at or prior to the Closing by Purchaser's unendorsed, personal check made payable directly to the order of Sponsor's attorney and the Sponsor.

13. Any mortgage tax credit received pursuant to Section 339-ee of the Real Property Law will inure to the benefit of Sponsor.

14. A pro-rata portion of the estimated then current year's condominium insurance based on the Percentage of Common Interest of the Residential Unit being purchased regardless of whether or not the first Board of Managers has commenced the collection of Common Charges.

As an example, a Purchaser of a Residential Unit in which the purchase price is $360,000 and who procures a first mortgage in the amount of $288,000 will pay the following approximated closing costs based upon a bulk simultaneous mortgage and fee insurance:

Owners Policy and Endorsements:	
Fee Title Insurance	$ 1,136
Market Value Rider	$ 162
Loan Policy and Endorsements:	
Mortgage Insurance	$ 281
Residential Mortgage	$ 25
TIRSA-8.1 Environmental Lien	$ 25
Waiver of Arbitration	$ 25
TIRSA-4 Condominium	$ 25
Miscellaneous Charges:	
Municipals	$ 375
Bankruptcy Search	$ 100
Patriot Search	$ 100
Escrow Service Fee	$ 45
Estimated Sales Tax	$ 51
State and Local Taxes:	
Mortgage Tax	$ 5,154
New York State Transfer Tax	$ 1,462
New York City Transfer Tax	$ 3,650
Recording Fees:	
Mortgage Recording (up to 20 pgs + $5 per Additional page)	$ 250
Deed Recording Fee (up to 3 pgs + $5 per Additional page)	$ 275
Power of Attorney Recording Fee	$ 100
Additional Expenses	
Condominium Working Capital:	$ 1,046
Pro-Rata Insurance	$ 910
Sponsor Attorney Fees for Preparation of Deed, Power of Attorney and other Closing	$ 1,250
TOTAL:	**$16,447**

In the event a Purchaser's Closing takes place at a location outside of the office of the Sponsor's Attorney, at the request of such Purchaser or such Purchaser's lender, Purchaser shall pay additional attorney's fees to Sponsor's Attorney in the sum of $500 for travel to and attendance at such outside location. In addition in the event a Closing is adjourned with Sponsor's consent, at the request of Purchaser of 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 $500.

In the event that a Residential Unit has not been separately assessed in the then current fiscal tax year at the time of Closing of Title, the apportionment of real estate taxes shall be based on the most recent assessment of the Property and the Common Interest appurtenant to such Residential Unit.

Until the Residential Units are separately assessed, the Tax Assessor will bill the Sponsor directly for all real estate taxes affecting the Property and the Sponsor shall pay such taxes as and when the same become due. In the event that a Residential Unit has not been separately assessed in the then current fiscal tax year at the time of Closing of Title thereto, the Purchaser of such Residential Unit shall reimburse the Sponsor at Closing, as an adjustment to the Purchase Price, for the Residential Unit Owner's pro-rata share of the real estate taxes assessed against the Property for the remainder of the then current tax period. Such Residential Unit's pro rata share of real estate taxes for the applicable tax period shall be determined by multiplying the amount of the total tax due on the Property for such tax period by such Residential Unit's Common Interest in the Common Elements. The resulting pro-rata annual share allocated to such Residential Unit shall then be divided by 365 and multiplied by the number of days remaining in the then current tax period to arrive at the adjustment.

An additional adjustment shall be made at the Closing of each Residential Unit for the real estate taxes estimated to be due for the immediately succeeding tax year if the Sponsor determines that the Residential Units shall not be separately assessed by such time. Each estimated tax shall be determined by multiplying the annual tax for the Property for the then current tax year by 110%. The resulting amount shall then be multiplied by such Residential Unit's Common Interest in the Common Elements to reach the amount of the adjustment for each Residential Unit, which shall then be credited to Sponsor at Closing. The tax adjustment for each Residential Unit shall be recalculated after Closing by Sponsor upon Sponsor's receipt of actual tax bills from the Tax Assessor. If the amount of the estimated tax adjustment paid by Purchaser at Closing is less than that due under the actual tax bill, the Purchaser shall promptly reimburse the Sponsor for the shortage upon presentation by Sponsor of a statement setting forth the amount due. If the amount of the estimated adjustment paid by Purchaser at Closing is greater than that due under the actual tax bill, the Sponsor shall promptly issue a refund of the difference to the Purchaser. The obligation to correct any such errors in tax adjustments shall survive Closing. If, after the Closing of Title, any Residential Unit is separately assessed for any tax period with respect to which an estimated tax adjustment was collected at the Closing thereof, the Sponsor shall issue a full refund of the estimated tax so collected upon the Purchaser's presentation of a copy of the tax bill therefor.

Purchaser shall also pay, or reimburse to Sponsor, if Sponsor has already made payment, the following charges: (a) inspections and (b) appraisals.

If through no fault of Sponsor, Purchaser fails for any reason to Close Title 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 .0438% per day (which equals an annual rate of 16%) of the purchase price for the Residential Unit 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 their Residential Unit.

The Sponsor anticipates that the only items which will be apportioned at the Closing of Title to the Residential Units will be real estate taxes and sewer charges, if any, accrued rent for any Interim Leases 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 Purchaser written notice at least thirty (30) days prior to the Closing Date. As noted a Purchaser may waive such thirty (30) day notice and Sponsor in its sole discretion, is willing to close before the expiration of such period.

XX. RIGHTS AND OBLIGATIONS OF THE SPONSOR

No bond or other security has been furnished to secure performance of the Sponsor's obligations under this Plan. All obligations pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Residential Unit Owners and not by the individual Residential Unit Owners. During the time the designees of the Sponsor control the Board, it is within their sole power to enforce the obligations of the Sponsor pertaining to the Common Elements. The following shall pertain to the Sponsor:

1. Sponsor will endeavor in good faith to market and sell the Residential Units in the Condominium. Notwithstanding, Sponsor retains the unconditional right to rent rather than sell the Residential Units. Because Sponsor is retaining the unconditional right to rent rather than sell Residential Units, this Plan may result in the creation of a condominium in which a majority of the Residential Units are not owned by owner-occupants or investors who are unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, there is no commitment to sell more Residential Units than the fifteen (15%) percent necessary to declare the plan

effective, subject to the rights of Exclusive Offerees to purchase their Residential Unit during the Exclusive Purchase Period, and owner-occupants may never gain effective control and management of the Condominium.

2. The Sponsor has no obligation to defend any suits nor to indemnify the Board of Managers or Residential Unit Owners arising out of any act or occurrence occurring prior to the recording of the Declaration of Condominium 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 Residential Unit 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 City of New York on the Residential Units 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 Residential Unit, as are assessed by the Board of Managers of the Condominium and the City of New York. 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 the Residential Units, Sponsor's assets and proceeds of rentals from Non-Purchasing Tenants. Sponsor has the resources necessary to meet its obligations under the Offering Plan.

5. Sponsor will cause the Board of Managers to maintain the Building and Condominium Property in substantially the same condition and manner as on the Date of Presentation until the Sponsor no longer controls the Board of Managers.

6. Residential Unit Owners are required to obtain insurance for their contents, finishes, improvements and betterments in accordance with the Declaration and By-Laws. Condominium insurance coverage will not cover a Residential Unit Owner's contents, finishes, improvements and betterments. The risk of loss or damage to the Residential Unit by fire or other casualty until the closing of title is assumed by Sponsor unless and until the Purchaser takes possession or closes title to the Residential Unit, at which time the risk of loss shall be assumed by such Purchaser. If damage to the Residential Unit exceeds ten (10%) percent of the purchase price, as reasonably determined by the Sponsor, Purchaser shall have the option to terminate the Purchase Agreement and receive a refund of Purchaser's Deposit. However although Sponsor shall have no

obligation or liability to repair or restore any Residential Unit, if Sponsor elects to repair or restore any such Residential Unit, the Purchase Agreement shall continue in full force and effect and Purchaser shall not have the right to reject title or receive a credit against, or abatement in the Purchase Price. In that event, Sponsor shall be entitled to a reasonable period of time in which to complete the repair or restoration. In the event Sponsor decides not to repair any damage to the Residential Unit, Sponsor shall be entitled to cancel the Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Deposit paid by Purchaser. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall belong entirely to Sponsor. If those proceeds are paid to the Purchaser, such Purchaser shall promptly, upon receipt thereof, turn them over to the Sponsor. Notwithstanding, in the event the loss or damage is due to the negligence or misconduct of a Tenant in Occupancy, the Sponsor shall have no obligation or liability to repair or restore the Residential Unit and the Purchase Agreement shall remain in full force and effect. In the event a substantial portion of the Condominium, as determined by Sponsor, shall be destroyed or damaged prior to Closing, Sponsor shall be entitled to cancel the Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Deposit paid by Purchaser. However, in any event of a cancellation of the Purchase Agreement, Purchaser will not receive a refund of any funds paid for Extras which have been installed by Sponsor, paid for by Sponsor or which have been ordered by Sponsor and for which Sponsor is obligated to pay for such Extras unless the Offering Plan has been abandoned. If the Offering Plan is abandoned pursuant to the terms of the Offering Plan, Purchaser shall be entitled to a return of all monies paid for Extras. The parties shall thereafter be released from any further liability thereunder. In the event Sponsor elects to restore the Residential Unit pursuant to this Paragraph, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Sponsor. Sponsor agrees to notify Purchaser of Sponsor's decision within ten (10) business days of the date of such casualty. In the event Sponsor elects not to restore the Residential Unit, then the Purchase Agreement will terminate and Purchaser will receive a full refund of the Deposit. The parties shall thereafter be released from any further liability.

7. Sponsor will initially procure fire and casualty insurance for the Condominium on the terms set forth in the budget. In the event there are insufficient funds in the Condominium to pay for such insurance, Sponsor may lend the Condominium such funds and Sponsor will be repaid out of subsequent Common Charges collected. No Board or Residential Unit Owner approval is required to make such loan. Subsequent to the Closing of Title to the first Residential Unit, the responsibility to continue to procure

all insurance for the Condominium shall be the obligation of the Board of Managers.

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

9. Until the Closing of Title to the first Residential Unit, the Sponsor will maintain the Residential Units and the Building in substantially the same manner and condition as on the date of presentation, normal wear and tear excepted. While the Board of Managers, rather than the Sponsor, will control the operations of the Condominium after the Closing of Title to the first Residential Unit, the Sponsor, so long as it controls the Board, will arrange to have the managing agent or Board of Managers if no managing agent, continue to maintain the Building in substantially the same manner and condition as on the date of presentation.

10. The Property and Residential Units are being offered in their current "as is" condition.

11. All personal property located within the Residential Unit on the date the Purchase Agreement is executed or that is located within the Common Elements on the date the Declaration is filed, that is owned by the Sponsor or anyone else, will be included in the conveyance to Purchaser of their Residential Unit unless specifically excepted in the Plan or Purchase Agreement.

12. 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 (6) 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 Residential Unit Owner's Purchase Agreement is submitted with this Offering Plan as Schedule D in Part II of the Offering Plan.

13. 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 buildings as filed with

and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.

XXI. CONTROL BY THE SPONSOR

To the extent the Sponsor owns Unsold Residential Units it would ordinarily have the right to control the Board of Managers after the Closing of the first Residential Unit as long as it retains a majority of the Residential Units. However, the Sponsor has agreed not to exercise voting control of the Board of Managers for more than five (5) years after the Closing of the first Residential Unit or whenever the Unsold Residential Units constitute less than fifty (50%) percent of all the Residential Units in the Building, whichever is sooner. During the period of control by the Sponsor its interests may conflict with and prevail over the interests of other Residential Unit Owners.

As long as the Sponsor is entitled to exercise voting control of the Board of Managers, the Sponsor shall be entitled to designate a majority of the Board of Managers. In addition, as long as the Sponsor retains at least one (1) Unsold Residential Unit, Sponsor will have the right to designate one (1) less than the majority of the Board of Managers.

In addition to the Members of the Board of Managers who may be designated by the Sponsor, the Sponsor has the right to vote the votes attributable to Unsold Residential Units as Sponsor may so determine for any other Members of the Board of Managers of the Condominium, so long as said Members are Residential Unit Owners and are not on Sponsor's slate of Members, payroll or as long as they did not receive other financial backing from the Sponsor, other than a mortgage-loan, if applicable.

The By-Laws do not contain any provision that provides that after the Sponsor relinquishes control of the Board a majority of the Board of Managers must be owner occupants. As a result Purchasers may be living in a mixed rental/owner occupied building for an indeterminate period of time and owner-occupants may not control the board or operation of the property. In view of the fact this is a non-eviction plan the actual sale of all of the Residential Units to Owners may take a substantial period of time or may never take place. 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 Residential Unit to live in as opposed to purchasing as an investment.

In addition, for a period ending not more than five (5) years after the closing of title of the first Residential Unit or whenever the Unsold Residential Units constitute less than twenty-five (25%) of the common interest, whichever is sooner, the Condominium shall not take any of the following actions without the Sponsor's written consent:

(i) increase the number or change the type of employees from that described in the Plan in the Projected Budget for the first year of Condominium Operation ("Schedule B") and the footnotes thereto;

(ii) provide for new or additional services from those indicated in Schedule B, unless the annual cost of such new or additional services, when added to the annual cost of all other services being provided, is no greater than those provided in said Schedule B; or

(iii) undertake any capital or major improvement or addition, unless required by law (except as to ordinary and necessary repairs), or increase the budgeted reserve fund as indicated in Schedule B of the Plan. However, any unused portion of the budgeted reserve fund for any year may be added to the reserve fund for the following year; or

(iv) accumulate reserves in any calendar year in excess of three (3%) percent of the actual operating expenses of the Condominium for its preceding calendar year and, for any period less than a full calendar year, the amount of reserves that may be accumulated shall be proportionately reduced; or

(v) borrow any money on behalf of the Condominium; or

(vi) make any additions, alterations or improvements to the Common Elements or any individual Residential Unit costing cumulatively more than $15,000, the foregoing not to include necessary repairs and maintenance work; or

(vii) enter into any contract not in existence on the date of the Closing of the first Residential Unit; or

(viii) 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

(ix) 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; or

(x) utilize funds of the Condominium or assess the Sponsor in order to commence a lawsuit against the Sponsor or any of its principals.

The Sponsor will not exercise veto power and expenses described in Schedule B or over any expenses in the above provision required: (a) to comply with applicable laws or regulations, or (b) to remedy any notice of violation, or (c) to remedy any work order by a mortgagee or an insurer, or (d) to remedy a notice of default from a mortgagee.

The above provisions provide that during said period, significant financial decisions of the Board of Managers will be decided by the Sponsor. Examples of such decisions are, in part, the ability to borrow money, as provided in The Condominium Act (Article 9-B of the Real Property Law, §339-jj), for a capital improvement all Residential Unit Owners are in favor of, or the ability to enter into a contract with a lawyer and fund legal fees if the Sponsor fails to comply with provisions in the offering.

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 Residential Unit Owners, assessment of Common Charges, foreclosure of liens for non-payment of Common Charges, management of the Condominium and the use of the Residential Units. The By-Laws provide that the Condominium 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.

XXII. BOARD OF MANAGERS

The form of the Declaration of Condominium and the By-Laws referred to in the Plan appear in Part II as Schedules L and M, respectively.

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 of Managers shall consist of three (3) Members designated by the Sponsor as follows: Robyn Tuerk, Sheila Chess and Michael Pagnotta who are all affiliated with the Sponsor. Thereafter the Board of Managers shall consist of a total of three (3) Members who shall be elected or designated for staggered terms. See Section XXI of the Offering Plan as to Sponsor's right to designate a majority of the Board of Managers for a period of up to five (5) years from the closing of the first Residential Unit or until fifty (50%) percent of the Residential Units are sold, whichever comes first. Purchasers should further note that the By-Laws do not contain any provision that provides that after the Sponsor relinquishes control of the Board of Managers a majority of the Board of Managers must be owner occupants who are unrelated to the Sponsor or its principals.

The members of the Board of Managers serve without compensation from the Condominium.

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

Every Residential Unit Owner shall be entitled to cast the number of votes equal to the Residential Unit's Percentage of Common Interest. All representatives of the Board of Managers, other than designees or nominees of the Sponsor, shall be Residential Unit Owners. All Members of the Board of Managers shall be elected for a one (1) year term. At the expiration of the initial term of office of each respective Member, the Member's successor shall be elected to serve a term of one (1) year. Elections are to be held annually. See Section XXI of the Offering Plan for details concerning Sponsor control of the Board of Managers.

As a result of the fact Sponsor will be selling and Closing Residential Units during the first year and a number of the Residential Units under Purchase Agreements may not close during the first year, the first annual meeting of the Residential Unit Owners may not be held until at least one (1) year after the date of the Closing of Title to the first Residential Unit in the Condominium. Thereafter, annual meetings shall be held on or about the anniversary date of each succeeding year, unless such date is changed by the Board of Managers.

It shall be the duty of an Officer of the Condominium to call a special meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to the Secretary of a petition signed by a majority of the Residential Unit Owners. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed (or emailed in the case of an emergency) as provided in the By-Laws to each Residential Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request pursuant to the By-Laws unless a later date is agreed to in writing by the Residential Unit Owners of the Condominium or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all Residential Unit Owners of the Condominium are present in person or by proxy. See Article II, Section 10 of the By-Laws of the Condominium. The Board of Managers may vary the notice provisions in the event of the need to hold an emergency meeting.

Removal/Suspension of Members of the Board of Managers

Members of the Board of Managers may be removed for cause by an affirmative vote of a majority of the Members of the Board of Managers. No Member, other than a Member of the first Board of Managers or a Member designated by the Sponsor, shall continue to serve on the Board of Managers if, during the Member's term of office, the Member shall cease to be a Residential Unit Owner. In the event a Sponsor designee Member is removed for cause, the Sponsor shall have the sole right to designate the Sponsor Member Replacement.

Any Member of the Board of Managers delinquent in the payment of Common Charges, Special Assessments, late fees, penalties and/or interest shall be suspended from the Board of Managers and have no voting rights until such time as all Common

Charges, Special Assessments, late fees, penalties and/or interest are paid in full to the Condominium.

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 are detailed in Article III Section 11 of the By-Laws in Part II of the Offering Plan.

Liability of Board of Managers and Residential Unit Owners/ Indemnification of Board of Managers

No Member of the Board of Managers or Officer of the Condominium shall have any personal liability to the Condominium or to any Residential Unit Owner for damages for any breach of duty in the Member's capacity as a Member of the Board of Managers or Officer of the Condominium, provided that this provision does not eliminate or limit the liability of a Member of the Board of Managers or Officer of the Condominium if a judgment or other final adjudication adverse to the Member or Officer establishes (a) that the Member's or Officer's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that the Member or Officer personally gained in fact a financial profit or other advantage to which the Member or Officer was not legally entitled.

The Condominium, through the Residential Unit Owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise, which any Member of the Board of Managers or Officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that the Member, the Officer, the Member's or Officer's testator, was a Member of the Board of Managers, Officer of the Condominium or officer of the joint venture, trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Member of the Board of Managers or Officer of the Condominium if a judgment establishes that the Member's or Officer's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that the Member or Officer personally gained in fact a financial profit or the advantage to which the Member or Officer was not legally entitled.

The Residential Unit Owners shall indemnify and hold harmless each of the Members of the Board of Managers and Officers of the Condominium against all contractual liability to others arising out of contracts made by the Board of Managers or Officers of the Condominium on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of

the By-Laws. It is intended that the Members of the Board of Managers and Officers of the Condominium shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Residential Unit Owners). It is understood and permissible for the Board of Managers or Officer of the Condominium, who may be members of or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities. Notwithstanding the above, the Board of Managers has a fiduciary duty to the Residential Unit Owners to make contracts in good faith. It is also intended that the liability of any Residential Unit Owner arising out of any contract made by the Board of Managers, or Officer of the Condominium or out of the aforesaid indemnity in favor of the Member of the Board of Managers or Officer of the Condominium shall be limited to such proportion of the total liability thereunder as the Residential Unit Owner's Percentage of Common Interest in the Common Elements bears to the Percentage of Common Interest of all the Residential Unit Owners in the Common Elements. Every agreement made by the Board of Managers, a managing agent, by a Member of the Board of Managers or Officer of the Condominium on behalf of the Condominium shall provide that the Members of the Board of Managers, or the managing agent, or the Member, or Officer of the Condominium as the case may be, are acting only as agent for the Residential Unit Owners and shall have no personal liability thereunder (except as Residential Unit Owners).

Each Residential Unit Owner's liability pursuant to this Section shall be limited to such proportion of the total liability thereunder as the Residential Unit Owner's Percentage of Common Interest in the Common Elements bears to the Percentage of Common Interest of all Residential Unit Owners in the Common Elements.

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 appoint one or more Assistant Secretaries and Assistant Treasurers and such other Officers as in their judgment may be necessary. All Officers must be Residential Unit Owners or Members of the Board of Managers, except for an Assistant Secretary or Assistant Treasurer, who do not need to be Residential Unit Owners or a Member of the Board of Managers. Two (2) or more offices may be held by the same person, except the President, who can only hold the office of President.

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 of Managers are carried into effect.

The Vice President shall take the place of the President and perform the duties of the President 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.

The Treasurer shall disburse the funds of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Residential Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Residential Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Repairs, Alterations and Improvements to Common Elements

The provisions regarding repairs, alterations and improvements to the Common Elements are contained in Article III Section 12 of the By-Laws in Part II of the Offering Plan and in Section XXIII of the Plan.

Restoration or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of the Building as a result of fire or other casualty (unless seventy-five [75%] percent or more of the Residential Units are destroyed or substantially damaged and seventy-five [75%] percent or more of the Residential Unit 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 Building (including any damaged Residential Unit, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other affixed service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures, equipment, improvements or betterments installed by Residential Unit Owners in the Residential Units or any Residential Unit Owner possessions), 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 Residential Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Residential Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Residential Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Condominium Property shall be subject to an action for partition at the suit of any Residential Unit Owner or lienor, as if owned in common in which event the net

proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of Article VII, Section 3 of the By-Laws, 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 Residential Unit Owners in proportion to the their respective Percentage of Common Interest, after first paying out of the share of each Residential Unit Owner the amount of any unpaid liens on the Residential Unit Owner's Unit in the order of the priority of such liens.

Insurance

The Board of Managers shall be required to obtain and maintain, to the extent obtainable from generally acceptable insurance carriers selected by the Board of Managers, the following insurance: property insurance, liability insurance as provided below, flood insurance (if applicable), fidelity bond coverage and worker's compensation, insuring all of the Common Elements no matter how classified, and the Residential Units in the Building of 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 property belonging to the Condominium. In addition, any permanent original and/or affixed original fixtures, original equipment within the Residential Units (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 Residential Unit Owners), contained therein, covering the interest of the Condominium, the Board of Managers and all Residential Unit 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. Any fixtures and/or equipment that have been replaced by a Residential Unit Owner are not covered by the Condominium insurance. 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 Residential Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee as defined below, hereinafter set forth; 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, if required and that the net proceeds thereof, if $5,000,000 or less, shall be payable to the Board of Managers, and if more than $5,000,000 shall be payable to the Insurance Trustee. Each Residential Unit Owner and each Residential Unit Owner's mortgagee, if any, shall be beneficiaries of the policy in the Percentage of Common Interest applicable to said Residential Unit.

The blanket property insurance as provided above will commence with the Closing of Title to the first Residential Unit. Insurance for the Condominium may be provided as part of Philip-International's blanket policy

The Board of Managers acting on behalf of the Condominium and the Residential Unit Owners shall have the exclusive right to settle any and all claims arising out of a claim under the Condominium's property insurance policy.

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 Residential Unit Owners or of the invalidity arising from any acts of the insured or any Residential Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of a Residential Unit. Upon request certificates evidencing 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 Residential Unit at least ten (10) days prior to expiration of the current policies, if available.

All policies must also provide for the following: recognition of any, Insurance Trust Agreement; a waiver of the right of subrogation against Residential Unit Owners individually; that the insurance is not prejudiced by any act or neglect of individual Residential Unit Owners which is not in the control of such Residential Unit Owners collectively; and that the policy is primary in the event the Residential Unit 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 Residential Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Residential Unit 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, and legal liability arising out of lawsuits related to employment contracts of the Condominium. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Condominium and to each holder of a first mortgage on any Residential Unit 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, and comprehensive automobile liability

insurance. Such public liability insurance shall commence on the Closing of Title to the first Residential Unit.

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 three (3) months aggregate Common Charges on all Residential Units 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, ("Fannie Mae") Servicers on behalf of Fannie Mae, also receive such notice of cancellation or modification.

Each Residential Unit Owner is required to carry insurance covering their contents, fixtures, personal property and improvements and betterments (collectively "Contents") and liability insurance covering their Residential Unit and extended to include the Board of Managers, Managing Agent and other Residential Unit Owners as additional insured's. Such insurance is subject to the approval of the Board of Managers in advance of the purchase of a Residential Unit, in the Board's sole discretion. The policy shall be extended to include any additional insureds including but not limited to the Board of Managers, Managing Agent, Sponsor, other Residential Unit Owners and any Mortgagees. If the Residential Unit Owner has employees, the Residential Unit Owner must carry workers compensation insurance. All such insurance must be provided by a carrier that is recognized as a licensed admitted carrier in the State of New York with a rating equal to a Best Rating Guide of AV or better. The Board reserves the right to alter or increase the coverage required hereunder at any time and from time to time. In addition to the foregoing, Residential Unit Owners are instructed to carry coverage for loss of rents, water damage, sewer and drain back up and such other coverage for their contents as they may determine to be in their best interests.

Purchasers should refer to footnote number 8 as to the specific insurance coverage and estimated premium that that the Condominium will be subject to upon the closing of title to the first Residential Unit.

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 hold insurance proceeds in excess of $5,000,000 and disburse such excess to the Board of Managers 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 Section 1 of Article VII of the By-Laws. The Insurance Trustee shall be a bank or trust company or any other lawfully permitted company, entity and/or individual 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 $10,000,000 or more.

Reports to Residential Unit Owners/Working Capital Occupied Unit

A Residential Unit Owner of an occupied Residential Unit is required to deposit with the Managing Agent at closing a sum not less than an amount equal to 2 months' Common Charges to be used as working capital to furnish services required under the Non-Purchasing Tenant's lease and the laws and regulations specified above. Upon notice by the Managing Agent that said deposit has been diminished, said fund shall be replenished by the Residential Unit Owner within a specified period of time. The failure of the Residential Unit Owner to replenish the fund in a timely fashion shall result in the Condominium having a lien against the Residential Unit. Interest, if any, earned on the fund shall be the property of the Residential Unit Owner.

Amendments

Except as may otherwise be provided in the Declaration, the Declaration may be amended upon a vote of at least 66-2/3% of the Residential Unit Owners in number held at a duly called meeting of the Residential Unit Owners, provided however, that:

1. No amendment altering a Residential Unit Owner's Percentage of Common Interest shall be made without the consent of all the Residential Unit Owners affected.

2. No amendment shall change the voting rights appurtenant to any sold Residential Unit, unless all of the record owner(s) in number and Percentage of Common Interest thereof and the first

mortgagees, if any, of each of these same Residential Units agree to such change by recorded instrument

3. No amendment shall add any parcel of land to or divest any parcel of land from the Condominium Properties unless all of the Residential Unit Owners and the first mortgagees, if any, of each of these same Residential Unit Owners agree to such change on the instrument of amendment.

4. No amendment shall be passed which shall affect, impair or prejudice the validity, interest, rights and priorities of mortgagees.

5. No amendment, modification, addition or deletion of, to or from the Declaration, the By-Laws or any Rules and Regulations shall be effective in any way against Sponsor or its successors, assigns or designees or against any Unsold Residential Unit, as long as the Sponsor, its successors, assigns, or designees owns an Unsold Residential Unit in the Condominium unless the Sponsor, its successors, assigns or designees has given its prior written consent thereto. This provision is not subject to amendment.

6. The Board of Managers and the Sponsor, as long as the Sponsor owns an Unsold Residential Unit in the Condominium, shall have the right to amend the Declaration without the vote or consent of the Residential Unit Owners or the holders of any Residential Unit mortgages and to execute and record in the New York City Registrar's Office such amendment as may be required to reflect (i) changes in the Declaration (including Schedule B), As-Built Floor Plans and Condominium or Residential Unit Designation Map that are corrective in nature or (ii) to resolve or clarify any inconsistency or which is patently a mistake or a scrivener's error, or (iii) technical corrections, or (iv) to comply with any federal, state or city law or regulation that may affect the Condominium. In connection therewith, each Residential Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest to the Board of Managers of the Condominium and to the Declarant to amend the Declaration of Condominium for said purposes.

7. No Amendment shall be passed which shall affect the rights of a Non-Purchasing Tenant of a Residential Unit as provided for under Section 352-eeee of the New York State General Business Law.

8. Subject to the approval of the Board of Managers, a Purchaser or Residential Unit Owner who purchases or owns two (2) adjoining Residential Units and is desirous of consolidating the two (2) Residential Units into one (1) Residential Unit may do so subject to

obtaining all approvals required by the New York City Department of Buildings, New York City Department of Finance and any other required municipal approvals and obtaining whatever insurance and/or surety is required by the Board of Managers to do whatever work is necessary to consolidate the two (2) Residential Units. The Board of Managers shall be required to cooperate with the Purchaser in amending Schedule B to the Declaration to reflect the consolidation and to change the appurtenant Percentage of Common Interest so long as the new Percentage of Common Interest equals the Percentage of Common Interest of the Residential Units that were consolidated and the Board of Managers shall have the right to amend said Schedule B without the vote or approval of the Residential Unit Owners. All approvals, revisions, amendments to Schedule B of the Declaration and any other requirements including any legal, engineering, architectural or otherwise necessary to consolidate the Residential Units shall be at the Purchaser's or Residential Unit Owner's sole cost and expense.

9. The Declaration may not be altered, amended or repealed in such a manner as would adversely affect the Sponsor, its successors, assigns or designees without the written consent of the Sponsor, its successors, assigns or designees.

10. In addition, in the case of material adverse changes, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Residential Units that are subject to first mortgages. A change to any of the following would be considered as material and adverse: voting rights with respect to sold Residential Units; reallocation of interests in the General Common Elements or Individual Residential Unit's Limited Common Elements , or rights to their use; boundaries of any sold Residential Unit; convertibility of sold Residential Units into Common Elements 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; revisions to the leasing provisions of Residential Units contained in Article XI of the By-Laws ; imposition of any new restrictions on a Residential Unit Owner's right to sell or transfer the Residential Unit Owner's Residential Unit; 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. An addition or amendment to the Declaration 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 by certified or registered mail, return

receipt requested, to approve amendments who does not deliver to the Condominium a negative written response within sixty (60) days of the receipt of the request shall be deemed to have approved such amendment.

The By-Laws may be amended by the Residential Unit Owners by a vote of a minimum of sixty-six and two-thirds (66 2/3%) percent in number and common interest provided:

1. No amendment shall be passed which will affect or impair the validity of the Residential Unit Owners' interest in a Residential Unit.

2. No amendment, modification, addition or deletion of, to or from the By-Laws or any Rules and Regulations shall impair, prejudice or be effective in any way against Sponsor or its successor, assignee or designee or any Unsold Residential Unit, as long as the Sponsor owns an Unsold Residential Unit in the Condominium unless Sponsor has given its prior written consent thereto. This provision is not subject to amendment.

3. No amendment shall be adopted which shall affect the rights of a Non-Purchasing Tenant of a Residential Unit as provided for under Section 352-eeee of the New York State General Business Law.

4. The Sponsor shall have the right to amend the By-Laws without the consent of the Residential Unit Owners or the Board of Managers to (a) make corrections that are patent errors, inconsistencies, scrivener's errors or technical errors, to conform to other documents, or (b) to make changes or revisions to comply with the requests, guidelines and/or requirements of any major participant in the secondary market for mortgages, including but not limited to the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal Housing Association ("FHA") of the Housing and Urban Development ("HUD"), the Veterans Administration ("VA") and/or any State or Local Funding Agencies, or (c) to reduce the Sponsor control period of the Board of Managers, or (d) to comply with any federal, state or local law or regulation that may affect the Condominium. In connection therewith each Residential Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest, to the Sponsor, its successors, assigns and purchasers of undeveloped or Unsold Residential Units to amend the By-Laws for said purposes.

5. The Board of Managers shall have the right to amend the By-Laws without the consent of the Residential Unit Owners to make corrections to the By-Laws that are patent errors, inconsistencies, scrivener's errors and/or technical errors. In connection therewith each Residential Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest, to the Board of Managers to amend the By-Laws for said purposes.

6. No amendment to the By-Laws shall be passed which shall impair or prejudice the validity, interest, rights or priorities of a mortgagee.

7. In addition, in the case of material adverse changes, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Residential Units 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 elements; responsibility for maintenance and repairs; reallocation of interests in the General Common Elements or Individual Residential Unit's Limited Common Elements, or rights to their use; boundaries of any sold Residential Unit; convertibility of sold Residential Units into Common Elements 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; revisions to the leasing provisions of Residential Units contained in Article XI of the By-Laws; imposition of any restrictions on a Residential Unit Owner's right to sell or transfer the Residential Unit Owner's 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 the 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 by certified or registered mail, return receipt requested, to approve amendments who does not deliver to the Condominium a negative written response within sixty (60) days of the receipt of the request shall be deemed to have approved such amendment.

So long as the Sponsor owns any Unsold Residential Unit, neither the Declaration nor the By-Laws may be amended, modified, added to or deleted without the prior written consent of the Sponsor.

Residential Units Acquired by the Board of Managers

All Residential Units which are acquired by the Board of Managers, or its designee as a result of foreclosure of a lien for non-payment of Common Charges, shall be held by the Board of Managers on behalf of all Residential Unit Owners. The Percentage of Common Interest acquired by the Board of Managers shall remain as originally designated in Schedule A of the Offering Plan and the Declaration of Condominium and the Board of Managers shall be responsible for paying all Common Charges appurtenant to said Residential Unit. The Board of Managers shall be entitled to cast all votes that are appurtenant to said Residential Units at any Residential Unit Owners meeting for all purposes except for the election of Members to the Board of Managers.

Termination of Condominium

This property shall not be withdrawn from the provisions of Article 9-B of the Real Property Law unless eighty (80%) percent of the Residential Unit Owners in number and in common interest and the first mortgagees, if any, of these same Residential Units 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 all of Residential Unit 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 Residential Units except in accordance with the Real Property Law.

XXIII. RIGHTS AND OBLIGATIONS OF RESIDENTIAL UNIT OWNERS AND BOARD OF MANAGERS

Sale or Lease of Residential Units

Any Residential Unit may be conveyed or leased, subject to the leasing requirements contained in Article XI of the By-Laws, subject to local zoning ordinances, any applicable rent regulatory statutory provisions applicable to the Residential Units, and Section 352-eeee of the New York State General Business Law, by its Residential Unit Owner free of any restrictions except that no Residential Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease their Residential Unit unless and until all unpaid Common Charges assessed against the Residential Unit Owner's Residential Unit shall have been paid to the Board of Managers. However, any unpaid Common Charges can be paid out of the proceeds of the sale of a Residential Unit, or by the Grantee. Notwithstanding the above any Residential Unit Owner who wishes to enter

into a lease for the Residential Unit Owner's Residential Unit shall be required to provide the Board of Managers of the Condominium with a copy of the lease prior to its execution. All leases of a Residential Unit must comply with all the requirements contained in Article XI Section 8 of the By-Laws. Failure to comply will be deemed an automatic violation of the By-Laws of the Condominium. Further, a Residential Unit Owner may convey the Residential Unit Owner's Residential Unit and Percentage of Common Interest appurtenant thereto, to the Board of Managers on behalf of all Residential Unit Owners free of any cost to the Board or the Residential Unit Owners and upon such conveyance such Residential Unit Owner shall not be liable for any Common Charges thereafter accruing against such Residential Unit. Any sale or lease of any Residential Unit in violation of above shall be voidable at the election of the Board of Managers.

The provisions of this section shall not apply to the acquisition or sale of a Residential Unit by a first mortgagee who shall acquire title to such Residential Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagees. In addition the provisions of this Section shall not apply to Sponsor held Residential Units unless required by law.

A Residential Unit Owner is free to make a gift of the Residential Unit Owner's Residential Unit to anyone during the Residential Unit Owner's lifetime or to devise the Residential Unit by will, or to have it pass by intestacy without any restriction. The restrictions regarding the sale or lease of a Residential Unit shall not pertain to the Sponsor.

The Board of Managers may not discriminate against any person on the basis of race, creed, color, national original, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law, in its sale or lease of any Residential Unit which it acquires.

Each Residential Unit Owner, on the Closing of Title to the Residential Unit Owner's Residential Unit shall be required to execute a Power of Attorney in the form contained in Part II of this Plan as Schedule F, constituting the fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing or otherwise dealing with Residential Units acquired by the Board of Managers or their designee, on behalf of all Residential Unit Owners, and otherwise acting in accordance with the Condominium's Declaration and By-Laws designating the Sponsor as Purchaser's 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 a Building and fully and fairly depict the layout, location, designation and approximate dimensions, within reasonable tolerances, of the Residential 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 and to permit the Board of Managers to act on behalf of the Residential Unit Owners in connection with the exercise of such powers and the performance of such duties as are specified

under the Declaration, the Condominium's By-Laws and the Condominium Act (Article 9-B of the Real Property Law).

No Residential Unit can be sold without a simultaneous sale of the undivided interest in the Common Elements.

Real Property Law Section 339-kk

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 a Residential Unit in the Condominium to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Residential Unit 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. A complete copy of Section 339-kk of the Real Property Law is contained in Part II of the Plan as Schedule O.

Restrictions on Occupancy and Use

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

The By-Laws of the Condominium contain the following use restrictions: No unlawful use shall be made of the Condominium nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Residential Unit Owners, their families, employees, guests and any permitted pets shall not use or permit the use of the Residential Units and Common Elements in any manner that would be disturbing or a nuisance to other Residential Unit Owners. No Residential Unit Owner shall make any alterations, improvements, additions or repairs, change the use or layout of, or number of rooms in the Residential Unit, to the Residential Unit, the interior load bearing walls, or any part of the Common Elements, amend the Certificate of Occupancy for the Building, change the size of the Residential Unit or its appurtenant Limited Common Elements without the prior written consent of the Board of Managers and execution and delivery of an Alteration Agreement as provided for in Article IX, Section (1f) of the By-Laws. The Residential Units shall be used for residential purposes in accordance with applicable zoning requirements. Purchasers should carefully review the Rules and Regulations contained in Article IX of the By-Laws for the applicable Rules and Regulations pertaining to this Condominium. See Article IX of the By-Laws for complete details.

Restrictions on Pets

Residential Unit Owners will be permitted to keep dogs, cats or other common household pets in their Residential Unit subject to the provisions of this regulation. The foregoing notwithstanding, no breed or mix of dog, including American Pit Bulls, Terrier

or Rottweiler, deemed to be dangerous to the safety of the residents of the Condominium shall be permitted to be kept or harbored in the Condominium or any Residential Unit. No exceptions will be permitted unless the same in each instance be expressly permitted in writing by the Board of Managers of the Condominium. No animals may be kept or maintained in a Residential Unit for any commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Condominium Property upon fifteen (15) days written notice from the Board of Managers. All Residential Unit Owners shall advise the Board of Managers of any household pet intended to be kept in their Residential Unit prior to the household pet residing therein. In addition to the above restrictions, the Board of Managers shall have the right to further limit the number, size and type of pet including but not limited to the type of breed of such pet permitted to be kept in a Residential Unit. In no event shall any animal be permitted in any of the public corridors or lobbies of the Condominium unless carried or on leash and in compliance with the local and municipal rules and regulations regarding pets. All Residential Unit Owners shall be responsible for picking up and disposing of their pets' waste and for any damage caused by their pets to any Common Elements of the Condominium.

Non-Purchasing Tenants with pets will continue to be governed by the parameters set forth in their rent regulated leases. Tenants who purchase who do not have pets or if have pets are compliant with the above provisions will be subject to the above restrictions, Tenants who purchase their Unit and are non-compliant with the above provisions will be permitted to keep their current pets. All Residential Unit Owners on a resale will be subject to the above restrictions.

Mortgage of Residential Units by Residential Unit Owners

A Residential Unit Owner may mortgage the Residential Unit Owner's Residential Unit at any time after the Residential Unit Owner acquires title to the Residential Unit in whatever amount and under whatever terms the Residential Unit Owner can obtain provided the Residential Unit Owner first notifies the Board of Managers. Any Residential Unit Owner may, upon the resale of their Residential Unit, grant a purchase money mortgage to a purchaser of their Residential Unit. A Residential Unit Owner may mortgage their Residential Unit only if all arrears for Common Charges, if any, are paid in full at the closing of the mortgage.

Common Charges Assessment and Collection

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 approved budget and any supplement to the budget to every Residential Unit Owner. The Board of Managers shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the General Common Elements and other Common Expenses including but not limited to the Common Expenses provided in Article VI, Section 3 of the By-Laws, as well as charges

to cover any deficits from prior years. All of the Common Expenses of the Condominium will be shared and initially be paid for by the Residential Units based upon their Percentage of Common Interest. Notwithstanding, prospective Purchasers of a Residential Unit should refer to Special Risk #14 regarding the provisions of 339-m of the Real Property Law which permit the Board of Managers to make allocations and assessments of Common Charges to the General Common Elements and any Individual Residential Unit's Limited Common Element that is the Condominium's obligation to repair and maintain, in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are based on intensive, special or exclusive use or availability or exclusive control of particular Residential Units or Common Elements by particular Residential Unit Owners.

The total annual requirements shall be assessed as a single sum ("Common Charges") against all Residential Units and prorated against each of said Residential Units according to the respective Common Interests appurtenant to such Residential Units or as permitted in Section 339-m of The Real Property Law of the State of New York, the Board of Managers may also specially allocate and apportion expenses to one or more Residential Units as a result of such Residential Unit(s) receiving special benefits or enjoying intensive or special use of utilities by a specific Residential Unit Owner or where allocation based on percentage of Common Interest would otherwise be inequitable. In addition, the Board of Managers in prorating said requirements may give consideration to the higher insurance premium rates against certain Residential Units as a result of any hazardous activity in such Residential Units.

The Board of Managers may also charge additional assessments in excess of the Common Charges for expenses not contemplated, foreseen, or which exceed the amount budgeted. Said assessments shall be known as Special Assessments. The Board of Managers shall be entitled to charge a Special Assessment as a single sum or over a period of time as it may determine. Residential Unit Owners shall pay their portion of any Special Assessments in accordance with the above.

The Board of Managers shall advise all Residential Unit Owners promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Common Expenses are based, to all Residential Unit Owners.

The Sponsor or its designee shall be responsible for the Common Charges assessed against each Residential Unit owned by it until such Residential Unit is sold to a Purchaser.

The estimate of Condominium expenditures in Schedules A and B were made by the Sponsor and passed upon by Crosstown Management Corp., 97-77 Queens Boulevard, Suite 1120, Rego Park, New York 11374. 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, legal and accounting expenses, supplies, reserve fund and the other items described in Schedule B, the estimated first year budget. The Common Charges do not include maintenance, repairs or decoration of the interior of the Residential Units or portions thereof, payments required pursuant to the terms of Residential Unit Owners' mortgages or real estate taxes covering the individual Residential Units or insurance covering Residential Units or their contents, decorations, improvements and betterments.

The Common Charges which may be collected monthly by the Board of Managers and other costs of maintenance of the Residential Units are set forth on Schedule A. See Schedule C for estimated utility costs for the Residential Units. However, additional services which the Residential Unit 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 Residential Unit 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 of Manager'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 Residential Unit Owners and the Sponsor as Owner of the Unsold Residential Units in accordance with the provisions of Article VI of the By-Laws. The Common Charges will initially be placed in an account in the name of the Board of Managers in a bank authorized to do business in the State of New York.

The Sponsor shall be liable for the Common Charges, Special Assessments, real estate taxes and individual utility costs of all Residential Units 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 Residential Unit, including but not limited to Common Charges, any special assessments, real estate taxes, all individual utility costs, and insurance for such Unit.

Liens for the Non-Payment/Termination of Common Charges

Under Section 339-z of the Real Property Law of the State of New York, the Board of Managers shall have a lien against each Residential Unit 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 Residential Unit except that the Board of

Managers shall, in accordance with the Declaration, release the lien and right to collect unpaid Common Charges against any purchaser of a Residential Unit 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 or being a separate action to collect the unpaid Common Charges and in doing so shall be entitled to recover all costs incurred including reasonable attorney's fees. The liability of each Residential Unit Owner for the payment of Common Charges thereafter assessed against the Residential Unit Owner's Residential Unit shall terminate upon a sale, transfer or conveyance of such Residential Unit in accordance with the provisions of the Condominium Declaration and By-Laws. Further, any Residential Unit Owner may convey their Residential Unit to the Board of Managers or its nominee, on behalf of all other Residential Unit Owners, without any compensation and in accordance with the Declaration and By-Laws, and in such event the Residential Unit Owner shall be exempt from any Common Charges thereafter assessed, but not relieved of their obligation to pay the Residential Unit Owner's mortgage. However a Residential Unit Owner may not be exempt from liability for the Residential Unit Owner's Common Charges by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Residential Unit Owner's Residential Unit.

Upon a resale, the Purchaser of a Residential Unit shall be liable for the payment of unpaid Common Charges assessed against such Residential Unit prior to the acquisition of such Residential Unit by the Purchaser. Notwithstanding the aforesaid, any mortgagee of an Institutional Mortgage who obtains title to a Residential Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Residential Unit's unpaid Common Charges accrued before acquisition of the title to the Residential Unit by the mortgagee unless otherwise required by law. If the Condominium's lien priority includes costs of collecting unpaid Common Charges and/or Special Assessments, the mortgagee of the Institutional Mortgage will be liable for any fees or costs related to the collection of unpaid Common Charges and/or Special Assessments. The unpaid balance of such Common Charges and/or Special Assessments that may be waived will be charged to all other Residential Unit Owners as a Common Expense. Upon acquisition of title the Institutional Mortgagee shall be responsible for all Common Charges, Special Assessments and/or any other costs and expenses of the Condominium thereafter due and payable. The term "Institutional Mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Sponsor to a purchaser of a Residential Unit or in which the Sponsor participates with one of the above.

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 Residential Units in which Sponsor is more than 30 days in arrears of Common Charges.

Repairs, Alterations and Improvements to the Residential Units

Every Residential Unit Owner must perform promptly all maintenance and repair work to their own Residential Unit and any Individual Residential Unit's Limited Common Element for the Residential Unit Owner's exclusive use which is their sole responsibility and, if not done would affect the Condominium in its entirety or in a part belonging to other Residential Unit Owners, or the Building of which the Residential Unit forms apart, the Residential Unit Owner being expressly responsible for the damages and liabilities that the failure to do so may engender.

All the repairs to internal installations of the Residential Unit located in and servicing only that Residential Unit, such as telephones and sanitary installations and windows shall be at the Residential Unit Owner's expense.

No Residential Unit Owner shall make any alterations, improvements, additions or repairs, change the use or layout of, or number of rooms in the Residential Unit, to the Residential Unit, the interior load bearing walls, or any part of the Common Elements, amend the Certificate of Occupancy for the Building, change the size of the Residential Unit or its appurtenant Limited Common Elements without the prior written consent of the Board of Managers and execution and delivery of an Alteration Agreement. Consent may be requested by mailing a letter, certified mail, return receipt requested to the Managing Agent or if no Managing Agent the Board of Managers. If building plans are required for the above under any applicable building code, a copy of such plans must be included with said letter. All work done pursuant to this Section must be approved in advance by the Board of Managers and performed in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof. The above provisions shall not apply to the Sponsor or its designee.

Prior to, and as a condition of, the granting of the above approval the Board of Managers at its sole option shall: (1) require the Residential Unit Owner to obtain and maintain during the course of such work such insurance as the Board of Managers may reasonably prescribe and provide the Board of Managers with a certificate of insurance at least ten (10) days prior to the commencement of the work, (2) require the Residential Unit Owner to execute and deliver to the Board of Managers an Alteration Agreement, in form and substance approved by the Board of Managers, setting forth among other things the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the indemnity referred to above and specifying the days and hours during which any such work may be done, (3) require the Residential Unit Owner to execute and deliver to the Board of Managers a written agreement (if so requested by the Board of Managers) or which shall be deemed to agree (in the absence of such writing) indemnifying and holding harmless the Board of Managers, its Members and Officers, all Residential Unit Owners of the Condominium and the Managing Agent from and against any liability, cost or expense

arising out of or connected to such work, (4) the Board of Managers shall have the right in its sole discretion to approve Residential Unit Owner's contractors and materialmen, plans, drawings, amendments to the Declaration, By-Laws and Tax Lot Drawings provided however that the foregoing requirements may be modified by the Board of Managers and the Board of Managers has the right to require that any conditions be satisfied prior to granting approval to any Residential Unit Owner. The Condominium shall employ the services of architectural, engineering, legal and other professionals and impose charges upon the Residential Unit Owner to reimburse the Condominium for architectural, engineering, legal and other fees incurred in reviewing the Residential Unit Owner's request for approval and in monitoring the work performed until completion and a fee payable to the Managing Agent. Neither the Board of Managers nor any Residential Unit Owner (other than the Residential Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Residential Unit and appurtenant Limited Common Elements) shall incur any liability, cost, or expense either (a) in connection with the preparation, execution, or submission of the applications referred to above; (b) to any contractor, subcontractor, materialperson, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Residential Unit Owner; or (c) to any Person asserting any claim for personal injury or property damage arising therefrom, and (6) obtaining all approvals, as necessary, from the City of New York and any other governmental agency. The Residential Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the additions or improvements.

Any application to any department of the City of New York or any other governmental authority for a permit to make an alteration or improvement in or to any Residential Unit or Limited Common Element shall be completed by the Residential Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialmen on account of such alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

In the event a Residential Unit Owner violates the above provision, the Board of Managers, in addition to all remedies it may have under the Declaration and the By-Laws, may institute legal action against the Residential Unit Owner for the enforcement of this provision. As a result, in the event the Board of Managers is successful the Residential Unit Owner shall be responsible for the payment of reasonable attorney's fees of the Condominium, plus interest and costs of suit, as well as all costs associated with remedying the violation. In the event the Residential Unit Owner is successful the Residential Unit Owner will only be responsible for the Residential Unit Owner's attorney fees and other individual expenses the Residential Unit Owner paid in defending the law suit.

A Residential Unit Owner will be responsible for the due performance of all of the obligations of the landlord under the lease, statutory tenancy or other tenancy of the tenant, including obligations to maintain, repair and replace plumbing fixtures, the

refrigerator, range, lighting fixtures and other equipment in the Residential Unit, and to paint the Residential Unit as provided in the lease with the tenant, or as required by any applicable law, as the case may be. In addition, any litigation costs, fees and dues related to the tenancy will be the sole responsibility of the Residential Unit Owner.

All maintenance (including electrical repairs and plumbing stoppages and repairs in the Residential Units, cleaning of interior of windows and painting and decorating of the interior of the Residential Units), repairs and replacements to the Residential Units including doors which open from a Residential Unit and repairs to pipes, wires and conduits located in and servicing an individual Residential Unit, other than as set forth above shall be made by the respective Residential Unit Owner at the Residential Unit Owner's expense. This would include but not be limited to all painting and decorating to the interior of the Residential Units, maintenance, repair and replacement of individual appliances including but not limited to laundry equipment located within a Residential Unit, if any, individual heating and cooling systems for the Residential Units and the interior side of all entrance doors.

All maintenance and repair to the interior portion of the window area and doors which open from a Residential Unit are the responsibility of the Residential Unit Owner. All maintenance, repair and any replacement to the external portion of the window area, the actual window and external portion of the doors (including painting, if necessary) which open from a Residential Unit will be the responsibility of the Residential Unit Owner and the cost thereof shall be paid for by such Residential Unit Owner at the Residential Unit Owner's sole cost and expense. All maintenance, repairs and replacements to the external portion of the window, actual window and/or external portion of the doors shall require the written approval of the Board of Managers. In addition the Board of Mangers shall have the right to require that a Residential Unit Owner utilize a contractor or sub-contractor designated by the Board of Managers and to pay the contractor or sub-contractor directly or to reimburse or pay the Condominium, in the event said work is paid for by the Condominium directly. In the event a Residential Unit Owner fails to make timely payment to either the contractor, sub-contractor or Condominium the Board of Managers shall have all of the rights afforded the Board of Managers for failure to pay Common Charges as set forth in the Declaration of Condominium and/or the By-Laws.

All repairs, maintenance and any replacement and all costs associated therewith of any hot water tank, gas boiler, air conditioning compressor and/or condenser, air handler or any other heating, cooling or other mechanical system servicing an individual Residential Unit that is located in the Residential Unit or is an Individual Residential Unit's Limited Common Element located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit a Residential Unit exclusively shall be the sole responsibility of the Residential Unit Owner for such equipment, services, etc.

The Board of Managers and their agents, employees and contractors shall have the right of access to any Residential Unit for the purpose of making any repairs or replacements to any of the General Common Elements, Individual Residential Unit's Limited Common Elements contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any other Residential Unit, the General Common Elements, or Residential Unit's Limited Common Elements or which would violate the provisions of any mortgage covering another Residential Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Residential Units but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Residential Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium. This provision is not subject to amendment by the Residential Unit Owners or Board of Managers. Notwithstanding the above no entry is permitted to a Sponsor owned Residential Unit without the consent of the Sponsor.

All repairs, painting or maintenance, whether made by the Residential Unit Owner or the Board of Managers, to the doors, windows, or the exterior surface of the Building or to any generally visible portion of the General Common Elements, or Individual Residential Unit's Limited 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, unless varied by the Board of Managers.

All cleaning services and all costs and expenses associated therewith to an individual Residential Unit and the Limited Common Elements appurtenant thereto, if any, shall be the sole obligation of such individual Residential Unit Owner. In the event that a Limited Common Element benefits more than one (1) Residential Unit Owner such Residential Unit Owners shall arrange for and shall share equally the costs for cleaning services to such Limited Common Element. All cleaning and maintaining of the General Common Elements shall be a Common Expense of the Condominium.

All costs and expenses of any hallway that is subject to a revocable license agreement between the Board of Managers and a Residential Unit Owner (including utility costs), repairs, insurance upgrades, maintenance and cleaning of the hallway will be the sole obligation of the Residential Unit Owner subject to the revocable license agreement.

In the event that a Residential Unit Owner fails to maintain, repair or replace its Residential Unit or any Individual Residential Unit's Limited Common Element which maintenance, repair or replacement is necessary to protect any of the General Common Elements, any other portions of the Building or any other Residential Unit or other Individual Residential Unit's Limited Common Element, the Board of Managers shall have the right to make the necessary maintenance, repair or

replacement (after the failure of said Residential Unit Owner to do so after reasonable time provided by written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge said Residential Unit Owner for the cost of all such repairs and/or maintenance and/or replacement. In the event that the Board of Managers charges a Residential Unit Owner for repairs, maintenance and/or replacement to their Residential Unit or for repairs to any Common Elements restricted in use to such Residential Unit Owner, and the Residential Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in the event the Board of Managers is successful, the Residential Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due. In the event the Residential Unit Owner is successful the Residential Unit Owner will only be responsible for the Residential Unit Owner's attorney fees and other individual expenses the Residential Unit Owner paid in defending the law suit.

The Board of Mangers shall have the right to require that a Residential Unit Owner utilize a contractor or sub-contractor designated by the Board of Managers and to pay the contractor or sub-contractor directly or to reimburse or pay the Condominium, in the event said work is paid for by the Condominium directly, for any repair, maintenance or replacement obligation of a Residential Unit Owner set forth in this Article III, Section 12 of the By-Laws. In the event a Residential Unit Owner fails to make timely payment to the contractor, sub-contractor or Condominium, the Board of Managers shall have all of the rights afforded the Board of Managers for failure to pay Common Charges as set forth in the Declaration of Condominium or the By-Laws.

In the event that a Residential Unit Owner fails to make any repair or creates any condition which affects the Building, the General Common Elements, the Limited Common Elements, or any other Residential Unit, 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 Residential Unit 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 and the Board of Managers is successful in such suit, the Board of Managers shall also be entitled to collect reasonable attorney's fees in connection with such suit or proceeding. In the event the Residential Unit Owner is successful the Residential Unit Owner will only be responsible for the Residential Unit Owner's attorney fees and other individual expenses the Residential Unit Owner paid in defending the law suit.

A Residential Unit Owner will be responsible for the due performance of all of the obligations of the landlord under the lease, statutory tenancy or other tenancy of the tenant, including obligations to maintain, repair and replace plumbing fixtures, the refrigerator, range, lighting fixtures and other equipment in the Residential Unit, and to paint the Residential Unit as provided in the lease with the tenant, or as required by any

applicable law, as the case may be. In addition, any litigation costs, fees and dues related to the tenancy will be the sole responsibility of the Residential Unit Owner.

Prospective Purchasers should refer to Section XXIII of the Offering Plan for repairs, alterations and improvements to the General and Limited Common Elements.

Access by Board of Managers

The Board of Managers and its agents, employees and contractors shall have a right of access to any Residential Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under the Declaration and By-Laws. Such right of access to a Residential Unit shall be exercised in such manner as will not unreasonably interfere with the use of the Residential Units but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Residential Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium. In the event there are damages caused to the Residential Unit as a result of the Board of Managers needing access to the Residential Unit, the Residential Unit Owner may request repair of the damages from the Condominium through the Board of Managers. In the event the Board of Managers does not make any requested repairs the Residential Unit Owner may need to commence a law suit against the Condominium for any recourse.

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

Ownership of a Residential Unit in the Condominium subjects the Residential Unit Owner to compliance with the provisions of the Declaration and By-Laws as well as any Rules and Regulations contained in the By-Laws or established by the Condominium in accordance therewith. The Rules and Regulations are set forth in Article XI of the By-Laws in Schedule M in Part II of the Plan. 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.

Easements

All pipes, sewers and/or drainage lines and wires, conduits and public utility lines located within each Residential Unit and for the exclusive use of a Residential Unit no matter how classified shall be maintained by such Residential Unit Owner at the Residential Unit Owner's sole cost and expense. Any portion of such pipes, sewers and/or drainage lines and wires, conduits and public utility lines located in the General Common Elements shall be repaired and maintained and the responsibility of the Condominium and a Common Expense of all Residential Unit Owners. Every Residential Unit Owner shall have an easement in common with the owners of other Residential Units to access, maintain and use all pipes, wires, conduits and public utility

lines located in other Residential Units and servicing such Residential Unit Owner's Residential Unit. Each Residential Unit shall be subject to an easement in favor of the Residential Unit Owners of other Residential Units to access, maintain and use the pipes, conduits and public utility lines servicing such other Residential Units located in such Residential Unit. The Board of Managers shall have a right of access to each Residential Unit for maintenance, repair or improvements to any pipes, wires, conduits and public utility lines located in any Residential Unit and servicing any other Residential Unit or causing damage to any other Residential Unit or any pipe, wires, conduits and public utility lines, no matter how designated that causes or is in imminent danger of causing damage to another Residential Unit or the Common Elements. The cost of such repairs shall be a Common Expense unless the damage is the result of the negligence of a Residential Unit Owner or tenant, occupant, employee or other person a Residential Unit Owner may be responsible for, in which case the cost of such repairs shall be the responsibility of the Residential Unit Owner who is responsible or whose tenant, occupant, employee or other person the Residential Unit Owner is responsible for causing such damage. 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. Sponsor's prior consent is required prior to the Board of Managers, its agents, employees and contractors entering into any Sponsor owned Residential Unit.

The Board of Managers and their agents, employees and contractors shall have an easement for access through all the Common Elements and the Residential Units for the purpose of making any repairs or replacements to any Common Elements, no matter how classified, contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any Residential Unit or any other Common Element no matter how classified, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of Condominium or for the health and safety of the Condominium and its residents. Such right of access to a Residential Unit shall be exercised in such a manner as is required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its Condominium Property, or the Residential Units, or for the health and safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

Each respective utility and cable company shall have a right of access to the Common Elements and each Residential Unit for maintenance, repair or improvements to any pipes, sewers and/or drainage lines, wires, conduits, and public utility lines located in the Common Elements and any Residential Unit. Any utility or cable company and its employees and agents shall have the right of access to any Residential Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Residential Unit for its permitted purposes by its owner, tenants or occupants.

The Board of Managers shall have the right to grant such additional electric, gas, water, sewer, drainage or other utility easements or relocate any existing utility easement in any portion of the Condominium as the Board of Managers shall deem necessary or desirable for the proper operation and maintenance of the Condominium, or any portion thereof, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of any Residential Unit for its permitted purposes. Any utility company and its employees and agents shall have the right of access to or upon any Residential Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Residential Unit for its permitted purposes by its owner, tenants or occupants.

The Board of Managers shall have an easement through the Residential Units for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, gas, heating, ventilating, water and other mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing any portion of the Condominium except for Unsold Residential Units retained by Sponsor. The Board of Managers shall be required to obtain the consent of the Sponsor prior to entering into any Unsold Residential Unit.

The Sponsor, its successors and assigns reserve the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across all of the Property and the Building comprising the Condominium for the purpose of any renovation, sale and rental of Residential Units 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 all of the Property and the Building comprising the Condominium for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Sponsor, its successors and assigns 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 streets and roads or other areas of the Property and Building comprising the Condominium. The Sponsor, its successors and assigns shall have an easement to erect and maintain general sales, leasing, business or administration offices and/or model Residential Units, to erect, maintain, repair and replace from time to time one or more free-standing and other selling, directional and informational signs in/or on the Property and the Building comprising the Condominium as it deems necessary for the purposes of advertising the sale or lease of Residential Units, and for the purpose of showing the Residential Units to prospective Purchasers or lessees and for access to Residential Units and Common Elements consistent with the purposes of the Declaration, as the same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Residential Units, together with their Percentage of Common Interest in the Common Elements. The Sponsor, its successors and assigns reserve the right to continue to use the Common Elements and any facilities, sales offices, Unsold Residential Units and signs located on the Common

Elements, in its efforts to sell and/or lease Residential Units in the Condominium. This paragraph shall not be amended without the consent of the Sponsor.

Each Residential Unit Owner hereby grants a right of access to and through their Residential Unit to Sponsor, its designee, assignee or successor and any contractors, subcontractors, agents, and employees of the foregoing for the purposes of the repair and completion of any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed or to be performed by or on behalf of Sponsor with respect to the Common Elements and/or the Residential Units.

Each Residential Unit Owner grants an easement of ingress and egress in, over and through any hallway that may be part of their Residential Unit to any other Residential Unit Owner, tenant, resident or other persons needing ingress or egress to their respective Residential Unit that may be necessary for said purpose.

The Board of Managers will have and each Residential Unit will be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements and Individual Residential Unit's Limited Common Elements that are the obligation of the Condominium to repair, maintain and replace, located in, over, under, through or upon any Residential Unit, or any other Common Elements or elsewhere in the Condominium and (b) to maintain any encroachment on any Residential Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the General Common Elements or Individual Residential Unit's Limited Common Elements that are the obligation of the Condominium to repair, maintain and replace.

To the extent there is no material adverse affect on the Residential Unit Owners or the operation of their Residential Units, Sponsor will retain the right for as long as the Condominium exists to lease those portions of the Common Elements that do not contain any mechanical equipment or other facilities utilized by the Condominium or any other Residential Unit, including but not limited to the roof, interior and exterior portions of the Building and the cellar, if any, to the extent necessary to implement the business of the lease and to retain the income therefrom. Pursuant to said right Sponsor and any lessees of the Sponsor shall have an easement to install, maintain, repair and replace all equipment, improvements and facilities within the Common Elements required pursuant to the lease.

Each Residential Unit will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, foundations, slabs, and exterior walls) supporting or serving the Building and any replacement thereof and additions thereto and an easement of necessity, and each Residential Unit will be subject to an easement of support and necessity in favor of all other Residential Units and the Common Elements.

Each Residential Unit will have an easement for lateral and vertical support among all adjoining Residential Units and Common Elements.

Any easements granted to Sponsor, the Board of Managers, any Residential Unit or any Residential Unit Owner under the Declaration and the By-Laws may be exercised by such Sponsor's, Board of Managers or Residential Unit Owner's employees, agents, contractors, suppliers, customers, guests, invitees, licensees, servants, tenants, subtenants, members, and visitors, as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by the Sponsor, the Residential Unit Owner or Board of Managers.

Each Residential Unit Owner will have a right and easement to use its Residential Unit and the Individual Residential Unit's Limited Common Elements appurtenant to such Residential Unit or Residential Units, and the General Common Elements, subject to and in accordance with the terms and conditions of the Declaration and By-Laws.

All Residential Unit Owners, residents, guests, tenants and anyone else needing access to a Residential Unit shall have an easement of ingress and egress, in, through and over the Property of the Condominium, including the Common Elements regardless of how classified for access to their Residential Unit.

The Board of Managers on behalf of the Condominium will have an easement and unlimited access to any Individual Residential Unit's Limited Common Elements for the purpose of making inspections, repairs or rebuilding of the Condominium.

All emergency vehicles and personnel, including, but not limited to, police, fire and medical vehicles and personnel shall be granted an easement of ingress and egress over, upon and through all areas of the Condominium Property. This Paragraph may not be amended by the Residential Unit Owners in the Condominium.

Allocation of Common Interest

The Percentage of Common Interest of the Condominium establishes each Residential Unit Owner's percentage of ownership in the Common Elements of the Condominium. Each Residential Unit Owner has the Percentage of Common Interest in the Condominium set forth on Schedule A. Such allocation has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium the uniqueness of the Residential Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Residential Unit.

The Percentage of the Common Interest in the Common Elements shall not be changed with respect to sold Units except with the consent of all Residential Unit 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.

XXIV. REAL ESTATE TAXES

In accordance with the New York State Condominium Act, real estate taxes applicable to each Residential Unit will be separately assessed. The estimated monthly costs and charges to be incurred by the owner of each Residential Unit in the first year in which the property will be fully subject to real estate taxes together with estimated Common Charges on each Residential Unit and other carrying costs are set forth on Schedule A.

The estimated first year taxes to be incurred by each Residential Unit Owner are set forth in Schedule A. The estimate of real estate taxes for the projected first year of operation is based upon the total taxes of the entire complex for the 2015/2016 tax year.

The tax bill for the 2015/2016 period reflects an assessed valuation of $260,100 with a tax rate of 12.8830% resulting in total taxes of $33,509. The tax bill for the 2014/2015 period reflects an assessed valuation of $300,150 with a tax rate of 13.1450% resulting in total taxes of $39,455 and the tax bill for the 2013/2014 period reflects an assessed valuation of $300,150 with a tax rate of 13.1450% resulting in total taxes of $39,455.

Each Residential Unit will be given a separate block and lot designation.

The estimate of real estate taxes for each Residential Unit for the first year of Condominium operation further assumes that the amount of real estate taxes payable with respect to each Residential Unit will be levied based on each Residential Units Percentage of Common Interest. There is no assurance, however, that the local taxing authority will allocate taxes among the Residential Units in such manner.

Although in the Sponsor's opinion this method of calculating the real estate taxes applicable to each Residential Unit is reasonable, there can be no assurance that this method of calculation of real estate taxes applicable to each Residential Unit will be the final method used by the local taxing authority in establishing the real estate tax assessment for each Residential Unit. If for any reason a different method of calculation is used or a different assessment is placed upon any of the Residential Units by such authorities, real estate taxes may increase or decrease, depending upon the final decision of such taxing authorities.

The conversion of the Property from rental status to condominium ownership should not, by itself, result in an increase in the assessed value of the Residential Units. Real Property Law Section 339-y prohibits the aggregate assessment of the individual Residential Units, plus their Percentage of Common Interests, from exceeding the total assessed value of the Property as one parcel.

In the event the Residential Units have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Residential Unit, 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 the Residential Units in the Condominium for the six (6) month period following the first closing. Thereafter, at each closing during said period, each Purchaser will reimburse the Sponsor for the pro-rata amount paid on behalf of said Residential Unit. In the event the actual assessment is greater than the amount adjusted, Purchaser agrees to reimburse Sponsor after the Closing to the extent of the actual assessment. In the event the actual assessment is less than the amount adjusted, Sponsor agrees to reimburse the Purchaser after the Closing to the extent of the actual assessment.

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 Residential Units for such six (6) month period and may collect at each Closing the estimated amount of taxes attributable to such Residential Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from Residential Unit Owners to the extent of the actual assessment.

Purchasers should refer to Section XIX of the Offering Plan (Closing Costs and Adjustments) as to the procedure that will be utilized in paying, adjusting and collecting real estate taxes in the event they have not been separately assessed.

Residential Unit Owners will not be responsible for or subject to any lien arising from the non-payment of real estate taxes on any other Residential Unit.

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 and cannot be construed as an assurance of the final tax costs, but are merely estimates based upon information available to the Sponsor at this time. In no event will the Sponsor, the Selling Agent or Sponsor's Counsel be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind the Purchaser's Purchase Agreement, in the event the amount of the taxes differ from those projected.

As of the date of this Offering Plan there are no tax certiorari proceedings pending.

XXV. INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The Sponsor has been advised by its counsel, Certilman Balin Adler & Hyman, LLP that each Residential Unit Owner will be entitled under present law to a deduction for Federal and New York State and New York City income tax purposes for the real estate taxes paid by each Residential Unit Owner covering their Residential Unit and, provided the Residential Unit is used as the Residential Unit Owners primary residence

or one (I) other residence that the Residential Unit Owner selects pursuant to Section 163(h) of the Internal Revenue code of 1986, for the interest paid by the Residential Unit Owner on any mortgage covering the Residential Unit Owner's Residential Unit. See the Opinion of Counsel in Section XXVI of the Offering Plan. Similarly, the Sponsor has been advised by counsel that certain Residential Unit 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 Residential Units.

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 Residential Unit Owners. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional Common Charge.

Sponsor has also been advised that pursuant to Section 528 of the Internal Revenue Code, certain Condominiums, substantially all of whose Residential Units are used for residences, are afforded the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty (60%) percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Residential Unit Owners 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 said 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. This Condominium has been structured so that it will meet the requirements of Section 528 of the Internal Revenue Code and as a result the Condominium will be eligible to be treated as a tax exempt organization under Section 528 of the Internal Revenue Code. Purchasers should refer to the Opinion of Counsel in Section XXVI of the Offering Plan.

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March 9, 2017

2276 Homecrest Owner LLC
295 Madison Avenue, 2nd Floor
New York, New York 10017

Re: 2276 Homecrest Avenue Condominium

Gentlepeople:

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 Residential Unit and real estate taxes payable by a Residential Unit Owner, which are assessed against the Residential Unit by any governmental taxing authority, are a proper deduction in connection with Federal, New York State and New York City Income Taxes payable by the owner of such Condominium Residential Unit.

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 Residential Unit, in connection with their Federal, New York State and New York City income taxes. Similarly, we are of the opinion that each Condominium Residential Unit Owner whose Residential Unit is either their principal residence or the one other residence selected 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 the Residential Unit Owner on any mortgage which becomes a lien on a Condominium Residential Unit. The Residential Unit may be so selected if the Residential Unit Owner either uses it as a residence within the meaning of Code Section 280A (d) (1) (i.e., 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 Residential Unit is rented at a fair rental), or neither rents nor uses the Residential Unit at any time during the year. In addition, certain Residential Unit 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 Residential Unit.

In adding a new Section 528 to the Code, the Tax Reform act of 1976 affords certain Condominiums, substantially all of whose Residential Units are used for residences, the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty percent (60%) or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Residential Unit Owners and ninety percent (90%) or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium properties, which properties, as defined in 528 of the Code, include property held by the Condominium, or property within 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, New York State and New York City Income Taxation all amounts received by the Condominium from the Residential Unit Owners as membership dues, fees or assessments. The Condominium will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated sources income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the Residential Unit Owners. 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 Residential Unit Owners not expended in any taxable year, be subject to Federal, New York State and New York City Income Taxation (see Rev. Ruling 74-99, 1974-1 C.B. 131).

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

We have examined the exceptions to title set forth in Section XVIII 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 Residential Unit 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.

We note that the Common Interest of each Residential Unit has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Residential Unit. Said method of determining the Percentage of common interest in a condominium complies with and is pursuant to Section 339-i (1) (iv) 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 Residential Unit 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 documents 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, any 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 statues, 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 or New York City tax law as amended and Residential Unit Owners not to be entitled to income tax deductions.

All Purchasers are advised to consult with their personal tax consultant as to the tax consequences of purchasing and owning a Residential Unit in the Condominium

It is our understanding that this letter will be made a part of the Offering Plan and we consent to its inclusion therein.

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP

By: _____
RICHARD HERZBACH, Partner

XXVII. PURCHASERS FOR INVESTMENT OR RESALE

A purchaser for investment or resale is an individual who purchases three (3) or more Residential Units which are not intended for occupancy by such individual or persons related by blood, marriage or adoption to such purchaser. In connection with the sale of such Residential Units such a Purchaser must:

1. Register as a dealer pursuant to GBL Section 359-e of the General Business Law (if not already registered).

2. Comply with the trust fund and escrow provisions of Sections 352-h and 352-e(2-b) of the General Business Law.

3. Provide the following documents to a prospective purchaser at no cost to the purchaser not less than three (3) business days before entering into a Purchase Agreement:

   (i) Copy of the most recent financial statement of the Condominium, if any; and copy of the most recent budget of projected expenses, if any.

   (ii) Copies of the notices from the Board of Managers of the Condominium concerning changes in Common Charges, potential assessments and planned major capital improvements, if any.

   (iii) Copies of pleadings in pending lawsuits or proceedings the outcome of which may affect offering of the Residential Unit, the seller's capacity to perform all of its obligations under the Purchase Agreement, or the rights of an existing tenant of the Residential Unit, if any.

   (iv) If the Residential Unit is occupied, a copy of the tenant's lease and representation of the tenant's status under any applicable rent laws.

   (v) Copies of the By-Laws of the Condominium as amended.

   (vi) Copy of notice of uncured violations of record in the Residential Unit that are the responsibility of the Residential Unit Owner to cure, if any.

XXVIII. RESERVE FUND

1. Summary of Local Law 70: This Plan is subject to Local Law No. 70 of the City of New York that relates to reserve funds. Accordingly, the Sponsor shall establish and transfer to the Condominium a Reserve Fund (in an amount to be determined as set forth below) to be used exclusively for making capital repairs, replacement and improvements necessary for the health and safety of the residents of the Building. This Reserve Fund shall be in addition to the Working Capital Fund provided below. The Reserve Fund shall not be subject to reduction by closing adjustments.

The Reserve Fund is to be established by the offeror ("Sponsor") and is to be used exclusively for making capital repairs, replacements and improvements. Capital replacement is defined as a building-wide replacement of a major component of any of the following systems: (i); heating, air-conditioning, ventilation; (ii) wiring; (iii) windows; and (iv) plumbing.

Sponsor is not aware of any reason to utilize any portion of the Reserve Fund nor does Sponsor currently intend to utilize any portion of the Reserve Fund during the period Sponsor is control of the Board of Managers. Notwithstanding, Sponsor reserves the right to utilize the Reserve Fund towards their permitted use if circumstances warrant such use. At such time as the Sponsor relinguishes control of the Board of Managers the non-Sponsor controlled Board of Managers shall have the right to utilize any portion of the Reserve Fund at any time for the permitted purposes pursuant to Local Law 70.

The Reserve Fund may also be used for a major structural replacement.

Sponsor is entitled to a credit against the amount to be contributed to the Reserve Fund equal to the actual cost of any capital replacement that may be begun by Sponsor after the "Red-Herring" Offering Plan is submitted to the Attorney General and before the Offering Plan is declared effective, provided (i) the Offering Plan or an amendment discloses such replacements and their actual or estimated costs, and (ii) the credit does not exceed the lesser of the actual cost of the capital replacements or 1% of the "total price" offered to tenants.

The Sponsor has not done any capital improvement since the "Red-Herring" Offering Plan was submitted to the New York State Attorney General's Office and as a result is not currently entitled to any credits.

Under Local Law 70 there are two (2) options the Sponsor has of calculating mandatory contributions. The first option requires the entire contribution to be funded within thirty (30) days of closing of the conversion (i.e. within thirty [30] days after the first Residential Unit closing has taken place). The second alternative permits the contribution to be paid out over five (5) years. The Sponsor may elect which of the two (2) alternatives it prefers at the time of the initial contribution is made, and such decision will be disclosed in the post-closing amendment.

(a) Reserve Fund is Funded Within Thirty (30) Days of the First Closing ("Option 1").

Option 1 requires an initial contribution of three (3%) percent of the "total price", which is the sum of the offering of all Residential Units in the offering at the last price that was offered to Tenants in Occupancy prior to the effective date of the plan. Funding of the initial contribution to the Condominium under this option must be made within thirty (30) days of the first Residential Unit Closing.

(b) Reserve Fund Is Paid Over Time ("Option 2").

Option 2 is calculated based upon (i) the actual sales price of all Condominium Residential Units subject to a Purchase Agreement as of the date the Offering Plan is declared effective, but not less than one (1%) percent of the Total Price; plus (ii) supplemental contributions equal to three (3%) percent of the total sales price of each Residential Unit sold by the Sponsor within thirty (30) days of the Closing of Title to the Residential Unit to Purchasers after the effective date of the Plan and before the fifth (5^{th}) anniversary of the Closing of the first Residential Unit. If the gross amount contributed is less than three (3%) percent of the Total Price as of the fifth (5^{th}) anniversary of the Closing Date, the Sponsor shall contribute the difference within thirty (30) days of the fifth (5^{th}) anniversary of the Closing Date.

2. Application of Law to this Plan. Assuming the Total Price offered to Purchasers is $5,190,000, then the minimum Reserve Fund to be established under the plan would then be two (2) options:

a. Option 1 –
$155,700 representing three (3%) percent of the Total Price less the actual cost of any capital replacement as described in b(ii) below or,

b. Option 2 –
(i) Three (3%) percent of the Actual Sales Price of all Residential Units that are subject to a Purchase Agreement at the time the Plan is declared effective but in no event less than $51,900; less

(ii) the actual cost of any capital replacement begun by Sponsor after the "Red Herring" Plan was submitted to the Attorney General and before this Plan is declared effective, provided:

(a) the replacement and their actual or estimated costs are disclosed in the Plan or in an amendment to the Plan; and

(b) the credit for the cost of capital replacements does not exceed 1% of the Total Price before the Plan is declared effective; plus

(iii) supplemental contributions to be made by the Sponsor at the rate of 3% of the actual sales price of Residential Units held by the Sponsor and sold to Purchasers of a Residential Unit subsequent to the Plan's effective date and within five (5) years of the Closing Date; plus

(iv) a final contribution to be made by Sponsor five (5) years and thirty (30) days after the Closing Date in a sum equal to the remainder (if any) of three (3%) percent of the "Total Price" (Total Price is equal to $155,700 assuming $5,190,000 is the last Total Price offered to Purchasers prior to the Plan's effective date) less all sums previously contributed and credited to the Reserve Fund (including the initial Reserve Fund retained at within thirty (30) days of the Closing of the first Residential Unit, all credits allowed against the initial Reserve Fund and all supplemental contributions made by Sponsor).

c. The actual cost of any capital replacement begun by Sponsor after the "Red Herring" Plan was submitted to the Attorney General and before this Plan is declared effective may be credited against the mandatory initial contribution, in either Option 1 or 2 above, to the Reserve Fund, provided:

(i) the replacements and their actual or estimated costs and the amount of the credit are disclosed in the Plan or in an amendment to the Plan on or before the Plan is declared effective; and

(ii) that credit for the cost of capital replacements shall not exceed the lesser of the actual cost of the capital replacement or 1% of the Total Price offered before the Plan is declared effective.

Any capital replacement work to be credited against the Reserve Fund that is begun by Sponsor before the Plan is declared effective, and the actual or estimated cost of such work, will be disclosed in an amendment on or before the Plan is declared effective and credited against the Reserve Fund. The total amount to be credited to the Reserve Fund will be applied against the initial amount to be contributed.

Purchasers should note that the boiler used to provide heat in the Building is a Weil McClain Model MD16566-01 and is approximately 40 years old. Based upon the observation of the engineer who prepared the Description of Property Report contained as Schedule I in Part II of the Offering Plan, the boiler has exceeded its useful life. Notwithstanding, the boiler has been providing generally acceptable comfort to the Building and the Sponsor does not intend to replace the system. In the event the Condominium decides to replace the boiler it will be a Common Expense of the Condominium. The current estimated cost of replacement of the boiler is approximately $14,480. The Sponsor is unaware of any additional capital items that may need to be replaced in the Building within the next five (5) years. Purchasers are advised to review the Description of Property regarding the overall condition of the Building contained in Schedule I in Part II of the Offering Plan.

It is Sponsors present intention that the initial Reserve Fund will be established by Option 2 above. Sponsor reserves the right to elect Option 1. In such an event Sponsor will disclose said fact prior to the Offering Plan being declared effective.

No representation is made that the Reserve Fund will be adequate for future expenses including repairs or replacements of Common Elements during the first five (5) years of the Condominium. In the event the Condominium requires funds required for capital expenditures such as renewal or replacement of Building components the Board of Managers is authorized to utilize the Reserve Fund, borrow money for said purposes or implement a Special Assessment for said purposes. The entire Board of Managers shall be authorized to borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the General Common Elements, provided, however, no lien to secure repayment of any sum borrowed may be created on any Residential Unit or its appurtenant interest in the Common Elements without the written consent of the Owner of said Residential Unit. The Board shall have the right to borrow from any institutional lender, any third (3^{rd}) party lender and/or the Sponsor, as long as the loan is on market terms. Residential Unit Owners will be required to pay the debt service on any loans as either part of their Common Charges or as a Special Assessment. The Board of Managers shall be authorized to borrow money on behalf of the Condominium when required in connection with any addition, alteration, improvement and for the operation, care, upkeep and maintenance of the General Common Elements, provided, however, that no lien to secure repayment of any sum borrowed may be created on any Residential Unit or its appurtenant interest in the Common Elements without the written consent of the Owners of said Residential Unit. The debt service and any other costs associated for monies borrowed pursuant to this section for the General Common Elements shall be a Common Expense of the Condominium.

Article III, Section 11 (a) of the By-Laws authorizes the establishment of the Reserve Fund. In addition, pursuant to the requirements of Local Law 70 the Board of Managers is required to provide a semi-annual report with respect to all deposits into and withdrawals from the Reserve Fund.

The By-Laws further provide that the Reserve Fund cannot be used towards the reduction of Common Charges. Sponsor represents that during the period Sponsor is in control of the Board of Managers, the Reserve Fund line items 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 and the obligations pursuant to Local Law 70 shall not be waived under any circumstances.

XXIX. WORKING CAPITAL FUND

At Closing the Sponsor will collect the equivalent of two (2) months of 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 Common Charges. The working capital fund may be utilized to reimburse Sponsor for prepaid expenses of the Condominium as detailed below.

At the first Closing of a Residential Unit, Sponsor shall apportion the following items with the Condominium Board of Managers as of midnight of the day immediately preceding such Closing:

a) accrued or prepaid employees' wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the project, if any;

b) fees for assignable permits and licenses, if any;

c) charges for gas for the Common Elements, if any;

d) charges for electricity for the Common Elements;

e) charges under service and maintenance contracts and concession agreements;

f) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed;

g) supplies, fixtures and appliances on hand at Sponsor's cost (plus sales tax);

h) premiums for transferable insurance policies; and

i) such other items as are customarily included in closing adjustments in the locale.

The Working Capital Fund collected may be used to pay for the above apportionments.

THE ENTIRE PROPERTY, INCLUDING THE RESIDENTIAL UNITS AND THE FIXTURES AND APPLIANCES CONTAINED THEREIN, IS OFFERED IN ITS CURRENT "AS IS" CONDITION. NO GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE CONTINGENCY FUND OR THE PHYSICAL CONDITION OF THE BUILDING. EXCEPT AS MAY BE EXPRESSLY SET FORTH HEREIN, SPONSOR MAKES NO REPRESENTATION WITH RESPECT TO THE ADEQUACY OF THE CONTINGENCY FUND OR THE PHYSICAL CONDITION OF THE BUILDING.

A complete physical description of the Property and equipment may be found in Part II entitled "Description of Property and Building Condition."

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

XXX. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Sponsor will enter into a Management Agreement with Crosstown Management Corp., 97-77 Queens Boulevard, Suite 1120, Rego Park, New York 11374, (the "Agent"). The Management Agreement (the "Agreement") shall become effective on the day the first Residential Unit Closes Title and shall continue in full force and effect for one (1) year from the Closing of Title of the first Residential Unit at an annual fee as provided for in the budget payable in equal monthly installments.

The duties and services to be rendered by the Managing Agent are detailed in the Management Agreement contained as Schedule R in Part II of the Offering Plan.

The Managing Agent shall be reimbursed for all out-of-pocket expenses, including without limitation all messenger and mailing expenses incurred by Agent in the performance of its duties.

The Managing Agent is not affiliated with the Sponsor or any of its principals.

The Agreement shall be binding upon and inure to the benefit of the parties and their successors, assigns, legal representatives, heirs and distributes, subject, however, to the terms, conditions and provisions of the Agreement and provided that neither the Agreement or any of the rights, obligations or duties of any party may be assigned except with the prior written consent of all of the other parties.

XXXI. IDENTITY OF PARTIES

Sponsor

The Sponsor is 2276 Homecrest Owner LLC, a New York limited liability company with a New York address at 295 Madison Avenue, 2nd Floor New York, New York 10017. The company was formed on November 5, 2014. The sole member of the Sponsor entity is Brooklyn Portfolio Member, LLC a Delaware limited liability company formed on January 5, 2015, with the same business address as the Sponsor. The Manager of the Sponsor is Phillip Pilevsky with the same address as the Sponsor. The principals of the Sponsor are Phillip Pilevsky, and Seth Pilevsky all with the same business address as the Sponsor herein. The Pilevsky organization has been involved in the real estate, construction and management business for over 35 years. The following is a list of condominiums and cooperatives in which members or their affiliates currently have a ten (10%) or greater interest.

2276 Homecrest Avenue Owner LLC – NONE

Brooklyn Portfolio Member LLC

2632 East 21st Street Condominium
2632 East 21St Owner LLC
2632 East 21st Street
Brooklyn, New York 11235
Accepted for filing by the Attorney General's Office on March 17, 2016
CD15-0192

3611 Shore Parkway
3611 Shore Parkway Owner LLC
3611 Shore Parkway
Brooklyn, New York 11235
Accepted for filing by the Attorney General's Office on May 2, 2016
CD15-0314

2955 Ocean Parkway
2955 Ocean Parkway Owner LLC
295 Madison Avenue
New York, New York 10017
Accepted for filing by the Attorney General's Office on November 7, 2016
CD16-0070

2959 Ocean Parkway
2959 Ocean Parkway Owner LLC
295 Madison Avenue
New York, New York 10017
Accepted for filing by the Attorney General's Office on November 7, 2016
CD16-0071

2963 Ocean Parkway
2963 Ocean Parkway Owner LLC
295 Madison Avenue
New York, New York 10017
Accepted for filing by the Attorney General's Office on November 7, 2016
CD16-0072

4641 Bedford Avenue Condominium
4641 Bedford Owner LLC
4641 Bedford Avenue
Brooklyn, New York 11235
Submitted to Attorney General on November 3, 2016

4665 Bedford Avenue Condominium
4665 Bedford Owner LLC
4665 Bedford Avenue
Brooklyn, New York 11235
Submitted to Attorney General on November 3, 2016

2362 East 13th Street Condominium
2362 East 13th Owner LLC
2362 East 13th Street
Brooklyn, New York 11229
Submitted to Attorney General on December 23, 2016

2403 East 13th Street Condominium
2403 East 13th Owner LLC
2403 East 13th Street
Brooklyn, New York 11229
Submitted to Attorney General on December 23, 2016

Philip Pilevsky

Cooperatives

100 Park Terrace West Associates
100 Park Terrace West
New York, New York
Accepted for filing November 8, 1985
COOP Conversion Occurred on November 11, 1986

Bethpage Apartment Associates
301 Hicksville Road
Bethpage, New York
Accepted for filing September 8, 1987
COOP Conversion Occurred on May 5, 1988

57 Thompson L.L.C.
57 Thompson Street
77 Perry Street
New York, New York
Accepted for filing November 20, 1986
COOP Conversion Occurred on May 18, 1988

York & 87th L.L.C.
1645 York Avenue
New York, New York
Accepted for filing February 13, 1987
COOP Conversion Occurred on June 29, 1988

Park Terrace Apartment L.L.C.
50 Park Terrace West
New York, New York
Accepted for filing September 18, 1987
COOP Conversion Occurred on February 15, 1989

143 Bennett L.L.C.
143 Bennett Avenue
New York, New York
Accepted for filing April 21, 1988
COOP Conversion Occurred on September 20, 1989

PHA Associates I LLC
62-98 Saunders Street
Rego Park, New York 11374

PHA Associates II LLC
83-44 Lefferts Boulevard
Kew Gardens, New York 11415

PHA Associates III LLC
110-21 73rd Road
Forest Hills, New York 11375

PHA Associates IV LLC
114-06 Queens Boulevard
Forest Hills, New York 11375

PHA Associates V LLC
115-25 84th Avenue
Richmond Hill, New York 11418

PHA Associates VI LLC
118-14 83rd Avenue
Kew Gardens, New York 11415

PHA Associates VII LLC
142-20 84th Drive
Briarwood, New York 11435

PHA Associates VIII
540 Ocean Parkway
Brooklyn, New York 11218

PHA Associates X LLC
9602 4th Avenue
Brooklyn, New York 11209

Condominiums

Washington Place Associates
Washington Court Condominium
360 Avenue of the Americas
New York, New York
Accepted for filing October, 1985
Condominium Conversion Occurred on December 2, 1986

800 Second Avenue Condominium
Retail Space – 1st Floor and portions of cellar
Office Space – Floors 2-9
800 Second Avenue
New York, New York
Accepted for filing November 19, 2002

The Diplomat Centre Condominium
820 Second Avenue
New York, New York 10017
Acquisition of Unsold Units on April 26, 2006

The Grand Park Condominium
104-110 East 40th Street
New York, New York
Accepted for filing on September 16, 2008

Key Court Condominium
300 Old Country Road
Mineola, New York
Accepted for filing June 18, 1986

99 Hawthorne Condominium
99 W. Hawthorne Avenue
Valley Stream, New York
Accepted for filing December 30, 2008

40 Rector Condominium
40 Rector Street
New York, New York
Accepted for Filing May 12, 2010

Garden City Condominium I
520 Franklin Avenue Owner LLC
520Franklin Avenue,
Garden City, NY 11530
Accepted for filing March 31, 2014
CD13-0317

Garden City Condominium II
601 Franklin Avenue Owner LLC
601 Franklin Avenue
Garden City, New York 11530
Accepted for Filing March31, 2014
CD13-0318

2632 East 21st Street Condominium
2632 East 21St Owner LLC
2632 East 21st Street
Brooklyn, New York 11235
Accepted for filing by the Attorney General's Office on March 17, 2016
CD15-0192

3611 Shore Parkway
3611 Shore Parkway Owner LLC
3611 Shore Parkway
Brooklyn, New York 11235
Accepted for filing by the Attorney General's Office on May 2, 2016
CD15-0314.

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CD16-0070

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Submitted to Attorney General on December 23, 2016

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2403 East 13th Street
Brooklyn, New York 11229
Submitted to Attorney General on December 23, 2016

Seth Pilevsky

Condominiums

Grand Park Condominium
104-110 East 40th Street
New York, New York
Accepted for Filing September 16, 2008

99 Hawthorne Condominium
99 West Hawthorne Avenue
Valley Stream, New York
Accepted for filing December 30, 2008

40 Rector Condominium
40 Rector Street
New York, New York
Accepted for Filing May 12, 2010

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520Franklin Avenue,
Garden City, NY 11530
Accepted for filing March 31, 2014
CD13-0317

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Rego Park, New York 11374

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110-21 73rd Road
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114-06 Queens Boulevard
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PHA Associates V LLC
115-25 84th Avenue
Richmond Hill, New York 11418

PHA Associates VI LLC
118-14 83rd Avenue
Kew Gardens, New York 11415

PHA Associates VII LLC
142-20 84th Drive
Briarwood, New York 11435

PHA Associates VIII
540 Ocean Parkway
Brooklyn, New York 11218

PHA Associates X LLC
9602 4th Avenue
Brooklyn, New York 11209

The Sponsors of said communities are current in their obligations to the respective community.

Managing Agent

Crosstown Management Corp. 97-77 Queens Boulevard, Suite 1120, Rego Park, New York, 11374 will be the Managing Agent for the Building. See Section XXX. The Managing Agent has been engaged in the development, ownership, operation and management of New York City and Metropolitan commercial and residential properties since 1979.

The Managing Agent is not affiliated with the Sponsor or any of its principals.

Partial lists of residential properties which have been managed by the Managing Agent in Brooklyn include:

Address Location	# of Buildings	# of Residential Apts.
305 7th Street Brooklyn, NY 11215	1	9
343 63rd Street Brooklyn, NY 11220	1	6
6922 21st Avenue Brooklyn, NY 11201	1	4
14 Pierpont Street Brooklyn, NY 11201	1	8
486/488 Carroll Street Brooklyn, NY 11215	2	12
295 3rd Avenue Brooklyn, NY 11215	1	2
137 Garfield Place Brooklyn, NY 11215	1	8
256 6th Avenue Brooklyn, NY 11215	1	5
380 Court Street Brooklyn, NY 11231	1	8

Selling Agent

Korr Realty, 2405 Avenue X, Brooklyn, New York has been engaged by Sponsor to be the exclusive Selling Agent. The firm is duly licensed under the laws of the State of New York as a real estate broker. The agent for the firm has been operating as a selling agent for residential properties in the Brooklyn area for over 27 years. A representative list of the residential properties they have been involved in within the last year include the following:

Mill Harbor Condominium, Bergen Beach, Brooklyn, New York
Sleepy Hollow (Two Family Home Development), Bergen Beach, Brooklyn, New York
Cove Lane Condominium, Bergen Beach, Brooklyn, New York
1910 Avenue V Condominium, Sheepshead Bay, Brooklyn, New York
Sea Breeze Condominium, Brighton Beach, Brooklyn, New York
3080 West 1 and 135 Sea Breeze Avenue, Brooklyn, New York
Flagg Court Cooperative, Bay Ridge, Brooklyn, New York
1801 Avenue N Cooperative, Brooklyn, New York
3037 Brighton 6 Street Condominium, Brooklyn, New York
1122-1124 Avenue Z Condominium, Brooklyn, New York
3392 Guider Avenue Condominium, Brooklyn, New York
79 Avenue U Condominium, Brooklyn, New York
1440 West 4th Condominium, Brooklyn, New York

Attorneys

Certilman Balin Adler & Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554, counsel of the Sponsor, have been selected by the Sponsor to represent the Condominium in connection with all legal matters incident to the operation and management of the Condominium. No legal fee will be charged for such representation except for work actually performed after the formation of the Condominium. The Condominium can at any time choose to select different attorneys to represent it.

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. The individual partner in said firm responsible for the preparation of the Offering Plan is Richard Herzbach, Esq.

Certilman Balin Adler & Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554 will also represent the Sponsor in connection with the individual Residential Unit Closings and will act as the Escrow Agent as described in Section XV of the Offering Plan. Said firm has no financial interest in the Property, the Sponsor, the Condominium or any other party involved in this transaction, except for its fee for services rendered in connection with the Condominium.

Insurance

The estimated insurance rates have been passed upon by Praxis International Corporation, 338 Westbury Avenue, Carle Place, New York 11514. 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.

Engineer

The engineering firm that prepared the Description of Property Report in Part II and which executed the Certification in Part II is the Engineered Building Inspections, P.C. ("EBI"), 168 Broadway, Garden City Park, New York 11040.

The engineering firm has no financial interest in the property, the Sponsor, the Condominium or any other party involved in this transaction, except for its fee for services rendered in connection with such report.

XXXII. SPONSOR'S PROFIT

Sponsor has owned the property since January 13, 2015. Sponsor anticipates that when all of the Residential Units are finally sold, the Sponsor will make a profit from the sale. However, the exact amount of profit to be realized cannot now be determined because of such variable factors as future market conditions, increases or decreases in the estimated expenses of the Sponsor and the length of time required to finally sell all of the Residential Units in the Building.

XXXIII. REPORTS TO RESIDENTIAL UNIT OWNERS

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

(i) a financial statement of the Condominium prepared by a certified public accountant or public accountant by a specific date; such statement shall be certified while the Sponsor retains a majority of the Members of the Board of Managers and such statement shall be provided within approximately four (4) months after the close of the fiscal year;

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

(iii) a copy of the annual budget of the Condominium within thirty (30) days after adoption by the Board of Managers. While Sponsor is in control of the Board of Managers such budget will be certified in accordance with the regulations of the Department of Law.

XXXIV. 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 Residential Unit.

XXXV. 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. No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the Residential Units being offered for sale in the Plan and no deposits or advances of funds have been taken by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Residential Units, prior to submission of the Plan to the Department of Law. There are no commercial tenants occupying the premises.

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, sexual orientation, color, disability, marital status, national origin or ancestry in the sale of Residential Units under this Plan.

Amendment of Plan

The Plan may be amended at any time and from time to time. If there is a material amendment to the Offering Plan that adversely affects the Purchasers, Sponsor must grant Purchasers a right of rescission not less than fifteen (15) days after the Date of Presentation of the Amendment to exercise the right of rescission. Sponsor must return any Deposit to a Purchaser who rescinds their Purchase Agreement. In the event Purchaser, pursuant to a duly filed Amendment to the Plan offering rescission, elects to rescind the Purchase Agreement and has also entered into an Interim Lease, Purchaser's rescission shall not be effective unless Purchaser has previously vacated the Residential Unit and surrendered the Interim Lease. If Purchaser has not complied with these requirements, the rescission shall be deemed ineffective and the Purchase

Agreement shall remain in full force and effect. The Interim Lease shall terminate in any event as of the date that Purchaser exercised Purchaser's rescission right and Purchaser shall vacate the Apartment within thirty (30) days thereafter.

If an Offering Plan is substantially amended prior to the first closing of title to a Purchaser, the Exclusive Purchase Period shall be extended, as follows:

(i) If the Date of Presentation of the substantial amendment occurs during the initial Exclusive Purchase Period, such period shall terminate at the later of thirty (30) days after the Date of Presentation of the substantial amendment or the expiration of the original Exclusive Purchase Period.

(ii) If the Date of Presentation of the substantial amendment occurs after the expiration of the initial Exclusive Purchase Period, the substantial amendment must grant to all tenants who had the right to purchase during the initial Exclusive Purchase Period a new exclusive right to purchase on the terms offered in the amendment for a period of not less than thirty (30) days from the Date of Presentation of the amendment. No person has been authorized to make any representation which is not expressly contained herein.

XXXVI. SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

The Sponsor represents that to the best of its knowledge the "Description of Property and Building Condition" set forth in Part II which is hereby adopted by the Sponsor, accurately states the condition of the Property. Said Description of Property and Building Condition was prepared by Engineered Building Inspections, P.C. based upon a visual inspection of the Building, representative Residential Units and the equipment therein. The Sponsor further represents that it does not know of any material defect or need for major repairs to the Building except as set forth in said Description of Property and Building Condition.

The Common Elements are offered in "as is" condition as of the date of Closing of the first Residential Unit, subject to (a) the Sponsor's obligation to maintain the Property until the closing in substantially the same condition and manner as on the date of presentation, and (b) reasonable wear and tear.

Each Residential Unit is offered in "as is" condition as of the date of the Purchase Agreement, subject to (a) the Sponsor's obligation to maintain the Residential Unit until the closing in substantially the same condition as on the date of presentation, (b) reasonable wear and tear and the improvements disclosed in the Description of Property Report.

The number of Residential Units offered is identical to the number of Residential Units permitted by the Certificate of Occupancy, or as it may be amended, and the

proposed use of the Residential Units is permitted by the use indicated in the Certificate of Occupancy, as it may be amended, or as permitted by applicable law.

XXXVII. AIR AND DEVELOPMENT RIGHTS

Although no further development is anticipated at this time, Sponsor reserves all Air and Development Rights that may be applicable to this Building.

2276 HOMECREST OWNER LLC
Sponsor

Date of Offering Plan: _____, 201__
East Meadow, New York

OFFERING STATEMENT

2276 HOMECREST AVENUE CONDOMINIUM

2276 Homecrest Avenue
Brooklyn, New York 11229

PART II

RESIDENTIAL UNIT PURCHASE AGREEMENT

Residential Unit No. _____ **Date** _____

Anticipated Closing Date: _____

Seller: 2276 HOMECREST OWNER LLC

Address: 295 Madison Avenue, 2nd Floor, New York, New York 10017

Purchaser(s): _____

Home Address: _____

Residential Telephone Number: _____

Business Telephone Number(s): _____

Email Address: _____

Social Security Number(s): _____

Purchaser's Attorney: _____

Attorney's Address: _____

Attorney's Email Address _____

Attorney's Phone/Fax Number: Phone:_____ Fax _____

Seller and Purchaser agree as follows:

1) **PURCHASE PRICE:**

Residential Unit	$_____
Extras, upgrades, options, extras, custom or special work ("Extras")	$_____
	TOTAL $_____

PAYABLE AS FOLLOWS:

On the signing of this Purchase Agreement, 10% of the Purchase Price, the receipt whereof is hereby acknowledged (the "Deposit")	$_____
Seller Mortgage	$_____
Purchaser's certified or bank cashier's check (drawn on a New York Bank payable directly to the order of Seller or Seller's designee on the Closing of Title	$_____
	TOTAL $_____

SCHEDULE D

Any payment made by check is accepted subject to collection. If any check tendered is not honored, Purchaser shall provide a certified check or bank cashier's check payable directly to the payee on the dishonored check within seventy-two (72) hours after demand for replacement therefore.

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

THE PAYMENT DUE AT CLOSING IN ACCORDANCE WITH THIS PURCHASE AGREEMENT ON ACCOUNT OF THE PURCHASE PRICE MUST BE MADE BY WIRE, PURCHASER'S PERSONAL CERTIFIED CHECK OR OFFICIAL TELLERS CHECK ON A NEW YORK CLEARINGHOUSE BANK PAYABLE DIRECTLY TO SELLER OR SELLER'S DESIGNEE. IF PAYMENT SHALL BE MADE TO SELLER'S DESIGNEE, SELLER SHALL GIVE PURCHASER PRIOR INSTRUCTIONS. UNCERTIFIED CHECKS OF FUNDING COMPANIES, ATTORNEY'S ESCROW CHECKS AND CHECKS PAYABLE TO PURCHASER OR ANOTHER PARTY AND ENDORSED TO SELLER WILL NOT BE ACCEPTED AND TENDER OF SAME WILL NOT CONSTITUTE COMPLIANCE BY PURCHASER OF THEIR OBLIGATIONS HEREUNDER.

2) **DESCRIPTION OF UNIT** - Seller agrees, at its own cost and expense, to sell to Purchaser and Purchaser shall buy from Seller, the condominium unit(s) known as Residential Unit No. ____ (the "Residential Unit") together with a _____ Percentage of Common Interest in the Common Elements of the condominium (the "Common Elements") known as 2276 Homecrest Avenue Condominium (the "Condominium"), located at 2276 Homecrest Avenue, Brooklyn, New York 11229, and as described in the Declaration of Condominium to be recorded in the Register's Office of the City of New York, on property comprising the Condominium (the "Property"). The Residential Unit shall hereinafter be referred to as the "Residential Unit".

All dimensions are approximate and may vary from the floor plans of the Condominium.

3) **OFFERING PLAN** - Seller has exhibited and delivered to the Purchaser, and Purchaser acknowledges having received, read and understood, the Offering Plan for condominium ownership of the Property and all amendments thereto filed to date, all of which are incorporated by reference and made a part of this Purchase Agreement, with the same force and effect as if fully set forth in this Purchase Agreement. Purchaser agrees to be bound by the Offering Plan, including all amendments thereto now or hereafter filed by Seller (collectively the "Plan"). Seller may freely amend the Plan in any respect from time to time, without Purchaser's approval or consent. Any conflict between the Plan and this Purchase Agreement shall be resolved according to the terms of the Plan as it may be amended. Purchaser acknowledges having received and read the Plan at least three (3) business days prior to signing this Purchase Agreement and having examined all meeting minutes, Condominium financial information, papers and documents and investigated all matters set forth in the Plan.

Purchaser shall deliver all documents to Seller and perform all acts required by Seller to carry out the provisions of this Purchase Agreement, the Offering Plan, establish the Condominium and conform to all applicable laws and regulations. This Paragraph shall survive Closing and delivery of the deed.

4) PERSONAL PROPERTY INCLUDED IN SALE; EXCLUDED ITEMS

a) At Closing, the Residential Unit will contain only those appliances, countertops, cabinets, sinks, vanities (if any), air conditioning units (if any), hardware and other fixtures and equipment currently installed therein that are owned by Seller. The Residential Unit is being sold unfurnished and in its current condition. Any appliances, air conditioning units, furnishings, equipment, fixtures, and other personal property owned by any tenant of a Residential Unit are not included in this sale and may be removed by such tenant.

b) Furniture, wall coverings, furnishings, decorations and the like in or about any model apartment are for display purposes only and are not included in the sale. Any floor plans or sketches shown to Purchaser are only approximations of the Residential Unit's dimensions and arrangement, and Purchaser should not rely thereon.

c) There will be no modifications or Extras unless agreed to in writing by the parties. All modifications and Extras to the Residential Unit must be approved by Seller in writing and, if approved, will be performed by Seller at Purchaser's expense (payable in the manner to be set forth in Paragraph 13 of the Purchase Agreement or in a separate agreement). If agreed to by the Seller, Extras will only be permitted for Non-Tenant Purchasers prior to the date the Offering Plan is declared effective pursuant to the provisions contained in the Offering Plan to a Non-Tenant Purchaser and thereafter to all Purchasers.

5) NON-TENANT PURCHASER OF OCCUPIED RESIDENTIAL UNIT [1]- In the event that the Residential Unit is presently occupied by a tenant other than Purchaser, or is subject to a lease or other right of tenancy, the following shall apply:

a) Purchaser acknowledges that Purchaser has examined or been given an opportunity to examine a copy of the lease, if any, and other records, if any, relating to such tenancy;[2]

b) The applied security deposit of the tenant in occupancy of the

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[1] This paragraph shall not be applicable and shall be of no force and effect if the Purchaser is a Tenant-Purchaser of the Residential Unit being purchased on the date hereof or if the Residential Unit is vacant.

[2] Delete if inapplicable.

Residential Unit (presently in the amount of $_____) and accrued interest thereon, if any, will be paid to Purchaser at the Closing Date and Purchaser agrees to hold same, in trust, to deposit such security in an interest bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law and to indemnify Sponsor against any claims in respect thereof;[3]

c) Purchaser understands and acknowledges that on the date of this Purchase Agreement the Residential Unit is occupied under a lease expiring on _____, 20__ at a rent of $_____ per month. Purchaser understands that if the tenant in occupancy does not voluntarily remove from the Residential Unit when the lease expires, is terminated, or Purchaser's right to occupancy ends, Purchaser shall be required to obtain possession at Purchaser's sole expense. Purchaser understands that the Residential Unit Purchaser is purchasing may be subject to the New York Rent Stabilization Law, Code and the Omnibus Housing Act of 1983 and that Purchaser shall be obliged to comply with the applicable law and code or regulations in evicting the tenant. Purchaser understands that the Residential Unit Purchaser is purchasing is also subject to the provisions of Section 352-eeee of the General Business Law ("Section 352-eeee") and that Purchaser will be obligated to comply with that law. Purchaser understands that the Condominium is being converted as a Non-Eviction Plan as defined in Section 352-eeee and in the Plan. Purchaser further understands that the Tenant in Occupancy of the Residential Unit that the Purchaser is purchasing may be an "Eligible Senior Citizen" or "Eligible Disabled Person" (as those terms are defined in the Offering Plan and Purchaser is subject to all of the rights afforded such Eligible Senior Citizen or Eligible Disabled Person as disclosed in the Offering Plan. (delete if inapplicable). Purchaser understands and Purchaser acknowledges that no eviction proceeding may be commenced at any time against the tenant other than for nonpayment of rent, illegal use or occupancy, refusal of access or similar breach of obligation. Purchaser understands that the Residential Unit Purchaser is purchasing is also subject to the provisions of the Offering Plan and all Amendments thereto and that Purchaser will be obligated to comply with the terms of the Plan.

d) Purchaser acknowledges and agrees that Purchaser will after the Closing, accept an assignment of the landlord's rights and assume the landlord's obligations under the existing lease or tenancy which

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[3] Delete if there is no unapplied security deposit as of the date hereof.

will include the obligations to repair and maintain the Residential Unit for the benefit of the existing tenant and the right to collect rent payable under the existing lease or tenancy whether the same be greater or less than the Common Charge payable to the Condominium.

e) Purchaser acknowledges and agrees that Purchaser will, at the Closing, represent in writing to the Condominium that Purchaser's purchase of the Residential Unit is subject to all the rights of the tenant occupying the Residential Unit and that Purchaser, Purchaser's successors and assigns shall continue to be bound so long as such occupancy continues;

f) Purchaser acknowledges and agrees that Purchaser will at the Closing, execute an agreement irrevocably appointing the Condominium's managing agent and its successors as Purchaser's agent to provide the Non-Purchasing Tenant(s), for the account and the expense of the Purchaser, all services and facilities required to be furnished or performed by law;

g) Rent payable under such lease or tenancy shall be apportioned between Seller and Purchaser as of midnight of the day preceding the date of the actual Closing;

h) Purchaser acknowledges and agrees that Purchaser will, at the closing, be required to deposit with the Condominium's managing agent an amount equal to at least two (2) months Common Charges for the Residential Unit to be used as working capital for the services required under the Non-Purchasing Tenant's lease and laws and regulations applicable thereto. Purchaser further acknowledges that Purchaser will, at the closing, represent in writing that upon notice by the managing agent that the deposit has been diminished, the fund shall be replenished by the Purchaser within thirty (30) days. Said working capital is in addition to the working capital to be paid to the Condominium as provided in Paragraph 8 of this Purchase Agreement and other closing costs required to be paid by Purchaser.

(i) Purchaser acknowledges and agrees that any Purchase Agreement from a Tenant in Occupancy for his or her own Residential Unit executed during any Exclusive Purchase Period shall have priority over and pre-empt this Purchase Agreement.

6) MORTGAGE FINANCING – Seller is offering Purchaser a Purchase Money Mortgage in the amount of $_____ during the initial ninety (90) day Exclusive Purchase Period ("Sponsor Financing"). A copy of the form of the Purchase Money

Mortgage, Purchase Money Condominium Rider and Purchase Money Note from the Seller is attached to the Offering Plan as Schedules T, U and V, respectively. Thereafter, or if Purchaser seeks financing from a different source, this Purchase Agreement is not subject to Purchaser obtaining mortgage financing. If Purchaser seeks financing from another source or if the Exclusive Purchase Period has lapsed and Purchaser is unable to obtain a mortgage this Purchase Agreement shall remain in effect and Purchaser shall have an ongoing obligation to consummate the transaction. If Purchaser seeks financing from another source or the Exclusive Purchase Period has lapsed and Purchaser does not consummate the transaction and close title to the Residential Unit as a result of Purchaser's inability to obtain a mortgage, Purchaser will be in default under this Purchase Agreement and Seller may terminate this Purchase Agreement and retain all monies as provided for in Paragraph 16 herein. In the event Purchaser obtains Sponsor Financing, Purchaser shall pay Seller's attorney $1,250 for the preparation of the Sponsor Financing mortgage documents as well as paying Seller a one (1%) percent origination fee.

7) CLOSING DATE; ADJOURNMENTS; CONSTRUCTION DELAYS BY SELLER
The act of transferring ownership of the Residential Unit in return for payment in full of the Purchase Price and all other sums due from Purchaser under this Purchase Agreement is known as the "Closing". The anticipated Closing Date indicated on the first page of the Purchase Agreement is an approximate date and Seller cannot make any guarantees that such date will be the actual Closing Date. Seller shall have the right to adjourn or advance such Closing Date as provided herein. The Closing shall take place at such time and place and on such date as Seller shall designate by prior written notice ("Notice for Closing") delivered in accordance with Paragraph 24 herein, which shall be given no less than thirty (30) days before the date set for Closing. Purchaser may waive the thirty (30) day notice period by execution and delivery of a written waiver in the form set forth as Schedule D-2 of this Purchase Agreement.

Should Seller be unable to convey title to Purchaser in accordance with the Notice for Closing, Seller shall have the right, from time to time, to adjourn the date and time for Closing on written notice to Purchaser. In such event, Seller shall, by a new Notice for Closing, fix a new date and time for Closing, which shall be no less than five (5) days before the new scheduled date and time for Closing.

If the Closing takes place at the request of Purchaser at any location other than the office of Seller's attorney, Purchaser shall pay to Seller's attorney a travel fee in the sum of $500. The Closing may not take place in any other location without Seller's prior written consent.

In the event the Closing is adjourned with Seller'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 Seller's attorney an adjournment fee in the sum of $500.

If Purchaser is not in default under this Purchase Agreement and the Closing has not taken place within twelve (12) months after the Anticipated Closing Date set forth on the first page of this Purchase Agreement, either Seller or Purchaser may cancel this Purchase Agreement by forwarding written notice of cancellation to the other no later than ten (10) days after expiration of such twelve (12) month period. In such an event, Seller shall refund to Purchaser, subject to the escrow provisions as disclosed in Section XV of the Offering Plan and Paragraph 23 of this Purchase Agreement, all payments, other than funds paid by Purchaser to Seller towards Extras which have been installed by Seller, not installed but paid for by Seller or not installed but which have been ordered by Seller and for which Seller is obligated to pay. Thereafter, neither party shall have any further liability or obligation to the other in connection with this Purchase Agreement or transaction. Notwithstanding, in the event the Offering Plan is abandoned, pursuant to the terms of the Offering Plan, Purchaser shall be entitled to a refund of all monies paid towards Extras. Purchaser shall be obligated to notify Seller in writing of its intent to exercise said option no later than ten (10) days after the twelve (12) month period. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event Seller shall be unable to convey title to the Residential Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the Purchase Agreement shall be deemed null and void and Seller shall return all monies being held in escrow within thirty (30) days thereafter.

8) ADDITIONAL MONEY TO BE PAID BY PURCHASER AT CLOSING - In addition to all other sums payable or reimbursable elsewhere under this Purchase Agreement, Purchaser shall at Closing pay, or reimburse to Seller if Seller has already made payment, all applicable charges for:

(a) Charges for inspections, appraisals, title examination and policy insuring the Purchaser's mortgage, if applicable. Mortgagee's attorneys' fees for preparation of all loan documents, all commitment fees, points, origination fees and other fees and charges (however characterized) imposed or exacted by the mortgagee or incurred by Seller or Purchaser in connection with Purchaser's mortgage loan;

(b) any mortgage recording taxes on Purchaser's mortgage;

(c) governmental charges which may be assessed on account of any mortgage loan;

(d) mortgage insurance, if required, on Purchaser's mortgage;

(e) New York State real estate transfer tax on the deed;

(f) New York City real estate transfer tax on the deed;

(g) all recording and filing charges payable on account of the transfer of title

and recording of all documents in connection therewith including without limitation any mortgage, the deed, power of attorney and any blanket mortgage release documents;

(h) an initial non-reimbursable capital contribution equivalent to two (2) month's Common Charges to the Condominium;

(i) a pro-rata portion of the Condominium's then current year's insurance, based on the Residential Unit's Percentage of Common Interest;

(j) fee for recording Power of Attorney;

(k) fee for recording mortgage release;

(l) $150 fee for completion of any mortgage questionnaire required by Purchaser's mortgagee;

(m) any other municipal and/or utility company fees applicable to the Residential Unit; and

(n) $1,250 to Seller's attorney for the preparation of the closing documents.

(o) $1,250 to Seller's attorney for the preparation of Sponsor Financing mortgage documents in the event Purchaser obtains Sponsor Financing.

(p) One (1%) percent origination fee to Sponsor in the event Purchaser obtains Sponsor Financing.

Seller shall also be entitled to any other costs referred to in Section XIX of the Offering Plan or elsewhere in the Offering Plan if not specifically contained herein.

Purchaser shall also apportion with Seller as of the end of the day prior to Closing, and pay to Seller at Closing, the apportioned amount due for taxes, condominium Common Charges, sewer use, water use, electricity, gas (if any) and any other utility costs. Purchaser shall also pay the deposits required by Purchaser's mortgagee, if applicable, to establish the estimated or escrow fund for future payments of taxes, Condominium Common Charges, sewer use and insurance premiums (if applicable). In addition, in the event Seller's attorney prepares the New York City "ACRIS" transfer documents, Purchaser shall be required to pay Seller's attorney an additional fee of $250. In the event the title company prepares the ACRIS, Purchaser shall pay the applicable fee of the title company. If through no fault of Seller, Purchaser fails for any reason to close title on the date originally scheduled in Seller's Notice for Closing, or such later date (if applicable) to which Seller in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of the end of the day preceding (i) the date originally scheduled for Closing or (ii) Seller's adjourned Closing Date (as the case may be).

Purchaser shall pay to Seller at or prior to the date of the actual adjourned Closing, an amount equal to .0438% per diem (which equals an annual rate of 16%) of the Purchase Price for the Residential Unit for each day beyond such originally scheduled or Seller adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Seller's carrying costs and other charges, which amount Purchaser acknowledges to be reasonable and proper.

Any errors or omissions in computing apportionments or any other sums payable under this Paragraph which are communicated to the other party within six (6) months after Closing shall be corrected and payment made to the proper party promptly after such communication. This Paragraph shall survive Closing and delivery of the deed.

9) EXISTING MORTGAGE(S) - All terms and provisions of this Purchase Agreement and all payments made hereunder are and shall be subject and subordinate to the lien of any acquisition, improvement, or interim loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon, to the full extent thereof without the execution of any further documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the loan schedule of payments or accelerated thereunder by virtue of the lenders right to make advances before they become due in accordance with the schedule of payments. Seller shall satisfy all such mortgages or obtain a release of the Residential Unit and its appurtenant Percentage of Common Interest in the Common Elements (as such term is defined in the Plan) from the liens of such mortgages at or prior to Closing unless Purchaser shall be required to take title subject to the existing mortgage, as severed and converted to Purchaser's individual mortgage on the Residential Unit.

10) DEED AND ENCUMBRANCES UPON OWNERSHIP - The deed to be given by Seller to Purchaser at Closing shall be a Bargain and Sale with Covenant against Grantor's Acts deed, but subject, nevertheless, to the matters set forth in sub-paragraphs (a) through (f) below and any exceptions recited in Section XVIII of the Offering Plan, which need not be recited in the deed given at Closing but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Seller in proper statutory form for recording (except for payment of the New York State and New York City transfer tax which is the obligation of Purchaser) so as to convey to Purchaser fee simple title to the Residential Unit, free and clear of all liens and encumbrances, except as herein stated. The deed shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. Purchaser shall accept such title and deed description of the Residential Unit subject to the liens, encumbrances and other matters set forth in this Purchase Agreement as, Stewart Title Insurance Company, 300 East 42nd Street, New York, New York 10017 Attn: Michael Fluss a title insurance company licensed to do business in the State of New York, is willing to approve and insure without additional premium. Purchaser may obtain title insurance from any title insurance company or abstract company, or Purchaser may decline to obtain any title insurance at all, however Seller recommends that Purchaser utilize Stewart Title.

Purchaser shall be responsible for payment to the title company of the entire premium for Purchaser's title insurance.

The sale and transfer of ownership of the Residential Unit to Purchaser shall, even though not stated in the deed, be subject to:

(a) Ordinances, rules, regulations, requirements and approvals of applicable governmental authorities or the Common Elements to be constructed.

(b) Rights for installation, use and/or maintenance of easements and rights of way for utilities, sewer, cable television, drainage, scenic purposes, screening and planting which have already been granted or may be granted after this Purchase Agreement is signed or after Closing.

(c) Declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded.

(d) Unpaid taxes and liens provided the title insurance company shall insure against collection of same out of the Residential Unit.

(e) Open permits and open violations against the Residential Unit and the Building:

(f) The filed Condominium Map and all matters reflected thereon.

(g) The Declaration and By-Laws of the Condominium and any amendments or supplements thereto.

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 Property 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 Purchase Agreement.

11) POWER OF ATTORNEY - At Closing, Purchaser shall execute, acknowledge and deliver to Seller in recordable form, a power of attorney in the form set forth as Schedule F to the Plan (the "Power of Attorney"), in favor of the Board of Managers of the Condominium relative to leasing and purchasing of Residential Units in the Condominium under certain circumstances and to foreclose upon Residential Units in the Condominium for which the payment of Common Charges is delinquent, and in favor of Seller relative to amending the Condominium documents to the extent provided for in the Plan. Purchaser further agrees to execute and pay for any recording fees in the event the form required to be used for a Power of Attorney is revised subsequent to the date of the Closing.

12) ENCUMBRANCES/LIENS EXISTING AT CLOSING - The existence of anything affecting the sale at Closing, including unpaid taxes or liens of any kind, shall not constitute an objection to title provided Stewart Title or another title or abstract company selected by Purchaser, is willing to insure Purchaser's title clear of the matter or is willing to insure against enforcement or collection out of the Residential Unit upon Seller's doing whatever acts as may be required by said company and/or the depositing of money. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the Residential Unit, not provided for in this Purchase Agreement, out of the monies to be paid by the Purchaser at the time of Closing.

13) AS IS CONDITION – Except as otherwise set forth in the Offering Plan or this Purchase Agreement, neither Seller nor any of its agents including any broker or any employee or managing agent makes any representations, whether express or implied as to the Residential Unit, the Building or the Common Elements and the Purchaser is purchasing the Residential Unit "as is", with all faults and as described in the Offering Plan and subject to normal wear and tear subsequent to the execution of this Agreement. Further, Purchaser acknowledges that the Building and Common Elements of the Condominium will be in their "as is" condition as of the Closing of Title to Purchaser's Residential Unit. Notwithstanding, should any agreed to Extras be included as part of the purchase, they shall be paid for in full at the time they are ordered. All funds received by Seller for Extras will initially be placed in the Escrow Account as provided in Paragraph 23 of this Purchase Agreement. Such funds may be released from the Escrow Account as long as Seller uses the funds for such Extras.

14) EQUIPMENT – Seller is not obligated to install or replace any equipment or appliances in the Residential Unit or otherwise make any repairs, improvements or decorations in the Residential Unit or its equipment, appliances and fixtures. Purchaser acknowledges having entered into this Purchase Agreement without relying upon any promises, statements, estimates, representations, warranties, conditions or other inducements, expressed or implied, oral or written, not set forth herein or as contained in the Offering Plan, as it may be amended.

15) INTERIM LEASES - In the event that Purchaser takes possession of the Residential Unit pursuant to an Interim Lease, Purchaser acknowledges that any breach of Purchaser's obligations under said Interim Lease shall constitute a default under this Purchase Agreement. Furthermore, in the event Purchaser, pursuant to a duly filed Amendment to the Plan offering rescission, elects to rescind this Purchase Agreement, Purchaser's rescission shall not be effective unless Purchaser has previously vacated the Residential Unit and surrendered the Interim Lease. If Purchaser has not complied with these requirements, the rescission shall be deemed ineffective and this Purchase Agreement shall remain in full force and effect. The Interim Lease shall terminate in any event as of the date that Purchaser exercised Purchaser's rescission right and Purchaser shall vacate the Apartment within thirty (30) days thereafter.

In the event that Purchaser occupies the Residential Unit pursuant to an Interim Lease, Purchaser's unapplied lease security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within thirty (30) days following the Closing, provided Purchaser is not in default under Purchaser's Interim Lease or

tenancy obligations. If Purchaser is in default of its Interim Lease, Seller shall have the right to apply the security deposit in accordance therewith.

16) PURCHASER'S DEFAULT - If Purchaser fails to appear and close title in accordance with this Purchase Agreement on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this Purchase Agreement, or under an interim lease, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such thirty (30) day period, this Purchase Agreement shall, at Seller's option, be deemed canceled and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the Purchase Price plus all additional sums paid and/or payable by Purchaser for all Extras paid by Purchaser which have been installed by Seller, paid for by Seller or which have been ordered by Seller and which Seller is obligated to pay and together with all interest credited thereon, if any, as liquidated damages. Purchaser acknowledges said total amount to be fair and reasonable. Notwithstanding, in the event the Offering Plan is abandoned pursuant to the terms of the Offering Plan, Purchaser shall be entitled to a return of all monies paid by Purchaser including Extras.

Prior to such funds being released to Seller the Escrow Agent shall send a notice to Purchaser of the Escrow Agent's intent to release the funds being held in escrow on behalf of the Purchaser pursuant to the escrow regulations as described in Section XV of the Offering Plan and Paragraph 23 of this Purchase Agreement.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH THIRTY (30) DAY PERIOD.

Upon cancellation of this Purchase Agreement for Purchaser's failure to timely cure any such default, Seller shall be released and discharged of all further liability and obligations to Purchaser under this Purchase Agreement. Thereafter the Residential Unit may be sold or disposed of as though this Purchase Agreement had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under this Purchase Agreement or at law for any default by Purchaser under this Purchase Agreement.

17) SELLER'S RIGHT TO CANCEL – Seller may cancel this Purchase Agreement by forwarding a full refund of the Deposit to Purchaser together with written notice of cancellation in the event the Plan is abandoned, withdrawn or not consummated for any reason.

Upon such cancellation and refund, neither party shall thereafter have any further liability or obligation to the other in connection with this Purchase Agreement or transaction.

18) INABILITY OF SELLER TO TRANSFER OWNERSHIP – Except for Seller's willful default, if Seller is unable to transfer ownership of the Residential Unit in accordance with this Purchase Agreement, Seller shall only be liable to Purchaser for the return to Purchaser of the Deposit. Thereafter, this Purchase Agreement shall be deemed canceled and neither party shall have any further liability to the other in connection with this Purchase Agreement or transaction. Seller shall not be required to commence any action or proceeding or incur any expense in order to remove the condition which prevents Seller from transferring ownership of the Residential Unit in accordance with this Purchase Agreement.

19) ASSIGNMENT OR RECORDING OF PURCHASE AGREEMENT - The Purchase Agreement and Purchaser's interest hereunder may not be assigned by Purchaser except as per the terms of Section XVI of the Offering Plan. In addition, neither shall this Purchase Agreement nor any memorandum thereof be recorded in the Register's Office of the City of New York, by Purchaser or anyone on Purchaser's behalf. Should Purchaser violate the provisions of the foregoing sentence, this Purchase Agreement, at Seller's option, shall become null and void, whereupon terminate this Purchase Agreement and all rights of the Purchaser shall cease and terminate and Seller shall have the right to retain as liquidated damages the Deposit and all amounts paid by Purchaser for Extras which have been installed by Seller, paid for by Seller or which have been ordered by Seller and for which Seller is obligated to pay pursuant to the provisions of Paragraph 13 hereunder. Notwithstanding, in the event the Offering Plan is abandoned pursuant to the terms of the Offering Plan, Purchaser shall be entitled to a return of all monies paid towards Extras. Purchaser agrees that the Seller shall have the right to assign this Purchase Agreement to a successor and/or designee of the Seller.

20) PROHIBITION AGAINST SIGNS ON RESIDENTIAL UNIT - Purchaser shall not place any sign anywhere on the Residential Unit or Property at any time while Seller retains a Residential Unit in the Condominium without Seller's prior written consent. This Paragraph shall survive delivery of the deed.

21) PROHIBITION AGAINST ADVERTISING OF RESIDENTIAL UNIT FOR SALE - From and after the date hereof, Purchaser shall not place an advertisement for the sale of the Residential Unit in any newspaper or other publication or media, or list the Residential Unit with any real estate broker prior to Closing. Such action will constitute a default of this Purchase Agreement as per Paragraph 16 of this Purchase Agreement.

22) NO BROKER CONSULTED BY PURCHASER – Purchaser represents that no broker other than Seller's broker, _____ (the "Broker") brought about this sale, and Purchaser agrees to indemnify Seller against any claim brought by any other broker for brokerage commission 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.

23) TRUST FUNDS/ESCROW PROVISIONS - The Deposit and all other deposits or advances ("Deposits") made by Purchaser prior to Closing shall initially be held in a segregated escrow account held by Certilman Balin Adler & Hyman, LLP the Escrow Agent and whose address is 90 Merrick Avenue, East Meadow, New York 11554, telephone number is telephone number of (516) 296-7000, (the "Escrow Agent") pursuant to the following:

(a) The law firm of Certilman Balin Adler & Hyman, LLP, with an address at 90 Merrick Avenue, East Meadow, New York 11554, telephone number (516) 296-7000, shall serve as escrow agent ("Escrow Agent") for Seller and Purchaser. The members of the firm are the authorized signatories on the Escrow Account. Said signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor its authorized signatory on the account are the Seller, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

(b) Escrow Agent and its authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance or release of the Deposit from escrow.

(c) The Escrow Agent has established the escrow account at Flushing Bank, 1122 Franklin Avenue, Garden City, New York 11530 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Certilman Balin Adler & Hyman, LLP/2276 Homecrest Avenue Condominium IOLA Escrow Account" ("Escrow Account"). The Escrow Account is an IOLA account created pursuant to Judiciary Law § 497. The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per Deposit. Any Deposit in excess of $250,000 will not be insured.

(d) All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments approved by Seller, and shall be made payable to or endorsed by the Purchaser to the order of Certilman Balin Adler & Hyman, LLP, as Escrow Agent.

(e) Pursuant to Judiciary Law § 497, all interest earned on the IOLA account will be paid to the State of New York. No fees of any kind may be deducted from the Escrow Account, and the Seller shall bear all costs associated with the maintenance of the Escrow Account.

(f) Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of the placing the Deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser

and Seller, confirming the Deposit. The notice shall provide the account number. Any Deposits made for Extras shall be initially deposited into the Escrow Account, and released as long as Seller uses the Extras for such work as per Paragraph 13 of this Purchase Agreement.

(g) The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such Deposit within fifteen (15) business days after tender of the Deposit, Purchaser may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to the Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

(h) All Deposits, except for advances made for Extras received in connection with the Purchase Agreement as per Paragraph 13 of this Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Seller, as per GBL § 352-h.

(i) Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until consummation of the Plan as defined in Section 23.1 (c) (6) of the Department of Law regulations which defines consummation of the Plan, as the filing of the Declaration of Condominium and the first transfer of title to a Residential Unit to at least one Purchaser under the Offering Plan following a declaration of effectiveness by the Sponsor and acceptance of the amendment of the declaration of effectiveness by the Attorney General's Office. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e (2-b) and 352-h.

(j) The Escrow Agent shall release the Deposit if so directed:

(i) pursuant to terms and conditions set forth in this Purchase Agreement, upon closing of title to the Residential Unit; or

(ii) in a subsequent writing signed by both Seller and Purchaser; or

(iii) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (i) through (iii) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Seller prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (i) through (iii) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Residential Unit is located and shall give written notice to both parties of such Deposit. Escrow Agent shall disburse the Purchaser's Deposit(s) escrowed under this Purchase Agreement within twenty (20) business days after the escrowed funds are permitted to be released in accordance with this Purchase Agreement.

The Seller shall not object to the release of the Deposit to:

(i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

(ii) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

(k) Any provision of any Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-(h) concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

(l) Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

(m) A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e (2-b) and 352(h).

(n) Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

(o) No disbursement need or will be made by Escrow Agent until the Deposit has actually and finally cleared Escrow Agent's account.

(p) Escrow Agent shall only be responsible for monies actually received and cleared, and monies earned thereon, if any.

(q) Escrow Agent undertakes to perform only such duties as are expressly set forth in this Purchase Agreement and the Escrow Regulations as amended on November 14, 2012 promulgated by the New York State Attorney General's Office, and no implied duties or obligations shall be read into this Purchase Agreement against Escrow Agent.

(r) Seller agrees that Seller and its agents, including any selling agents, shall deliver the Deposit received by them prior to Closing of the Residential Unit to a designated attorney who is a member of or employed by Escrow Agent, within five (5) business days of tender of the Deposit by Purchaser.

(s) Seller agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-e (2-b) and 352-(h) and the New York State Department of Law's regulations.

(t) The following record keeping provisions shall apply:

(i) Escrow Agent shall maintain all records concerning the Escrow Account for seven (7) years after the release of the funds.

(ii) Upon 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.

(u) Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Seller from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

(v) Seller agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses, demands, causes of action, liability, judgments and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's

duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

(w) Escrow Agent shall not be liable for Seller's failure to tender the Purchasers' funds to Escrow Agent within five (5) 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.

(x) 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.

(y) 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.

(z) This Paragraph 23 of the Purchase Agreement shall remain in effect unless and until the following:

(i) Written notice given by Seller 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

(ii) The resignation of Escrow Agent upon giving notice to Seller 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

(iii) All Residential Units offered pursuant to the Plan have been sold and all sales transactions have been consummated.

Escrow Agent shall have no responsibility to verify qualifications of any successor escrow agent.

(aa) Upon termination of the duties of Escrow Agent as described in Sub-paragraph 23 (z) 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.

(bb) Upon delivery of all funds held by the Escrow Agent to the new escrow agent pursuant to Sub-Paragraph 23 (aa) above, this provision of the

Purchase Agreement shall be terminated and the Escrow Agent shall be released from all liability hereunder.

(cc) Upon Escrow Agent disbursing the Deposit of Purchaser in accordance with the provisions of Paragraph 23 of the Purchase Agreement, the Escrow Agent's obligations shall terminate as regards to said Purchaser's deposit, and Escrow Agent shall thereafter be released of all liability in connection with said Purchaser.

(dd) In the event of a good faith disagreement about the interpretation of this Paragraph 23 of the Purchase 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 Purchaser's Deposits and payments in escrow and file an action and deposit any applicable funds in court to resolve said disagreement. Escrow Agent shall be indemnified by Seller 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 Paragraph 23 of the Purchase Agreement.

(ee) Any provision of any contract or agreement, whether oral or in writing, by which Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of the regulations pertaining to escrow funds as amended on November 14, 2012 shall prevail over any conflicting or inconsistent provision in the Offering Plan, an amendment to the Offering Plan or in the Purchase Agreement.

(ff) This Paragraph 23 of the Purchase Agreement shall be construed in accordance with and governed by the laws of the State of New York.

24) NOTICES - 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) the next business day after delivery 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.

25) PURCHASER GENERAL REPRESENTATIONS - Purchaser represents that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements, written or oral, of any nature, including but not limited to, any of the above relating to the description or physical condition of a Condominium building or the Residential Unit or the Property, the size or the dimensions of the Residential Unit or the rooms therein contained or any physical characteristics thereof, the services offered by the Condominium, the estimated Common Charges for the Residential Unit or any other matter or estimate not set forth herein and in the Plan. Purchaser further represents that Purchaser has not relied on any verbal or written representations made by the Broker or any other agent of Seller or any other person. Purchaser further acknowledges having had full opportunity to examine all documents and investigate all facts referred to and stated herein and in the Plan. Purchaser agrees that the Seller shall have no liability or responsibility to Purchaser and that Purchaser will not be relieved from Purchaser's obligations hereunder, by reason of any inaccuracy or error in the layout or dimensions of the Residential Unit so long as the layout and specifications as they may be changed or amended are in accordance with the provisions of the Plan. Purchaser understands and acknowledges that the Seller cannot guarantee a firm Closing Date for the Residential Unit and agrees that the Seller shall not be obligated to make, provide or compensate for any accommodations or costs to Purchaser as a result of delays nor shall such delays serve to cancel, amend or diminish any of Purchaser's obligations hereunder, except as may be provided elsewhere in this Purchase Agreement.

26) ACKNOWLEDGMENT THAT THERE ARE NO OTHER UNDERSTANDINGS - All prior understandings and agreements regarding the subject matter hereof are hereby superseded and merged into this Purchase Agreement, which alone contains the final and entire understanding and agreement between Seller and Purchaser. Neither Seller nor Purchaser shall be bound by any terms, conditions, statements, or representations, oral or written, not set forth in this Purchase Agreement or in the Offering Plan as it may be amended. Purchaser acknowledges that Purchaser is buying a Residential Unit in a condominium development which may not yet have been formed at the time this Purchase Agreement is signed, and that, except as stated in this Purchase Agreement, the Declarations, By-Laws, Exhibits, Schedules and Plan, Purchaser has not relied on any representations or other statements of any kind or nature made by Seller, Broker or anyone else except as set forth in the Plan or any amendment thereto and this Purchase Agreement, including but not limited to, the condition, description, size or dimensions of the Residential Unit or rooms therein, or the estimated Common Charges, or other expenses relative thereto.

Purchaser also acknowledges that none of Seller's representatives has the authority to modify this Purchase Agreement or to make any oral promise, agreement or representation. This Purchase Agreement may be changed only by a written document signed by both Purchaser and Seller. The invalidity or unenforceability of any particular provision of this Purchase Agreement will not affect the other provisions, and this

Purchase Agreement will be interpreted in all respects as if such unenforceable provisions were omitted.

27) RISK OF LOSS - The risk of loss or damage to the Residential Unit by fire or other casualty until the closing of title is assumed by Seller, unless and until the Purchaser takes possession or closes title to the Residential Unit, at which time the risk of loss shall be assumed by such Purchaser. If damage to the Unit exceeds ten (10%) percent of the purchase price, as reasonably determined by Seller, Purchaser shall have the option to terminate the Purchase Agreement and receive a refund of Purchaser's Deposit. However, although Seller shall have no obligation or liability to repair or restore any Residential Unit, if Seller elects to repair or restore any such Residential Unit, the Purchase Agreement shall continue in full force and effect and Purchaser shall not have the right to reject title or receive a credit against, or abatement in the Purchase Price. In that event, Seller shall be entitled to a reasonable period of time in which to complete the repair or restoration. In the event Seller decides not to repair any damage to the Residential Unit, Seller shall be entitled to cancel this Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Deposit paid by Purchaser. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall belong entirely to Seller. If those proceeds are paid to the Purchaser, such Purchaser shall promptly, upon receipt thereof, turn them over to the Seller. Notwithstanding, in the event the loss or damage is due to the negligence or misconduct of a tenant in occupancy, the Seller shall have no obligation or liability to repair or restore the Residential Unit and the Purchase Agreement shall remain in full force and effect. In the event a substantial portion of the Condominium (as determined by Seller) shall be destroyed or damaged prior to Closing, Seller shall be entitled to cancel this Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Deposit paid by Purchaser. However, in any event of a cancellation of the Purchase Agreement, Purchaser will not receive a refund of any funds paid for Extras which have been installed by Seller, paid for by Seller or which have been ordered by Seller and for which Seller is obligated to pay for such Extras unless the Offering Plan has been abandoned. If the Offering Plan is abandoned pursuant to the terms of the Offering Plan, Purchaser shall be entitled to a return of all monies paid for Extras as liquidated damages. The parties shall thereafter be released from any further liability hereunder.

In the event Seller elects to restore the Residential Unit pursuant to this Paragraph, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Seller. Seller agrees to notify Purchaser of Seller's decision within ten (10) business days of the date of such casualty. In the event Seller elects not to restore the Residential Unit, then this Purchase Agreement will terminate and Purchaser will receive a full refund of all the monies paid to the Seller. The parties shall thereafter be released from any further liability.

28) DAMAGE TO PUBLIC IMPROVEMENTS, AMENITIES AND COMMON ELEMENTS - Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or Common Elements on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees.

Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Seller, then and in that event, Seller may complete same at the expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This Paragraph shall survive Closing and delivery of the deed.

29) STRICT COMPLIANCE; SEVERABILITY; WAIVER OF TRIAL BY JURY - Any failure by Seller to insist upon strict performance by Purchaser of any of Purchaser's obligations under this Purchase Agreement shall not be deemed a waiver of such obligations, and Seller may at any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under this Purchase Agreement irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. If any part of this Purchase Agreement or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of this Purchase Agreement or the Plan and the applicability to other individuals or circumstances shall not be affected thereby but shall continue in full force and effect. Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this Purchase Agreement or the Plan. Purchaser agrees to pay all court fees, including reasonable attorney fees, should Purchaser bring an action against Seller in any court of proper jurisdiction (including small claims court) and be unsuccessful. Further Purchaser agrees to waive the right to file a Lis Pendens.

Purchaser and Seller hereby waive trial by a jury in any action, proceeding or counterclaim arising out of this Purchase Agreement, provided such waiver is not prohibited by any laws of the State of New York. Any action or proceeding brought by either party hereto against the other, directly or indirectly, arising out of this Purchase Agreement, shall be instituted in a court in a County chosen by Seller and all motions in any such action shall be made in said County.

This Paragraph shall survive Closing and delivery of the Deed.

30) LIEN OF DEPOSIT - All sums paid on account of this Purchase Agreement are hereby made liens upon the Residential Unit, but such liens shall not continue after default by the Purchaser under this Purchase Agreement.

31) 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 Stewart Title or other 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 Purchase Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

32) NO DISCRIMINATORY INDUCEMENT. Purchaser represents that Purchaser is over eighteen (18) years of age, and the sale of the above Residential Unit was made to Purchaser in good faith pursuant to the terms set forth in the Plan, without fraud or duress and with no discriminatory repurchase agreement or other discriminatory inducement.

33) BONA FIDE PURCHASER – Purchaser represents that Purchaser is either a Bona Fide Purchaser of an occupied Residential Unit or of a Residential Unit where the Purchaser is a Tenant in Occupancy as disclosed in the Offering Plan and Purchaser agrees to execute the applicable affidavit contained as Schedule E or E-1 of this Purchase Agreement.

34) MISCELLANEOUS -

(a) Except as may otherwise be provided herein, the personal property referred to in this Purchase Agreement shall be deemed conveyed by the deed, and no part of the Purchase Price shall be deemed allocated to such personal property.

(b) The attorneys representing the Seller represent the Seller only and not the Purchaser. The Purchaser should retain independent counsel at Purchaser's own expense in order to protect Purchaser's own interest.

(c) None of Seller's employees, agents or representatives is authorized to make any representations regarding economic benefits to be derived from this transaction. Purchaser is advised that economic benefits to be derived from this transaction may vary with individual circumstances and/or market conditions, and Purchaser should rely only upon Purchaser's own attorney, accountant, or other counsel if guidance in such matters is desired.

(d) Purchaser acknowledges that the Seller has the right to lower and/or increase the price paid for a similar Residential Unit and/or change the terms applicable to similar Residential Units subject to the terms of the Offering Plan and subject to the rights of Exclusive Offerees. As a result, Purchaser may pay more or less and may receive better or worse terms than another Purchaser for a similar Residential Unit.

(e) The delivery of the deed for the Residential Unit to Purchaser or Purchaser's representative at Closing shall be deemed to mean that all things required to be done by Seller under this Purchase Agreement have been done and that Purchaser shall not claim otherwise except as to those things, if any, which are specifically stated in this Purchase Agreement or in a separate writing signed by Seller or Seller's attorney on Seller's behalf, to survive or continue beyond Closing or delivery of the deed.

(f) The paragraph ("Paragraph") headings set forth in this Purchase Agreement are inserted solely for convenience of reference and in no way deemed to affect, amend, define, describe or limit the scope or intent of the provisions set forth in this Purchase Agreement.

(g) No provision of this Purchase Agreement may be changed, waived, discharged, or terminated orally, except an instrument in writing signed by

the party against whom enforcement of such change, waiver, discharge, or termination is sought and then only to the extent set forth in such instrument.

(h) Any singular word or term herein shall also be read as in the plural whenever the sense of this Purchase Agreement may require it. The use of the masculine gender shall be deemed to refer to the feminine gender, or neuter, whenever the context so requires.

(i) All capitalized terms shall be given the definition contained in Part I of the Offering Plan unless otherwise indicated.

(j) If two (2) or more persons are named as Purchaser in this Purchase Agreement, (i) each person shall be jointly and severally liable for payment, observance and performance of all obligations under this Purchase Agreement and (ii) anyone of them is hereby made agent for the other in all matters of any and every kind or nature with respect to the Residential Unit and/or this Purchase Agreement. The act, assent, election or approval by one shall conclusively constitute the act, assent, election and approval by all.

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

(l) This Purchase Agreement shall not be binding or effective until fully executed and delivered by Seller and Purchaser.

(m) Seller represents that its Federal Employer Identification Number is _____; and Purchaser represents that his/her/their social security number(s) is _____ and _____.

(n) Purchaser shall execute the Tender of Escrow form, as set forth in Schedule D-1 of the Offering Plan upon execution of this Purchase Agreement and shall execute the Release Form, as set forth in Schedule D-2 of the Offering Plan, at Closing.

(o) In the event any portion of this Purchase Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Purchase Agreement and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Purchase Agreement.

(p) This Purchase Agreement may be executed in any number of counterparts each of which shall be deemed an original and all of which together shall

be deemed to constitute one and the same agreement. Electronic (i.e. portable document format (.pdf), email and facsimile) signatures shall be deemed originals for purposes of this Purchase Agreement.

(q) The parties agree that this Purchase Agreement shall be governed by, and construed in accordance with the laws of the State of New York.

35) NOTICES TO PURCHASER - WHEN SIGNED BY SELLER AND PURCHASER THIS PURCHASE AGREEMENT WILL BECOME A LEGALLY BINDING AGREEMENT. PURCHASER SHOULD MAKE SURE THAT ALL PROVISIONS ARE READ AND UNDERSTOOD BEFORE SIGNING. IF PURCHASER DOES NOT UNDERSTAND ANY PROVISION, PURCHASER SHOULD SEEK LEGAL ADVICE.

PURCHASER MUST BE GIVEN A COPY OF THE OFFERING PLAN AND ALL AMENDMENTS AND BUILDING MINUTES, IF ANY, PRIOR TO THE SIGNING OF THIS PURCHASE AGREEMENT. BY SIGNING THIS PURCHASE AGREEMENT, PURCHASER ACKNOWLEDGES RECEIPT OF THE OFFERING PLAN AND AMENDMENTS AND THAT PURCHASER HAS HAD AN OPPORTUNITY TO READ THE OFFERING PLAN AND AMENDMENTS AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SIGNING THIS PURCHASE AGREEMENT.

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

PURCHASER:

_____
Signature

_____
Signature

SELLER:

2276 HOMECREST OWNER LLC

By:_____

Agreed to as to Paragraph 23 by Escrow Agent

CERTILMAN BALIN ADLER & HYMAN, LLP

By: _____

_____
Insert name and title

TENDER OF ESCROW DEPOSIT

Date: _____

Tender of Deposit of $_____, for Residential Unit _____ at 2276 Homecrest Avenue Condominium located at 2276 Homecrest Avenue, Brooklyn, New York 11229.

Purchaser(s) named below has/have tendered on_____, 20___, the above escrow deposit to Seller/Selling Agent as a deposit for the above Residential 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) _____
_____

By: _____
Purchaser

By: _____
Purchaser

RECEIPT

The SELLER/SELLING AGENT of the above named property hereby acknowledges receipt of the above escrow deposit.

By: _____
_____
Title or Position

Date of Receipt: _____

SCHEDULE D-1

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 Unit # _____ at 2276 Homecrest Avenue Condominium.

2. Pursuant to a Purchase Agreement dated_____, 20__, I am entitled to thirty (30) days' written notice of the Closing for my Unit.

3. I hereby waive the applicable notice provision contained in the Purchase Agreement and agree to close on _____, 20_____.

_____
Purchaser

Sworn to before me this
day of , 20 .

_____
Notary Public

SCHEDULE D-2

FORM FOR THE RELEASE OF ESCROW FUNDS

Date

Certilman Balin Adler & Hyman, LLP
90 Merrick Avenue
9th Floor
East Meadow, New York 11554

Re: **2276 Homecrest Avenue Condominium**
Purchaser:
Residential Unit #:

Dear Sirs:

You have been holding in a trust account my/our Deposit for the above-referenced Unit in the amount of $_____. I/we acknowledge that a Closing has taken place this date. Accordingly, Certilman Balin Adler & Hyman, LLP is authorized to release the funds being held in said amount to whomever the Sponsor so designates. In addition, the law firm of Certilman Balin Adler & Hyman, as Escrow Agent on said account, are hereby released from any and all liability or further obligation to us with respect to said downpayment.

Very truly yours,

_____
Purchaser

_____
Purchaser

_____
Sponsor's representative

SCHEDULE D-3

Affidavit of Bona Fide Tenant Purchaser
For Purposes of Declaring the Plan Effective

Purchaser[s]:_____
2276 Homecrest Avenue Condominium
2276 Homecrest Avenue, Brooklyn, New York 11229
Attorney General's File No: _____
Residential Unit No: _____
Purchase Price: $_____
Down Payment: $_____

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

I/We, am/are Purchaser[s] under the offering plan for the above referenced Condominium hereby affirm, under the penalty of perjury, the following information:

1. I/We am/are [a] bona fide Purchaser[s] as defined by the New York General Business Law §352-eeee (the "Martin Act") because I/we am/are [a] tenants in occupancy at the above-referenced property;

2. I/We represent that I/we are not purchasing the Residential Unit as an accommodation to, or for the account or benefit of the Sponsor or principals of Sponsor;

3. I/We have duly executed a Purchase Agreement and have paid the down payment as required in the plan and any amendment thereto;

4. The Purchase Agreement I/we have executed for the above referenced Residential Unit does not contain any right of rescission that has not yet expired or been waived;

5. The Purchase Agreement I/we have executed for the above referenced Residential Unit does *not permit the assignment or transfer of the rights afforded therein, [if a tenant in occupancy has assigned the purchase agreement, include the following, and distinguish between an assignment that is for the purposes of transferring the rights to an ownership entity such as an LLC or trust on behalf of the purchaser, if applicable];*

a. The Purchase Agreement has been signed by Purchaser as a bona fide tenant in occupancy in the above referenced property; and

b. The assignment was not procured by the Sponsor, selling agent, or the managing agent of the property, and I/we represented that [I/we or a specified member of his or her immediate family will personally occupancy the dwelling unit; and

c. I/we have obtained an assignee affidavit.]

6. I/We signed the Purchase Agreement for the above referenced Residential Unit in good faith, without fraud and with no discriminatory repurchase agreements or other discriminatory inducements;

7. I/We am/are not the Sponsor, selling agent, or a principal of the Sponsor, the selling agent or the managing agent nor am/are I/we related to the Sponsor, 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, or member thereof.

_____
[Tenant Purchaser]

_____
[Tenant Purchaser]

Sworn to before me this
day of , 20 .

_____
NOTARY PUBLIC

Affidavit of Bona Fide Non-Tenant Purchaser
For Purposes of Declaring the Plan Effective

Purchaser[s]:_____
2276 Homecrest Avenue Condominium
2276 Homecrest Avenue, Brooklyn, New York 11229
Attorney General's File No: _____
Residential Unit No: _____
Purchase Price: $_____
Down Payment: $_____

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

I/We, am/are Purchasers under the offering plan for the above referenced Condominium hereby affirm, under the penalty of perjury, the following information:

1. I/We am/are [a] bona fide Purchaser[s] as defined by the New York General Business Law §352-eeee (the "Martin Act") because I/we am/are [a] Purchaser[s] who intends that I/we or one or more members of my immediate family members intends to occupy the Residential Unit when it becomes vacant;

2. I/We represent that I/we are not purchasing the Residential Unit as an accommodation to, or for the account or benefit of the Sponsor or principals of Sponsor;

3. I/We have duly executed a Purchase Agreement and have paid the down payment as required in the plan and any amendment thereto;

4. The Purchase Agreement I/we have executed for the above referenced Residential Unit does not contain any right of rescission that has not yet expired or been waived;

5. The Purchase Agreement I/we have executed for the above referenced Residential Unit does *not permit the assignment or transfer of the rights afforded therein, [unless the assignment is for purposes of transferring the rights to an ownership entity such as an LLC or trust on behalf of the purchaser. In such cases, state so];*

6. I/We signed the Purchase Agreement for the above referenced Residential Unit in good faith, without fraud and with no discriminatory repurchase agreements or other discriminatory inducements;

7. I/We am/are not the Sponsor, selling agent, or a principal of the Sponsor, the selling agent or the managing agent nor am/are I/we related to the Sponsor, 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, or member thereof.

_____
Purchaser

_____
Purchaser

Sworn to before me this
day of , 20 .

_____
NOTARY PUBLIC

POWER OF ATTORNEY

I (We) residing at _____the owner of Condominium Residential Unit No. ____in the Condominium known as 2276 Homecrest Avenue Condominium covering the property located in the Borough of Brooklyn, County of Kings, New York City, New York, do hereby nominate, constitute and appoint the Members of the Board of Managers of 2276 Homecrest Avenue Condominium c/o 2276 HOMECREST OWNER LLC, located at 295 Madison Avenue 2nd Floor, New York, New York 10017 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 Residential Units in said property, any Condominium Residential Unit 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 Residential Unit 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 2276 HOMECREST OWNER LLC 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 Residential Unit Owners meeting for, and 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 Residential Units, 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.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, I (we) have set my (our) hand(s) and seal this __ day of _____, 20____.

_____

_____

SCHEDULE F

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

On the ___ day of _____ in the year 20__, before me, the undersigned a Notary public in and for said state, personally appeared _____ _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

_____
NOTARY PUBLIC

AFFIDAVIT OF ASSIGNEE OF PURCHASE AGREEMENT

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

Re: **2276 HOMECREST AVENUE CONDOMINIUM**
BROOKLYN, NEW YORK

, being duly sworn, deposes and says:

1. I am the assignee of the interest of the tenant of Residential Unit at 2276 Homecrest Avenue Condominium, 2276 Homecrest Avenue, Brooklyn, New York (the "Premises") in the Purchase Agreement for his or her Residential Unit.

2. I was not procured by the Sponsor or Selling Agent of the Offering Plan to Convert the Premises to Condominium Ownership, dated , 20 , as amended.

3. I, or , a designated member of my immediate family intend to personally occupy the Residential Unit.

_____
Purchaser

Sworn to before me this
day of , 20 .

_____
Notary Public

SCHEDULE G

DEED

THIS INDENTURE made the ___ day of _____ , 20_____ between 2276 Homecrest Owner LLC, a New York limited liability company, having a place of business at 295 Madison Avenue 2nd Floor, New York, New York 10017 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), lawful money of the United States, 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 piece or parcel of real property, with the improvements therein contained, situate and being a Condominium Unit (the "Residential Unit") in Kings County, City and State of New York, known as Residential Unit No. _____ in the Condominium known as 2276 Homecrest Avenue Condominium, said Residential Unit designated and described as Residential Unit No._____, in the Declaration establishing a plan for Condominium Ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), dated and recorded in the Office of the City Register, (the "Register's Office") on _____in Reel _____page ___ and also designated as Tax Lot _____ in Block _____ of Section ____ of Kings County on the Tax Map of the Real Property Assessment Department of the City of New York, and on the Floor Plan of said building certified by _____on _____and filed with the Real Property Assessment Department of the City of New York on _____as Condominium Plan No. _____, and also filed in the Register's Office on _____ as Condominium Plan No. _____, Map No. _____.

TOGETHER with an undivided _____% percentage of Common Interest in the Common Elements.

The premises within which the Residential Unit is located are more particularly 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, 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 Register's Office of the City of New York, Kings County, which provisions, together with any amendments thereto shall bind any person having at any time any interest or estate in the Residential Unit 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 purpose of paying the cost of the improvement before using any part of the total of the same for any other purposes.

The use for which the Residential Unit is intended is that of a one family residence, subject to the applicable governmental regulations and the restrictions contained in the Declaration.

This conveyance is 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 and the Party of the Second Part has duly assumed the mortgage therein referred to, the day and year first above written.

2276 HOMECREST OWNER LLC

By:_____

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

On the _____ day of _____ in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his or her signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

_____
NOTARY PUBLIC

EBI ENGINEERED BUILDING INSPECTIONS, P.C.

CONSULTING ENGINEERING SERVICES

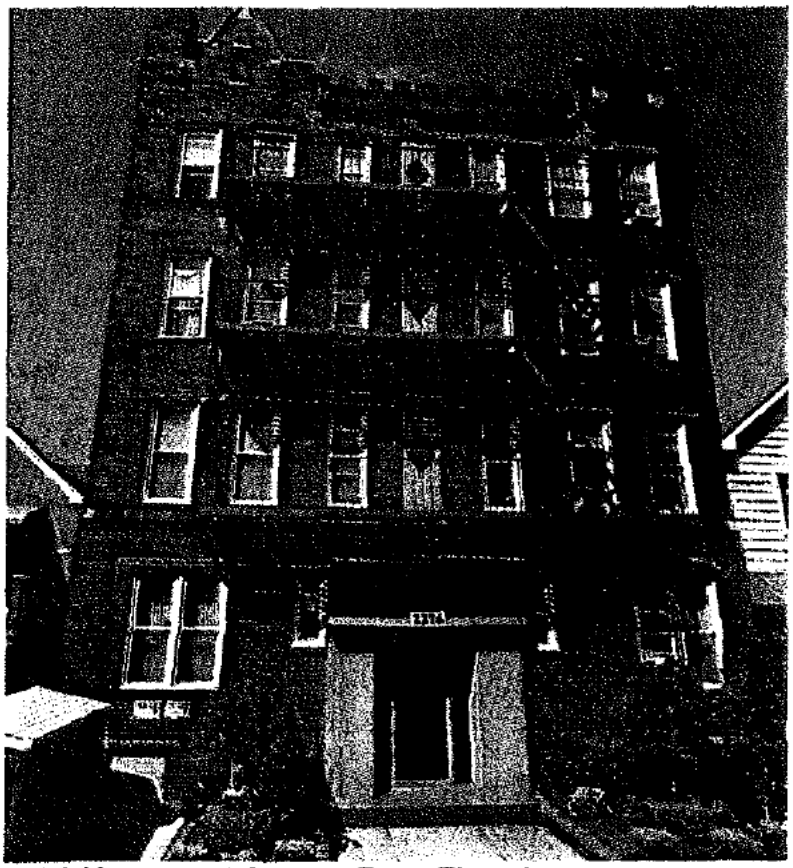
168 BROADWAY GARDEN CITY PARK NY 11040 | 516-747-7707 | www.ebipc.com

Date: April 19, 2017

Site Visit Dates: February 25, May 12, June 3, June 18, 2015 and January 12, 2016

To: Sponsor: 2276 Homecrest Owner LLC
295 Madison Avenue, 2nd Floor
New York, NY 10017

Subject: **Description of Property Specifications or Building Condition**
2276 Homecrest Avenue, Brooklyn, New York



2276 Homecrest Avenue Front Elevation



INTRODUCTION

This report concerning the "Building" or "Property" or "Premises" was commissioned by the Sponsor for the sole purpose of inclusion in the Condominium Offering Plan for said building in compliance with the requirements of the Department of Law of the State of New York. (NYCRR Section 25.7). Any use of this report for any other purpose is not authorized by the sponsor, or the Engineering firm associated with preparing this report.

Observations were limited to those areas and building units that were open and accessible at the time of site visits. Engineered Building Inspections, P.C. (EBI) assumes no responsibility for any conditions or defects that were hidden, inaccessible, or could not be determined by cursory observation. It is to be understood that aspects of the physical condition of the property cannot be determined from visual observation, and all statements contained in this report are premised on and limited to such observations.

This report is visual in nature only, and no disassembly, probing, or internal wall cavity observations were made. Many parts of the building including, but not limited to, plumbing, electric, heating, ventilation, air-conditioning, equipment, structure, etcetera are *concealed* from view. Though some parts of the building are reported to be *concealed* within the report, this is not intended or inferred to be a complete list. The condition of concealed parts of the building is expressly excluded from the scope of this report.

This report is not intended as a guarantee or warranty of the physical condition of the Premises by the Engineer or the Sponsor. All statements relative to the legal use, zoning provisions, and code compliance of the building only express our professional opinion, as an independent consultant hired by the Sponsor, and are subject to final determination by those government agencies having jurisdiction.

The Sponsor has not undertaken to correct or repair any existing conditions noted in this report, unless otherwise expressly provided. The definitions in the Plan apply to all terms used in this report without express definition.

23.7(a) Location and use of property.

(a) *Location and use of property.*
The building is a 4 story brick building with basement located on Homecrest Avenue in a mostly residential area of Brooklyn, New York. There is a street level entrance at the middle of the building and a sub level passageway at the west corner. The passageway leads to the west courtyard, basement entrance and back yard. The basement contains utility/mechanical rooms. There are fire escapes along the front facade spanning four of the six windows of second, third and fourth floors.

(1) Address: **2276 Homecrest Avenue, Brooklyn, NY 11229**

(2) Block and lot number: **Block 7372; Lot 37**

(3) Zoning: **R4**

(4) Permissible use:
16 Apartments, according to the DOB January 30,1981 Certificate of Occupancy.
#219102.

23.7(b) Status of construction.

(1) Year built: **1928, according to the DOB October 9, 1928 Certificate of Occupancy #52986.**

(2) Class of construction: **3, according to the DOB January 30,1981 Certificate of Occupancy.**

(3) Certificate of Occupancy, type and number: **219102, according to the DOB January 30,1981 Certificate of Occupancy.**

(4) Alteration permit numbers and description of work done
Permit number A2996/28, File Date - March 2, 1928.
Permit number ALT 1167/79, File Date October 25, 1979, according to the DOB website. No access to description of work.

23.7(c) Site.
Note: For the purpose of this report, the front of the building, facing Homecrest Avenue, is considered the east facade.

(c) *Site.* Discuss: **Flat**

(1) Size: **11,800 sf (gross est)**

(2) Number of buildings and use: **1 building. 16 Residential Units.**

(3) Streets owned or maintained by the project: **N/A**

(4) Drives, sidewalks and ramps;

(i) Paving (material and condition);
Concrete sidewalks along east elevation and west courtyard were observed to be in poor condition.

(ii) Curbing (material and condition); **Concrete was observed to be in fair condition.**

(iii) Catch basins, drainage (location and condition);
No catch basins observed.
3 drains along the north elevation at the walkway, basement entrance and courtyard. All below grade, and concealed. In functioning condition according to building management.

(iv) Street lighting (material, type, location and condition);
City lighting. **Pole street lights at curb, municipal property; in functioning condition according to building management.**

(v) State whether these items are in conformity with local fire district, town or municipal building codes.
No reported violations according to the DOB website.

23.7(d) Utilities.

(d) *Utilities.* Identify source or provider or each utility. Specifically identify which are public utilities or regulated companies and which are solely the obligation of the board of managers of the condominium. Indicate whether water, sewer (or septic tank), gas, electric and telephone are metered individually, collectively or by any other method of billing.
Water - **City, collectively as reported by building Management**
Sewer - **City, collectively as reported by building Management**
Gas - **National Grid, individually as reported by building Management**
Electricity - **Con Edison, individually as reported by building Mgmnt.**
Telephone - **Individual resident's preference: Verizon, Vios or Cablephone, as reported by building Management**

23.7(e) Utilities.

(e) *Sub-soil conditions.* Describe (including water conditions):

(1) Whether uneven foundation movement or settling has occurred (cracking, mortar joint decay, etc.); **Some foundation movement and settling was identified. Structural elements were concealed from our view along the exterior by stucco coating and from the interior by wall/floor/ceiling finishes.**

(2) Whether there is any evidence of moisture or seepage or ground water infiltration and, if any, indicate whether corrective action is needed; **No ground water observed although a potential of ground water intrusion exists.**

(3) Whether there is any danger from flooding, either due to water table in area or overflow from other bodies of water. Note potential for mudslides or erosion and what preventative action is appropriate. **Building is located in NYC evacuation Zone 3 which is the third most-at-risk flooding zone based on a 6 category schedule. A potential of flooding of the sub-grade units from water table and overflow also exists.**

23.7(f) Landscaping and enclosures.

(f) *Landscaping and enclosures.* Describe: **Plants, bushes and flowers along in curb level brick planters flanking front entrance. Lawn at west elevation back yard extending into south elevation courtyard.**

(1) Grass cover (type, location); **Lawn grass in west elevation yard, and portion of south elevation courtyard.**

(2) Plantings (type, location); **Flowers and bushes in curb level brick planter at east facade. Ivy along north section of west elevation and along back yard chain link fence.**

(3) Trees (location. **Two deciduous saplings, one in each planter flanking east facade front entrance.**

(4) Fencing (type, location; **Chain link fence along west and south perimeter of lawn. Green privacy webbing along West elevation section.**

(5) Gates (type, location); **No gates observed.**

(6) Garden walls (type, location); **No garden walls observed.**

(7) Retaining walls (type, location; **Concrete sidewall in the below grade north elevation courtyard.**

(8) Display pools and fountains (location, materials). **None observed.**

23.7(g) Building size.

(g) *Building size.* Specify:

(1) Total height (approximate total feet from ground level to highest part of roof); 40 **ft. 6 in. according to the January 30,1981 Certificate of Occupancy**

(2) Crawl spaces (floor to ceiling, height); **None identified.**

(3) Number of sub-cellars and cellars; **1**

(4) Number of floors (actual including penthouses); **4 above cellar**

(5) Equipment rooms (location and use); **Boiler Room, Electrical Room, Gas/Sewer/Water Room, all located at the cellar level.**

(6) Parapet (height above roof) Stub wall parapet of ranging in heights, along all elevations. Some sections are below code height of 42 inches. The east elevation parapet had one decorative triangular sections approximately 8 ft. in height and decorative crenellations with one section below code height. Inspection was not for code compliance but this was observed.

23.7(h) Structural system.

(h) *Structural system.* Describe materials used, include type of foundation(s) and method of installation. Specify: The building is:
The building is constructed mostly of brick masonry above grade and concrete below grade. Finished wall coverings covered almost all wall, floor, column, and beams. Because the building is fully occupied and the walls are covered with wall board, it could not be determined if walls are insulated; though, it would be common for buildings of this type of construction to have some degree of insulation.

(1) Exterior of buildings: **Exterior walls are constructed of brick. The basement window openings have CMU infill. The off - street elevations are coated with brown paint which prevented observation of underlying surface to determine the brick condition. The face brick along the east facade was observed to be in worn but fair condition representing the age of construction, with some areas of damage.**

(i) Walls: List materials, type of construction, method of construction. For New York City buildings, if Local Law 10 applies, include the entire report of the results of the inspection. If Local Law 10 is inapplicable, so state. If such inspection is required, but not performed, specify as a

violation. If insulated, describe material, type, size and insulating value where available.
Walls: Brick masonry construction
Local Law 10: Is inapplicable as buildings are below height requirement.
Insulation - concealed from view

(ii) Windows: Specify type and materials in all part of the building including sills, screens, window guards, lintels, storm sash, hardware, single or double glazing and caulking. Indicate whether lot line window exist and describe any potential future problems.
Windows: **Vinyl replacement at most locations.**
Sills: **Brick rollock and cast stone. Many rollock mortar joints are deteriorated. Some of the cast stone sills are worn, cracked and/or deteriorated with open cross joints. Interior sills are wood, in poor to fair condition.**
Screens: **Yes**
Window Guards: **Some protection, possibly being child-guard protection, was observed at some locations.**
Lintel: **Steel, with some oxidation observed.**
Storm Sash: **None observed**
Hardware: **Serviceable**
Single/Double glazing: **Double-insulated window panes**
Caulking: **Poor, with openings observed along window perimeters**
Lot Line Windows: **N/A**
Potential Future Problems: **Warping and disfiguring of frame, deterioration of perimeter caulking, ill-fitting locking mechanisms, all of which allow for water and air infiltration.**

(iii) Landmark status: State whether building has landmark status and discuss consequences. **Not Landmark status.**

(2) Parapets and copings: State type of materials, how firmly secured in place and whether there is any indication of problems e.g., leakage, spalling, deterioration of mortar, cracking, etc. **Brick stub-wall parapets with terra cotta copings along west, north and south perimeters. The East facade parapet has decorative crenellation openings and one triangular peak with cast stone copings. The triangular peak is in poor condition having an observable tilt towards the street and its copings are cracked with eroded mortar joints. A bituminous coating covers the roof side of the parapet walls and serves as a cover for the crenellation parapet walls. A brown a colored coating covers**

the outer surface of the exterior brickwork. Camelback terra cotta copings have bituminous cross joints. Copings appear secure but worn and deteriorated with some cracking and spalling.

(3) Chimneys and caps: Indicate number, location and material of each chimney for boilers, incinerators, compactors and fireplaces. If fireplaces are not useable for wood fires, this fact must be conspicuously disclosed. **2 brick chimney stacks were observed. 1 extending through the roof at the south east corner having decorative cast stone facing and a brick rowlock cap with 2 terra cotta flues protruding from the stack. The brickwork is worn and cracked. The mortar joints are deteriorated with numerous cracks and openings.**
1 tar covered chimney stack is located at the west elevation of the roof level bulkhead. It has a poured-in place mortar cap with one terra cotta flue extending from the cap.

(4) Balconies and terraces. Describe: **N/A**.

(5) Exterior entrances. Describe:

(i) Exterior doors and frames (material, type, lock);
Metal and glass doors with metal frame. It is has decorative vertical ribbed metal sides and panels of mirror glass across the top. Key lock.

(ii) Vestibule doors and frames (material, type, lock):
Wood door with 9 glass panes, wood frame, key lock. Spanish tile floor with 3 steps leading to first floor hallway.

(iii) Exterior stairs (material, location); **No steps, but there is a raised platform with a tile covered walking surface and fascia.**

(iv) Railings (material, location); **Metal handrail in vestibule.**

(v) Mail boxes (type, location); **2 rows of stacked recessed metal mail boxes in front foyer.**

(vi) Lighting (type, location). **Fixtures attached to exterior facade and interior ceiling.**

(6) Service entrances. Describe:

(i) Doors and frames (material, type, lock); **Flat steel mesh door with steel frame and cylinder key lock at entrance to west elevation below grade causeway.**
Metal basement door with key lock in below grade west courtyard leading to utility rooms.

(ii) Gates (material, type, lock);
N/A.

(iii) Exterior stairs (material, location): **7 Concrete steps at north corner of east facade leading down to a below grade walkway which extends beneath the building.**
The steps are spalling, worn and deteriorated.
5 concrete steps at the east end of the walkway lead up to a concrete platform and the west elevation courtyard.
These steps are worn with some spalling and require improvements.

(iv) Railings (materials, location). **Metal railing with vertical bars flanking the steps to the below-grade causeway at the north end of the east elevation.**
1 metal bar handrail at the causeway entrance steps.
1 metal bar railing at sub-grade section of north courtyard steps leading to concrete platform.
There is a flat metal bar guard fence with railing along the north edge of the concrete platform above the sub-level entrance to the basement. Railing condition does not feel structurally secure to the touch.

(7) Roof and roof structures. Describe:
Main roof: Flat, in poor condition. The main roof has a masonry bulkhead with a metal access door.
Bulkhead roof: Flat with a glass and metal skylight.
Front entrance roof: Pent roof with shingles above a glass entablature.
Basement entrance roof: Pent roof with shingles
Refuse station roof: Pent roof with shingles.

Type roofs for all areas:

(a) Material: **Rolled asphalt sheets or granulated asphalt shingles.**

(b) Insulation (size, type and insulating value if available); **Concealed**

(c) Surface finish; **Granulated.**

(d) Bond or guarantee; **N/A**

(e) Flashing materials including counter flashing. **No counter flashing observed. Asphaltic flashing cement was used along roof perimeter at the parapet base. The flashing cement was also used for roof penetrations, patching repairs and to coat the all masonry along the roof side of parapets, including coping cover cross joints. It is peeling and spalling in numerous locations.**

(ii) Drains:

(a) Location, material and type; **Main roof: No drains were observed. 2 scuppers at the base of south elevation parapet. One scupper at the south west corner of the main roof bulkhead.**

(b) Gutters and leaders (type, material). **2 aluminum hoppers with pvc leaders joining to a single hopper/ pvc leader terminating at a ground level cast iron pipe. 1 aluminum scupper and leader at the south west corner of the main roof bulkhead terminates at the main roof.**

(iii) Skylights (location, type, material.) **1, metal and glass in roof bulkhead.**

(iv) Bulkheads: **One, brick bulkhead at approximately the center of the main roof.**

(v) Metal work at roof levels:

(a) Exterior, metal stairs (material); **N/A**

(b) Vertical ladders, including gooseneck (material); **N/A**

(c) Railings (material); **N/A**

(d) Hatches to roof (type, material); **N/A**

(e) Other. **Metal bulkhead door with key lock. Metal roof vents, cast iron toilet stacks.**

(8) Fire escapes. Describe at each floor and specify any unusual access situations: **Metal fire escapes span the four central**

windows along the front facade at the second, third and fourth floors. At the North end, diagonal metal steps extending down from fourth, third and second floor. A vertical metal access ladder at the second floor is manually detachable to extend down to ground level. Rusting at supports observed.

(9) Yard and courts. Describe each yard or court including front, rear and interior areas, listing methods of access:
Rear courtyard:
East: Concrete walkway with planters flanking the front entrance.
North: Below grade walkway with concrete and brick side walls and concrete floor leading to below grade basement door. Concrete steps lead up to concrete covered courtyard. There is a narrow opening between the building and the northern adjacent building at the eastern corner.
West: Grass covered lawn with chain link perimeter fencing There is an ivy covered wall at north west corner. Access to north courtyard only via north elevation walkway.
South: Grass and sparsely grass covered soil. Chain link fence at west end. Access only through west elevation lawn to north elevation walkway

(i) Paving (material); **Concrete was observed around the building and was found to be in poor to fair condition. Some heaving was observed.**

(ii) Drainage (type and material); **Concrete with drains and pervious grass lawn.**

(iii) Railings (material); **Metal railings.**

(iv) Stairs (material); **N/A**

(v) Fencing (type and material); **Chain link some with green privacy webbing.**

(vi) Walls (type and material). **N/A**

(10) Interior stairs. Describe: **A staircase is located at the south elevation at approximately the center of the building. Treads, risers and landings are carpet covered which appears to be a combustible material. Sponsor will undertake corrective work to correct this condition.**

(i) Number of stairs of each type;
7 steps to landing platform for turn and 7 steps to 2nd floor
7 steps to landing platform for turn and 7 steps to 3rd floor
7 steps to landing platform for turn and 7 steps to 4th floor
7 steps to landing platform for turn and 7 steps to platform at roof bulkhead door

(ii) Enclosure (construction and interior finishes); **Steel frame with painted sheet rock finish walls**

(iii) Stair construction (steel, concrete, wood); **Steel**

(iv) Stringers (material); **Steel**

(v) Treads (material); **Carpet covering**

(vi) Risers (material); Carpet **covering**

(vii) Guard rails (material); Steel **with attached wood hand rail**

(viii) Balustrade (material). **Steel**

(11) Interior doors and frames.

(i) Unit entrance and interior doors and frames;
Metal entrance and interior doors with metal frames. The doors and frames all appear to be original as there is no evidence that they have all been replaced.

(ii) Corridor doors and frames; **N/A**
(iii) Stair hall doors and frames; **N/A**

(iv) Roof doors, basement doors and frames.
Roof and basement doors are metal with metal frames.

(12) Elevators. Describe: **N/A**

(13) Elevator cabs. Describe: **N/A**

23.7(i) Auxiliary facilities.

(i) *Auxiliary facilities*:

(1) Laundry rooms. Describe; **None observed. N/A**

(ii) Clothes washers, number and type (e.g., heavy duty, coin operated, electric, gas); **None observed. N/A**

(iii) Clothes dryers (number and type); **None observed. N/A**

(iv) Room ventilation (method and final exhaust); **N/A**

(v) Dryer ventilation (method and final exhaust). **N/A**

(2) Refuse disposal. Describe, including:

(iv) Initial storage location (ultimate storage location); **A separate block and brick faced storage area for refuse cans with shingled roof and concrete flooring is located at the south corner of east facade. It is a walk-in structure with opening facing north and ventilation openings via patterned brickwork along the north wall.**

(v) Pick-up schedule, and whether public or private provider. **Public pick-up, Wednesday and Saturday, according to building management.**

23.7(j) Plumbing and drainage.

(j) *Plumbing and drainage.*

(1) Water supply. Describe system, pumps, storage and location. **NYC water supply. What was observed appeared to be copper water main, no pumps, or storage facilities. Pipes were wrapped in protective insulation at some locations. Green age patina was observed at a few exposed areas. The main water shut-off valve is located in a well (cutout in the floor) in the gas/sewer/water room in the basement.**

(2) Fire protection system. Describe: **No fire sprinkler system was observed.**

(3) Water storage tank(s) and enclosures. Describe: **N/A**

(4) Water pressure and how maintained. **City water pressure**

(5) Sanitary sewage system. **Concealed. City sewage system, according to Management**

(i) Sewage piping (materials); **No visible deterioration was observed. Mostly concealed from view.**

(ii) **Cast iron pipe observed at two basement locations: Electric Room and Gas/Water Meter Room.**

(ii) Sewage pumps (if any); **None observed**

(iii) Sewage disposal (public/private; treatment; drain field; sewer). **Public.**

(6) *Permit(s) required.* List and include date(s) obtained. **N/A**

(7) Storm drainage system. Describe system, adequacy, method of disposal and materials including:
Water leads to storm draining system. Concealed. Functional, according to Management, provided that no independent investigation was undertaken. Potential of overflowing and flooding. No odor apparent.

(i) Catch basins (location); **None observed.**

(ii) Yard and roof drains (location); **3 drains along west elevation. No roof drains observed.**

(iii) Piping (materials); **Concealed, below grade.**

(iv) Eject or sump pumps (describe in detail and describe conditions requiring pumps). **None observed.**

23.7(k) Heating.

(k) *Heating.* Describe (including space heating and domestic hot water heating): **Heat is supplied to the residential units via hot water through baseboard supply systems located sporadically in the apartments and regulated with individual thermostats. The heat provided was of general acceptable comfort, according to building management.**

(1) Heating and distribution of domestic hot water and whether capable of providing peak required services. Describe heating system's ability to maintain legally required conditions under anticipated weather conditions, specifying internal temperature and ambient

temperature used in calculations. **1 AO Smith Master Fit Natural Gas hot water heater, Model # BTR 199-188, built July 2, 2009. 81 gallon capacity tank.**

(2) Number of boilers and description;
1 gas fired, cast iron, commercial boiler.

(3) Manufacturer and age of boiler(s) (model, capacity; alternatively, give type, approximate age and approximate remaining useful life);
Model:
Type: Weil McClain
Model: MD 16566-01
Capacity: 360,000 BTU's
Age: Approximately 40 years old. No date plate was observed.
Approximate remaining useful life: **has exceeded life expectancy.**

(4) Manufacturer and age of burners (model; alternatively, give type and approximate remaining useful life); **N/A**

(5) Type of controls; **Safgard brand Sensit Automatic Boiler Water Level safety control.**

(6) Radiators, **Baseboard, hot water**
Piping: **Copper**
Insulation: **No**
Valves: **Gate valves, with electric solenoid control for apartment thermostats.**
Pumps: **Two Bell & Gosset pumps; 1/4 h.p. and 1/3 h.p.**

(7) Fuel (for oil give type and grade); **Natural gas.**

(8) Location of oil tank, materials, enclosure; **None observed.**

(9) Capacity of oil tank; **None observed**

(10) For gas (details on type and supply system).
National Grid

NOTE: Building management reported to have replaced metal chimney pipe which exhausts from the water heater and furnace subsequent to our site visit date.

23.7(l) Gas supply (if not described above).

(l) *Gas supply* (if not described above). Describe:

(1) Type: **Natural gas**

(2) Meters; **15 small, 1 large**

(3) Piping. **Black iron pipe / various sizes**

23.7(m) Air conditioning.

(m) *Air conditioning.* Describe cooling system's adequacy to maintain comfortable conditions under anticipated weather conditions, specifying internal temperature and base ambient temperature used in calculations. Describe:

(1) Type of system; **Various individual apartment with window mounted units of varying age and condition.**
Limited capacity of each unit to adequately maintain comfortable condition.

(2) Central system (give manufacturer, model and capacity); **N/A**

(3) Cooling towers, condensers, (roof top, self-contained units, **N/A** including number, location and description);

(4) Individual units covered by the offer (window/sleeve-specify number, capacity, amperage and efficiency). **N/A, individual ownership according to Management.**

23.7(n) Ventilation.

(n) *Ventilation.* Describe system in kitchens, fireplaces and all windowless areas such as corridors, garages, laundries, baths, etc.
Ventilation in apartment kitchens and bathrooms obtained via common building ventilator system.

Cellar space and gas meter room are ventilated directly to the outside by a louvered exhaust vent.

23.7(o) Electrical system.

(o) *Electrical system.* Specify:

(1) Service from main service switchgear (amperes, voltage, phases, wire, protective equipment);
amperes: **200**

voltage: **120/240**
phases: **3**
wire: **Appears to be copper. Mostly concealed**
protective equipment: **Appears to be a common building ground in gas meter/water meter room**

(2) Service to individual units (risers, etc.); **Individual Risers**

(3) Compartment switch gear (location and floor of sectional meter boards and transformers supplying power to the meter boards); **Located in basement level Electric/Sewer Room**

(4) Unit service (ratings of fuses and circuit breakers); adequacy of electrical system to handle modern usage and appliances such as air conditioners, dishwashers and dryers; **40 amp, 120 and 240 volts able to handle modern usage and appliances such as air conditioners, dishwashers and clothes dryers. Provided usage does not exceed 40-amp maximum. No independent investigation was undertaken. The electric does not meet today's standards in that there are not dedicated circuits for appliances or air conditioner units and no GFI outlets in kitchens and bathrooms.**

(5) Adequacy:

(i) Service - average number of circuits per apartment and capacity to handle modern appliances - specifically air conditioners, dishwashers and electric dryers;
Multiple circuits per apartment with capacity to handle air conditioners, and dishwashers.

(ii) Lighting and fixtures; **Individual apartment preference, according to building management. Provided that no independent investigation was undertaken.**

(iii) Convenience outlets, appliance outlets **1 or 2 in kitchen according to apartment size, 1 in bathroom.**

23.7(p) Intercommunication and/or door signal systems, security closed circuit TV.

(p) *Intercommunication and/or door signal systems, security closed circuit TV.* Specify mode of operation and condition. Describe television reception facilities (master antennae, cable TV, antennae by tenants).
Electronic front door entrance buzzer system to individual Apartments, reported by management to be in working condition.

Individual resident preference for television reception. Satellite dishes observed on west facade and antennae attached to roof bulkhead.

23.7(q) Public area lighting.

(q) *Public area lighting.* Describe and state adequacy (entrances, halls and stairs, corridors, basements, courts and yards). **Various ceiling fixtures observed to be adequate.**

23.7(r) Garages and parking areas.

(r) *Garages and parking areas.* Describe: **N/A**

(1) Location of garages (description of facility);
None observed

(2) Location of parking areas (number of spaces in each); **N/A**

(3) Surfaces (materials used, lighting, fencing etc.); **N/A**

(4) Parking (attended or not attended); **N/A**

(5) Garage ventilation (method and equipment); **N/A**

(6) Garage fire protection (method and equipment); **N/A**

(7) Drainage. Parking area potential flooding; **N/A**

23.7(s) Swimming pool(s). None

23.7(t) Tennis courts, playgrounds and recreation facilities. None
23.7(u) Permits and certificates.

No open job filings per NYC DOB website

(u) *Permits and certificates.* The following reoccurring regulatory inspections are performed annually.
(1) Boiler inspection
(2) Fire Extinguisher inspection

23.7(v) Violations.

(v) Violations. List all violations outstanding as of the date of this report and the agency imposing the violation, the condition involved, the date violation issued, and work required by violation notice to cure. If no violations are outstanding, so state.
No open violations per DOB website as of January 19, 2017

23.7(w) Violations.

(w) Unit information. Specify the number of units inspected. Specify the unit designations for each typical unit or line of units, including the number and type of rooms. Give criteria for calculations of the number of rooms. For lofts give useable residential space in square feet. Describe (include foyers, living rooms, dining areas, kitchen, bedrooms, bathrooms, etc.):

Number of units inspected: **3 - Apartments - 2B, 2D, 4A.**

See attached Building Inspection Report

Number and types of substantial rooms:
Apartment 2B: 3 rooms - Bathroom, kitchen, 1 bed/living room
Apartment 2D: 4 rooms - Bathroom, kitchen, living room, bedroom
Apartment 4A: 4 rooms - Bathroom, kitchen, living room, bedroom with balcony.

Criteria for number of rooms: **Physical inspection. Building Superintendent and Management.**

(1) Type and grade of finish material used in each type of unit and the number of coverings given. Include paint, wall and floor coverings, as well as specifying the type of flooring, walls and ceiling used.
All rooms walls and ceiling - painted drywall. Worn and deteriorated condition.
Floors - carpeted or linoleum. Worn and deteriorated condition.
Bathroom - partial tile. Worn and deteriorated condition.

(2) Describe presence, type and condition of all bedroom fixtures. **N/A**

(3) Describe presence, type and condition of kitchen and laundry equipment. **Kitchen: Floors, walls, countertops and appliances found to be in worn condition in all building units we were provided access to. No laundry rooms were observed.**

(i) If data is substantially the same for all units, a single narrative may be substituted for this schedule. **Above**

(ii) If any equipment or fixtures described are not included in the offering price, or the offering price is conditioned on the equipment and fixtures selected, such fact must be conspicuously noted in the body of the plan.

23.7(x) Finish schedule of spaces other than units.

(x) *Finish schedule of spaces other than units.* The following is a form of schedule to be given for each floor.
Include all common rooms and spaces including but not limited to:
Sub-sub cellar, sub-cellar, basement, cellar, first floor, penthouse floor, public and service halls, corridors, lobbies

Basement
Room: **Entrance Room/Hallway**
Floor: **Concrete**
Walls: **Brick and Sheetrock**
Ceiling: **Sheetrock**

Room: **Gas/Water/Sewer Room**
Floor: **Concrete**
Walls: **Brick, concrete and sheetrock**
Ceiling: **Sheetrock**
Remarks: **Room has sink, and storage shelves/racks**
Peeling paint on concrete openings in wall and ceiling sheetrock
Apparent electrical ground in dry well along east foundation wall.

Room: **Storage room**
Floor: **Concrete**
Walls: **CMU, brick, concrete**
Ceiling: **Concrete**
Remarks: **Open CMU and brick mortar joints, peeling wall paint.**
Room: **Boiler Room**
Floor: **Concrete with drain**
Walls: **Concrete**
Ceiling: **Sheet rock**
Remarks: **NOTE: Venting to chimney stack required.**
Wooden shelves in bolier room. Peeling wall paint.

Room: **Electric/Sewer Room**
Floor: **Concrete and brick**
Walls: **Sheetrock**
Ceiling: **Sheetrock**
Remarks: **Open brick mortar joints and spalling wall paint.**

Room: **Bathroom**
Floor: **Linoleum**
Walls: **Sheetrock**
Ceiling: **Sheetrock**
Remarks: **Tub, toilet and sink.**

Room: **Work room**
Floor: **Concrete**
Walls: **Sheetrock**
Ceiling: **Sheetrock**
Remarks: **Work tables with wooden drawers, shelving and electric wall outlets at work stations. Galvanized pipe exhaust system, pegboards and some tools.**

Note: Many basement floors and walls had been freshly repainted.

First floor
Room: **Hallway**
Floor: **Carpet covering. Sponsor will undertake corrective work to correct this condition.**
Walls: **Sheetrock**
Ceiling: **Sheetrock**
Remarks: **Storage area below stairway with lock door in hallway. The sponsor is correcting this condition as public halls and stairs are required to be of fire-proof construction.**

Second Floor
Room: **Hallway**
Floor: **Carpet covering. Sponsor will undertake corrective work to correct this condition.**
Walls: **Sheetrock**
Ceiling: **Suspended acoustic tile in metal framework.**

Third Floor
Room: **Hallway**
Floor: **Carpet covering. Sponsor will undertake corrective work to correct this condition.**
Walls: **Sheetrock**
Ceiling: **Suspended acoustic tile in metal framework.**

Fourth Floor
Room: **Hallway**

Floor: **Carpet covering. Sponsor will undertake corrective work to correct this condition.**
Walls: **Sheetrock**
Ceiling: **Suspended acoustic tile in metal framework.**

Single pane glass at each stairwell landing, with protective metal guard covering lower sash.

23.7(y) Safety and warning devices.

(y) Safety and warning devices. Describe and fire or smoke safety devices installed in units and common areas. State what devices are required by law, and whether any required devices have not been installed.
Sponsor has reportedly replaced all smoke detectors and carbon monoxide detectors in units and in common areas.

23.7(z) Additional information required.

(z) *Additional information required.* Include the following in the Description of property and Building Condition section of the plan:

(1) A site plan showing landscape features, roads, the outside dimensions of the building(s) and designated common areas, including recreation and refuse disposal areas, and all privately owned access roads. The site plan may be omitted if the building covers the entire lot. **See attached.**

(2) An area map showing the location of the condominium with respect to its surroundings, if the condominium is not located in a highly urban area. **See attached.**

(3) Floor plan for each line or type of unit drawn to scale, indicating room dimensions, and showing unit boundaries. **See attached.**

(4) Floor to ceiling heights of units. **See attached.**

(5) Approximate total area of each unit. **See attached.**

(6) A master floor plan showing unit boundaries and the relationship of units to each other. The master floor plan may be omitted if the site plan clearly shows unit boundaries and appropriate unit designations. **See attached.**

23.7(aa) Additional testing at discretion of Department of Law

(aa) In the event that certain conditions in the building(s) cannot be adequately evaluated by a visual examination, the Department of Law may, in its discretion, direct that an independent engineer or testing laboratory be retained to perform such tests or monitoring as may be necessary in order to make adequate disclosure. Conditions which may require additional testing or monitoring include, but are not limited to: settlement, masonry cracks, rusting of structural steel, adequacy of concrete cover, fire stopping, etc. Test results must be reported in the offering plan or in an amendment thereto. **See attached.**

23.7(bb) Further development.

(bb) Further development. If the sponsor intends to add additional units to the building, either above the existing roof, outside the existing building development, or by altering space within the building, it must make disclosure about the new units to conform to 13 NYCRR Section 20.7. In addition: **No further development is planned at this time.**

23.7(cc) Asbestos.

(cc) *Asbestos.* **See attached asbestos report**

23.7(dd) Lead-based paint.
(New added on 6/18/1997)

(dd) *Lead-based paint.* **See attached lead report**

The scope of the inspection did not include an analysis of the original building design or regulatory code compliance. It is assumed for the sake of this report that the original structure was constructed to generally acceptable engineering design standards and to regulatory codes in-place at the time of construction. Since building design standards and regulatory codes have changed over time, parts of the building may not conform to currents standards or codes. This was not an inspection for code compliance.

EBI is not responsible for identifying trip and fall hazards or site safety. Conditions seemingly minor in nature can present conditions that lead to accidents and injury.

EBI is not responsible for identifying environmental hazards, including but not limited to, mold, lead, asbestos, formaldehyde, etcetera. Detecting presence of environmental hazards is outside the scope of this visual inspection.

Buildings of this age and type can leak during periods of heavy precipitation. Waterproofing systems including foundation membranes and water-resistant wall barriers are concealed and cannot be viewed for condition during visual observation of the building. EBI makes no guarantee against water intrusion into the building.

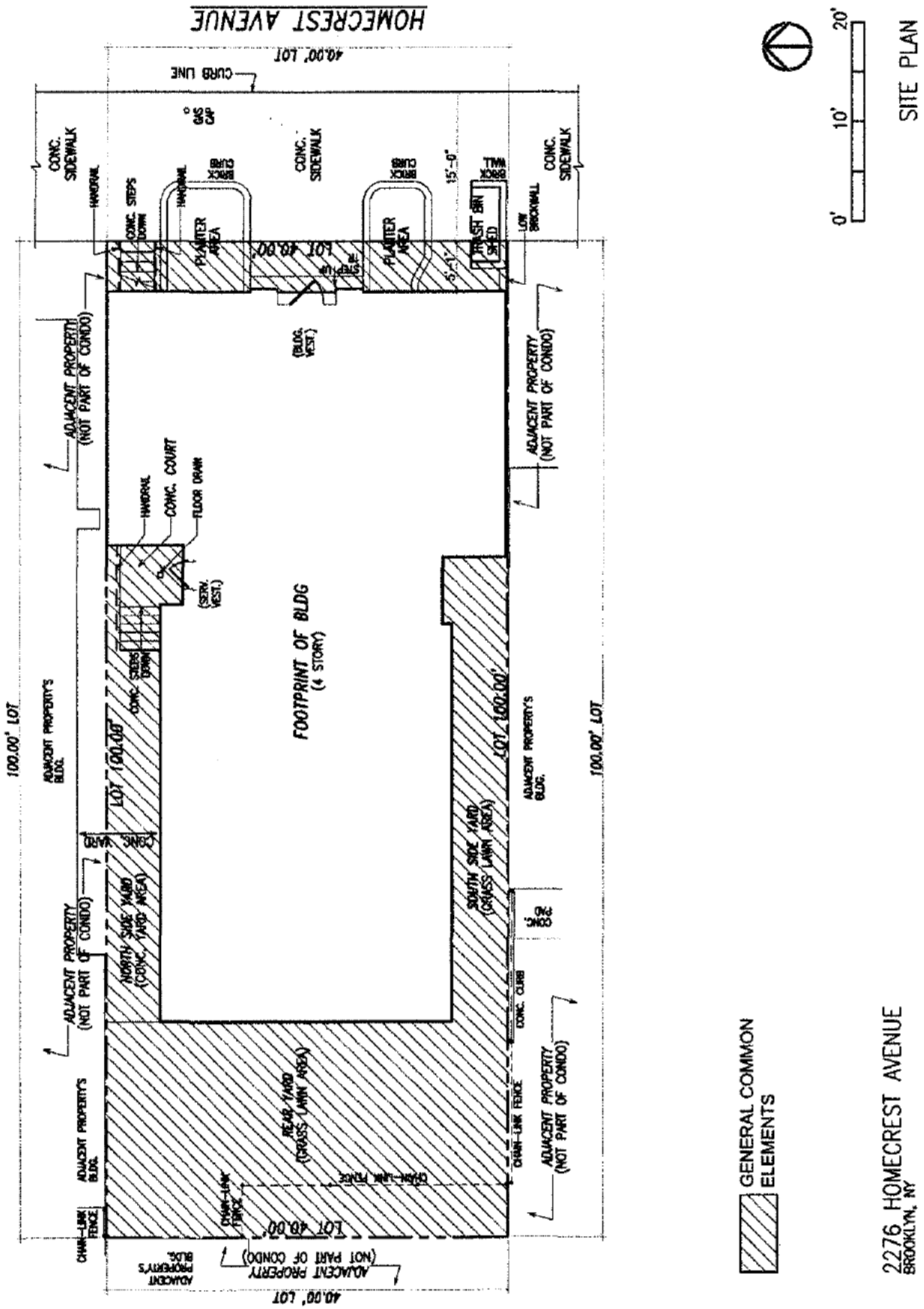
Standard of Care/Limits of Liability

This report is a professional opinion of observations made during the time of site visits. Observations were limited to those areas and building units that were made accessible to us by building management. For the purpose of this report, these locations are considered a representative area of the building. Conditions may vary significantly in areas of the building not observed. Our report and opinion is limited to this representative area of the building.

The conditions, recommendations, suggestions contained herein are the result of a visual evaluation of reasonably and safely accessible areas as observed at the time of our site visit, without removing surface materials, doing any exploratory demolition, performing any testing or moving furniture and stored items. This report is not an exhaustive technical evaluation. Understand that there may be costly problems that were not visible during our visual evaluation. No exploratory probing was performed as part of this visual survey. Should additional information become available to us, we retain the right to amend this report accordingly.

The standard of care for services performed by Engineered Building Inspections, P.C. [EBI] will be the care and skill ordinarily used by members of the profession practicing under similar circumstances. EBI makes no warranties, express or implied, in connection with this report. EBI is not responsible for identifying concealed or latent defects. EBI is not responsible for identifying, handling, or removal of asbestos, lead or other toxic substances which may involve certain risks. Liability for errors, omissions, oral representations, breach of contract, negligence, implied representation, which results in personal, financial, damage or injury, or consequential damages, to any person related to this proposal, is limited to the amount of the fee paid for EBI's services. Any dispute or claim must be made in writing within one year of date of report.

Attachments



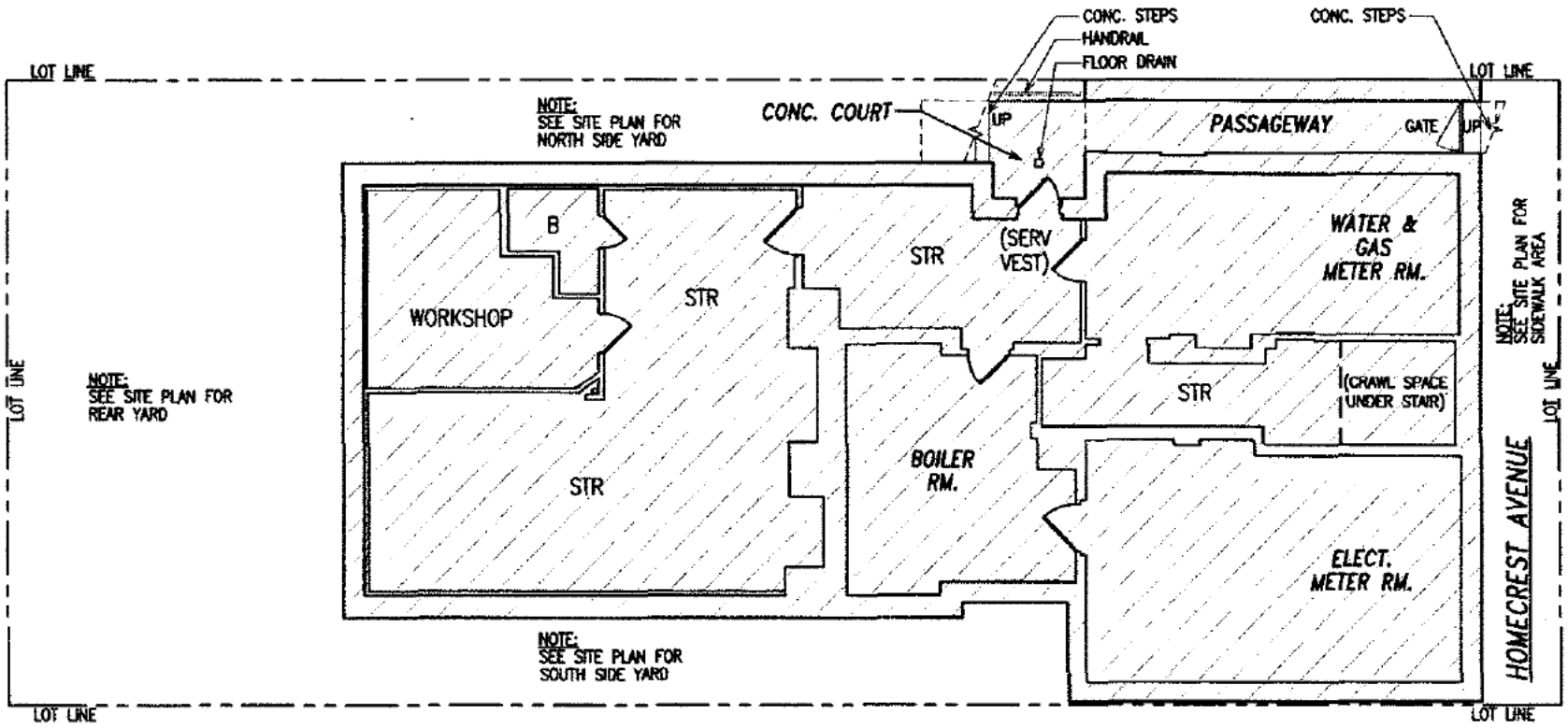
SCHEDULE I-1

SITE PLAN

0' 10' 20'

GENERAL COMMON ELEMENTS

2276 HOMECREST AVENUE
BROOKLYN, NY



NOTE:
FLOOR TO CLG. HEIGHT IS 7'-1" HIGH

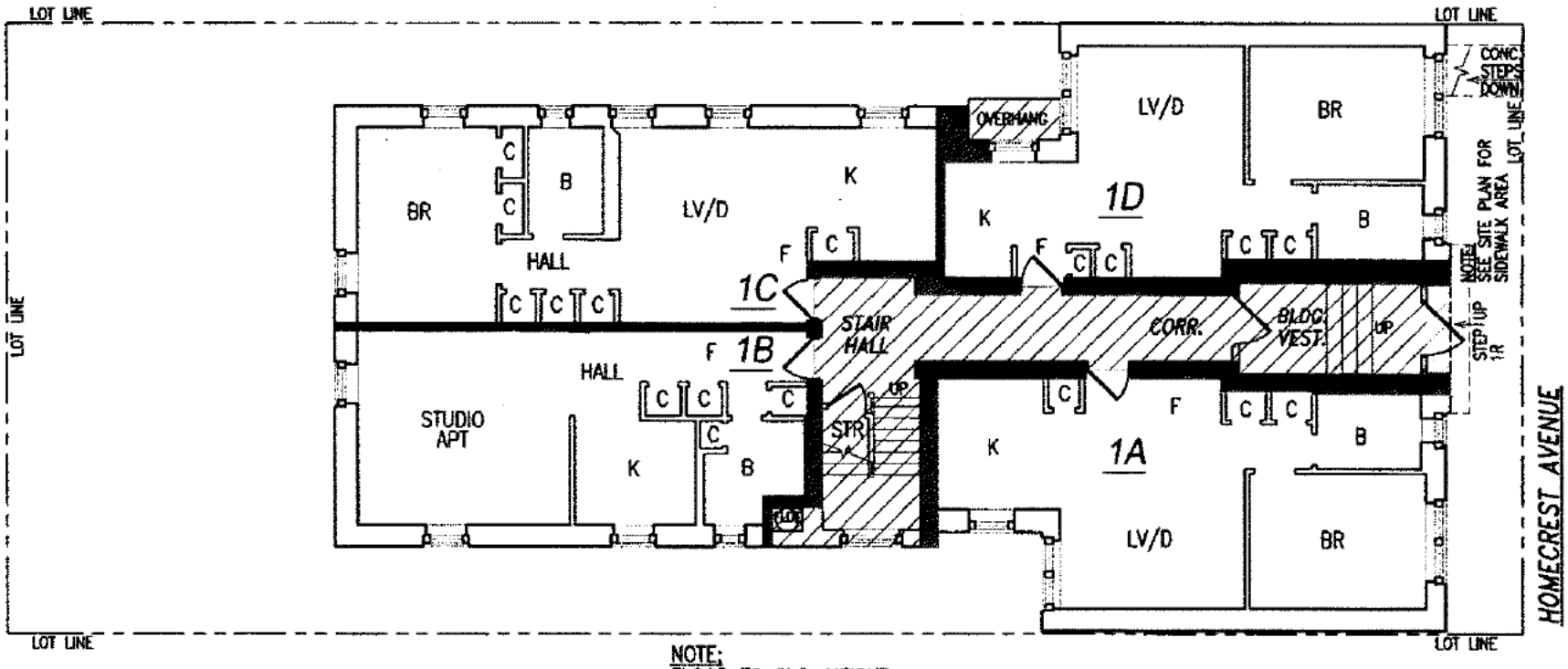
GENERAL COMMON ELEMENTS

0' 15'

2276 HOMECREST AVENUE
BROOKLYN, NY

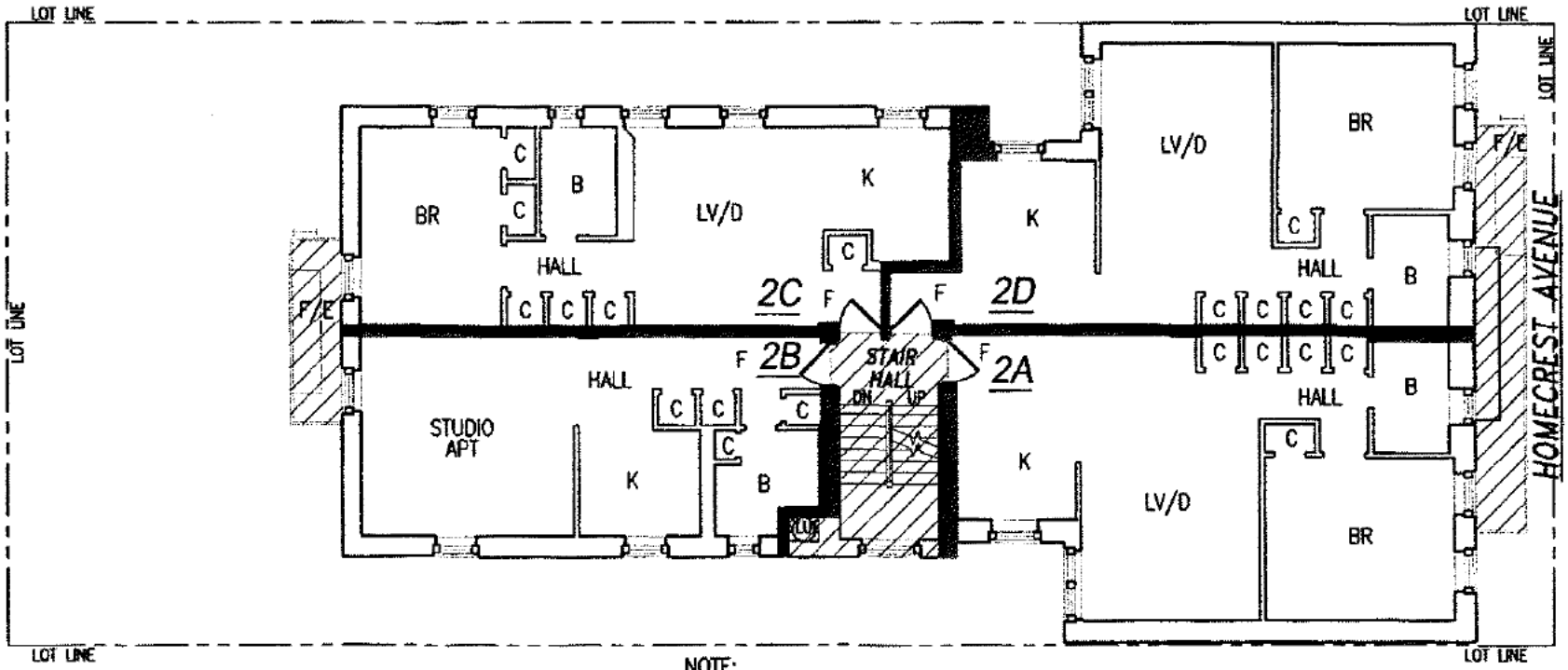
CELLAR PLAN

SCHEDULE I-2



2276 HOMECREST AVENUE
BROOKLYN, NY

1ST FL. PLAN



NOTE:
FLOOR TO CLG. HEIGHT
OF ALL UNITS ON THIS FLOOR
IS 8'-3" HIGH

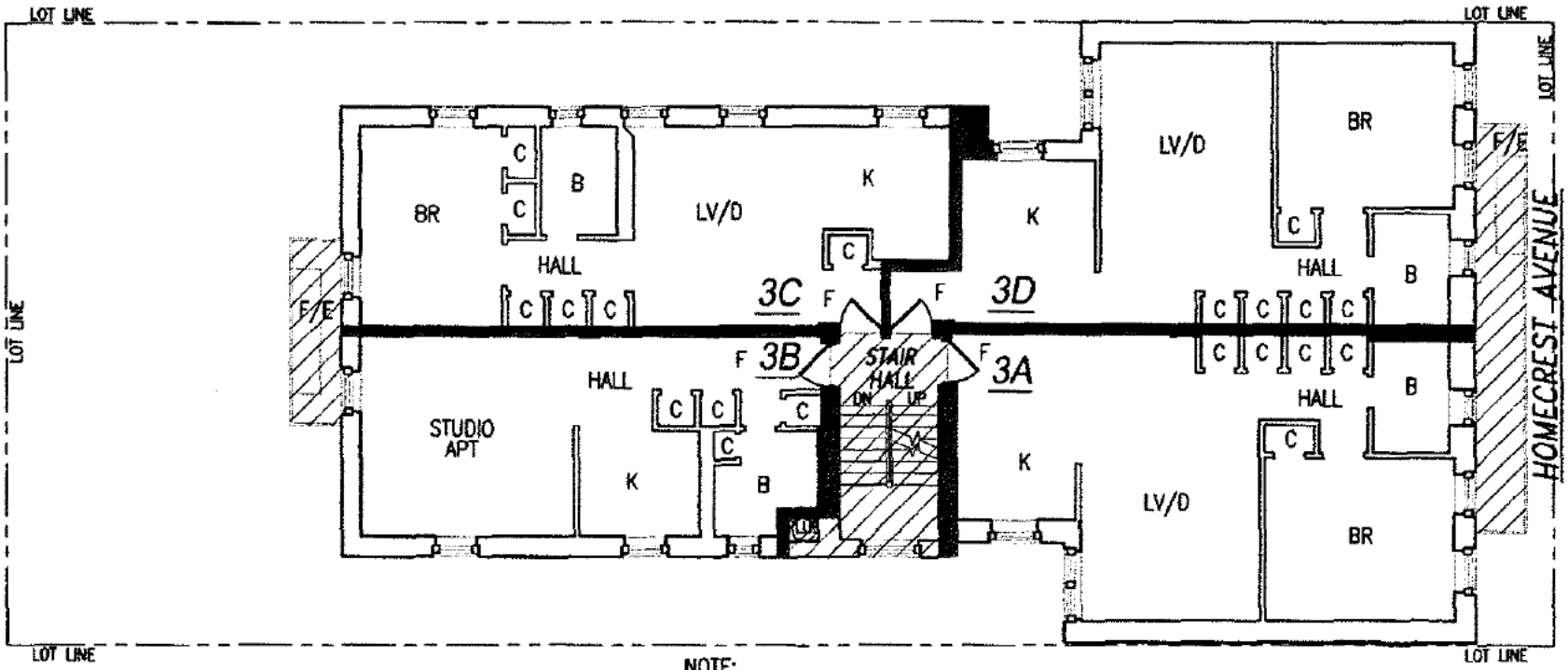
RESIDENTIAL UNIT

GENERAL COMMON
ELEMENTS

0' 15'

2276 HOMECREST AVENUE
BROOKLYN, NY

2ND FL. PLAN



NOTE:
FLOOR TO CLG. HEIGHT
OF ALL UNITS ON THIS FLOOR
IS 8'-3" HIGH

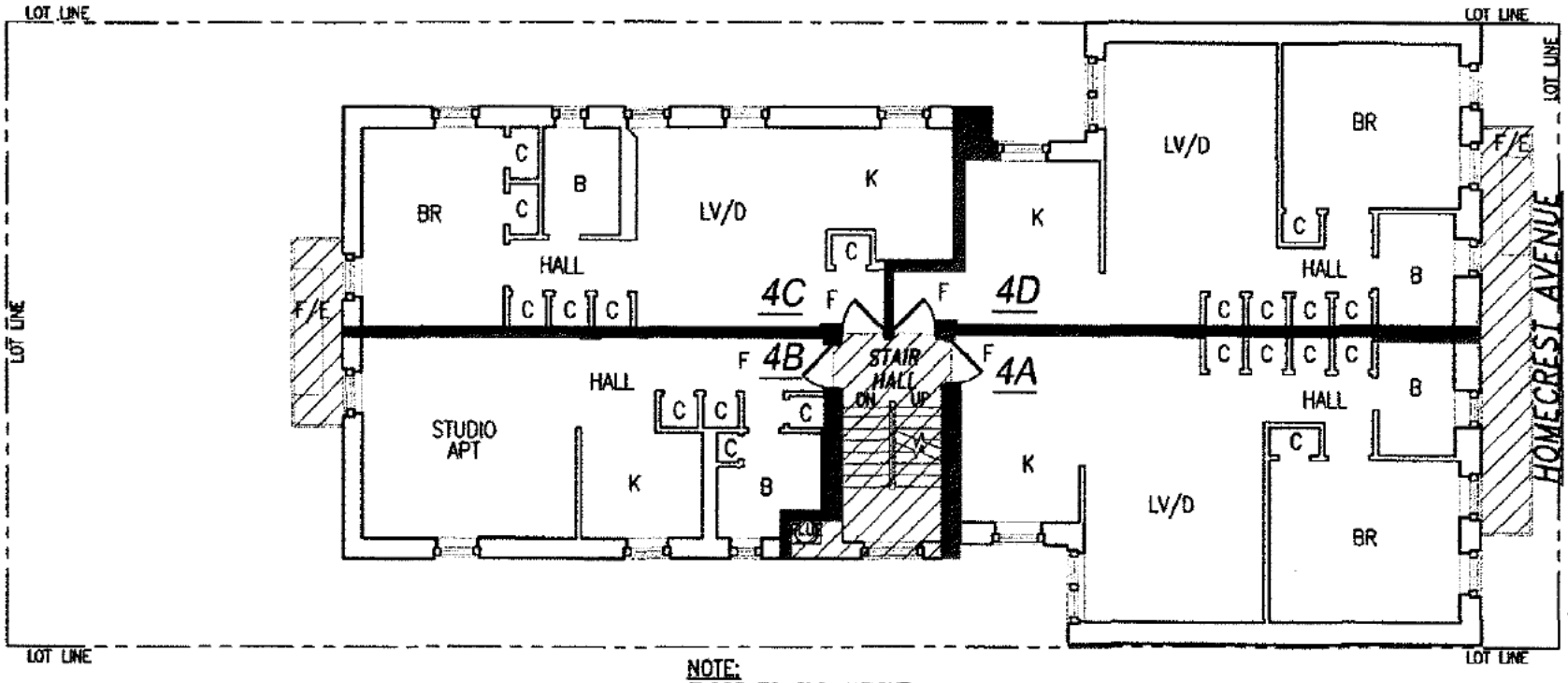
RESIDENTIAL UNIT

GENERAL COMMON ELEMENTS

0' 15'

2276 HOMECREST AVENUE
BROOKLYN, NY

3RD FL. PLAN



NOTE:
FLOOR TO CLG. HEIGHT
OF ALL UNITS ON THIS FLOOR
IS 8'-3" HIGH

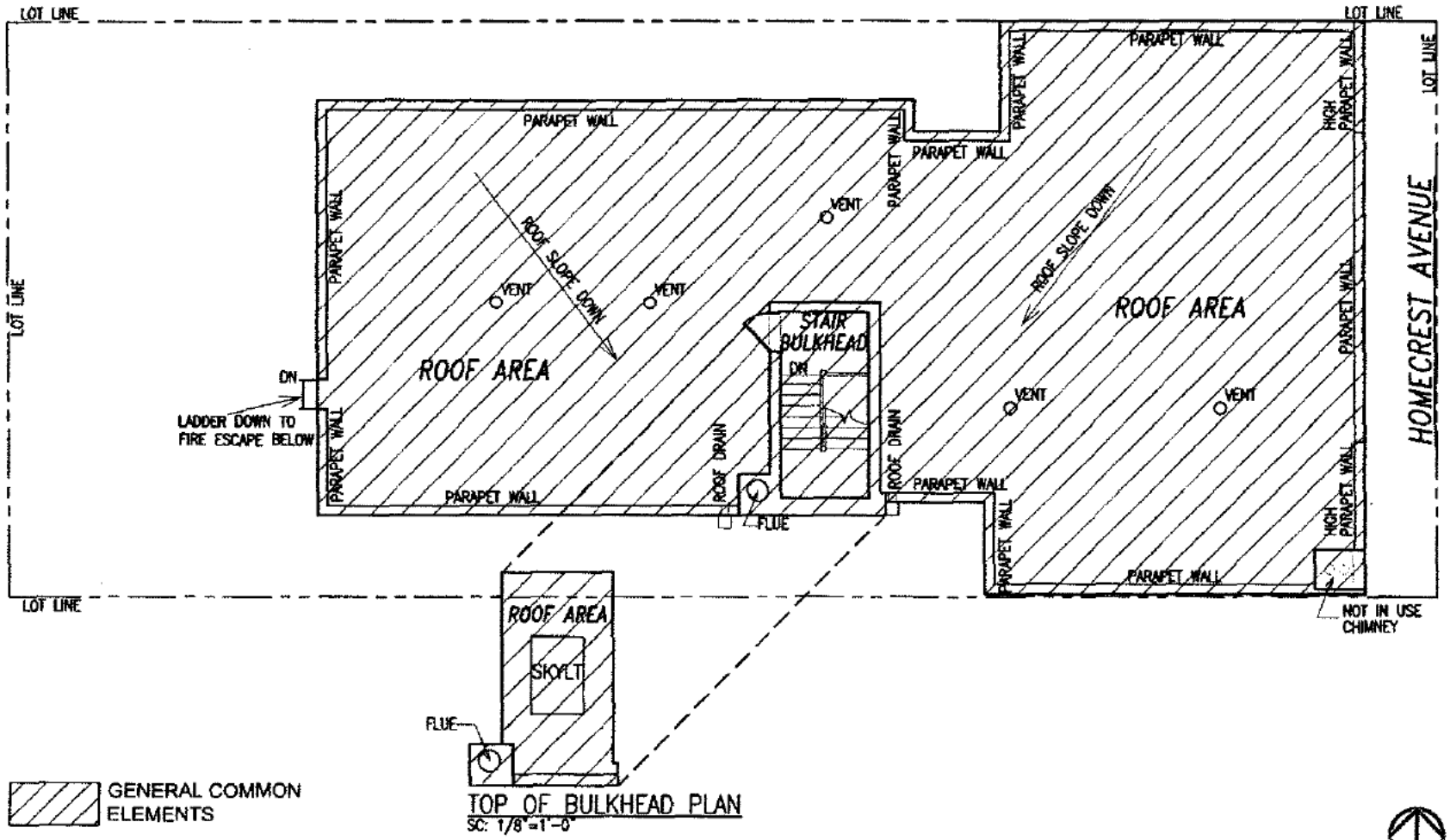
RESIDENTIAL UNIT

GENERAL COMMON ELEMENTS

0' 15'

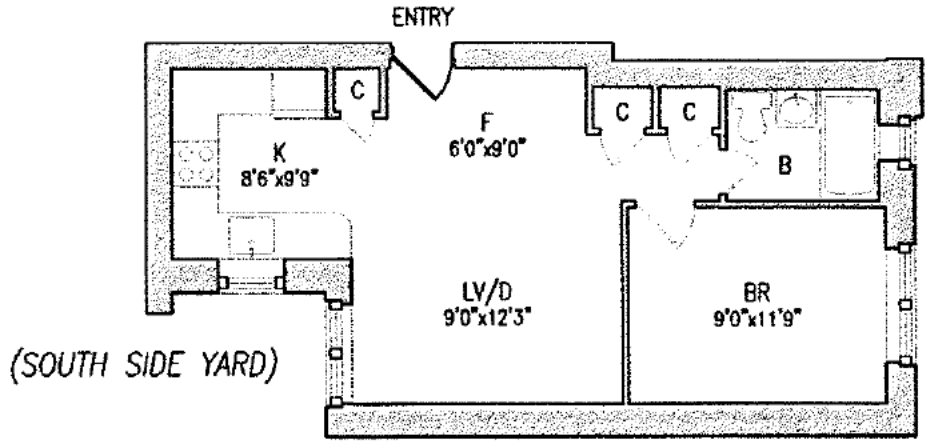
2276 HOMECREST AVENUE
BROOKLYN, NY

4TH FL. PLAN

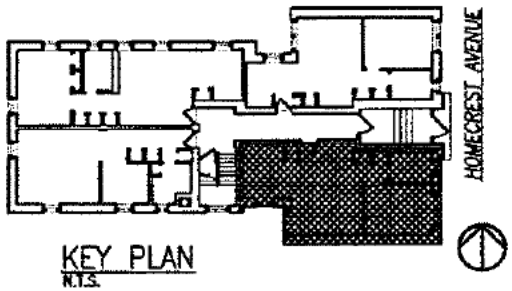


2276 HOMECREST AVENUE
BROOKLYN, NY

ROOF PLAN



NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH



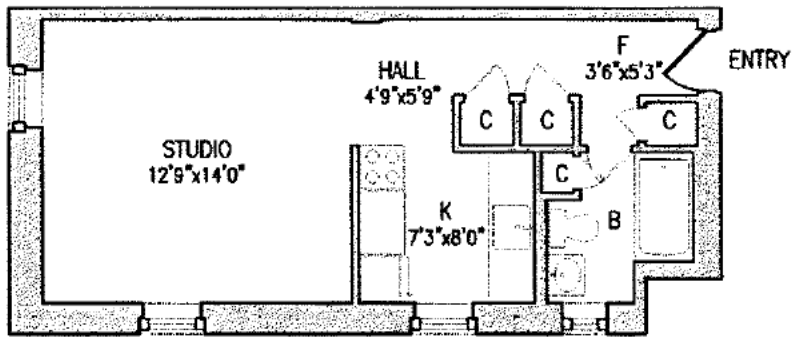
KEY PLAN
N.T.S.

1ST FL., APT. 1A
1 BEDROOM, 1 BATH
526 S.F.

2276 HOMECREST AVENUE
BROOKLYN, NY

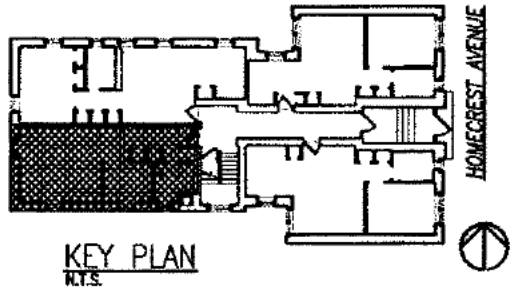
0' 5' 10'

NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH



1ST FL., APT. 1B
STUDIO APT., 1 BATH
447 S.F.

2276 HOMECREST AVENUE
BROOKLYN, NY



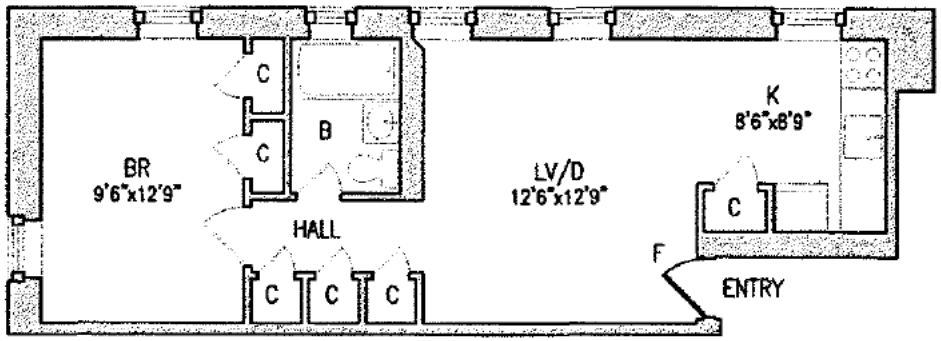
KEY PLAN
N.T.S.

0' 5' 10'

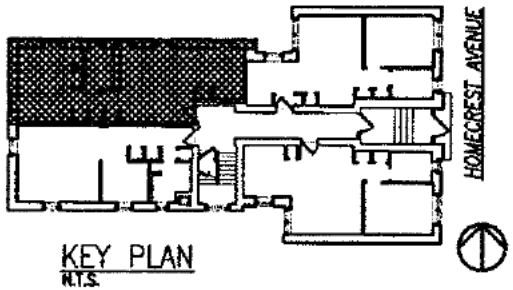
218

(NORTH SIDE YARD)

(REAR YARD)



NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH

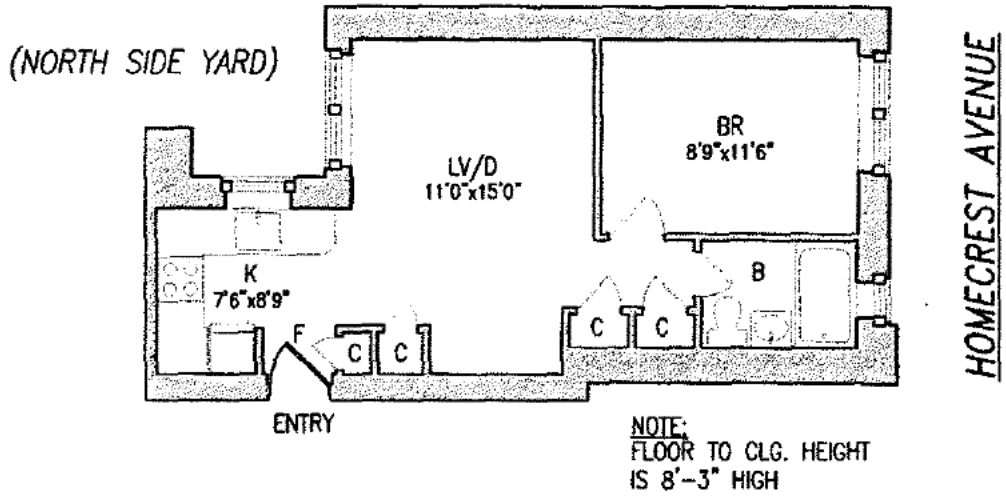


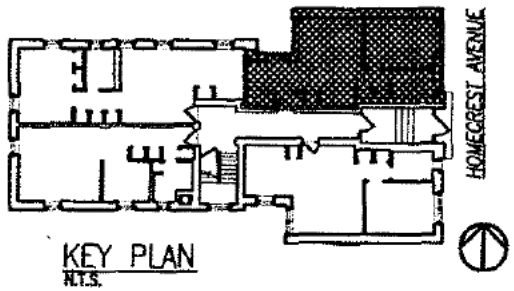
KEY PLAN
N.T.S.

1ST FL., APT. 1C
1 BEDROOM, 1 BATH
550 S.F.

2276 HOMECREST AVENUE
BROOKLYN, NY

0' 5' 10'





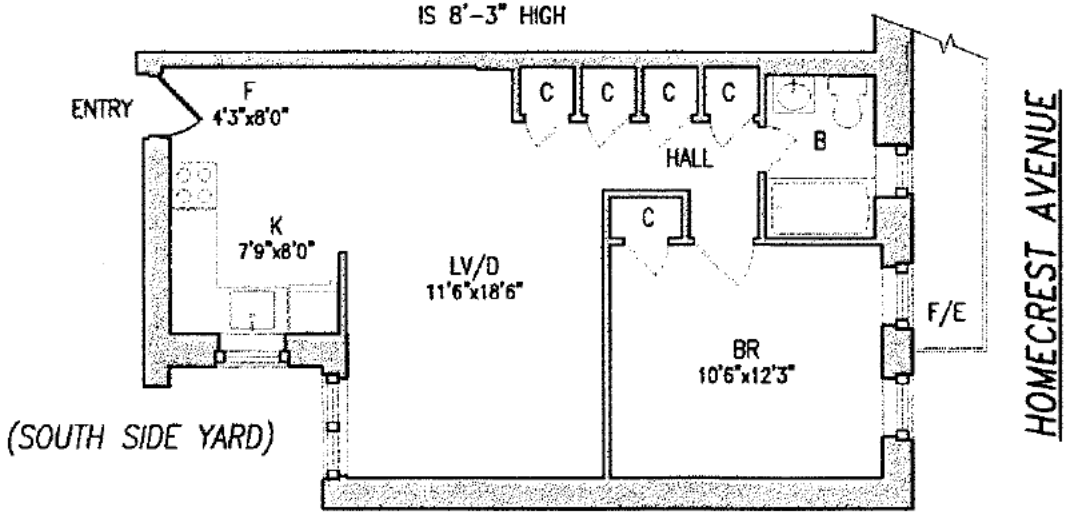
KEY PLAN
N.T.S.

1ST FL., APT. 1D
1 BEDROOM, 1 BATH
449 S.F.

2276 HOMECREST AVENUE
BROOKLYN, NY

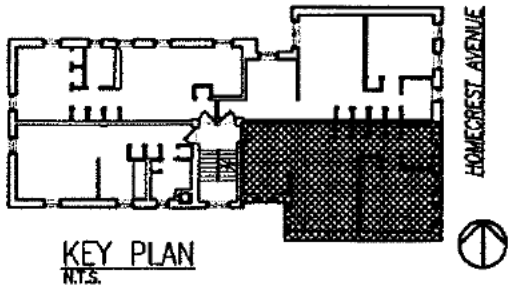
0' 5' 10'

NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH

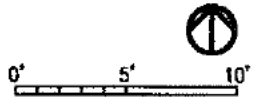


2ND FL., APT. 2A
1 BEDROOM, 1 BATH
641 S.F.

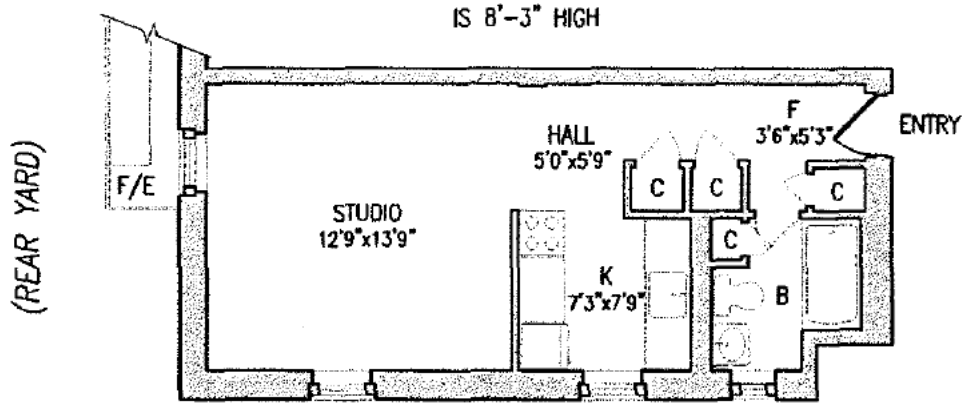
2276 HOMECREST AVENUE
BROOKLYN, NY

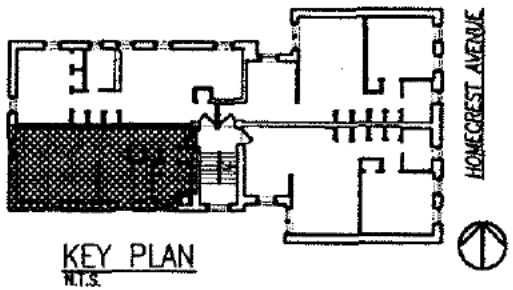


KEY PLAN
N.T.S.



NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH



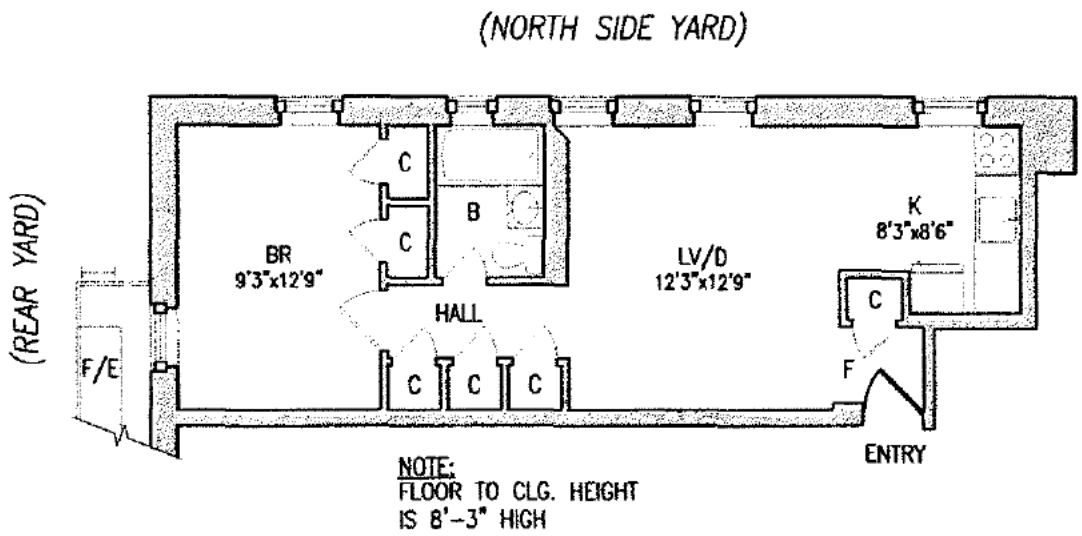


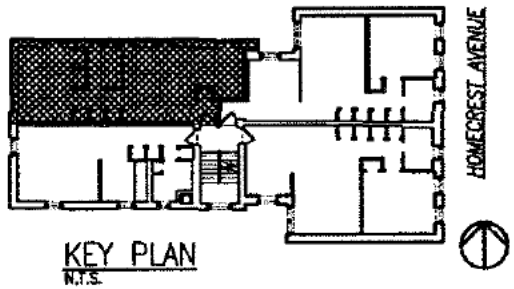
KEY PLAN
N.T.S.

2ND FL., APT. 2B
STUDIO APT., 1 BATH
449 S.F.

2276 HOMECREST AVENUE
BROOKLYN, NY

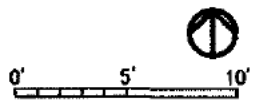
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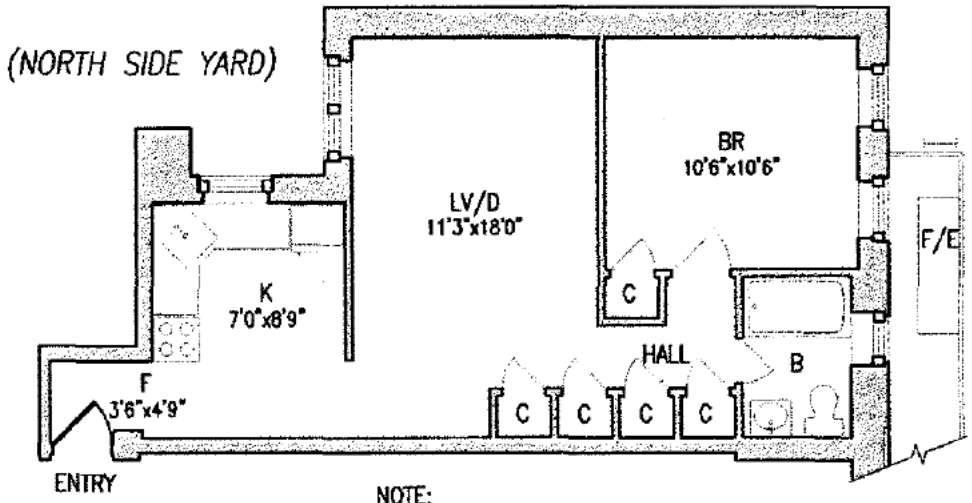




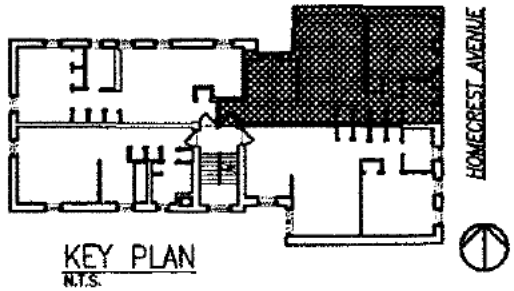
2ND FL., APT. 2C
1 BEDROOM, 1 BATH
556 S.F.

2276 HOMECREST AVENUE
BROOKLYN, NY





NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH



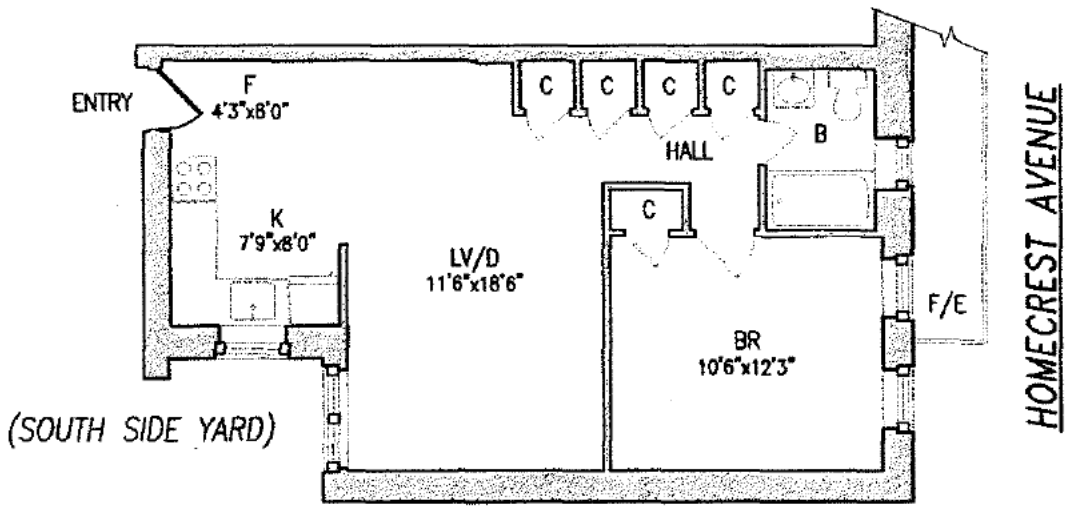
KEY PLAN
N.T.S.

2ND FL., APT. 2D
1 BEDROOM, 1 BATH
620 S.F.

2276 HOMECREST AVENUE
BROOKLYN, NY

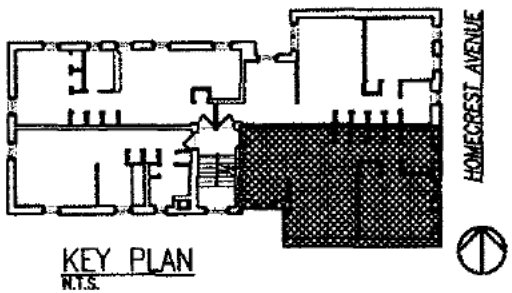
0' 5' 10'

NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH

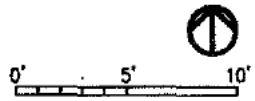


3RD FL., APT. 3A
1 BEDROOM, 1 BATH
641 S.F.

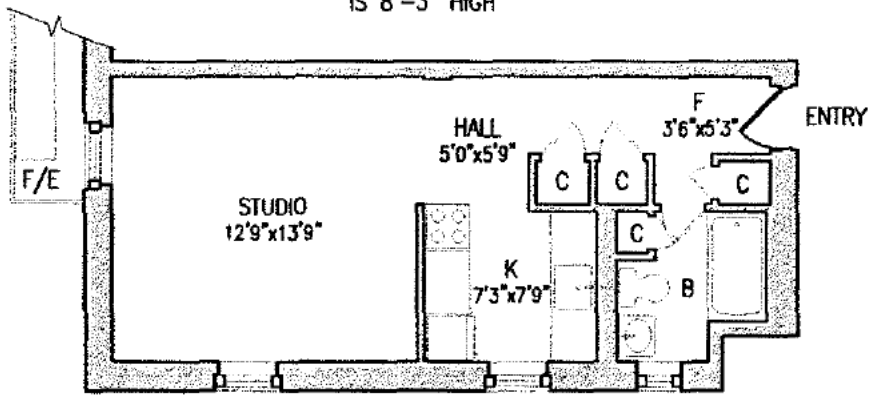
2276 HOMECREST AVENUE
BROOKLYN, NY



KEY PLAN
N.T.S.

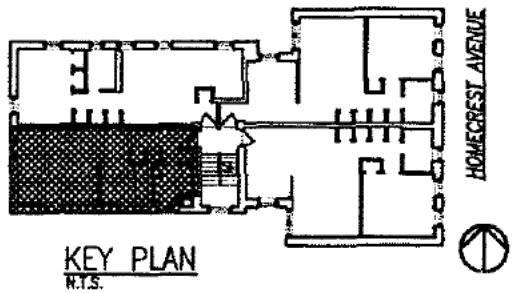


NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH



(REAR YARD)

(SOUTH SIDE YARD)

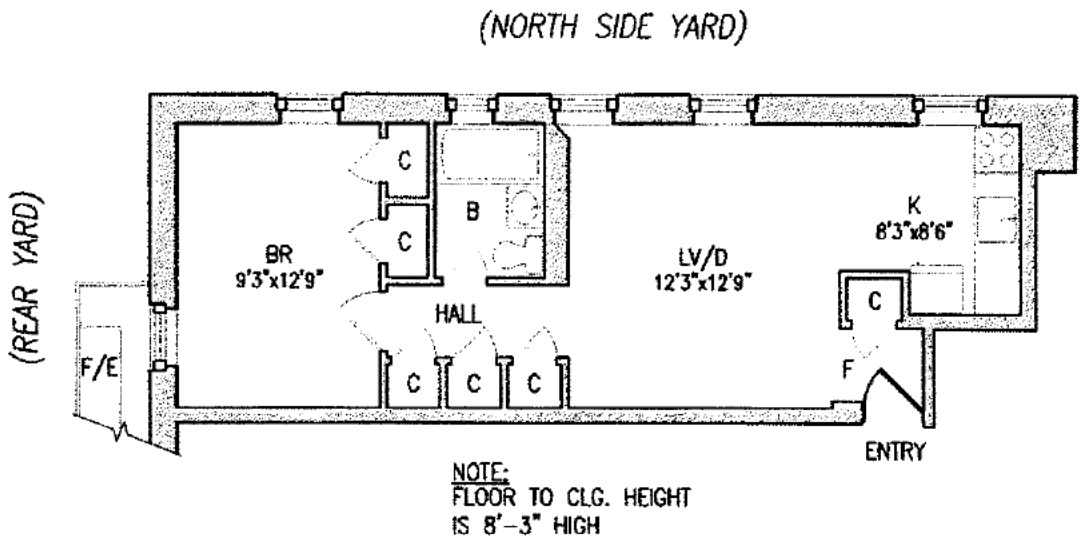


KEY PLAN
N.T.S.

3RD FL., APT. 3B
STUDIO APT., 1 BATH
449 S.F.

2276 HOMECREST AVENUE
BROOKLYN, NY

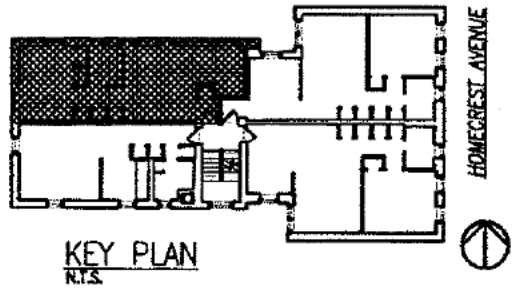
0' 5' 10'



NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH

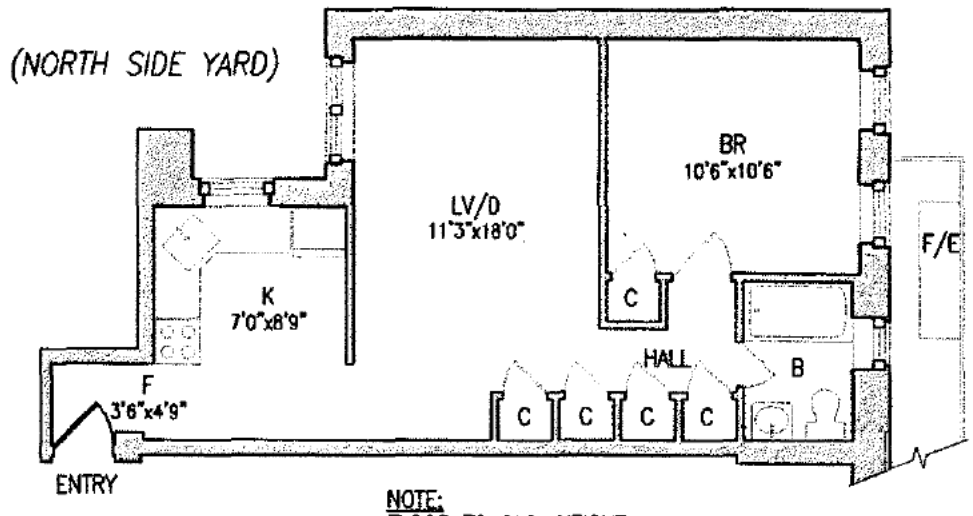
3RD FL., APT. 3C
1 BEDROOM, 1 BATH
556 S.F.

2276 HOMECREST AVENUE
BROOKLYN, NY



KEY PLAN
N.T.S.

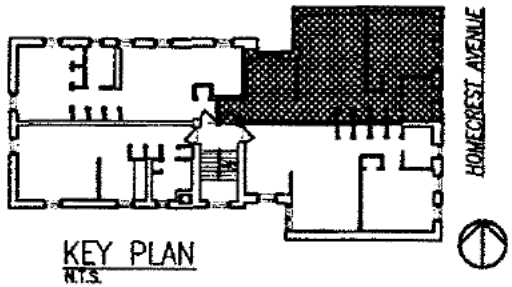
0' 5' 10'



NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH

3RD FL., APT. 3D
1 BEDROOM, 1 BATH
620 S.F.

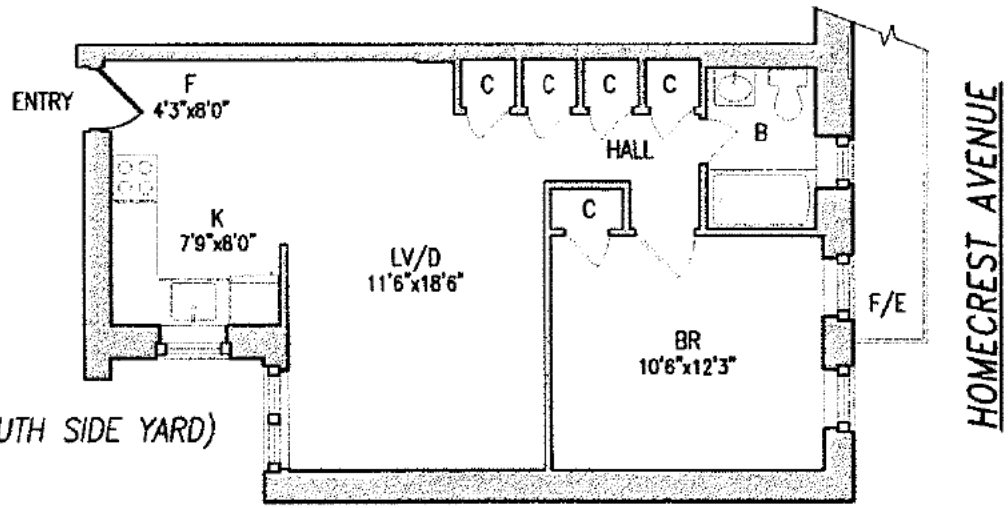
2276 HOMECREST AVENUE
BROOKLYN, NY

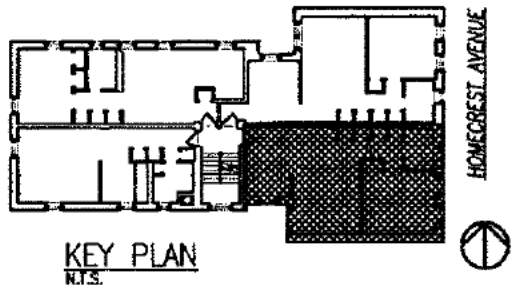


KEY PLAN
N.T.S.

0' 5' 10'

NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH





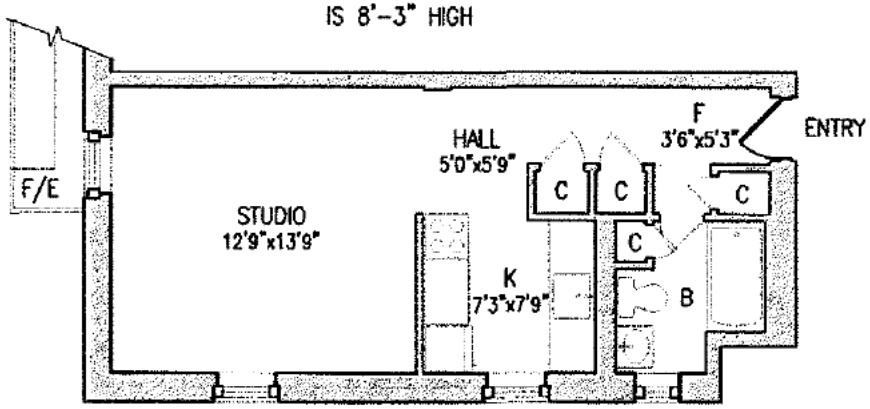
KEY PLAN
N.T.S.

4TH FL., APT. 4A
1 BEDROOM, 1 BATH
641 S.F.

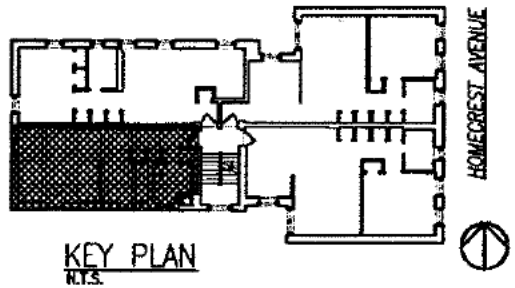
2276 HOMECREST AVENUE
BROOKLYN, NY

0' 5' 10'

NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH



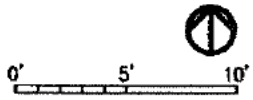
(SOUTH SIDE YARD)

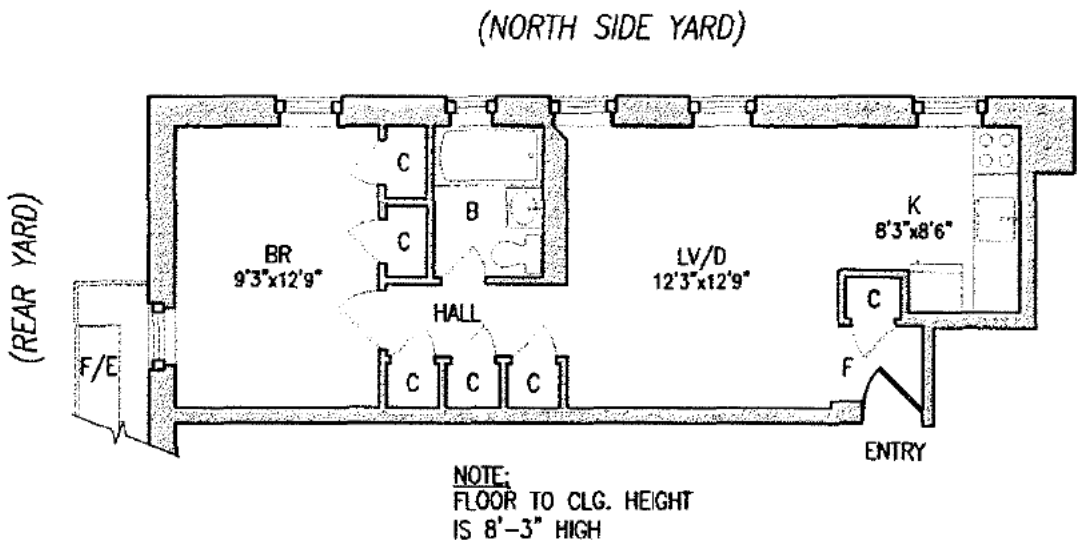


KEY PLAN
N.T.S.

4TH FL., APT. 4B
STUDIO APT., 1 BATH
449 S.F.

2276 HOMECREST AVENUE
BROOKLYN, NY

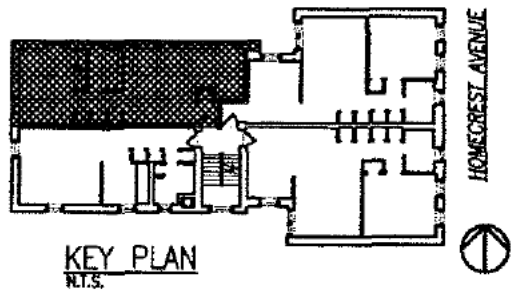




NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH

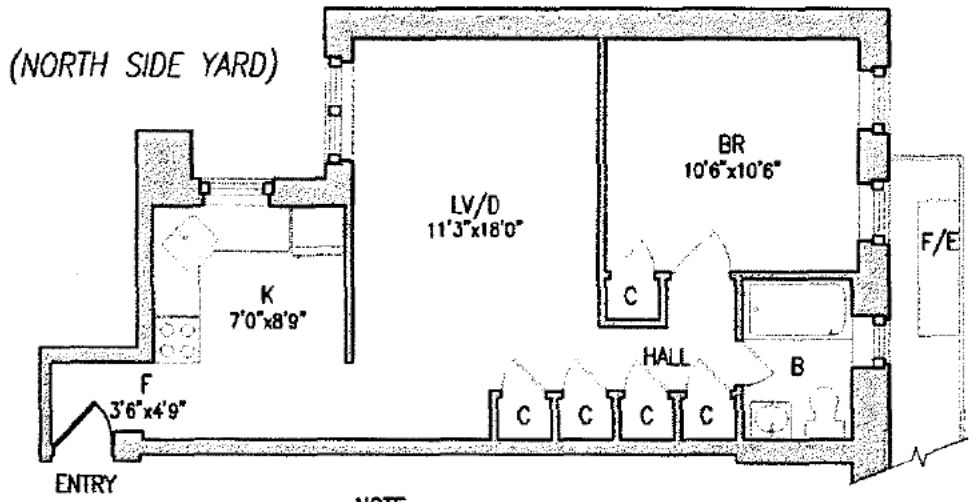
4TH FL., APT. 4C
1 BEDROOM, 1 BATH
556 S.F.

2276 HOMECREST AVENUE
BROOKLYN, NY

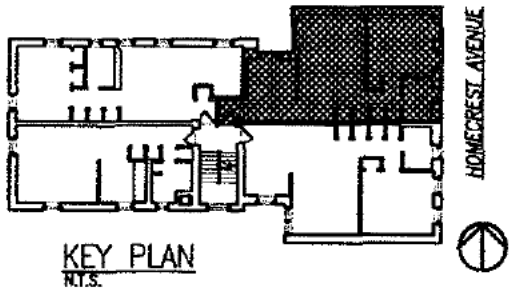


KEY PLAN
N.T.S.

0' 5' 10'



NOTE:
FLOOR TO CLG. HEIGHT
IS 8'-3" HIGH



KEY PLAN
N.T.S.

4TH FL., APT. 4D
1 BEDROOM, 1 BATH
620 S.F.

2276 HOMECREST AVENUE
BROOKLYN, NY

0' 5' 10'

LAWRENCE
ENVIRONMENTAL GROUP, LLC

PROJECT:
Limited XRF Lead Inspection

Location:
2276 Homecrest Avenue
Common Areas &
Apartment 4R
Brooklyn, NY 11214

Report Prepared for:
Philips International
c/o Sive, Paget & Riesel P.C.
460 Park Avenue 10th Floor
New York, NY 10022

Prepared by:
Lawrence Environmental Group, LLC.
108 West 39th Street
Suite 500
New York, NY10018-3614
License #NY-11751-3

Project # MSCCOM 267

Date of Survey:
December 4, 2014

Date of Issue:
February 3, 2015

TABLE OF CONTENTS

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II.	Description of Testing Device	3
III.	Inspection Methodology	3
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A. Lead Paint Inspection Report Common Areas
B. Lead Paint Inspection Report Apartment
C. EPA Certificates

Disclaimer / Disclosure

I. PURPOSE

Lawrence Environmental Group, LLC (LEG) was retained by Sive, Paget & Riesel P.C. to conduct a Limited Lead-Based Paint Inspection of the common areas, as well as, the accessible apartment 4R of 2276 Homecrest Avenue, Brooklyn, NY 11235. This limited inspection occurred on December 4, 2014. This testing was conducted using methodologies specified in Chapter 7 of US EPA/Department of Housing and Urban Development (HUD) Technical Guidelines for The Evaluation and Control of Lead-Based Paint Hazards in Housing.

II. DESCRIPTION OF TESTING DEVICE

The Lead-Based Paint inspection was conducted using the portable RMD LPA-1B X-ray fluorescence spectrometer (XRF). The LPA-1B is a complete lead paint analysis system that quickly, accurately, and nondestructively measures the concentration of lead-based paint on surfaces. The LPA-1B method of measurement is based on the spectrometric analysis of lead K-shell X-ray fluorescence within a controlled depth (3/8") of interrogation. The controlled depth concept used in the design of the LPA- 1B restricts the penetration of the energetic K-shell X-rays into the substrate so that the system cannot be misled by the presence of lead pipes or other objects located deep in a wall. The LPA-1B analyzer is able to make a variable time measurement with a 95% confidence level based on the regulatory action level.

As a quality control measure, before and after each inspection, a system performance check of the LPA-1B is performed. This is done by taking three readings on the Calibration Test Block and one on a lead free block in "time-correction" or "standard" mode. If the lead readings are outside the correct range, RMD is contacted for instructions to bring the LPA-1B into calibration. The LPA-1B automatically conducts system calibration checks as the device is used.

During the inspection, the LPA-1B is used in the "quick" mode setting. The **abatement level** of the LPA-1B is set at the current HUD/EPA/New York State/New York City Limit of greater than or equal to **1.0 mg/cm^2** (1 milligram of lead per square centimeter).

The result of any measurement made in "Quick" mode displays one of the following readouts: 1.) Positive lead level; 2.) Negative lead level; or 3.) Inconclusive result. Positive results are displayed as any measurement above the abatement level. Negative results are displayed as a measurement below the abatement level. Inconclusive results occur where the measured lead level is too close to the action level to reach a determination in 60 seconds.

III. INSPECTION METHODOLOGY

Before surfaces are tested, a floor plan of the housing unit is produced. The walls of the building are designated as A, B, C, and D. In all rooms and common areas, wall "A" is the side of the room where the door or entry to the room is located. The B, C, and D walls are in clockwise order from wall "A". Closets, windows and door openings are indicated as left, center, or right based on their location on the wall.

Next, room surfaces are selected for testing by room equivalent, component, and substrate.

Quality control tests, in the "time corrected" mode, are performed on the LPA-1B and the testing of the surfaces proceeds in "quick" mode. Quality control checks are performed on the LPA-1B at the conclusion of the inspection or after every 4 hours of usage.

If an LPA-1B result is inconclusive, management is contacted for permission to take a paint chip sample of the surface.

The inspection is conducted in accordance with US Department of Housing and Urban Development, "Guidelines for The Evaluation and Control of Lead-Based Paint Hazards in Housing", Chapter 7; Lead-based paint Inspection, 2012 Revision. As with all guidelines, these are minimum requirements and are open to interpretation in their practical implementation. The scope of this inspection exceeds the HUD requirements. Lawrence Environmental Group believes it is in the best interest of the client to utilize a conservative and thorough approach to lead inspections. The benefit of this approach serves to reduce the risk and liability to the client while meeting the public health intent of the law.

V. RESULTS

A total of 141 (77 readings collected from the common areas, and 64 readings collected from apartment 4R) measurements and 24 calibration readings were taken with the RMD LPA-1B. Detailed and summary results are found in Appendix A of this report.

None of the coated tested surfaces meet the definition of lead based paint.

APPENDICES

APPENDIX A

Lead Paint Inspection Report

Common Area

LEAD PAINT INSPECTION REPORT

REPORT NUMBER: 12/04/14 13:21

INSPECTION FOR: Sive, Paget & Riesel P.C.
460 Park Avenue 10th Floor
New York, NY 10022

PERFORMED AT: 2276 Homecrest Avenue
Common Areas
Brooklyn, NY 11229

INSPECTION DATE: 12/04/14

INSTRUMENT TYPE: R M D
MODEL LPA-1
XRF TYPE ANALYZER
Serial Number: 2782

ACTION LEVEL: 1.0 mg/cm²

OPERATOR LICENSE: NY-R-120081-1

SIGNED: _____ **Date:** 1/31/15
Robert Grafton

SEQUENTIAL REPORT OF LEAD PAINT INSPECTION FOR: Sive, Paget & Riesel P.C.

Inspection Date:	12/04/14	2276 Homecrest Avenue
Report Date:	2/3/2015	Common Areas
Abatement Level:	1.0	Brooklyn, NY 11229
Report No.	12/04/14 13:21	
Total Readings:	89	
Job Started:	12/04/14 13:21	
Job Finished:	12/04/14 13:42	

Read No.	Rm No.	Room Name	Wall	Structure	Location	Member	Paint Cond	Substrate	Color	Lead (mg/cm²)	Mode
1		CALIBRATION								0.9	TC
2		CALIBRATION								0.8	TC
3		CALIBRATION								0.9	TC
4		CALIBRATION								0.1	TC
5		CALIBRATION								0.0	TC
6		CALIBRATION								0.1	TC
7	001	Vestibule	A	Door	Ctr	U Ctr	I	Metal	White	0.0	QM
8	001	Vestibule	A	Door	Ctr	Lft casing	I	Wood	White	-0.1	QM
9	001	Vestibule	A	Door	Ctr	Lft jamb	I	Wood	White	-0.2	QM
10	001	Vestibule	A	Door	Ctr	Header	I	Wood	White	-0.3	QM
11	001	Vestibule	A	Wall	U Ctr		I	Drywall	Blue	-0.1	QM
12	001	Vestibule	B	Wall	L Ctr		I	Drywall	Blue	0.0	QM
13	001	Vestibule	C	Wall	U Lft		I	Drywall	Blue	-0.1	QM
14	001	Vestibule	D	Wall	L Ctr		I	Drywall	Blue	-0.2	QM
15	001	Vestibule	B	Baseboard	Lft		I	Vinyl	Black	-0.1	QM
16	001	Vestibule	C	Door	Ctr	U Ctr	I	Wood	White	0.0	QM
17	001	Vestibule	C	Door	Ctr	Lft casing	I	Wood	White	-0.2	QM
18	001	Vestibule	C	Door	Ctr	Lft jamb	I	Wood	White	-0.2	QM
19	001	Vestibule	C	Door	Ctr	Header	I	Wood	White	-0.5	QM
20	002	1ST FL HALL	A	Door	Ctr	U Lft	I	Wood	White	-0.2	QM
21	002	1ST FL HALL	A	Door	Ctr	Lft casing	I	Wood	White	0.0	QM
22	002	1ST FL HALL	A	Door	Ctr	Lft jamb	I	Wood	White	-0.4	QM
23	002	1ST FL HALL	A	Door	Ctr	Header	I	Wood	White	-0.2	QM
24	002	1ST FL HALL	A	Wall	U Lft		I	Drywall	Blue	-0.1	QM
25	002	1ST FL HALL	B	Wall	L Lft		I	Drywall	Blue	-0.1	QM
26	002	1ST FL HALL	C	Wall	U Lft		I	Drywall	Blue	-0.1	QM
27	002	1ST FL HALL	D	Wall	L Ctr		I	Drywall	Blue	-0.2	QM
28	002	1ST FL HALL	D	Baseboard	Rgt		I	Vinyl	Black	-0.1	QM
29	002	1ST FL HALL Apartment Door	B	Door	Ctr	U Lft	I	Metal	Blue	-0.1	QM
30	002	1ST FL HALL	B	Door	Ctr	Lft casing	I	Metal	Blue	0.0	QM
31	002	1ST FL HALL	B	Door	Ctr	Lft jamb	I	Metal	Blue	0.3	QM
32	002	1ST FL HALL	C	Stairs	Ctr	Stringer	I	Metal	Blue	0.2	QM
33	002	1ST FL HALL	C	Stairs	Ctr	Risers	I	Metal	Blue	-0.2	QM
34	002	1ST FL HALL	C	Stairs	Ctr	Balusters	I	Metal	Blue	-0.4	QM
35	002	1ST FL HALL	C	Stairs	Ctr	Newel post	I	Metal	Blue	-0.2	QM
36	002	1ST FL HALL Underpan	C	Stairs	Ctr	Stringer	I	Drywall	White	-0.4	QM
37	003	2nd Fl Hall	A	Wall	L Lft		I	Drywall	Blue	-0.3	QM

SEQUENTIAL REPORT OF LEAD PAINT INSPECTION FOR: Sive, Paget & Riesel P.C.

Read No.	Rm No.	Room Name	Wall	Structure	Location	Member	Paint Cond	Substrate	Color	Lead (mg/cm²)	Mode
38	003	2nd Fl Hall	B	Wall	U Ctr		I	Drywall	Blue	-0.3	QM
39	003	2nd Fl Hall	C	Wall	L Rgt		I	Drywall	Blue	0.0	QM
40	003	2nd Fl Hall	D	Wall	L Ctr		I	Drywall	Blue	-0.1	QM
41	003	2nd Fl Hall	B	Baseboard	Lft		I	Vinyl	Black	0.0	QM
42	003	2nd Fl Hall	D	Door	Lft	U Ctr	I	Metal	Blue	-0.4	QM
43	003	2nd Fl Hall	D	Door	Lft	Lft casing	I	Metal	Blue	-0.3	QM
44	003	2nd Fl Hall	D	Door	Lft	Lft jamb	I	Metal	Blue	-0.1	QM
45	003	2nd Fl Hall	C	Stairs	Lft	Stringer	I	Metal	Blue	-0.1	QM
46	003	2nd Fl Hall	C	Stairs	Lft	Risers	I	Metal	Blue	-0.2	QM
47	003	2nd Fl Hall	C	Stairs	Lft	Balusters	I	Metal	Blue	-0.2	QM
48	003	2nd Fl Hall	C	Stairs	Lft	Newel post	I	Metal	Blue	0.3	QM
49	003	2nd Fl Hall Underpan	C	Stairs	Lft	Stringer	I	Drywall	White	-0.2	QM
50	004	3rd Fl Hall	A	Wall	L Lft		I	Drywall	Blue	-0.1	QM
51	004	3rd Fl Hall	B	Wall	U Ctr		I	Drywall	Blue	-0.1	QM
52	004	3rd Fl Hall	C	Wall	U Lft		I	Drywall	Blue	0.1	QM
53	004	3rd Fl Hall	D	Wall	L Rgt		I	Drywall	Blue	-0.2	QM
54	004	3rd Fl Hall	D	Baseboard	Rgt		I	Vinyl	Black	0.0	QM
55	004	3rd Fl Hall	B	Door	Ctr	U Lft	I	Metal	Blue	-0.1	QM
56	004	3rd Fl Hall	B	Door	Ctr	Lft casing	I	Metal	Blue	0.0	QM
57	004	3rd Fl Hall	B	Door	Ctr	Lft jamb	I	Metal	Blue	0.0	QM
58	004	3rd Fl Hall	C	Stairs	Ctr	Stringer	I	Metal	Blue	0.0	QM
59	004	3rd Fl Hall	C	Stairs	Ctr	Balusters	I	Metal	Blue	-0.3	QM
60	004	3rd Fl Hall	C	Stairs	Ctr	Newel post	I	Metal	Blue	-0.2	QM
61	004	3rd Fl Hall	C	Stairs	Ctr	Railing cap	I	Metal	Blue	-0.2	QM
62	004	3rd Fl Hall	C	Stairs	Ctr	Risers	I	Metal	Blue	-0.1	QM
63	005	4th Fl Hall	A	Door	Ctr	U Ctr	I	Metal	White	0.0	QM
64	005	4th Fl Hall	A	Door	Ctr	Lft casing	I	Wood	White	-0.3	QM
65	005	4th Fl Hall	A	Door	Ctr	Lft jamb	I	Wood	White	-0.2	QM
66	005	4th Fl Hall	A	Door	Ctr	Header	I	Wood	White	-0.2	QM
67	005	4th Fl Hall	A	Wall	L Lft		I	Drywall	Blue	-0.1	QM
68	005	4th Fl Hall	B	Wall	L Ctr		I	Drywall	Blue	0.0	QM
69	005	4th Fl Hall	C	Wall	L Lft		I	Drywall	Blue	-0.2	QM
70	005	4th Fl Hall	D	Wall	U Ctr		I	Drywall	Blue	-0.1	QM
71	005	4th Fl Hall	B	Baseboard	Lft		I	Vinyl	Black	-0.2	QM
72	005	4th Fl Hall	C	Door	Ctr	U Ctr	I	Wood	White	-0.2	QM
73	005	4th Fl Hall	C	Door	Ctr	Lft casing	I	Wood	White	-0.3	QM
74	005	4th Fl Hall	C	Door	Ctr	Lft jamb	I	Wood	White	-0.4	QM
75	005	4th Fl Hall	C	Door	Ctr	Header	I	Wood	White	-0.5	QM
76	006	Roofland	A	Door	Ctr	U Ctr	I	Wood	White	-0.3	QM
77	006	Roofland	A	Door	Ctr	Lft casing	I	Wood	White	-0.2	QM
78	006	Roofland	A	Door	Ctr	Lft jamb	I	Wood	White	-0.3	QM
79	006	Roofland	A	Door	Ctr	Header	I	Wood	White	-0.3	QM
80	006	Roofland	A	Wall	U Rgt		I	Drywall	Blue	-0.3	QM
81	006	Roofland	B	Wall	L Ctr		I	Drywall	Blue	-0.3	QM
82	006	Roofland	C	Wall	U Ctr		I	Drywall	Blue	-0.2	QM
83	006	Roofland	D	Wall	U Ctr		I	Drywall	Blue	-0.1	QM

SEQUENTIAL REPORT OF LEAD PAINT INSPECTION FOR: Siva, Paget & Riesel P.C.

Read No.	Rm No.	Room Name	Wall	Structure	Location	Member	Paint Cond	Substrate	Color	Lead (mg/cm²)	Mode
84		CALIBRATION								0.9	TC
85		CALIBRATION								1.0	TC
86		CALIBRATION								1.0	TC
87		CALIBRATION								0.0	TC
88		CALIBRATION								0.0	TC
89		CALIBRATION								0.1	TC

---- End of Readings ----

DETAILED REPORT OF LEAD PAINT INSPECTION FOR: Sive, Paget & Riesel P.C.

Inspection Date:	12/04/14	2276 Homecrest Avenue	
Report Date:	2/3/2015	Common Areas	
Abatement Level:	1.0	Brooklyn, NY 11229	
Report No.	12/04/14 13:21		
Total Readings:	89		
Job Started:	12/04/14 13:21		
Job Finished:	12/04/14 13:42		

Reading No.	Wall	Structure	Location	Member	Paint Cond	Substrate	Color	Lead (mg/cm²)	Mode
Interior Room 001 Vestibule									
011	A	Wall	U Ctr		I	Drywall	Blue	-0.1	QM
010	A	Door	Ctr	Header	I	Wood	White	-0.3	QM
008	A	Door	Ctr	Lft casing	I	Wood	White	-0.1	QM
009	A	Door	Ctr	Lft jamb	I	Wood	White	-0.2	QM
007	A	Door	Ctr	U Ctr	I	Metal	White	0.0	QM
012	B	Wall	L Ctr		I	Drywall	Blue	0.0	QM
015	B	Baseboard	Lft		I	Vinyl	Black	-0.1	QM
013	C	Wall	U Lft		I	Drywall	Blue	-0.1	QM
019	C	Door	Ctr	Header	I	Wood	White	-0.5	QM
017	C	Door	Ctr	Lft casing	I	Wood	White	-0.2	QM
018	C	Door	Ctr	Lft jamb	I	Wood	White	-0.2	QM
016	C	Door	Ctr	U Ctr	I	Wood	White	0.0	QM
014	D	Wall	L Ctr		I	Drywall	Blue	-0.2	QM
Interior Room 002 1ST FL HALL									
024	A	Wall	U Lft		I	Drywall	Blue	-0.1	QM
023	A	Door	Ctr	Header	I	Wood	White	-0.2	QM
021	A	Door	Ctr	Lft casing	I	Wood	White	0.0	QM
022	A	Door	Ctr	Lft jamb	I	Wood	White	-0.4	QM
020	A	Door	Ctr	U Lft	I	Wood	White	-0.2	QM
025	B	Wall	L Lft		I	Drywall	Blue	-0.1	QM
030	B	Door	Ctr	Lft casing	I	Metal	Blue	0.0	QM
031	B	Door	Ctr	Lft jamb	I	Metal	Blue	0.3	QM
029	B	Door	Ctr	U Lft	I	Metal	Blue	-0.1	QM
		Apartment Door							
026	C	Wall	U Lft		I	Drywall	Blue	-0.1	QM
033	C	Stairs	Ctr	Risers	I	Metal	Blue	-0.2	QM
035	C	Stairs	Ctr	Newel post	I	Metal	Blue	-0.2	QM
032	C	Stairs	Ctr	Stringer	I	Metal	Blue	0.2	QM
036	C	Stairs	Ctr	Stringer	I	Drywall	White	-0.4	QM
		Underpan							
034	C	Stairs	Ctr	Balusters	I	Metal	Blue	-0.4	QM
027	D	Wall	L Ctr		I	Drywall	Blue	-0.2	QM
028	D	Baseboard	Rgt		I	Vinyl	Black	-0.1	QM
Interior Room 003 2nd Fl Hall									
037	A	Wall	L Lft		I	Drywall	Blue	-0.3	QM
038	B	Wall	U Ctr		I	Drywall	Blue	-0.3	QM
041	B	Baseboard	Lft		I	Vinyl	Black	0.0	QM
039	C	Wall	L Rgt		I	Drywall	Blue	0.0	QM
046	C	Stairs	Lft	Risers	I	Metal	Blue	-0.2	QM

DETAILED REPORT OF LEAD PAINT INSPECTION FOR: Sive, Paget & Riesel P.C.

Reading No.	Wall	Structure	Location	Member	Paint Cond	Substrate	Color	Lead (mg/cm²)	Mode
046	C	Stairs	Lft	Newel post	I	Metal	Blue	0.3	QN
045	C	Stairs	Lft	Stringer	I	Metal	Blue	-0.1	QN
049	C	Stairs Underpan	Lft	Stringer	I	Drywall	White	-0.2	QN
047	C	Stairs	Lft	Balusters	I	Metal	Blue	-0.2	QN
040	D	Wall	L Ctr		I	Drywall	Blue	-0.1	QN
043	D	Door	Lft	Lft casing	I	Metal	Blue	-0.3	QN
044	D	Door	Lft	Lft jamb	I	Metal	Blue	-0.1	QN
042	D	Door	Lft	U Ctr	I	Metal	Blue	-0.4	QN
Interior Room 004 3rd Fl Hall									
050	A	Wall	L Lft		I	Drywall	Blue	-0.1	QN
051	B	Wall	U Ctr		I	Drywall	Blue	-0.1	QN
056	B	Door	Ctr	Lft casing	I	Metal	Blue	0.0	QN
057	B	Door	Ctr	Lft jamb	I	Metal	Blue	0.0	QN
055	B	Door	Ctr	U Lft	I	Metal	Blue	-0.1	QN
052	C	Wall	U Lft		I	Drywall	Blue	0.1	QN
062	C	Stairs	Ctr	Risers	I	Metal	Blue	-0.1	QN
060	C	Stairs	Ctr	Newel post	I	Metal	Blue	-0.2	QN
058	C	Stairs	Ctr	Stringer	I	Metal	Blue	0.0	QN
059	C	Stairs	Ctr	Balusters	I	Metal	Blue	-0.3	QN
061	C	Stairs	Ctr	Railing cap	I	Metal	Blue	-0.2	QN
053	D	Wall	L Rgt		I	Drywall	Blue	-0.2	QN
054	D	Baseboard	Rgt		I	Vinyl	Black	0.0	QN
Interior Room 005 4th Fl Hall									
067	A	Wall	L Lft		I	Drywall	Blue	-0.1	QN
066	A	Door	Ctr	Header	I	Wood	White	-0.1	QN
064	A	Door	Ctr	Lft casing	I	Wood	White	-0.3	QN
065	A	Door	Ctr	Lft jamb	I	Wood	White	-0.2	QN
063	A	Door	Ctr	U Ctr	I	Metal	White	0.0	QN
068	B	Wall	L Ctr		I	Drywall	Blue	0.0	QN
071	B	Baseboard	Lft		I	Vinyl	Black	-0.2	QN
069	C	Wall	L Lft		I	Drywall	Blue	-0.2	QN
075	C	Door	Ctr	Header	I	Wood	White	-0.5	QN
073	C	Door	Ctr	Lft casing	I	Wood	White	-0.3	QN
074	C	Door	Ctr	Lft jamb	I	Wood	White	-0.4	QN
072	C	Door	Ctr	U Ctr	I	Wood	White	-0.2	QN
070	D	Wall	U Ctr		I	Drywall	Blue	-0.1	QN
Interior Room 006 Roofland									
080	A	Wall	U Rgt		I	Drywall	Blue	-0.3	QN
079	A	Door	Ctr	Header	I	Wood	White	-0.3	QN
077	A	Door	Ctr	Lft casing	I	Wood	White	-0.2	QN
078	A	Door	Ctr	Lft jamb	I	Wood	White	-0.3	QN
076	A	Door	Ctr	U Ctr	I	Wood	White	-0.3	QN
081	B	Wall	L Ctr		I	Drywall	Blue	-0.3	QN
082	C	Wall	U Ctr		I	Drywall	Blue	-0.2	QN
083	D	Wall	U Ctr		I	Drywall	Blue	-0.1	QN

DETAILED REPORT OF LEAD PAINT INSPECTION FOR: Sive, Paget & Riesel P.C.

Reading No.	Wall	Structure	Location	Member	Paint Cond	Substrate	Color	Lead (mg/cm²)	Mode
Calibration Readings									
001								0.9	XC
002								0.8	XC
003								0.9	XC
004								0.1	XC
005								0.0	XC
006								0.1	XC
084								0.9	XC
085								1.0	XC
086								1.0	XC
087								0.0	XC
088								0.0	XC
089								0.1	XC

----- End of Readings -----

APPENDIX B

Lead Paint Inspection Report

Apartment

LEAD PAINT INSPECTION REPORT

REPORT NUMBER: 12/04/14 13:49

INSPECTION FOR: Sive, Paget & Riesel P.C.
460 Park Avenue 10th Floor
New York, NY 10022

PERFORMED AT: 2276 Homecrest Avenue
Apartment 4R
Brooklyn, NY 11229

INSPECTION DATE: 12/04/14

INSTRUMENT TYPE: R M D
MODEL LPA-1
XRF TYPE ANALYZER
Serial Number: 2782

ACTION LEVEL: 1.0 mg/cm²

OPERATOR LICENSE: NY-R-120081-1

SIGNED: _____ Date: 1/31/15
Robert Grafton

SEQUENTIAL REPORT OF LEAD PAINT INSPECTION FOR: Sive, Paget & Riesel P.C.

Inspection Date:	12/04/14	2276 Homecrest Avenue	
Report Date:	2/3/2015	Apartment 4R	
Abatement Level:	1.0	Brooklyn, NY 11229	
Report No.	12/04/14 13:49		
Total Readings:	76		
Job Started:	12/04/14 13:49		
Job Finished:	12/04/14 14:01		

Read No.	Rm No.	Room Name	Wall	Structure	Location	Member	Paint Cond	Substrate	Color	Lead (mg/cm²)	Mode
1		CALIBRATION								0.9	TC
2		CALIBRATION								0.9	TC
3		CALIBRATION								1.0	TC
4		CALIBRATION								-0.0	TC
5		CALIBRATION								-0.1	TC
6		CALIBRATION								-0.0	TC
7	001	Foyer Apartment Door	A	Door	Ctr	U Lft	I	Metal	Beige	-0.3	QM
8	001	Foyer	A	Door	Ctr	Lft casing	I	Metal	Beige	-0.1	QM
9	001	Foyer	A	Door	Ctr	Lft jamb	I	Metal	Beige	-0.2	QM
10	001	Foyer	A	Door	Ctr	Header	I	Metal	Beige	-0.1	QM
11	001	Foyer	A	Wall	U	Ctr	I	Drywall	Beige	-0.1	QM
12	001	Foyer	B	Wall	L	Ctr	I	Drywall	Beige	-0.1	QM
13	001	Foyer	C	Wall	U	Ctr	I	Drywall	Beige	-0.1	QM
14	001	Foyer	D	Wall	L	Ctr	I	Drywall	Beige	0.0	QM
15	001	Foyer	D	Ceiling			I	Drywall	Beige	0.0	QM
16	001	Foyer	D	Baseboard		Rgt	I	Vinyl	Beige	-0.3	QM
17	002	Closet	A	Door	Ctr	U Ctr	I	Wood	Beige	-0.2	QM
18	002	Closet	A	Door	Ctr	Lft casing	I	Metal	Beige	-0.4	QM
19	002	Closet	A	Door	Ctr	Lft jamb	I	Metal	Beige	0.0	QM
20	002	Closet	A	Wall	U	Ctr	I	Drywall	Beige	-0.1	QM
21	002	Closet	B	Wall	L	Ctr	I	Drywall	Beige	-0.4	QM
22	002	Closet	C	Wall	L	Ctr	I	Drywall	Beige	0.0	QM
23	002	Closet	D	Wall	L	Ctr	I	Drywall	Beige	-0.1	QM
24	002	Closet	A	Ceiling			I	Drywall	Beige	-0.1	QM
25	002	Closet	C	Baseboard		Ctr	I	Wood	Beige	-0.1	QM
26	002	Closet	C	Closet		Ctr Shelf	I	Wood	Beige	-0.2	QM
27	002	Closet	C	Closet		Ctr Shelf Sup.	I	Wood	Beige	-0.2	QM
28	003	Living Rm	A	Wall	U	Ctr	I	Drywall	Beige	-0.3	QM
29	003	Living Rm	B	Wall	U	Ctr	I	Drywall	Beige	0.0	QM
30	003	Living Rm	C	Wall	U	Ctr	I	Drywall	Beige	-0.1	QM
31	003	Living Rm	D	Wall	U	Ctr	I	Drywall	Beige	-0.1	QM
32	003	Living Rm	A	Ceiling			I	Drywall	Beige	-0.1	QM
33	003	Living Rm	B	Baseboard		Lft	I	Wood	Beige	0.0	QM
34	003	Living Rm	A	Rad-Cover		Lft	I	Metal	Beige	0.0	QM
35	003	Living Rm	A	Window		Lft Sill	I	Wood	Beige	-0.2	QM
36	003	Living Rm	A	Window		Lft Apron	I	Wood	Beige	-0.4	QM
37	003	Living Rm	A	Window		Ctr Lft casing	I	Wood	Beige	-0.1	QM
38	003	Living Rm	A	Window		Lft Lft jamb	I	Wood	Beige	0.0	QM

SEQUENTIAL REPORT OF LEAD PAINT INSPECTION FOR: Silva, Paget & Riesel P.C.

Read No.	Rm No.	Room Name	Wall	Structure	Location	Member	Paint Cond	Substrate	Color	Lead (mg/cm²)	Mode
39	003	Living Rm	A	A/C Sleeve		Lft	I	Metal	Beige	0.1	QM
40	004	Bedroom 1	A	Door		Ctr U Ctr	I	Wood	Beige	-0.6	QM
41	004	Bedroom 1	A	Door		Ctr Lft casing	I	Metal	Beige	-0.1	QM
42	004	Bedroom 1	A	Door		Ctr Lft jamb	I	Metal	Beige	0.0	QM
43	004	Bedroom 1	A	Wall	U	Lft	I	Drywall	Beige	-0.1	QM
44	004	Bedroom 1	B	Wall	L	Ctr	I	Drywall	Beige	-0.2	QM
45	004	Bedroom 1	C	Wall	U	Lft	I	Drywall	Beige	-0.1	QM
46	004	Bedroom 1	D	Wall	L	Ctr	I	Drywall	Beige	0.0	QM
47	004	Bedroom 1	A	Ceiling			I	Drywall	Beige	0.0	QM
48	004	Bedroom 1	A	Baseboard		Rgt	I	Wood	Beige	-0.1	QM
49	004	Bedroom 1	D	Window		Lft Sill	I	Wood	Beige	0.0	QM
50	004	Bedroom 1	D	Window		Lft Apron	I	Wood	Beige	-0.1	QM
51	004	Bedroom 1	D	Rad-Cover		Lft	I	Metal	Beige	0.0	QM
52	005	Kitchen	A	Wall	U	Ctr	I	Drywall	Beige	0.2	QM
53	005	Kitchen	B	Wall	U	Rgt	I	Drywall	Beige	-0.6	QM
54	005	Kitchen	C	Wall	L	Rgt	I	Drywall	Beige	-0.1	QM
55	005	Kitchen	D	Wall	U	Ctr	I	Drywall	Beige	-0.1	QM
56	005	Kitchen	A	Ceiling			I	Drywall	Beige	-0.1	QM
57	005	Kitchen	D	Baseboard		Rgt	I	Wood	Beige	-0.1	QM
58	005	Kitchen	C	Window		Ctr Sill	I	Wood	Beige	-0.2	QM
59	005	Kitchen	C	Window		Ctr Apron	I	Wood	Beige	-0.2	QM
60	005	Kitchen	C	Cabinet Door		Ctr	I	Wood	Varnish	0.0	QM
61	006	Bathroom	A	Door		Ctr U Ctr	I	Wood	Beige	0.1	QM
62	006	Bathroom	A	Door		Ctr Lft casing	I	Metal	Beige	-0.4	QM
63	006	Bathroom	A	Door		Ctr Lft jamb	I	Metal	Beige	0.0	QM
64	006	Bathroom	A	Wall	U	Lft	I	Drywall	Beige	0.0	QM
65	006	Bathroom	B	Wall	U	Lft	I	Drywall	Beige	-0.4	QM
66	006	Bathroom	C	Wall	U	Ctr	I	Drywall	Beige	0.0	QM
67	006	Bathroom	D	Wall	U	Ctr	I	Drywall	Beige	-0.1	QM
68	006	Bathroom	A	Ceiling			I	Drywall	Beige	-0.4	QM
69	006	Bathroom	D	Rad-Cover		Lft	I	Metal	Beige	0.0	QM
70	006	Bathroom	C	Cabinet Door		Lft	I	Wood	Beige	-0.1	QM
71		CALIBRATION								0.9	TC
72		CALIBRATION								1.0	TC
73		CALIBRATION								1.1	TC
74		CALIBRATION								0.1	TC
75		CALIBRATION								0.0	TC
76		CALIBRATION								0.1	TC

---- End of Readings ----

DETAILED REPORT OF LEAD PAINT INSPECTION FOR: Sive, Paget & Riesel P.C.

Inspection Date:	12/04/14	2276 Homecrest Avenue
Report Date:	2/3/2015	Apartment 4R
Abatement Level:	1.0	Brooklyn, NY 11229
Report No.	12/04/14 13:49	
Total Readings:	76	
Job Started:	12/04/14 13:49	
Job Finished:	12/04/14 14:01	

Reading No.	Wall	Structure	Location	Member	Paint Cond	Substrate	Color	Lead (mg/cm²)	Mode
Interior Room 001 Foyer									
011	A	Wall	U Ctr		I	Drywall	Beige	-0.1	QN
010	A	Door	Ctr	Header	I	Metal	Beige	-0.1	QN
008	A	Door	Ctr	Lft casing	I	Metal	Beige	-0.3	QN
009	A	Door	Ctr	Lft jamb	I	Metal	Beige	-0.2	QN
007	A	Door	Ctr	U Lft	I	Metal	Beige	-0.3	QN
		Apartment Door							
012	B	Wall	L Ctr		I	Drywall	Beige	-0.1	QN
013	C	Wall	U Ctr		I	Drywall	Beige	-0.1	QN
014	D	Wall	L Ctr		I	Drywall	Beige	0.0	QN
016	D	Baseboard	Rgt		I	Vinyl	Beige	-0.3	QN
015	D	Ceiling			I	Drywall	Beige	0.0	QN
Interior Room 002 Closet									
020	A	Wall	U Ctr		I	Drywall	Beige	-0.1	QN
024	A	Ceiling			I	Drywall	Beige	-0.1	QN
018	A	Door	Ctr	Lft casing	I	Metal	Beige	-0.4	QN
019	A	Door	Ctr	Lft jamb	I	Metal	Beige	0.0	QN
017	A	Door	Ctr	U Ctr	I	Wood	Beige	-0.2	QN
021	B	Wall	L Ctr		I	Drywall	Beige	-0.4	QN
022	C	Wall	L Ctr		I	Drywall	Beige	0.0	QN
025	C	Baseboard	Ctr		I	Wood	Beige	-0.1	QN
027	C	Closet	Ctr	Shelf Sup.	I	Wood	Beige	-0.2	QN
026	C	Closet	Ctr	Shelf	I	Wood	Beige	-0.2	QN
023	D	Wall	L Ctr		I	Drywall	Beige	-0.1	QN
Interior Room 003 Living Rm									
028	A	Wall	U Ctr		I	Drywall	Beige	-0.3	QN
032	A	Ceiling			I	Drywall	Beige	-0.1	QN
036	A	Window	Lft	Apron	I	Wood	Beige	-0.4	QN
035	A	Window	Lft	Sill	I	Wood	Beige	-0.2	QN
038	A	Window	Lft	Lft jamb	I	Wood	Beige	0.0	QN
037	A	Window	Ctr	Lft casing	I	Wood	Beige	-0.1	QN
034	A	Rad-Cover	Lft		I	Metal	Beige	0.0	QN
039	A	A/C Sleeve	Lft		I	Metal	Beige	0.1	QN
029	B	Wall	U Ctr		I	Drywall	Beige	0.0	QN
033	B	Baseboard	Lft		I	Wood	Beige	0.0	QN
030	C	Wall	U Ctr		I	Drywall	Beige	-0.1	QN
031	D	Wall	U Ctr		I	Drywall	Beige	-0.1	QN
Interior Room 004 Bedroom 1									
043	A	Wall	U Lft		I	Drywall	Beige	-0.1	QN

DETAILED REPORT OF LEAD PAINT INSPECTION FOR: Sive, Paget & Riesel P.C.

Reading No.	Wall	Structure	Location	Member	Paint Cond	Substrate	Color	Lead (mg/cm²)	Mode
048	A	Baseboard	Rgt		I	Wood	Beige	-0.1	QN
047	A	Ceiling			I	Drywall	Beige	0.0	QN
041	A	Door	Ctr	Lft casing	I	Metal	Beige	-0.1	QN
042	A	Door	Ctr	Lft jamb	I	Metal	Beige	0.0	QN
040	A	Door	Ctr	U Ctr	I	Wood	Beige	-0.6	QN
044	B	Wall	L Ctr		I	Drywall	Beige	-0.2	QN
045	C	Wall	U Lft		I	Drywall	Beige	-0.1	QN
046	D	Wall	L Ctr		I	Drywall	Beige	0.0	QN
050	D	Window	Lft	Apron	I	Wood	Beige	-0.1	QN
049	D	Window	Lft	Sill	I	Wood	Beige	0.0	QN
051	D	Rad-Cover	Lft		I	Metal	Beige	0.0	QN
Interior Room 005 Kitchen									
052	A	Wall	U Ctr		I	Drywall	Beige	0.2	QN
056	A	Ceiling			I	Drywall	Beige	-0.1	QN
053	B	Wall	U Rgt		I	Drywall	Beige	-0.6	QN
054	C	Wall	L Rgt		I	Drywall	Beige	-0.1	QN
059	C	Window	Ctr	Apron	I	Wood	Beige	-0.2	QN
058	C	Window	Ctr	Sill	I	Wood	Beige	-0.2	QN
060	C	Cabinet Door	Ctr		I	Wood	Varnish	0.0	QN
055	D	Wall	U Ctr		I	Drywall	Beige	-0.1	QN
057	D	Baseboard	Rgt		I	Wood	Beige	-0.1	QN
Interior Room 006 Bathroom									
064	A	Wall	U Lft		I	Drywall	Beige	0.0	QN
068	A	Ceiling			I	Drywall	Beige	-0.4	QN
062	A	Door	Ctr	Lft casing	I	Metal	Beige	-0.4	QN
063	A	Door	Ctr	Lft jamb	I	Metal	Beige	0.0	QN
061	A	Door	Ctr	U Ctr	I	Wood	Beige	0.1	QN
065	B	Wall	U Lft		I	Drywall	Beige	-0.4	QN
066	C	Wall	U Ctr		I	Drywall	Beige	0.0	QN
070	C	Cabinet Door	Lft		I	Wood	Beige	-0.1	QN
067	D	Wall	U Ctr		I	Drywall	Beige	-0.1	QN
069	D	Rad-Cover	Lft		I	Metal	Beige	0.0	QN
Calibration Readings									
001								0.9	TC
002								0.9	TC
003								1.0	TC
004								-0.0	TC
005								-0.1	TC
006								-0.0	TC
071								0.9	TC
072								1.0	TC
073								1.1	TC
074								0.1	TC
075								0.0	TC
076								0.1	TC

----- End of Readings -----

APPENDIX C

EPA Certificates

United States Environmental Protection Agency

This is to certify that

Lawrence Environmental Group, L.L.C.

has fulfilled the requirements of the Toxic Substances Control Act (TSCA) Section 402, and has received certification to conduct lead-based paint activities pursuant to 40 CFR Part 745.226

In the Jurisdiction of:

New York

This certification is valid from the date of issuance and expires August 04, 2017

NY-11751-4
Certification #

April 25, 2014
Issued On

Michelle Price, Chief
Lead, Heavy Metals, and Inorganics Branch



United States Environmental Protection Agency

This is to certify that

Robert James Grafton IV

has fulfilled the requirements of the Toxic Substances Control Act (TSCA) Section 402, and has received certification to conduct lead-based paint activities pursuant to 40 CFR Part 745.226 as a:

Risk Assessor

In the Jurisdiction of:

New York

This certification is valid from the date of issuance and expires April 10, 2015

NY-R-120081-1
Certification #

MAR 28 2012
Issued On

John Gorman, Chief
Pesticides & Toxic Substances Branch

Disclaimer / Disclosure

DISCLAIMER

The opinions expressed in this document are based solely on the scope of work conducted and sources referred to therein. The presented data was collected and analyzed using accepted industry methods, procedures and practices in effect at the time this report was generated. This report represents the levels of lead based paint in the tested surfaces at the time of sampling.

No inferences regarding other conditions, locations or materials at a later or earlier time may be made based on the contents of this report. No other warranty, express or limited is made. Lawrence Environmental Group's liability and that of its contractors and subcontractors, arising from any services rendered hereunder, shall not exceed the total fee paid by the client toLawrence Environmental Group for this project. This report was prepared for the sole use of our client. The use of this report by anyone other than our client or Lawrence Environmental Group is strictly prohibited without the expressed written consent of Lawrence Environmental Group. Portions of this report may not be used independent of the entire report.

Unless specified otherwise,Lawrence Environmental Group does not have access to any Lead Based Paint Inspection or Lead Based Paint Risk Assessment reports performed by others prior to this testing. The report attached hereto relates only to those areas required to be tested according to HUD Guidelines or areas specifically requested to be tested by the client/customer, and actually tested. The report does not and could not exclude the possibility of the presence of lead in any area where a lead test was not performed.When a component is tested in a particular room, the report assumes that the one component represents all corresponding like components in that particular room.Lead testing results can only be applicable at the time and under the circumstances that the testing was conducted and lead testing results are applicable for the condition of surfaces at that time.

Should there be any change in the condition of the surfacestested, which takes place after the time of the inspection, and/or should there be any work done in any area, and such event may result in a change in circumstances and results, Lawrence Environmental Group should be contacted for subsequent testing after any remedial work has been undertaken and completed, or in the event that any other change in circumstances or surfaces of the Inspected area have taken place.

Should remediation work be undertaken consisting of less than total removal of a component or structure with lead based paint, such as encapsulating areas showing positive inspection or assessment results, a subsequent investigation is recommended to insure that the remediation work has been successful. After encapsulation, any change in the surface or any subsequent painting of, or work done to any friction surface may result in the deterioration of the encapsulant and the possible exposure of underlying lead based paint. It is recommended that follow-up lead tests should be required to be made by Lawrence Environmental Groupprior to repainting or after any change in the surface of friction areas.

DISCLOSURE

A copy of this report must be provided to new lessees (tenants) and purchasers of this property under FederalLaw (24 CFR part 35 and 40 CFR part 745) before they become obligated under a lease or sales contract. Thecomplete report must also be provided to new purchasers and it must be made available to new tenants. Landlords (lessors) and sellers are also required to distribute an educational pamphlet approved by the U.S.Environmental Protection Agency and include standard warning language in their leases or sales contracts toensure that parents have the information they need to protect their children from lead-based paint hazards.

LAWRENCE
ENVIRONMENTAL GROUP, LLC

Location:
2276 Homecrest Avenue
Brooklyn, NY 11229

Prepared for:
Sive, Paget & Riesel P.C.
460 Park Avenue
10th Floor
New York, NY 10022

Prepared by:
Lawrence Environmental Group, LLC
108 West 39th Street, Suite 500
New York, NY 10018

NYSDOL # 05-0243

Project Number: MSCCOM 267

Project Dates:
December 4, 2014

Report Issue Date:
February 25, 2015

ATTORNEY GENERAL's ASBESTOS-CONTAINING BUILDING MATERIALS (ACBM's) LIMITED INSPECTION SURVEY

For 2276 Homecrest Avenue
Brooklyn, NY 11229

Prepared for:

Sive, Paget & Riesel P.C.
460 Park Avenue
NEW YORK, NY 10022

Prepared by:

LAWRENCE ENVIRONMENTAL GROUP
108 WEST 39TH STREET
SUITE 500
NEW YORK, NY 10018

INVESTIGATOR [signature] 2-25-15

Inspector [signature] 2-25-15

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Appendix A – Laboratory Results & Chain of Custody Forms
Appendix B – Licensure and Certifications
Appendix C – Photo Log

EXECUTIVE SUMMARY

Lawrence Environmental Group, LLC conducted a limited scope survey related to this Attorney General's Asbestos-Containing Materials (ACM) Inspection at 2276 Homecrest Avenue, Brooklyn, New York. The inspection was performed on December 4, 2014.

Lawrence Environmental Group (LEG) is licensed to perform this work by the New York State Department of Labor. (A copy of the LEG Asbestos Handling License is included in Appendix B of this report).

The inspectors were given access into the building by the building super, Mr. Jeff Rubinshtyn. At the time of the surveys LEG personnel were permitted access to one (1) of the 16 apartments (Apartment 4R), the boiler room and the common corridors and stairwells.

The survey was limited in the following manner. No destructive probing of any concealed chases or hard enclosures was permitted. No sampling of intact finishes (miscellaneous suspect building materials) was performed.

Qualifications

The survey was performed by EPA /NYS Department of Labor Certified Inspector/ NYC Department of Environmental Protection certified investigator Wesley E. Richardson (NYS Certification 88-08972;NYC Cert. # 116037) and EPA /NYS Department of Labor Certified Inspector Milos Vujanovic (NYS Cert. # 14-07951). Mr. Richardson has over 25 years of experience as an EPA certified asbestos building inspector.

Summary of Findings

No asbestos containing thermal system insulation or fireproofing was identified as accessible to occupants.

Thermal system insulation inaccessible to building occupants is expected to exist on heating and domestic water lines within existing walls and chases and is currently classified as presumed asbestos containing material (PACM).

Fireproofing is expected to exist on non-exposed, inaccessible steel members and is currently classified as a PACM.

Building Info

The building is a four story framed structure with a basement. The basement includes the boiler room, meter room and apartments. The boiler room walls consist of CMU block and the floor is concrete. The boiler room ceiling is gypsum board with no available plenum access.

Floor to floor common spaces are limited to the common corridors and stairwells. Stairwell corridors and landings contained ceramic tile in good condition.

Fireproofing General

Steel framing is expected to exist within gypsum enclosures (walls and ceilings), but the plenum areas were inaccessible to the inspector, as they are inaccessible to the building occupants. Spray on fireproofing is likely to exist on steel framing (beams) in this type of construction.

Until such time as such access and accessibility is provided it is assumed that fireproofing exists and all fireproofing within the structure (by EPA guidelines) must be classified as a PACM.

Boiler Room

Exposed pipe insulation was found in the boiler room, which was identified as non-asbestos containing urethane foam insulation (some of the piping was bare). This insulation appeared to be a replacement (not original) installation. Pipe insulation was not observed outside of the boiler room or in any of the common spaces.

The ceilings component within the boiler room was of a gypsum board construction.

Apartment 4R

Wall and ceiling systems within the building are constructed of gypsum board and enclosed plenums, voids, and/or chases.

No fireproofing was identified as exposed or accessible to occupants within the apartment. Fireproofing is assumed to exist on steel members within enclosures, beyond the demising walls of the apartments and inaccessible to occupants.

No thermal system insulation was identified as accessible within the apartments.

Domestic piping was not accessible within the apartment surveyed. All pipe risers and or runs would be enclosed inside walls, pipe chases or plenum spaces, and inaccessible to occupants. No access panels were observed to allow for inspection of enclosed building systems. Therefore, enclosed riser insulation is expected to exist on enclosed heating and domestic water lines throughout the building. Such material must be assumed to be ACM until such time as this material can be accessed (via destructive probing) and sampling and analysis of such material can be performed.

Miscellaneous Suspect Materials

The inside of the apartment contained 12" x 12" floor tiles and ceramic tiles on the bathroom floor. This material was intact and in good condition.

Common corridors were terra-cotta floors and carpet on concrete with a gypsum board ceiling system. All corridor components noted were intact and in good condition.

Gypsum board walls and ceilings found within both the apartment and the common areas were similarly intact and in good condition. Ceramic floor tiles were identified in the stairwells.

No sampling of these materials was performed as part of this survey.

Suspect building materials (noted floorings, wall, and ceiling components) are assumed by state and local guidelines to be ACM unless or until sampling and analysis determines otherwise.

Recommendations

When destructive sampling is permitted and practical, additional survey work should be performed that includes destructive probing to confirm/deny the presence of inaccessible thermal system insulation concealed within existing walls and other enclosures and to fulfill the EPA requirements related to the sampling of fireproofing materials.

This recommendation is made with the intention of allowing for the creation of a protocol for the future handling and maintenance of any asbestos containing materials (assumed or unidentified) that may remain in the building.

It must be noted that prior to any alteration, renovation, or other work that may impact suspect miscellaneous building materials which have been noted in this report, or expose thermal system insulation or fireproofing (which are assumed/presumed asbestos containing materials) a survey should be performed by certified personnel to confirm/deny the presence of asbestos in these materials and to develop a plan of action based upon regulatory guidelines and the anticipated scope of work.

Disclaimer

The opinions expressed in this document are based solely on the scope of work conducted and sources referred to therein. The attorney general's report data presented herein is limited by the access issues noted (only 1 of 16 apartments was accessed - less than 10%) and excluded permission for the investigative team to perform destructive probing and/or the collection of samples of intact finish materials.

Without sampling, regulatory guidelines demand that all suspect materials not identified or tested must be treated as asbestos containing building materials.

No inferences regarding other conditions, locations or materials at a later or earlier time are or may be made based on the contents of this report. No other warranty, express or limited is made. Lawrence Environmental Group's liability and that of its contractors and subcontractors, arising from any services rendered hereunder, shall not exceed the total fee paid by the client to Lawrence Environmental Group for this project. This report was prepared for the sole use of our client. The use of this report by anyone other than our client or Lawrence Environmental Group is strictly prohibited without the expressed written consent of Lawrence Environmental Group. Portions of this report may not be used independently of the entire report

Appendix A

Laboratory Results & Chain of Custody Forms

No Bulk Samples were collected

Appendix B

Licensure & Certifications

New York State – Department of Labor
Division of Safety and Health
License and Certificate Unit
State Campus, Building 12
Albany, NY 12240

ASBESTOS HANDLING LICENSE

Lawrence Environmental Group, LLC
Suite 500
108 West 39th Street

New York, NY 10016

FILE NUMBER: 05-0243
LICENSE NUMBER: 29546
LICENSE CLASS: RESTRICTED
DATE OF ISSUE: 03/25/2014
EXPIRATION DATE: 03/31/2015

Duly Authorized Representative – Scott Smith

This license has been issued in accordance with applicable provisions of Article 30 of the Labor Law of New York State and of the New York State Codes, Rules and Regulations (12 NYCRR Part 56). It is subject to suspension or revocation for a (1) serious violation of state, federal or local laws with regard to the conduct of an asbestos project, or (2) demonstrated lack of responsibility in the conduct of any job involving asbestos or asbestos material.

This license is valid only for the contractor named above and this license or a photocopy must be prominently displayed at the asbestos project worksite. This license verifies that all persons employed by the licensee on an asbestos project in New York State have been issued an Asbestos Certificate, appropriate for the type of work they perform, by the New York State Department of Labor.

Eileen M. Franko, Acting Director
For the Commissioner of Labor

SH 432 (8/12)

NYC DEP Asbestos Control Program
Asbestos Certificate



RICHARDSON,
WESLEY E
INVESTIGATOR
116037
EXPIRES: 7/5/2016
DOB: [redacted] M 6' 04"

Must be carried on all asbestos projects

STATE OF NEW YORK - DEPARTMENT OF LABOR
ASBESTOS CERTIFICATE

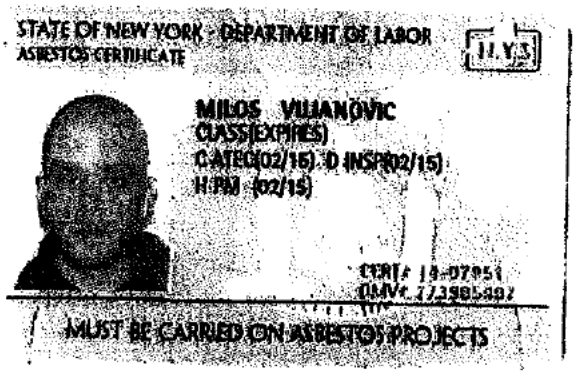
N.Y.



WESLEY E RICHARDSON
CLASS(EXPIRES)
C ATEC(07/16) D INSP(07/15)
H RM (07/15) I PD (07/15)

CERT: [illegible]
DMV: [illegible]

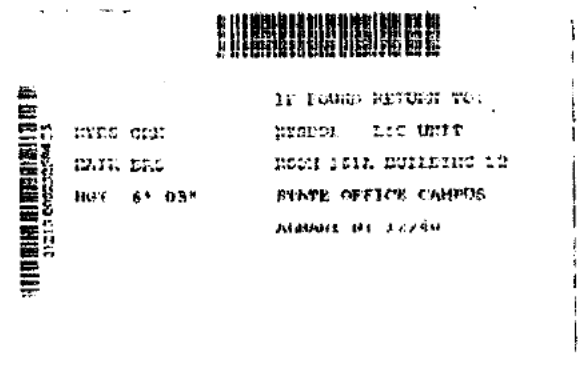
MUST BE CARRIED ON ASBESTOS PROJECTS


STATE OF NEW YORK - DEPARTMENT OF LABOR
ASBESTOS CERTIFICATE

MILOS VUJANOVIC
CLASS(EXPIRES)
CATEG(02/15) D INSP(02/15)
H PM (02/15)

CERT# 10-07951
DMV# 773985497

MUST BE CARRIED ON ASBESTOS PROJECTS


IF FOUND RETURN TO:
PERSON ESC UNIT
ROOM 1618, BUILDING 12
STATE OFFICE CAMPUS
ALBANY NY 12240

NYSS CSE
EMPL ERS
NOV 6* 03*

Appendix C

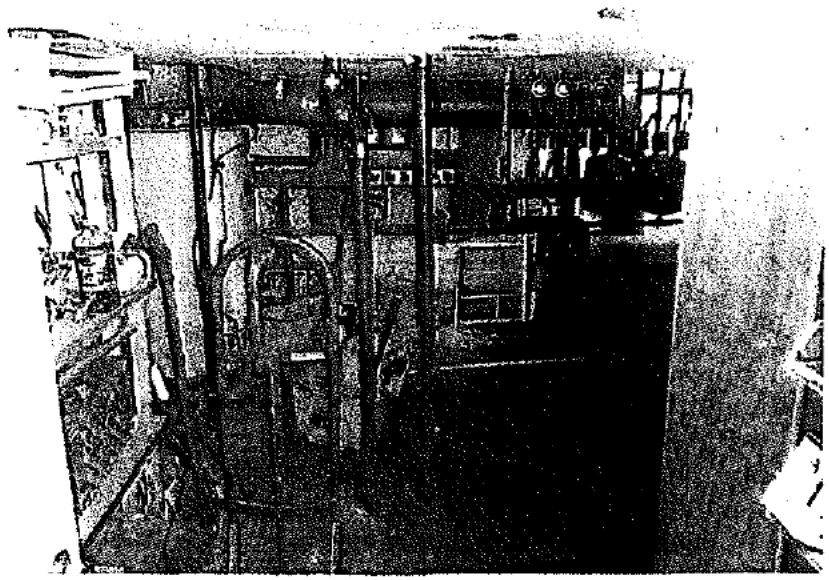
Photo Log

SIVE, PAGET & RIESEL P.C.
2276 HOMECREST AVENUE
BROOKLYN, NEW YORK

1. 2276 Homecrest Avenue main entrance.



2. Boiler room with bare pipes, block walls, concrete floor & gypsum board ceiling.

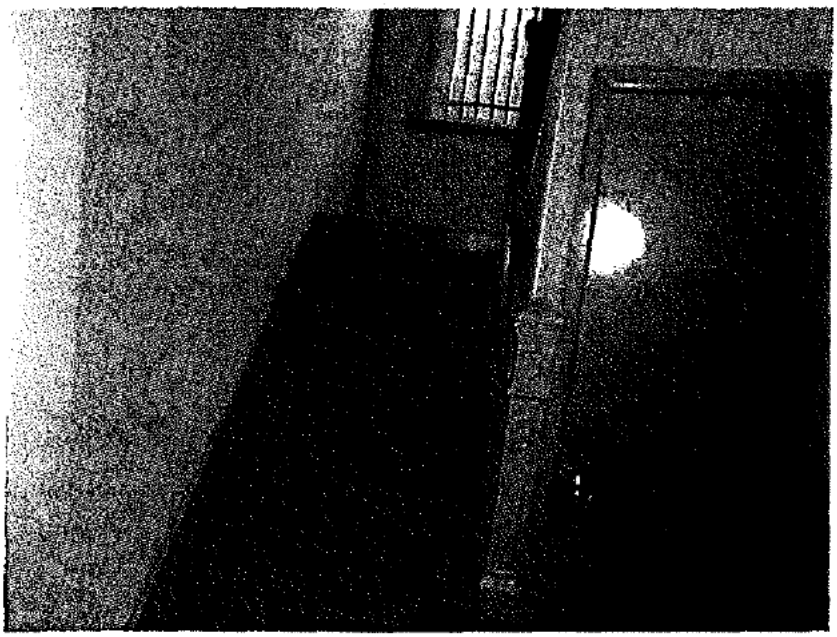


SIVE, PAGET & RIESEL P.C.
2276 HOMECREST AVENUE
BROOKLYN, NEW YORK

3. First floor common corridor with ceramic tile & carpet on the floor.



4. First floor stairwell with carpeting, gypsum board ceilings.



FEE TITLE DESCRIPTION

A "Residential Unit" as hereinafter referred to shall be defined as follows:

The square footage of the Residential Units are approximate, within reasonable tolerances, and are based on the Floor Plans set forth in Part II of the Plan. As shown on the Floor Plans, each Residential Unit will be measured horizontally from the outside face of the finished brick work of the exterior wall to the centerline of the demising wall or the concealed concrete structural member or the concealed blockwork of the interior walls and partitions separating one Residential Unit from another Residential Unit corridors, stairs, elevators, and other mechanical equipment space of any common elements or the unit side of the opposite exterior walls, side of the exterior walls. Each Residential Unit will consist of the area measured vertically from the top of the wood sub-floor (located under the finished flooring and sub-flooring materials) to the underside of the wood joist above including any beams or projections. Sponsor reserves the right to change the size, layout and/or the number of Residential Units; such change may alter the approximate square footage, within reasonable tolerances, of the Residential Units so affected. Sponsor shall file an amendment to the Plan and the Declaration to reflect any such change to that effect. Purchasers are advised that the Floor Plans show the perimeters of each Residential Unit and do not necessarily reflect interior partitions, if any, which may be or have been installed and/or utilized by prior or existing tenants of the Residential Unit.

DECLARATION OF CONDOMINIUM
2276 HOMECREST AVENUE CONDOMINIUM
CONDO#___

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP
OF PREMISES LOCATED AT 2276 HOMECRST AVENUE,
BROOKLYN, NEW YORK 11229
BOROUGH OF BROOKLYN AND COUNTY OF KINGS
CITY AND STATE OF NEW YORK,
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY
LAW OF THE STATE OF NEW YORK.

DECLARANT: 2276 Homecrest Owner LLC
295 Madison Avenue, 2nd Floor
New York, New York 10017

DATE OF DECLARATION:

BLOCK:

FKA LOT:

NKA LOTS:

CERTILMAN BALIN ADLER & HYMAN, LLP
Attorneys for the Sponsor
90 Merrick Avenue, 9th Floor
East Meadow, NY 11554

SCHEDULE L

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PLAN OF CONDOMINIUM RESIDENTIAL UNIT OWNERSHIP

DECLARATION OF 2276 HOMECREST AVENUE CONDOMINIUM PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK

In the Borough of Brooklyn and County of Kings, City and State of New York on this ____ day of _____, 20__, 2276 Homecrest Owner LLC, a New York limited liability company, organized and existing under the laws of the State of New York, whose principal office is situated in New York, New York, hereinafter referred to as the "Declarant" or "Sponsor" represented in this Declaration by _____, who is fully empowered and qualified to execute this Declaration on behalf of the company does hereby state:

FIRST: SUBMISSION OF PROPERTY.

By this Declaration the Declarant 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 Declarant owns all that certain plot, piece or parcel of land, with the Building and improvements thereon erected, situate, lying and being in the Borough of Brooklyn and County of Kings, City and State of New York, and more particularly bounded and described on Schedule A annexed hereto and made a part hereto. The property will consist of sixteen (16) Residential Units and the Common Elements located in a Building containing four (4) stories and a cellar. The architect who prepared and certified the Plans is: Peter F. Farinella, R.A., Peter F. Farinella Architect, P.C. 70 Lafayette Street, New York, New York 10013.

THIRD: DEFINITIONS.

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

1. "Board of Managers" – The governing body of the Condominium responsible for its affairs.

2. "Board Member" or "Member" – Each individual representative elected, designated or appointed to the Board of Managers.

3. "Building" - The one (1) building including the Residential Units and Common Elements of the Condominium.

4. "By-Laws" - The document governing the operation of the Condominium as contained in Schedule C of the Declaration.

5. "Common Charges" - Each Residential Unit Owner's proportionate share of Common Expenses of the Condominium.

6. "Common Elements" - All portions of the Condominium, other than the Residential Units. The Common Elements are divided as follows:

   a) General Common Elements which are Common Elements shared by all Residential Unit Owners.

   b) Individual Residential Unit's Limited Common Elements which are Common Elements for the exclusive use of an individual Residential Unit Owner or Owners.

7. "Common Expenses" - (a) Expenses incurred by all Residential Unit Owners for the purpose of paying costs of the Condominium in connection with the repair, maintenance, replacement, restoration or operation of, and any alteration, addition or improvement to the General Common Elements; and (b) All sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

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

9. "Condominium" – 2276 Homecrest Avenue Condominium which includes the Residential Unit Owners, the Residential Units and the Common Elements.

10. "Condominium Act" – Article 9-B of the Real Property Law of the State of New York.

11. "Condominium Documents" - The Declaration of Condominium, the By-Laws the As-Built Floor Plans of the Residential Units and the Condominium Residential Unit Designation Map (as provided in the Condominium Act) as the same may be amended from time to time.

12. "Condominium Property" or "Property" – The overall area of the Condominium.

13. "Declarant" or "Sponsor" – 2276 Homecrest Owner LLC, a New York limited liability company and its successors, assigns and designees.

14. "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 may be amended, consistent with the provisions of the Condominium Act and of the By-Laws.

15. "Institutional Mortgage" – A first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Sponsor, its successor, designee or assignee to a Purchaser of a Residential Unit or in which the Sponsor, its successor, designee or assignee participates with one of the above.

16. "Limited Common Elements" - A Common Element appurtenant to a particular Residential Unit or Residential Units, the use of which is restricted to the Residential Unit Owner of such Residential Unit or Residential Units. Limited Common Elements may also be referred to as an Irrevocably Restricted Common Element.

17. Non-Purchasing Tenant" - A person who has not purchased a Residential Unit under the Offering Plan and who is a tenant of a Residential Unit entitled to possession at the time the Offering Plan is declared effective or a person to whom a dwelling unit is rented by Declarant subsequent to the effective date as per the provisions of Section 352-eeee of the General Business Law of the State of New York.

18. "Offering Plan" – The Condominium Offering Plan of 2276 Homecrest Avenue Condominium to convert the Property to condominium ownership.

19. "Officer" – One (1) of the officers of the Condominium chosen by the Board of Managers as provided for in Article IV of the By-Laws of the Condominium including the President, Vice President, Secretary and Treasurer.

20. "Percentage of Common Interest"- The proportionate, undivided interest each Residential Unit Owner has in the Common Elements.

21. "Residential Unit" – A Residential Unit includes any one (1) of the sixteen (16) Residential Units designated as Residential Units in Schedule B of the Declaration for residential use.

    As used herein the terms "Residential Unit" is equivalent to the term "Unit" in Article 9-B of the Real Property Law of the State of New York.

22. "Residential Unit Owner" – The Owner of a Residential Unit

23. "Rules and Regulations" – The Rules and Regulations contained in Article IX of the By-Laws as the same may be amended, altered, waived or added to by the Board of Managers.

24. "Section 352-eeee" – The applicable section of the New York State General Business Law governing the conversion of a rental building to a condominium in the City of New York.

25. "Special Assessment" – A Common Expense of the Condominium that is determined and imposed by the Board of Managers and is not part of the monthly Common Charges applicable to a Residential Unit. A Special Assessment may be determined in accordance with the Percentage of Common Interest appurtenant to a Residential Unit or may be based upon excessive or special use of a particular service and may not therefore directly correlate to the Common Interest appurtenant to a Residential Unit, as permitted under Section 339-m of the Real Property Law of the State of New York.

26. "Unsold or Untitled Residential Unit" - Any Residential Unit in which title is retained by the Sponsor and any successors, assigns or designees until such time as the same has been sold and title conveyed to a third party. It shall not include a Residential Unit which is used for personal occupancy of the Sponsor, any of its principals or any of its successors or assigns or designees.

FOURTH: COMMUNITY/MEASUREMENT OF RESIDENTIAL UNIT.

A. **Community** - The Declarant is converting to a Condominium the Property with all improvements thereon described in Schedule A, according to the plans filed simultaneously with the recording of this Declaration in the New York City Register's Office, which Plans set forth a description of the Building stating the number of stories and number of Residential Units. The architect who prepared and certified the Plans is: Peter F. Farinella, R.A., Peter F. Farinella Architect, P.C., 70 Lafayette Street, New York, New York 10013.

The Condominium will consist of sixteen (16) Residential Units, and the Common Elements located in a building containing four (4) floors and a cellar.

The structural system consists of masonry construction with poured concrete foundation. Each of the Residential Units has access to each other Residential Unit or to any other portion of the Condominium or to a street upon which the Condominium abuts by means of a walk hallway, or lobby. For the purposes of describing the location of the Building, approximate area, type and number of rooms of each Residential Unit and the Common Elements to which each Residential Unit has immediate access, each Residential Unit is described as shown on Schedule B annexed hereto. Each Residential Unit will be sold to one or more Residential Unit Owners, each Residential Unit Owner obtaining fee ownership, together with an undivided Percentage of Common Interest in the Common Elements of the Condominium, 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 Sponsor and the Residential Unit Owner.

The aforesaid Condominium has a plot area of approximately 11,800 square feet.

B. The square footage of the Residential Units are approximate, within reasonable tolerances, and are based on the Floor Plans for each Residential Unit. As shown on the Floor Plans, each Residential Unit will be measured horizontally from the outside face of the finished brick work of the exterior wall to the centerline of the demising wall or the concealed concrete structural member or the concealed blockwork of the interior walls and partitions separating one Residential Unit from another Residential Unit corridors, stairs, and other mechanical equipment space of any common elements or the unit side of the opposite exterior walls, side of the exterior walls. Each Residential Unit will consist of the area measured vertically from the top of the wood sub-floor (located under the finished flooring and sub-flooring materials) to the underside of the wood joist above including any beams or projections. Declarant reserves the right to change the size, layout and/or the number of Residential Units; such change may alter the approximate square footage, subject to the requirement of Article Tenth C of this Declaration. Declarant shall file an amendment to the Declaration to reflect any such change to that effect.

FIFTH: COMMON ELEMENTS.

The Common Elements will consist of the entire Condominium Property, including all parts of the Condominium and improvements thereon, other than the Residential Units, and will consist of the following:

A. General Common Elements - General Common Elements are those shared by all Residential Unit Owners and include all portions of the Condominium except for the individual Residential Units and the Individual Residential Unit's Limited Common Elements (irrevocably restricted in use to specified Residential Units or Residential Unit Owners) and include without limitation the following:

1. The land on which the Building is located and all other land within the boundaries of the Condominium Property;

2. All portions of the roof, including gutters, leaders, parapets, coping and bulkheads that are not restricted in use to any Residential Unit or Residential Units and intended for the common use and service of the Building;

3. All exterior walls of the Building;

4. All foundations, footings, columns, girders, beams, supports, floor slabs and ceilings that are not part of a Residential Unit and any interior load bearing walls that are not part of a Residential Unit and that service the entire Building;

5. Stairs, stairways, common hallways which are not located wholly within a Residential Unit and entrances and exits to and from the Condominium other than entrances to the individual Residential Units which are intended for the common use and service of the Building;

6. All improved and unimproved areas of the Condominium located outside the boundaries of the Residential Units intended for common use and service of the Condominium;

7. All central and appurtenant installations for services such as power, light, telephone, television, gas, hot and cold water and heat (including all boilers, pipes, cooling towers (if any), condensers, (if any), ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces intended for the common use and service of the Building;

8. All drainage systems, pumps, sewers and/or storm sewer pipes, drywells or detention tanks or facilities intended for the common use and that service of the Building;

9. All mechanical equipment, refuse rooms, utility meters, storage areas, if applicable, that are intended for the common use and that service of the Building;

10. Any heating, cooling or other mechanical system located in the Common Elements intended for the common use and service of the Building;

11. All telephone and cable rooms, meter rooms, equipment rooms, and any other mechanical rooms or areas intended for the common use and service of the Building;

12. All tanks, pumps, motors, fans, compressors, and control equipment intended for the common use and service of the Building;

13. Any fire protection system including standpipes/combined standpipe sprinkler risers, fire hose valve, sprinkler heads and Siamese connections that are intended for the Common Use and service of the Building;

14. Any sprinkler system located in the Common Elements and intended for the common use and service of the Building;

15. Any plantings and landscaping located within the Condominium Property intended for the common use of the Condominium;

16. Any pedestrian walkways and ramps intended for the common use and service of the Residential Unit Owners, tenants, residents, guests and employees of the Condominium;

17. Any storage space area in the Building or Condominium Property for storage of building wide items;

18. The mailbox area located in the lobby;

19. Any fences and gates located on the Property;

20. All flues, chimneys and vent caps for the common use and service of the Building;

21. Any refuse disposal chutes or refuse areas/equipment for the common use and service of the Building;

22. Any intercom system intended for the common use and service of the Building; and

23. All other parts of the Condominium, Building and all apparatus and installations existing in the Building or Condominium Property for common use, benefit, service necessary or convenient to the existence, maintenance or safety of the entire Condominium.

B. **Irrevocably Restricted Areas / Individual Residential Unit's Limited Common Elements** - Certain portions of the Common Elements are irrevocably restricted in use to specified Residential Units or Residential Unit Owners subject to the right of the Board of Managers of the Condominium to enter upon any restricted area for maintenance, repair or improvement of a Residential Unit, or the Common Elements and subject to the Rules and Regulations of the Board of Managers (see By-Laws, Article IX). Said irrevocably restricted Common Elements are also referred to as an Individual Residential Unit's Limited Common Element. Any portion of the Common Elements which is not restricted in use may be used by any Residential Unit Owner. Following are descriptions of the irrevocable restricted Individual Residential Unit's Limited Common Elements:

1. Individual Residential Unit's Limited Common Elements - Individual Residential Unit's Limited Common Elements are irrevocably

restricted in use to a specific Residential Unit or specific Residential Units. Following are descriptions of irrevocable restricted Individual Residential Unit's Limited Common Elements:

(a) Any hot water tank, boiler, air conditioning condenser and any other heating, cooling or other mechanical system servicing an individual Residential Unit that is located in or on the Common Elements.

(b) All apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit a Residential Unit exclusively.

(c) Separate meters or sub meters exclusively serving a Residential Unit.

All repairs, maintenance and replacement and all costs associated thereto to any hot water tank, boiler, air conditioner condenser or any other heating, cooling or other mechanical system that is an Individual Residential Unit's Limited Common Element shall be the sole obligation of the applicable Residential Unit Owner for which the facility is a Limited Common Element.

C. **Provisions Applicable to All Common Elements** -

1. The Common Elements shall remain undivided and no Residential Unit Owner shall bring any action for partition or division unless otherwise provided by law.

2. The Common Elements are not subject to partition nor are they severable from the Residential Units except in accordance with the Real Property Law.

3. The Percentage of Common Interest in the Common Elements established herein shall not be changed except with the consent of all of the Residential Unit Owners affected expressed in a duly recorded amendment to this Declaration.

4. The Percentage of Common Interest in the Common Elements shall not be separated from the Residential Units to which it appertains and shall be deemed conveyed or encumbered with the Residential Units even though such interest is not expressly mentioned or described in the conveyance or other instrument.

SIXTH: EASEMENTS.

All pipes, sewer and/or drainage lines, wires, conduits and public utility lines located within each Residential Unit and for the exclusive use of a Residential Unit, no matter how classified; shall be maintained by such Residential Unit Owner at the

Residential Unit Owner's sole cost and expense. Any portion of such pipes, sewers and/or drainage lines and wires, conduits and public utility lines located in the General Common Elements shall be repaired and maintained and the responsibility of the Condominium and a Common Expense of all Residential Unit Owners. A Residential Unit Owner may not change, replace or repair the exterior of a window or door opening to a Residential Unit or any part thereof without the prior written authorization of the Board of Managers as provided for in Article III Section 12 of the By-Laws. The Board of Managers may impose requirements on the Unit Owner regarding the change, repair and/or replacement of the exterior of a window or door opening to a Residential Unit including, without limitation, the make and model of a window and door and any equipment thereof and requiring the Unit Owner to utilize a contractor or sub-contractor authorized by the Board of Managers. Every Residential Unit Owner shall have an easement in common with the owners of other Residential Units to maintain and use all pipes, wires, conduits and public utility lines located in other Residential Units and servicing such Residential Unit Owner's Residential Unit. Each Residential Unit shall be subject to an easement in favor of the Residential Unit Owners of other Residential Units to maintain and use the pipes, conduits and public utility lines servicing such other Residential Units located in such Residential Unit. The Board of Managers shall have a right of access to each Residential Unit for maintenance, repair or improvements to any pipes, wires, conduits and public utility lines located in any Residential Unit and servicing any other Residential Unit or causing damage to any other Residential Unit or any pipe, wires, conduits and public utility lines, no matter how designated that causes or is in imminent danger of causing damage to another Residential Unit or the Common Elements. The cost of such repairs shall be a Common Expense unless the damage is the result of the negligence of a Residential Unit Owner or tenant, occupant, employee or other person a Residential Unit Owner may be responsible for, in which case the cost of such repairs shall be the responsibility of the Residential Unit Owner who is responsible or whose tenant, occupant, employee or other person the Residential Unit Owner is responsible for causing such damage. 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. Declarant's prior consent is required prior to the Board of Managers, its agents, employees and contractors entering into any Declarant owned Residential Unit.

The Board of Managers and their agents, employees and contractors shall have an easement for access through all the Common Elements and the Residential Units for the purpose of making any repairs or replacements to any Common Elements, no matter how classified, contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any Residential Unit or any other Common Element no matter how classified, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of Condominium or for the health and safety of the Condominium and its residents. Such right of access to a Residential Unit shall be exercised in such a manner as is required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its Condominium Property, or the Residential Units, or for the health and safety of

Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

Each respective utility and cable company shall have a right of access to the Common Elements and each Residential Unit for maintenance, repair or improvements to any pipes, sewers and/or drainage lines, wires, conduits, and public utility lines located in the Common Elements and any Residential Unit. Any utility or cable company and its employees and agents shall have the right of access to any Residential Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Residential Unit for its permitted purposes by its owner, tenants or occupants.

The Board of Managers shall have the right to grant such additional electric, gas, water, sewer, drainage or other utility easements or relocate any existing utility easement in any portion of the Condominium as the Board of Managers shall deem necessary or desirable for the proper operation and maintenance of the Condominium, or any portion thereof, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of any Residential Unit for its permitted purposes. Any utility company and its employees and agents shall have the right of access to or upon any Residential Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Residential Unit for its permitted purposes by its owner, tenants or occupants.

The Board of Managers shall have an easement through the Residential Units for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, gas, heating, ventilating, water and other mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing any portion of the Condominium except for Unsold Residential Units retained by Declarant. The Board of Managers shall be required to obtain the consent of the Declarant prior to entering into any Unsold Residential Unit.

The Declarant, its successors and assigns reserve the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across all of the Property and the Building comprising the Condominium for the purpose of any renovation, sale and rental of Residential Units 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 all of the Property and the Building comprising the Condominium 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 Declarant, its successors and assigns 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 streets and roads or other areas of the Property and Building comprising the Condominium. The Declarant, its successors and assigns shall have an easement to erect and maintain general sales,

leasing, business or administration offices and/or model Residential Units, to erect, maintain, repair and replace from time to time one or more free-standing and other selling, directional and informational signs in/or on the Property and the Building comprising the Condominium as it deems necessary for the purposes of advertising the sale or lease of Residential Units, and for the purpose of showing the Residential Units to prospective Purchasers or lessees and for access to Residential Units and Common Elements consistent with the purposes of the Declaration, as the same may be amended, and Declarant's rights and obligations thereunder, including, without limitation the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Residential Units, together with their Percentage of Common Interest in the Common Elements. The Declarant, its successors and assigns shall have an easement at no cost to Declarant in and through the Building for the purposes set forth in Article Twenty-Fourth of this Declaration of Condominium. The Declarant, its successors and assigns reserve the right to continue to use the Common Elements and any facilities, sales offices, Unsold Residential Units and signs located on the Common Elements, in its efforts to sell and/or lease Residential Units in the Condominium. This paragraph shall not be amended without the consent of the Declarant.

Each Residential Unit Owner hereby grants a right of access to and through their Residential Unit to Declarant, its designee, assignee or successor and any contractors, subcontractors, agents, and employees of the foregoing for the purposes of the repair and completion of any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed or to be performed by or on behalf of Declarant with respect to the Common Elements and/or the Residential Units.

Each Residential Unit Owner grants an easement of ingress and egress in, over and through any hallway that may be part of their Residential Unit to any other Residential Unit Owner, tenant, resident or other persons needing ingress or egress to their respective Residential Unit that may be necessary for said purpose.

The Board of Managers will have and each Residential Unit will be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements and Individual Residential Unit's Limited Common Elements that are the obligation of the Condominium to repair, maintain and replace, located in, over, under, through or upon any Residential Unit, or any other Common Elements or elsewhere in the Condominium and (b) to maintain any encroachment on any Residential Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the General Common Elements or Individual Residential Unit's Limited Common Elements that are the obligation of the Condominium to repair, maintain and replace.

To the extent there is no material adverse affect on the Residential Unit Owners or the operation of their Residential Units, Declarant will retain the right for as long as the Condominium exists to lease those portions of the Common Elements that do not contain any mechanical equipment or other facilities utilized by the Condominium or any other Residential Unit, including but not limited to the roof, interior and exterior portions of the Building and the cellar, if any, to the extent necessary to implement the business

of the lease and to retain the income therefrom. Pursuant to said right Declarant and any lessees of the Declarant shall have an easement to install, maintain, repair and replace all equipment, improvements and facilities within the Common Elements required pursuant to the lease.

Each Residential Unit will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, foundations, slabs, and exterior walls) supporting or serving the Building and any replacement thereof and additions thereto and an easement of necessity, and each Residential Unit will be subject to an easement of support and necessity in favor of all other Residential Units and the Common Elements.

Each Residential Unit will have an easement for lateral and vertical support among all adjoining Residential Units and Common Elements.

Any easements granted to Declarant, the Board of Managers, any Residential Unit or any Residential Unit Owner under this Declaration and the By-Laws may be exercised by such Declarant's, Board of Managers or Residential Unit Owner's employees, agents, contractors, suppliers, customers, guests, invitees, licensees, servants, tenants, subtenants, members, and visitors, as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by the Declarant, the Residential Unit Owner or Board of Managers.

Each Residential Unit Owner will have a right and easement to use its Residential Unit and the Individual Residential Unit's Limited Common Elements appurtenant to such Residential Unit or Residential Units, and the General Common Elements in accordance with the terms and conditions of this Declaration and By-Laws.

All Residential Unit Owners, residents, guests, tenants and anyone else needing access to a Residential Unit shall have an easement of ingress and egress, in, through and over the Property of the Condominium, including the Common Elements regardless of how classified for access to their Residential Unit.

The Board of Managers of behalf of the Condominium will have an easement and unlimited access to any Individual Residential Unit's Limited Common Elements for the purpose of making inspections, repairs or rebuilding of the Condominium.

All emergency vehicles and personnel, including, but not limited to, police, fire and medical vehicles and personnel shall be granted an easement of ingress and egress over, upon and through all areas of the Condominium Property. This Paragraph may not be amended.

SEVENTH: SERVICE OF PROCESS:

The Board of Managers on behalf of the Condominium designates the Secretary of State of the State of New York as agent for service. Service of process on the

Residential Unit 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 Secretary of State as agent for service of this Condominium during the period the Declarant retains a majority of the Board of Managers is: Philips International, 295 Madison Avenue, 2nd Floor, New York, New York 10017. Once the Declarant no longer retains a majority of 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 the Board of Managers as agent of this Condominium is: Board of Managers, 2276 Homecrest Avenue Condominium, 2276 Homecrest Avenue, Brooklyn, New York 11229 or such other address as the Board of Managers of the Condominium selects.

EIGHTH: PERCENTAGE OF COMMON INTEREST.

Each Residential Unit Owner shall have such Percentage of Common Interest in the Common Elements as is set forth in Schedule B attached hereto and shall be responsible for its pro rata share of the Common Expenses of the Condominium based upon such Percentage of Common Interest except as otherwise described herein or in the Budget. All expenses of the Condominium shall be Common Expenses and shall be apportioned among all the Residential Unit Owners according to the method set forth herein or in the Budget. Such Residential Unit Owner shall be entitled to the number of votes equal to the Residential Unit's Percentage of Common Interest for all voting purposes at any meeting of the Residential Unit Owners for each Residential Unit the Residential Unit Owner owns unless otherwise mandated by law or expressly provided for herein. The Percentage of Common Interest of each Residential Unit in the Common Elements has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Residential Unit. Said method of determining the Percentage of Common Interest in a condominium complies with and is pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York.

NINTH: ADMINISTRATION.

The administration of the Condominium, 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 B.

TENTH: AMENDMENTS AND WITHDRAWAL.

A. The dedication of the Condominium Property to Condominium ownership herein shall not be revoked or the Condominium Property withdrawn from Condominium ownership unless eighty (80%) percent of the Residential Unit Owners in number and in Percentage of Common Interest and the first mortgagees, if any, of each of these same Residential Units agree to such revocation or removal of the property from the Plan by duly recorded instruments.

B. Except as may otherwise be provided herein, the provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon an affirmative vote of sixty-six and two-thirds (66⅔%) percent of the Residential Unit Owners in number held at a duly-called meeting of the Residential Unit Owners, provided however, that:

1. No amendment altering a Residential Unit Owner's Percentage of Common Interest shall be made without the consent of all the Residential Unit Owners affected.

2. No amendment shall change the voting rights appurtenant to any sold Residential Unit, unless all of the record owner(s) in number and Percentage of Common Interest thereof and the first mortgagees, if any, of each of these same Residential Units agree to such change by recorded instrument.

3. No amendment shall add any parcel of land to or divest any parcel of land from the Condominium Properties unless all of the Residential Unit Owners and the first mortgagees, if any, of each of these same Residential Unit Owners agree to such change on the instrument of amendment.

4. No amendment shall be passed which shall affect, impair or prejudice the validity, interest, rights and priorities of mortgagees.

5. No amendment, modification, addition or deletion of, to or from this Declaration, the By-Laws or any Rules and Regulations shall be effective in any way against Declarant or its successors, assigns or designees or against any Unsold Residential Unit, as long as the Declarant, its successors, assigns, or designees owns an Unsold Residential Unit in the Condominium unless the Declarant, its successors, assigns or designees has given its prior written consent thereto. This provision is not subject to amendment.

6. The Board of Managers and the Declarant, as long as the Declarant owns an Unsold Residential Unit in the Condominium, shall have the right to amend the Declaration without the vote or consent of the Residential Unit Owners or the holders of any Residential Unit mortgages and to execute and record in the New

York City Registrar's Office such amendment as may be required to reflect (i) changes in the Declaration (including Schedule B), As-Built Floor Plans and Condominium or Residential Unit Designation Map that are corrective in nature or (ii) to resolve or clarify any inconsistency or which is patently a mistake or a scrivener's error, or (iii) technical corrections, or (iv) to comply with any federal, state or city law or regulation that may affect the Condominium. In connection therewith, each Residential Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest to the Board of Managers of the Condominium and to the Declarant to amend this Declaration of Condominium for said purposes.

7. No Amendment shall be passed which shall affect the rights of a Non-Purchasing Tenant of a Residential Unit as provided for under Section 352-eeee of the New York State General Business Law.

8. Subject to the approval of the Board of Managers a Purchaser or Residential Unit Owner who purchases or owns two (2) adjoining Residential Units and is desirous of consolidating the two (2) Residential Units into one (1) Residential Unit may do so subject to obtaining all approvals required by the New York City Department of Buildings, New York City Department of Finance and any other required municipal approvals and obtaining whatever insurance and/or surety is required by the Board of Managers to do whatever work is necessary to consolidate the two (2) Residential Units. The Board of Managers shall be required to cooperate with the Purchaser in amending Schedule B to the Declaration to reflect the consolidation and to change the appurtenant Percentage of Common Interest so long as the new Percentage of Common Interest equals the Percentage of Common Interest of the Residential Units that were consolidated and the Board of Managers shall have the right to amend said Schedule B without the vote or approval of the Residential Unit Owners. All approvals, revisions, amendments to Schedule B of the Declaration and any other requirements including any legal, engineering, architectural or otherwise necessary to consolidate the Residential Units shall be at the Purchaser's or Residential Unit Owner's sole cost and expense.

9. The Declaration may not be altered, amended or repealed in such a manner as would adversely affect the Declarant, its successors, assigns or designees without the written consent of the Declarant, its successors, assigns or designees.

10. In addition, in the case of material adverse changes, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Residential Units that are subject to first mortgages. A change to any of the following would be

considered as material and adverse: voting rights; reallocation of interests in the General or Individual Residential Unit's Limited Common Elements , or rights to their use; boundaries of any sold Residential Unit; convertibility of sold Residential Units into Common Elements or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; revisions to the leasing provisions of Residential Units contained in Article XI of the By-Laws ; imposition of any new restrictions on a Residential Unit Owner's right to sell or transfer the Residential Unit Owner's Residential Unit; 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. An addition or amendment to the Declaration 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 by certified or registered mail, return receipt requested, to approve amendments who does not deliver to the Condominium a negative written response within sixty (60) days of the receipt of the request shall be deemed to have approved such amendment.

C. The Declarant, its successors, assigns and designees shall have the right without vote or consent of the Residential Unit Owners, the Board of Managers or the holders of Residential Unit mortgages to execute or (on its request) to require the Board of Managers to execute and record in the Register's Office of the City of New York 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 and/or amended As-Built Floor Plans, Condominium or Residential Unit Designation Map 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 Residential Units as built, or (ii) utility easements, or (iii) technical corrections to the Declaration and By-Laws to conform to other documents including but not limited to the Offering Plan or as-built plans (iv) to amend Schedule 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 Residential Unit, so long as the appurtenant Percentage of Common Interest does not change for said Residential Unit subject to (v), (vii) and (viii) hereof or (v) to amend Schedule B of this Declaration prior to the first closing, to effect a change in the Percentage of Common Interest of all or specific Residential Units and revise Schedule B of this Declaration accordingly or (vi) to amend Schedule B of this Declaration to assign or revise Individual Residential Unit's Limited Common Elements appurtenant to a Residential Unit or (vii)

to amend Schedule B of this Declaration to consolidate or subdivide Residential Units subject to all necessary approvals by the Building Department of the City of New York or other municipality or administrative agency, to revise the square footage and type and number of rooms and any other required information for a specified Residential Unit and to change the appurtenant Percentage of Common Interest so long as the new Percentage of Common Interest equals the Percentage of Common Interest of the Residential Units that were consolidated or subdivided, or (viii) to effectuate permissible changes in Unsold Residential Units including the Percentage of Common Interest of one (1) or more of the Unsold Residential Units as long as it does not change the Percentage of Common Interest of any sold Residential Unit and to amend Schedule B of this Declaration accordingly, or (ix) to amend Schedule B of this Declaration to make technical corrections to said Schedule including, but not limited to, square footage of Residential Units, assign or revise Individual Residential Unit's Limited Common Elements appurtenant to a Residential Unit or to revise the number and description of rooms contained in a Residential Unit or (x) to make changes or revisions to comply with the requests, guidelines and/or requirements of any major participant in the secondary market for mortgages, including but not limited to, the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal Housing Association ("FHA") of the Housing and Urban Development ("HUD"), the Veterans Administration ("VA") and/or any State or Local Funding Agencies, or (xi) to make corrections that are patent errors, inconsistencies, scrivener's errors and technical errors, or (xii) to comply with any federal, state or city law or regulation that may affect the Condominium; or (xiii) the carrying out of other provisions of the Offering Plan of the Condominium. In connection therewith each Residential Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest, to the Declarant, its successors, assigns and purchasers of undeveloped or Unsold Residential Units to amend the Declaration of Condominium for said purposes.

D. There shall be a presumption subsequent to the recording of any amendment that the vote of the Residential Unit Owners was made at a duly called meeting or given by delivery of resolutions and that the requisite voting percentage was obtained where such vote was required.

E. Any amendment to this Declaration shall not take effect until it is recorded in the New York City Register's Office.

Regardless 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 Residential Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Residential Units of the Condominium or the mere act of occupancy of any of said Residential Units 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 Residential Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

TWELFTH: COMMON CHARGES/ COMMON EXPENSES.

Common Expenses of the Condominium shall be determined by the Board of Managers of the Condominium. Common Expenses shall include but not be limited to include the expenses to maintain, repair, alter, upgrade, renovate, manage and operate the General Common Elements and certain Limited Common Elements, to provide services to two (2) or more Residential Unit Owners, to conduct the affairs affecting or benefitting the Property or the Residential Unit Owners and generally to exercise, perform and enforce the powers, duties and obligations of the Condominium Board pursuant to the Declaration, the By-Laws, the Rules and Regulations and the Condominium Act. The Common Expenses of the Condominium shall be assessed to and paid by the Residential Unit Owners of the Residential Units based upon each Residential Unit's Percentage of Common Interest or as permitted pursuant to Section 339-m of the Condominium Act. Common Charges, no matter how classified, may be adjusted based on allocations in accordance with sub-metering, contract allocations and usage (both projected and actual) for the Common Expenses based on special or exclusive use or availability or exclusive control or unavailability or non-use of particular Units or Common Elements by particular Unit Owners. The assessments paid by the Residential Unit Owners towards the Common Expenses of the Condominium shall be referred to as "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 Residential Unit Owner shall constitute a lien on the Residential Unit Owner's Residential Unit prior to all other liens except: (a) tax or assessment liens on the Residential Unit by the taxing subdivisions of any governmental authority, including but not limited to State, County and City, taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Residential Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Board of Managers on behalf of 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 and costs of collection (but such right shall not be a lien against the Residential Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Residential Unit

Owners as a Common Expense. Each Residential Unit Owner shall be personally liable for all unpaid Common Charges and any Special Assessments.

In addition to the Board of Manager's right to bring an action to foreclose a lien of a Residential Unit in the event of a default in the payment of Common Charges by any Residential Unit Owner, the Board of Managers, at its sole option, may declare the Common Charge assessment on said Residential Unit Owner's Residential Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board of Managers shall send notice to the delinquent Residential Unit Owner and the mortgagee, if any, of such Residential Unit giving the Residential Unit Owner a five (5) day grace period in which to make the late payment. In addition the Board (on behalf of the Residential Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges at the option of the Board of Managers, without foreclosing or waiving the lien securing such charges. In such an event, the Condominium shall be entitled to recover all costs of suit including reasonable attorneys' fees.

Every Residential Unit Owner shall pay the Common Charges, Special Assessments, late fees, penalties and interest assessed against the Residential Unit Owner when due as determined by the Board of Managers and no Residential Unit Owner may be exempt from liability for the payment of the foregoing assessed against the Residential Unit Owner by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of a Residential Unit. However, no Residential Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by the Residential Unit Owner of such Residential Unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and By-Laws.

A Residential Unit Owner delinquent in the payment of Common Charges shall be subject to all late fees and penalties as contained in the By-Laws of the Condominium as the same may be amended by the Board of Managers in its discretion. Any Member of the Board of Managers delinquent in the payment of Common Charges, Special Assessments, late fees, penalties and/or interest shall be suspended from the Board of Managers and have no voting rights until such time as all Common Charges, Special Assessments, late fees, penalties and/or interest are paid in full to the Condominium.

Notwithstanding any other provision in this Declaration or the By-Laws, any mortgagee of an Institutional Mortgage as defined herein who obtains title to a Residential Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Residential Unit's unpaid Common Charges accrued before acquisition of the title to the Residential Unit by the mortgagee unless otherwise required by law. If the Condominium's lien priority includes costs of collecting unpaid Common Charges the mortgagee of the Institutional Mortgage will be liable for any fees or costs related to the collection of unpaid Common Charges. The unpaid balance of such Common Charges and/or Special Assessments that may be waived will

be charged to all other Residential Unit Owners as a Common Expense. Upon acquisition of title the Institutional Mortgagee shall be responsible for all Common Charges, Special Assessments and/or any other costs and expenses of the Condominium thereafter due and payable.

THIRTEENTH: RESIDENTIAL UNITS ACQUIRED BY THE BOARD.

In the event any Residential Unit Owner shall convey the Residential Unit Owner's Residential Unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Residential Unit at a foreclosure sale in accordance with Article VIII of the By-Laws, title to such Residential Unit or the rights to the lease of such Residential Unit shall be held by the Board of Managers or its designee on behalf of all of the other Residential Unit Owners.

FOURTEENTH: POWER OF ATTORNEY.

A. In order to carry out the provisions of Article Thirteenth of the Declaration and Article XI of the By-Laws, each Residential Unit 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 Residential Unit acquired by the Board of Managers under whatever terms the Board of Managers may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Residential Unit under such terms as the Board of Managers in its sole discretion shall deem proper.

B. Each Residential Unit Owner shall upon becoming a Residential Unit Owner shall further grant an irrevocable power of attorney, coupled with an interest to the Board of Managers to nominate, designate, constitute and appoint the Members of the Board of Managers of the Condominium and their successors, jointly, their true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in their name and on their behalf, the right to act in their behalf to take any and all action necessary against any tenant(s) that may be residing in a Residential Unit Owner's Condominium Residential Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium. Notwithstanding this provision the Board of Managers may not take any action against a Non-Purchasing Tenant as said term is defined in Section 352-eeee of the General Business Law of the State of New York in contravention of said statute.

C. Each Residential Unit Owner shall, upon becoming such, shall be deemed to have granted an irrevocable power of attorney, coupled with an interest to the Board of Managers, the Declarant and their successors, designees and/or assigns to amend the Declaration and the By-Laws for the

purposes set forth in Article Tenth, Sections B, 6 and Section C of the Declaration and Article X, Sections (iv) and (v) of the By-Laws for the purposes set forth therein.

FIFTEENTH: ENCROACHMENTS.

The Residential Unit Owners agree that if any portion of a Residential Unit or the Common Elements (whether restricted in use to an individual Residential Unit 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 Residential Unit Owners agree that encroachments of any portion of the Residential Unit 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.

SIXTEENTH: RESIDENTIAL UNIT OWNERSHIP.

Upon the closing of title to a Residential Unit, a Purchaser shall automatically become a Residential Unit Owner in the Condominium and shall remain such until such time as the Residential Unit Owner ceases to own the Residential Unit for any reason.

SEVENTEENTH: USE OF RESIDENTIAL UNITS.

Residential Units shall be restricted to Residential Occupancy in accordance with the applicable zoning regulations and requirements of the City of New York.

EIGHTEENTH: CONVEYANCE OF A RESIDENTIAL UNIT.

In any conveyance of a Residential Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the grantee of the Residential Unit (the "Grantee") shall be jointly and severally liable with the grantor (the "Grantor") for any unpaid Common Charges and any Special Assessments 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 Residential Unit conveyed be subject to a lien for any unpaid Common Charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include the holder of an institutional mortgage of record or other purchaser of a Residential Unit at a foreclosure sale of an institutional mortgage.

NINETEENTH: COVENANT OF FURTHER ASSURANCES.

Any party subject to the terms of this Declaration, whether such party is a Residential Unit Owner, a lessee or sublessee of a Residential Unit Owner, or the occupant of a portion of a Residential Unit, a Member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

If any Residential Unit Owner or any other party subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within seven (7) days after request thereof, to take any action which the Residential Unit Owner or such other party is required to take pursuant to this Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Residential Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Residential Unit Owner, or other party and such document or action shall be binding on such Residential Unit Owner or other party.

If any Residential Unit Owner or the Board of Managers or any other party who is subject to the terms of this Declaration fails or refuses to execute, acknowledge or deliver any instrument, or fails or refuses within seven (7) days after request therefor, to take any action that the Board of Managers, any Residential Unit Owner, or other party is required to take pursuant to this Declaration at the request of Declarant or Declarant's designee, then Declarant or Declarant's designee, as the case may be, is hereby authorized as attorney-in-fact for the Board of Managers, such Residential Unit Owner, or other party, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Residential Unit Owner, or other party, and such document or action shall be binding on the Board of Managers, such Residential Unit Owner, or other party, as the case may be.

Each Residential Unit Owner will have the affirmative duty to maintain its respective Residential Unit in such a manner so as to reasonably prevent and avoid inflicting harm to other Residential Units, the Individual Residential Unit's Limited Common Elements, the General Common Elements or the Building. In addition to any other remedies and/or rights the Board of Managers may have in this Declaration, the By-Laws and/or the Rules and Regulations of the Condominium, in the event any Residential Unit Owner causes or permits any condition, or fails to take any action to prevent a condition, that has a deleterious effect on another Residential Unit, any Limited Common Element, the General Common Elements or the Building, the Condominium Board will give written notice to such Residential Unit Owner including a request that the Residential Unit Owner take specific steps to ameliorate such a condition ("Remedy Notice"). If the Residential Unit Owner fails to remedy the condition within the period of time as provided in such Remedy Notice, the Board of Managers

may, upon additional notice to the Residential Unit Owner within a reasonable period of time determined by the Board of Managers, enter into the Residential Unit (except any Residential Units owned by the Sponsor, its successor, assignee and/or designee which shall require the consent of the Sponsor, its successor, assignee and/or designee prior to gaining access to the respective Residential Unit) and effect a reasonable remedy, at the Residential Unit Owner's sole cost and expense.

TWENTIETH: RIGHTS OF NON-PURCHASING TENANTS.

The following shall apply to a Non-Purchasing Tenant as said term is defined in Section 352-eeee of the General Business Law of the State of New York for all Residential Unit Owners of a Residential Unit occupied by a Non-Purchasing Tenant and the Board of Managers, should the Board of Managers acquire a Residential Unit through foreclosure or otherwise:

A. No eviction proceedings will be commenced at any time against Non-Purchasing Tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of access to the owner or a similar breach by the Non-Purchasing Tenant of his or her obligations to the landlord, and provided further that the owner of the Residential Unit thereto may not commence an action to recover possession of a Residential Unit from a Non-Purchasing Tenant on the grounds that he or she seeks the Residential Unit for the use and occupancy of the Owner of the Residential Unit or the Residential Unit Owner's family.

B. The rentals of Non-Purchasing Tenants who reside in Residential Units not subject to government regulations as to rentals and continued occupancy and Non-Purchasing Tenants who reside in Residential Units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Plan has become effective shall not be subject to unconscionable increases beyond ordinary rentals for comparable unregulated apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses. Complaints of unconscionable rent increases may be referred to the New York State Department of Law, Real Estate Financing Bureau, 120 Broadway, New York, New York 10271.

C. Any Non-Purchasing Tenants' renewal lease or renewal sublease may provide that eviction proceedings may only be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of access to the Residential Unit Owner, Sponsor or Board of Managers or a similar breach by the Residential Unit Owner, Sponsor or Board of

Managers or a similar breach by the occupancy of the tenant's obligations to the Sponsor, Residential Unit Owner or Board of Managers.

D. The Managing Agent shall provide to Non-Purchasing Tenants all services and facilities required by law on a non-discriminatory basis.

E. The rights granted herein to Non-Purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, Section 352-eeee of the General Business Law.

F. This Section of the Declaration of Condominium concerning said Non-Purchasing Tenants may not be subsequently amended or deleted.

TWENTY-FIRST: OBLIGATIONS OF NON-OCCUPANT OWNERS.

If the Residential Unit Owner is the Owner of a Residential Unit subject to the lease of a Non-Purchasing Tenant as said term is defined in Section 352-eeee of the General Business Law ("Section 352-eeee") in occupancy on the date that title to the Residential Unit was transferred to the Residential Unit Owner, the following shall apply:

A. A Residential Unit Owner of an occupied Residential Unit is subject to: (1) the lease for the Residential Unit then in effect (and any renewal of the term thereof effected after the Date of Presentation of the Plan, but prior to the date on which the Purchaser's executed Purchase Agreement is delivered to the Declarant); (2) any existing statutory tenancy or occupancy of the Residential Unit; (3) all of the rights of any existing tenant of a Residential Unit who has not purchased their Residential Unit afforded by Section 352-eeee, including the right (among others) to continue to reside in their Residential Units, without having any eviction proceedings commenced against them at any time other than for nonpayment of rent, illegal use or occupancy of the premises, refusal of access to the owner or similar breach of their obligations to the owner of their Residential Unit; and (4) any other applicable federal, state or city laws, regulations and rules limiting or controlling rent and occupancy terms and the landlord's rights to evict tenants or other occupants now existing or hereinafter enacted.

B. A Residential Unit Owner who acquires an occupied Residential Unit will be required to pay to the Condominium the Common Charges for such Residential Unit whether such charges are greater or less than the rent payable or received by the Residential Unit Owner from the tenant in occupancy.

C. A Residential Unit Owner will be responsible for the due performance of all of the obligations of the landlord under the lease, statutory tenancy or other tenancy of the tenant, including obligations to maintain, repair and

replace plumbing fixtures, the refrigerator, range, lighting fixtures and other equipment in the Residential Unit, and to paint the Residential Unit as provided in the lease with the tenant, or as required by any applicable law, as the case may be. In addition, any litigation costs, fees and dues related to the tenancy will be the sole responsibility of the Residential Unit Owner.

D. The Residential Unit irrevocably appoints the Managing Agent for the Condominium and its successors as his or her agent to perform for the account and at the expense of the Residential Units all services required to be furnished or performed by a landlord under the Non-Purchasing Tenant's lease and the laws and regulations specified above that are not to be provided by the Condominium, including, but not limited to, interior repairs and Condominium painting; and

E. The Residential Unit Owner will deposit with the Managing Agent at the closing of title to the Residential Unit a sum not less than an amount equal to 2 months' Common Charges to be used as working capital to furnish services required under the Non-Purchasing Tenant's lease and the laws and regulations specified above. Upon notice by the Managing Agent that said deposit has been diminished, said fund shall be replenished by the Residential Unit Owner within a specified period of time. The failure of the Residential Unit Owner to replenish the fund in a timely fashion shall result in the Condominium having a lien against the Residential Unit. Interest, if any, earned on the fund shall be the property of the Residential Unit Owner.

TWENTY-SECOND: COVENANTS AND RESTRICTIONS.

The use of the Residential Unit by the Residential Unit Owners 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 Residential Unit and area restricted to the Residential Unit Owner's use shall be maintained in good repair and overall appearance.

B. No alteration, addition, decoration or change to any part of the General Common Elements or Individual Residential Unit's Limited Common Elements, may be made and no structure or other improvement may be built or placed on any portion of the General Common Elements or Individual Residential Unit's Limited Common Elements, without the written consent of the Board of Managers. The provisions of this paragraph shall not apply to Declarant or its designee.

C. No Residential Unit Owner shall make any alterations, improvements, additions or repairs, change the use or layout of, or number of rooms in

the Residential Unit, to the Residential Unit, the interior load bearing walls, or any part of the Common Elements, amend the Certificate of Occupancy for the Building, change the size of the Residential Unit or its appurtenant Limited Common Elements without the prior written consent of the Board of Managers and execution and delivery of an Alteration Agreement. Consent may be requested by mailing a letter, certified mail, return receipt requested to the Managing Agent. If building plans are required for the above under any applicable building code, a copy of such plans must be included with said letter. All work done pursuant to this Section must be approved in advance by the Board of Managers and performed in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof. The provisions of this Article Twenty- Second C shall not apply to the Declarant or its designee.

D. Prior to, and as a condition of, the granting of any such approval required in Article Twenty- Second C above, the Board of Managers at its sole option shall: (1) require the Residential Unit Owner to obtain and maintain during the course of such work such insurance as the Board of Managers may reasonably prescribe and provide the Board of Managers with a certificate of insurance at least ten (10) days prior to the commencement of the work, (2) require the Residential Unit Owner to execute and deliver to the Board of Managers an Alteration Agreement, in form and substance approved by the Board of Managers, setting forth among other things the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the indemnity referred to in subparagraph D of this Article Twenty- Second and specifying the days and hours during which any such work may be done, (3) require the Residential Unit Owner to execute and deliver to the Board of Managers a written agreement (if so requested by the Board of Managers) or which shall be deemed to agree (in the absence of such writing) indemnifying and holding harmless the Board of Managers, its Members and Officers, all Residential Unit Owners of the Condominium and the Managing Agent from and against any liability, cost or expense arising out of or connected to such work, (4) the Board of Managers shall have the right in its sole discretion to approve Residential Unit Owner's contractors and materialmen, plans, drawings, amendments to the Declaration, By-Laws and Tax Lot Drawings provided however that the foregoing requirements may be modified by the Board of Managers and the Board of Managers has the right to require that any conditions be satisfied prior to granting approval to any Residential Unit Owner. The Condominium shall employ the services of architectural, engineering, legal and other professionals and impose charges upon the Residential Unit Owner to reimburse the Condominium for architectural, engineering, legal and other fees incurred in reviewing the Residential Unit Owner's request for approval and in monitoring the work performed until completion and a fee payable to the

Managing Agent. Neither the Board of Managers nor any Residential Unit Owner (other than the Residential Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Residential Unit and appurtenant Limited Common Elements) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to above; (ii) to any contractor, subcontractor, materialperson, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Residential Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom, and (6) obtaining all approvals, as necessary, from the City of New York and any other governmental agency. The Residential Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the additions or improvements.

Any application to any department of the City of New York or any other governmental authority for a permit to make an alteration or improvement in or to any Residential Unit or Limited Common Element shall be completed by the Residential Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialmen on account of such alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

In the event a Residential Unit Owner violates this provision of the Declaration, the Board of Managers, in addition to all remedies it may have under this Declaration and the By-Laws, may institute legal action against the Residential Unit Owner for the enforcement of this provision. In such an event the Residential Unit Owner shall be responsible for the payment of reasonable attorney's fees of the Condominium, plus interest and costs of suit, as well as all costs associated with remedying the violation.

E. Any interior alterations or improvements made to a Residential Unit shall be made in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof.

F. Any Residential Unit Owner who mortgages or sells their Residential Unit shall notify the Board of Managers providing the name and address of the mortgagee or Purchaser.

G. The Board of Managers shall, at the request of the mortgagee of the Residential Unit, report any unpaid Common Charges due from the Residential Unit Owner of such Residential Unit.

H. No nuisances shall be allowed upon the Condominium Property nor shall any use or practice be allowed which is a source of annoyance to any Residential Unit Owners, tenants and residents or which interferes with the peaceful possession and proper use of the property by the Residential Unit Owners, tenants and residents.

I. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed

J. Regulations promulgated by the Board of Managers concerning the use of the Condominium Property shall be observed by the Residential Unit Owners, provided, however, that copies of such regulations are furnished to each Residential Unit Owner prior to the time the said regulations become effective.

K. The Common Charges, any Special Assessments, penalties, late fees and interest shall be paid when due.

TWENTY-THIRD: FIRST LIEN HOLDER'S 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 Residential Unit 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 the Residential Unit that is subject to said mortgage or the exclusive easement rights appertaining thereto, (ii) the interest in the general or Individual Residential Unit's Limited Common Elements appertaining to the Residential Unit that is subject to said mortgage or the liability for Common Expenses appertaining thereto, (iii) the number of votes in the Condominium appertaining to the Residential Unit that is subject to said mortgage or (iv) the purposes to which the Residential Unit that is subject to said mortgage 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 Residential Unit 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 Residential Unit Owner of a Residential Unit subject to the mortgage of such eligible holder, insurer or guarantor, which such

delinquency has continued for a period of sixty (60) days;

5. Any lapse, cancellation or material modification of any insurance policy maintained by the Condominium; and

6. Any proposed action that requires the consent of a specified percentage of mortgagees.

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 Residential Units to which at least 51% of the votes of Residential Units 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 Residential Units to which at least fifty-one (51%) percent in number of the votes of Residential Units subject to mortgages held by such eligible holders are allocated; and

3. Unless the formula for reallocation of the Percentage of Common Interests after a partial condemnation or 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 Residential Units to which at least 80% in number of the votes of Residential Units subject to mortgages held by such eligible holders are allocated.

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 Residential Unit in a Condominium which has requested notice in accordance with the provisions of (a) above.

TWENTY-FOURTH: SPECIAL RIGHTS OF DECLARANT.

Notwithstanding anything to the contrary contained herein Declarant in addition to any rights granted to Declarant contained in the Declaration, By-Laws and/or Rules and Regulations; Declarant, its successors, assigns or designees shall have the right, without requiring the consent of either the Condominium or Board of Managers, and without charge or limitation, to:

A. Have its employees, contractors, subcontractors and sales agents present on the properties described in Schedule A of this Declaration and any Building erected thereon.

B. Erect and maintain signs and other promotional materials (including, without limitation, "For Sale", and "For Rent" signs), in connection with the promotion, sale, leasing, management, or operation of the Residential Units or any other property, development or community the Declarant, its successors, assigns or designees so prescribe for life of the Condominium anywhere in or on the Condominium including but not limited to the land, Building, Common Elements and façade of the Building.

C. Use any one or more vacant Residential Units as:

(i) model Residential Units,
(ii) offices for the promotion, sale, rental, management and/or operation of any Unsold Residential Units,
(iii) offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Declarant with respect to the Common Elements and/or the Residential Units; or any Unsold Residential Units; and/or
(iv) for any other purpose.

D. Use any office in the Condominium for its exclusive use until such time as Declarant no longer owns any Residential Units in the Condominium.

E. Do and cause to be done all of the things that are necessary, desirable or appropriate (including, without limitation, the use of the Common Elements, the Residential Units and any Unsold Residential Units) for the purpose of:

(i) the promotion, sale, rental, management and/or operation of any Unsold Residential Units,
(ii) the performance and completion of installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be

performed, by, or on behalf of, Declarant with respect to the Common Elements or any Unsold Residential Unit and/or

(iii) the exercise performance and discharge of Declarant's other rights and obligations under this Declaration, the By-Laws or the Rules and Regulations.

F. The right for as long as the Condominium exists to enter into or require the Board of Managers to enter into a license agreement or to lease those portions of the Common Elements that do not contain any mechanical equipment or other facilities utilized by the Condominium or any other Residential Unit, including but not limited to the roof, interior and exterior portions of the Building and the cellar to the extent necessary to implement the business of the licensee or lessee and for the Declarant to retain the income therefrom.

G. Make any other changes required by the Building Department of the City of New York or any other agency of the City of New York or other municipal or administrative agency.

In no event, however, shall Declarant or such designee be entitled to use any portion of the Common Elements in such a manner as will unreasonably interfere with the use of the same or of any Residential Unit for its permitted purposes.

The provisions of this Article Twenty-Fourth cannot be amended without the written consent of the Declarant, or its successors or assigns.

TWENTY-FIFTH: 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.

TWENTY-SIXTH: WAIVER.

No provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

TWENTY-SEVENTH: CAPTIONS.

The captions herein are inserted only as a matter of convenience, and for reference, and in no way define, limit or describe the scope of this Declaration, nor the intent of any provision hereof.

TWENTY-EIGHTH: GENDER.

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

2276 HOMECREST OWNER LLC

By: _____
, Member

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

On the day of in the year 20 , before me, the undersigned a Notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

_____
NOTARY PUBLIC

SCHEDULE A

2276 HOMECREST AVENUE CONDOMINIUM
CONDO#___
2276 Homecrest Avenue
Brooklyn, New York 11229

Condo #_____

Block:_____ FKA Lot:____ NKA Lots: _____

LEGAL DESCRIPTION TO BE
INSERTED PRIOR TO RECORDATION

SCHEDULE B TO THE DECLARATION

2276 HOMECREST AVENUE CONDOMINIUM

CONDO #_____
2276 Homecrest Avenue
Brooklyn, New York 11229

Condo #_____

Block:_____ FKA Lot:_____ NKA Lots:_____

INSERT SCHEDULE WITH UNIT INFORMATION
PRIOR TO RECORDATION

SCHEDULE A

2276 HOMECREST AVENUE CONDOMINIUM
CONDO#___
2276 Homecrest Avenue
Brooklyn, New York 11229

Condo #_____

Block:_____ FKA Lot:____ NKA Lots: _____

LEGAL DESCRIPTION TO BE
INSERTED PRIOR TO RECORDATION

SCHEDULE B TO THE DECLARATION OF CONDOMINIUM OF
2276 Homecrest Avenue Condominium
2276 Homecrest Avenue
Brooklyn, New York

Condo #_____

Block: FKA Lot: NKA Lots:_____

Unit Number	Tax Lot Number	Floor Location	Unit Actual Square Footage	Unit Limited Common Elements	Total Square Footage	Type and Number of Rooms	Percentage of Interest in the Common Elements
1A	tbd	First Floor	526	0	526	4 rooms - bedroom, kitchen, living room and bathroom	5.9977%
1B	tbd	First Floor	447	0	447	3 rooms - living area, kitchen and bathroom	5.0969%
1C	tbd	First Floor	550	0	550	4 rooms - bedroom, kitchen, living room and bathroom	6.2714%
1D	tbd	First Floor	449	0	449	4 rooms - bedroom, kitchen, living room and bathroom	5.1197%
2A	tbd	Second Floor	641	0	641	4 rooms - bedroom, kitchen, living room and bathroom	7.3090%
2B	tbd	Second Floor	449	0	449	3 rooms - living area, kitchen and bathroom	5.1197%
2C	tbd	Second Floor	556	0	556	4 rooms - bedroom, kitchen, living room and bathroom	6.3398%
2D	tbd	Second Floor	620	0	620	4 rooms - bedroom, kitchen, living room and bathroom	7.0696%
3A	tbd	Third Floor	641	0	641	4 rooms - bedroom, kitchen, living room and bathroom	7.3090%
3B	tbd	Third Floor	449	0	449	3 rooms - living area,kitchen and bathroom	5.1197%
3C	tbd	Third Floor	556	0	556	4 rooms - bedroom, kitchen, living room and bathroom	6.3398%
3D	tbd	Third Floor	620	0	620	4 rooms - bedroom, kitchen, living room and bathroom	7.0696%
4A	tbd	Fourth Floor	641	0	641	4 rooms - bedroom, kitchen, living room and bathroom	7.3090%
4B	tbd	Fourth Floor	449	0	449	3 rooms - living area, kitchen and bathroom	5.1197%
4C	tbd	Fourth Floor	556	0	556	4 rooms - bedroom, kitchen, living room and bathroom	6.3398%
4D	tbd	Fourth Floor	620	0	620	4 rooms - bedroom, kitchen, living room and bathroom	7.0696%
TOTALS			8,770	0	8,770		100.000000%

BY-LAWS

OF

2276 HOMECREST AVENUE CONDOMINIUM

CERTILMAN BALIN ADLER & HYMAN, LLP
Attn: Richard Herzbach, Esq.
90 Merrick Avenue, 9th Floor
East Meadow, New York 11554

SCHEDULE C
TO DECLARATION OF CONDOMINIUM

SCHEDULE M
OF THE OFFERING PLAN

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BY-LAWS

OF

2276 HOMECREST AVENUE CONDOMINIUM

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Residential Unit Ownership.

The Property described on Schedule A to the Declaration of Condominium, located at 2276 Homecrest Avenue, Borough of Brooklyn, Kings County, City and State of New York, and more commonly known as 2276 Homecrest Avenue 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 "Residential Units" as defined in the Declaration and the Common Elements and the use and occupancy thereof.

Section 3. Personal Application.

All present or future Residential Unit Owners, mortgagees and lessees, and their employees, guests, invitees and any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Residential Units or the mere act of occupancy or use of any of said Residential Units 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 stated.

ARTICLE II. CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium.

The Condominium shall be limited to Residential Unit Owners. "Residential Unit Owner" as referred to herein shall mean all of the Owners of each Residential Unit.

Section 2. Voting.

Each Residential Unit Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Residential Units) shall be entitled to cast the number of votes equal to the Residential Unit's percentage of Common Interest at all Residential Unit Owners' meetings for each Residential Unit or Residential Units owned by such Residential Unit Owner unless otherwise mandated by law or expressly provided for in the Declaration of Condominium (the "Declaration"). "Sponsor" as referred to in these By-Laws shall mean the Declarant who executed the Declaration and any successor in interest, assignee of such Declarant's rights or designee of such Declarant. Any Residential Unit Owner delinquent in the payment of their Common Charges, Special Assessments, late fees or penalties shall be prohibited from voting at any annual, general or special meeting of the Residential Unit Owners and from running for any Board seat or serving on the Board if already a Member thereof.

Section 3. Quorum.

So many Residential Unit Owners as shall represent at least fifty-one (51%) percent of the total authorized votes of all Residential Unit Owners shall constitute a quorum at all meetings of the Residential Unit Owners for the transaction of business if present in person, via telephone or represented by written proxy, 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 Residential Unit Owners, the Residential Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting so many Residential Unit Owners as shall represent at least thirty-three and one-third (33 1/3%) percent of the total authorized votes of all Residential Unit Owners shall constitute a quorum.

Section 4. Vote Required to Transact Business.

When a quorum as provided in Section 3 of this Article II is present at any meeting, the vote of a majority of the Residential Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Residential Unit Owners, unless the question is one upon which, by express provision of the Declaration, Statute, or these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 5. Right to Vote.

At any meeting of Residential Unit Owners, every Residential Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be

valid for such meeting or subsequent adjourned meetings thereof. Any Residential Unit Owner delinquent in the payment of their Common Charges shall be prohibited from voting at any general, annual or special meeting of the Residential Unit Owners or running for a Board of Managers seat or serving as a Member of the Board of Managers if previously elected.

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 Residential Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Residential Unit Owners may be dispensed with if all Residential Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings.

Annual meetings of the Residential Unit Owners shall be held at such suitable place convenient to the Residential Unit Owners within the State of New York as may be designated by the Board of Managers.

Section 9. Annual Meetings.

On or about the date which is one (1) year after transfer of title to the first Residential Unit, the Sponsor shall call the first annual Residential Unit Owners meeting. At such meeting, a new Board of Managers shall be elected by the Residential Unit Owners and the former Members of the Board shall thereupon resign. Thereafter, annual meetings shall be held on or about the anniversary of such date in each succeeding year; or such other date as the Board of Managers determines within a reasonable time thereof. At such meetings, there shall be elected by ballot of the Residential Unit Owners the Members of the Board of Managers in accordance with the requirements of Article III of these By-Laws. The Residential Unit 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 as detailed in Article III, Section I of these By-Laws. In addition, as long as the Sponsor retains at least one (1) Unsold Residential Unit, Sponsor will have the right to designate one (1) less than the majority of the Board of Managers. At such time as Sponsor no longer owns a Residential Unit in the Condominium, Sponsor may not designate any Member to the Board of Managers.

Section 10. Special Meetings.

It shall be the duty of an officer of the Condominium to call a special meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to the Secretary of a petition signed by a majority of the Residential Unit Owners. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed (or emailed in the case of an emergency) as provided in Section 12 of this Article to each Residential Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request pursuant to this Section 10 unless a later date is agreed to in writing by the Residential Unit Owners of the Condominium or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all Residential Unit Owners of the Condominium are present in person or by proxy. Any or all of the Board of Managers of the Condominium, other than those designated by the Sponsor, may be removed without cause by vote of two-thirds of the Residential Unit Owners present in person or by proxy at a special meeting called pursuant to this Section if the meeting is called for such purpose.

Section 11. Emergency Residential Unit Owners Meetings

Emergency meetings of the Residential Unit Owners, as determined by the Board of Managers, may be called upon such time period as is practicable under the circumstances.

Section 12. 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 Residential Unit Owner of record, at least ten (l0) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served. In the case of emergency meetings only, notice may be e-mailed or delivered telephonically.

Section 13. 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 or waiver
(d) Election of inspectors of election (in the event there is an election)

(e) Election of Members of the Board of Managers (in the event there is an election)
(f) Report of officers
(g) Report of committees
(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 (3) Members to be designated by the Sponsor, its successor, designee or assignee ("Sponsor") and who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Residential Unit Owners.

Thereafter at the first annual meeting the total number of Members of the Board of Managers shall constitute the whole Board shall continue to be three (3). As long as the Sponsor retains at least one (1) Residential Unit in the Condominium the number of Members of the Board of Managers may not be increased or decreased without the consent of the Sponsor. Until succeeded by the Members elected at the first annual meeting of Residential Unit Owners, Members need not be Residential Unit Owners; thereafter all Members shall be Residential Unit Owners or representatives, designees or assignees of the Sponsor. The Members shall be elected at the annual meeting of Residential Unit Owners. At the first annual meeting of Residential Unit Owners called pursuant to Section 9 of Article II a total of three (3) Members shall be elected or designated. All Members, other than those designated by the Sponsor, shall be elected by the Residential Unit Owners. The term of office of each Member shall be fixed at one (1) year. Each Residential Unit Owner shall be entitled to cast the number of votes equal to their Residential Units percentage of Common Interest for each Residential Unit owned. The three (3) nominees receiving the highest number of votes shall be elected to the Board of Managers.

Any Residential Unit Owner delinquent in the payment of Common Charges shall be ineligible to be elected to the Board of Managers and/or vote at any general, annual or special meeting.

Notwithstanding the foregoing, Sponsor shall have the right to designate a majority of the Board of Managers for a period of five (5) years after the Closing of the first Residential Unit unless title to the Unsold Residential Units constituting more than fifty (50%) percent of all the Residential Units in the Building has been conveyed, in which case Sponsor must relinquish control of a majority of the Board of Managers at said time.

As long as the Sponsor retains at least one (1) Unsold Residential Unit, Sponsor will have the right to designate a minority of the Board of Managers (presently one (1) member). At such time as all the Residential Units in the Condominium are sold and titled, the Sponsor shall not be entitled to any representation of the Members to the Board of Managers.

In addition to the Members designated by the Sponsor, as long as Sponsor retains an Unsold Residential Unit in the Condominium, Sponsor may vote as Sponsor so determines for any other Members, so long as the Members are not on Sponsor's slate of Members for the Board of Managers, Sponsor's payroll or as long as they did not receive other financial backing from the Sponsor other than a mortgage held by the Sponsor or affiliated entity of the Sponsor, if applicable.

At such time as a Sponsor designated Member is required to permanently relinquish a seat on the Board the remaining Members of the Board of Managers shall appoint a Residential Unit Owner to fulfill the balance of the term. At the next annual meeting an election shall be held to elect Members to the Board of Managers for a full term.

This Section may not be amended without the written consent of Sponsor.

Section 2. Vacancy and Replacement.

If the office of any non-Sponsor designee Member or Members becomes vacant by reasons of death, resignation, retirements, disqualification, removal from office or otherwise, a majority of the remaining Members, though less than a quorum, at a special meeting of Members 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. In the event of the failure to hold any election of the Board of Managers at the time designated for the annual election of the Board of Managers or in the event that the Board of Managers shall not have filled any such vacancy, a special meeting of the Residential Unit Owners to elect a new Board of Managers or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of the Residential Unit Owners. If the vacancy occurs with respect to any Member of the first Board of Managers (see Section 5 of this Article III) or any other Member who has been designated by the Sponsor, and Sponsor is still entitled to designate the seat, the Sponsor shall have the sole right to choose such Member's successor to fill the unexpired portion of the term. The Sponsor shall have the right to substitute its Board appointees at its discretion.

Section 3. Removal/Suspension

Members may be removed for cause by an affirmative vote of a majority of the Board of Managers. No Member, other than a Member of the first Board of Managers or a Member designated by the Sponsor, shall continue to serve on the Board if, during the Member's term of office, the Member shall cease to be a Residential Unit Owner.

In the event a Sponsor designee Member is removed, the Sponsor shall have the sole right to designate the Sponsor Member Replacement. Any Member of the Board of Managers delinquent in the payment of Common Charges, Special Assessments, late fees, penalties and/or interest shall be suspended from the Board of Managers and have no voting rights until such time as all Common Charges, Special Assessments, late fees, penalties and/or interest are paid in full to the Condominium

Section 4. Resignation.

Any Member may resign at any time by written notice to an Officer of the Condominium. Such resignation shall take effect at the time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

Section 5. First Board of Managers

The first Members of the Board of Managers shall consist of three (3) representatives designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Residential Unit Owners. Any or all of said Members shall be subject to replacement at the sole discretion of the Sponsor and/or in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 6. Compensation

Members of the Board of Managers and officers, as such, shall receive no compensation for their services.

Section 7. Meetings

(a) The first meeting of each Board of Managers shall be held immediately upon adjournment of the meeting at which the Members were elected or designated, 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 Residential Unit Owners meeting, and immediately after the adjournment of same, at which time the date, places and times of regularly scheduled meetings of the Board shall be set.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by a Board Member on two (2) days notice to each Member either personally or by telephone, mail or e-mail. Special meetings shall be called by a Board Member in a like manner and on like notice or on the written request of a majority of the Members. In the event of an emergency situation, no notice is required and a meeting may be called by telephone.

(d) At all meetings of the Board, a majority of the Members shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Members 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, by the Declaration or by these By-Laws. If a quorum shall not be present at any meeting of Members, the Members 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 Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Board shall be a waiver of notice by the Member of the time and place thereof. If all the Members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

(f) Members or members of any committee of the Board of Managers may participate in a meeting through means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear and speak to each other.

(g) Board actions may be approved by means of executed written resolutions or electronic mail confirmations.

Section 8. Annual Statement

The Board of Managers shall furnish all Residential Unit Owners and shall present annually (at the annual meeting, but in no event later than four (4) months after the close of the fiscal year) and when called for by a vote of the Residential Unit Owners at any special meeting of the Residential Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement prepared by an independent public accountant and a statement regarding any taxable income attributable to the Residential Unit Owner and a notice of the holding of the annual Residential Unit Owners meeting. During the period the Sponsor retains a majority of the Members of the Board of Managers the annual statement shall be a certified statement verified by a certified public accountant.

Section 9. Fidelity Bonds.

The Board of Managers may 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 10. Managing Agent.

The Board of Managers may employ for the Condominium a managing agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, all of the delegable duties of the Board listed in this Article. The Managing Agent shall initially be Crosstown Management Corp. 97-77 Queens Boulevard, Suite 1120, Rego Park, New York 11374. A copy of the Management Agreement will be kept on file and available at the Managing Agent's office for review by a Residential Unit Owner upon request.

Section 11. 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, required or permitted to be exercised or done by the Residential Unit Owners. 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 Common Charges or vote a special Common Charge assessment ("Special Assessment") in excess of the monthly amount, if required, to meet any additional necessary Common Expenses. Said increases can only be assessed among the Residential Unit Owners pro rata according to their respective Common Interest or the Board of Managers may also specially allocate and apportion expenses to one or more Residential Units as a result of such Residential Unit(s) receiving special benefits, or enjoying intensive or specific or actual use of utilities by a specific Residential Unit Owner or where allocation based on percentage of Common Interest would otherwise be inequitable.

2. To determine and impose penalties, late fees and interest against Residential Unit Owners delinquent in the payment of their Common Charges or Special Assessments and to revise the amount of such fees as the Board of Managers so determines from time to time.

3. To determine and impose move in and move out fees and to revise said fees in its good faith discretion from time to time.

4. To collect, use and expend the Common Charges and Special Assessments collected to maintain, care for and preserve the Building and other Common Elements and Common Expenses.

5. To make all necessary repairs, maintenance, restorations or alterations to the General Common Elements/any Individual Residential Unit's Limited Common Elements for which the Condominium is responsible to repair, replace and/or maintain.

6. To make improvements, repairs, restore or alter any Residential Unit or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

7. To enter into and upon the Residential Units, other than Sponsor held Residential Units, when necessary and at as little inconvenience to the Residential Unit Owners as possible in connection with the maintenance, care, and preservation of the property, including any inspection or repairs necessitated by mold. No prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Residential Units, or for the safety of Condominium residents, occupants, tenants or other persons, or required to avoid the suspension of any necessary service to the Condominium. Any repairs required as the result of negligence of a Residential Unit Owner will be at the sole expense of the Residential Unit Owner.

8. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts.

9. To insure and keep insured the Common Elements in accordance with Article VII of these By-Laws.

10. To collect delinquent Common Charges, Special Assessments, late fees, penalties and/or interest by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Residential Unit Owners for violations of the Declaration, these By-Laws and the Rules and Regulations herein referred to.

11. The Members of the Board of Managers right to make reasonable Rules and Regulations pursuant to Article IX of these By-Laws applicable to the Residential Units and all Residential Unit Owners and to amend the same from time to time, and such Rules and Regulations and amendments shall be binding upon the Residential Unit Owners when the Members of the Board of Managers have

approved them in writing. A copy of such appurtenant Rules and Regulations and all amendments shall be delivered to each Residential Unit Owner. Notwithstanding the above, the Board of Managers shall not be able to pass or adopt any Rule or Regulation affecting the Sponsor or any Sponsor owned Residential Unit without the written consent of the Sponsor.

12. To employ and terminate the employment of employees and independent contractors and to retain a managing agent and to purchase supplies and equipment, to enter into contracts, and generally to have the power of management in connection with the matters hereinabove set forth.

13. To bring and defend actions by or against one or more than one Residential Unit Owner and pertinent to the operation of the Condominium. The Board of Managers may, in its discretion, fund the cost of any such litigation out of the Common Charge assessments. The Board shall also have the right to engage in any litigation it deems necessary to carry out the provisions of the Declaration of Condominium these By-Laws and the Rules and Regulations adopted hereunder and may fund the cost of any such litigation out of the Common Charge assessments. Without limiting the foregoing, the Board of Managers may engage in litigation pertaining to the maintenance and operation of the Common Elements. Notwithstanding, the Board of Managers shall be subject to the provisions of Article III, Section 11 (c) of these By-Laws regarding the Sponsor.

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

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

16. To make additions, alterations, or improvements to the General Common Elements and Individual Residential Unit's Limited Common Elements that are the obligation of the Condominium to maintain, repair and/or replace as provided for in the Declaration and/or these By-Laws.

17. 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, no lien to secure repayment of any sum borrowed may be created on any Residential Unit or its appurtenant interest in the Common Elements without the written consent of the Owner of said Residential Unit. The Board shall have the right to borrow from any institutional lender, any third (3rd) party lender and/or the Sponsor, as long as the loan is on market terms. Residential Unit Owners will be required to pay the debt service on any loans as either part of their Common Charges or as a Special Assessment.

18. To act as an agent of each Residential Unit Owner who has given the Residential Unit Owner's written authorization to complain or apply to the city, local and county real estate tax assessment agency board of review by filing a single complaint on behalf of all such Residential Unit Owners pursuant to the applicable sections of the New York State Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Residential Unit Owners for which it is acting as agent and charge all such Residential Unit Owners a pro rata share of expenses, disbursements and legal fees due from all such Residential Unit Owners, based upon the percentages of Common Interest of such Residential Unit Owners, for which charges the Board of Managers shall have a lien pursuant to Article VI of these By-Laws.

19. To approve any proposed use of Residential Units, or any alteration to the Common Elements or structural change to a Residential Unit; determine whether any sign may be placed in any portion of the Common Elements or in a window of a Residential Unit except with respect to Sponsor's signage for which no approval or consent is required; to set security policy for the Common Elements; and to allocate Common Expenses in accordance with the provisions of the Declaration, By-Laws, Rules and Regulations or pursuant to specific usage in accordance with the Condominium Act. This provision shall not apply to the Sponsor who does not need Board approval for the foregoing.

20. To determine and impose penalties, late fees and interest against Residential Unit Owners delinquent in the payment of their

Common Charges and/or Special Assessments in violation of the Rules and Regulations and to revise the amount of such fees as the Board of Managers so determines.

21. To enter into contracts, settlement agreements and/or other matters on behalf of the Condominium.

22. Subject to the Sponsor's right to license or lease or require the Board of Managers to license or lease portions of the Common Elements on behalf of the Sponsor and to provide for the Sponsor to retain the income therefrom as provided in Article Twenty-Fourth of the Declaration, to enter into a lease or revocable license agreement for the use of space within the General Common Elements, as long as the lease or license agreement does not hinder or encroach upon the rights of Residential Unit Owners to use the General Common Elements and/or Individual Residential Unit's Limited Common Elements. As provided in Article Sixth of the Declaration, the Sponsor shall retain an easement, at no cost to the Sponsor, to the Common Elements for the purposes set forth herein.

23. To enter into a lease or revocable license agreements for the use of hallway space within the General Common Elements for a Residential Unit Owner who owns two (2) or more Residential Units and is desirous of combining two (2) or more Residential Units, as long as the lease or license agreement does not hinder or encroach upon the rights of other Residential Unit Owners for access to their Residential Unit and/or Individual Residential Unit's Limited Common Elements.

24. To create and utilize a reserve fund pursuant to the provisions of Local Law 70 of the City of New York, including the obligation to provide a semi-annual report with respect to all deposits into and withdrawals from the reserve fund.

(b) The Board of Managers may, by resolution or resolutions, passed by a majority of the whole Board of Managers, designate one or more committees, each of such committees to consist of at least one (1) Member of the Board of Managers which, to the extent provided in said resolution or resolutions, shall advise the Board of Managers in the management of certain specifically identified business and affairs of the Condominium 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 of Managers 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 title to the first Residential Unit or whenever the Unsold Residential Units 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) increase the number or change the type of employees from that described in the Plan in footnotes to the Schedule of Projected Receipts and Expenses for the First Year of Condominium Operation ("First Year Budget");

(ii) provide for new or additional services from those indicated in the First Year Budget, unless the annual cost of such new or additional services, when added to the annual cost of all other services being provided, is no greater than those provided in said First Year Budget; or

(iii) undertake any capital or major improvement or addition, unless required by law (except as to ordinary and necessary repairs), or increase the budgeted reserve fund as indicated in the First Year Budget of the Plan. However, any unused portion of the budgeted reserve fund for any year may be added to the reserve fund for the following year; or

(iv) accumulate reserves in any calendar year in excess of three (3%) percent of the actual operating expenses of the Condominium for its preceding calendar year and, for any period less than a full calendar year, the amount of reserves that may be accumulated shall be proportionately reduced; or

(v) borrow any money on behalf of the Condominium; or

(vi) make any additions, alterations or improvements to the Common Elements or to any Individual Residential Unit costing cumulatively more than $15,000, the foregoing not to include necessary repairs and maintenance work; or

(vii) enter into any contract not in existence on the date of the Closing of the first Residential Unit; or

(viii) 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

(ix) 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; or

(x) utilize funds of the Condominium or assess the Sponsor in order to commence a lawsuit against the Sponsor or any of its principals.

(d) Notwithstanding Article III, Section 11(c) of these By-Laws Sponsor may not exercise veto power over expenses described in the proposed first year budget, as described in the Offering Plan, or over expenses required:

(i) to comply with applicable laws or regulations; or

(ii) to remedy any notice of violation; or

(iii) to remedy any work order by an insurer.

(iv) necessary for the preservation or safety of the Building or for the safety of the Residential Unit owners, tenants, residents and occupants of the Building or required to avoid the suspension of any necessary service to the Building.

(e) Sponsor may exercise veto power over expenses, other than those described in Article III, Sections 11(c) and (d) of the By-Laws, for a period ending not more than five (5) years after the closing of the first Residential Unit or whenever the Unsold Residential Units constitute less than fifty (50%) percent of the common interest, whichever is sooner.

The provisions of this paragraph may not be amended without the written consent of Sponsor.

As long as the Sponsor owns one (1) or more Residential Units in the Condominium the Residential Unit Owners and the Board of Managers may not, without Sponsor's prior written consent, take any action which impairs Sponsor's sales or leasing program or continued use of the Condominium property in connection with such programs.

The provisions of Section 11(c), (d) and (e) and the paragraph immediately prior hereto may not be amended without the written consent of Sponsor.

Section 12. Repairs and Maintenance.

Except as hereinafter provided, all maintenance, painting, repairs and replacement of the General Common Elements as described in the Declaration of Condominium shall be the responsibility of the Board of Managers on behalf of the Condominium and contracted for by the Board of Managers on behalf of the Condominium. The cost thereof shall be a Common Expense of the Condominium and paid for by all Residential Unit Owners as provided in Article VI of these By-laws. Notwithstanding, if such maintenance, painting, repair or replacement is necessitated because of the negligence, misuse or neglect of a Residential Unit Owner or the prior alteration of the Residential Unit by a Residential Unit Owner, in which event the cost

thereof shall be assessed individually and paid by the applicable Residential Unit Owner.

All maintenance and repairs to the interior portion of the Residential Units, other than to any General Common Elements are the responsibility of the respective Residential Unit Owners at their sole expense. All structural changes must be approved in advance and shall comply with the provisions of Article IX, Section 1(f) of these By-Laws.

All maintenance (including electrical repairs and plumbing stoppages and repairs in the Residential Units, cleaning of interior of windows and painting and decorating of the interior of the Residential Units), repairs and replacements to the Residential Units including doors which open from a Residential Unit and repairs to pipes, wires and conduits located in and servicing an individual Residential Unit, other than as set forth above shall be made by the respective Residential Unit Owner at the Residential Unit Owner's expense. This would include but not be limited to all painting and decorating to the interior of the Residential Units, maintenance, repair and replacement of individual appliances including but not limited to laundry equipment located within a Residential Unit, if any, individual heating and cooling systems for the Residential Units and the interior side of all entrance doors.

All maintenance and repair to the interior portion of the window area and doors which open from a Residential Unit are the responsibility of the Residential Unit Owner. All maintenance, repair and any replacement to the external portion of the window area, the actual window and external portion of the doors (including painting, if necessary) which open from a Residential Unit will be the responsibility of the Residential Unit Owner and the cost thereof shall be paid for by such Residential Unit Owner at the Residential Unit Owner's sole cost and expense. All maintenance, repairs and replacements to the external portion of the window, actual window and/or external portion of the doors shall require the written approval of the Board of Managers. In addition the Board of Mangers shall have the right to require that a Residential Unit Owner utilize a contractor or sub-contractor designated by the Board of Managers and to pay the contractor or sub-contractor directly or to reimburse or pay the Condominium, in the event said work is paid for by the Condominium directly. In the event a Residential Unit Owner fails to make timely payment to either the contractor, sub-contractor or Condominium the Board of Managers shall have all of the rights afforded the Board of Managers for failure to pay Common Charges as set forth in the Declaration of Condominium and/or these By-Laws.

All repairs, maintenance and any replacement and all costs associated therewith of any hot water tank, gas boiler, air conditioning compressor and/or condenser, air handler or any other heating, cooling or other mechanical system servicing an individual Residential Unit that is located in the Residential Unit or is an Individual Residential Unit's Limited Common Element located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or

benefit a Residential Unit exclusively shall be the sole responsibility of the Residential Unit Owner for such equipment, services, etc.

All snow removal from the General Common Elements shall be contracted for by the Board of Managers on behalf of the Condominium and the cost thereof shall be a Common Expense of the Condominium payable by all Residential Unit Owners as provided in Article VI of these By-Laws.

All repairs of plumbing stoppages and electrical repairs occurring in the General Common Elements shall be the responsibility of the Condominium and the cost thereof shall be a Common Expense payable by all the Residential Unit Owners based upon their Percentage of Common Interest as provided in Article VI of these By-Laws. Notwithstanding the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Residential Unit Owner, occupant, tenant, guest or any other person residing in, visiting or doing work in the Residential Unit, or caused by any prior alteration of a Residential Unit shall be assessed to and paid by the applicable Residential Unit Owner.

The Board of Managers and their agents, employees and contractors shall have the right of access to any Residential Unit for the purpose of making any repairs or replacements to any of the General Common Elements and Limited Common Elements contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any other Residential Unit or the General Common Elements or Limited Common Elements or which would violate the provisions of any mortgage covering another Residential Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Residential Units but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Residential Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium. This provision is not subject to amendment by the Residential Unit Owners or Board of Managers. Notwithstanding the above no entry is permitted to a sponsor owned Residential Unit without the consent of the Sponsor.

All repairs, painting or maintenance, whether made by the Residential Unit Owner or the Board of Managers, to the doors, windows, or the exterior surface of the Building or to any generally visible portion of the General Common Elements or Individual Residential Unit's Limited 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, unless varied by the Board of Managers.

All cleaning services and all costs and expenses associated therewith to an individual Residential Unit and the Limited Common Elements appurtenant thereto, if any shall be the sole obligation of such individual Residential Unit Owner. In the event that a Limited Common Element benefits more than one (1) Residential Unit Owner

such Residential Unit Owners shall arrange for and shall share equally the costs for cleaning services to such Limited Common Element. All cleaning and maintaining of the General Common Elements shall be a Common Expense of the Condominium.

All costs and expenses of any hallway that is subject to a revocable license agreement or lease between the Board of Managers and the Residential Unit Owner (including utility costs), repairs, insurance upgrades, maintenance and cleaning of the hallway will be the sole obligation of the Residential Unit Owner subject to the revocable license agreement or the lease.

In the event that a Residential Unit Owner fails to maintain, repair or replace its Residential Unit or any Individual Residential Unit's Limited Common Element which maintenance, repair or replacement is necessary to protect any of the General Common Elements, any other portions of the Building or any other Residential Unit or other Individual Residential Unit's Limited Common Element, the Board of Managers shall have the right to make the necessary maintenance, repair or replacement (after the failure of said Residential Unit Owner to do so after reasonable time provided by written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge said Residential Unit Owner for the cost of all such repairs and/or maintenance and/or replacement. In the event that the Board of Managers charges a Residential Unit Owner for repairs, maintenance and/or replacement to their Residential Unit or for repairs to any Common Elements restricted in use to such Residential Unit Owner, and the Residential Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Residential Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

The Board of Mangers shall have the right to require that a Residential Unit Owner utilize a contractor or sub-contractor designated by the Board of Managers and to pay the contractor or sub-contractor directly or to reimburse or pay the Condominium, in the event said work is paid for by the Condominium directly, for any repair, maintenance or replacement obligation of a Residential Unit Owner set forth in this Article III, Section 12 of these By-Laws. In the event a Residential Unit Owner fails to make timely payment to either the contractor, sub-contractor or Condominium, the Board of Managers shall have all of the rights afforded the Board of Managers for failure to pay Common Charges as set forth in the Declaration of Condominium or these By-Laws.

Section 13. Liabilities of the Board of Managers and Residential Unit Owners.

No Member of the Board of Managers ("Member") or Officer of the Condominium ("Officer") shall have any personal liability to the Condominium or to any Residential Unit Owner for damages for any breach of duty in the Member's capacity as a Member or Officer, provided that this provision does not eliminate or limit the liability of a Member or Officer if a judgment or other final adjudication adverse to the Member or

Officer establishes (a) that the Member's or Officer's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that the Member or Officer personally gained in fact a financial profit or other advantage to which the Member or Officer was not legally entitled.

The Condominium, through the Residential Unit Owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise, which any Member or Officer served in any capacity at the request of the Condominium, by reason of the fact that the Member, the Officer, the Member's or Officer's testator, was a Member, Officer or officer of the joint venture, trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Member or Officer if a judgment establishes that the Member's or Officer's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that the Member or Officer personally gained in fact a financial profit or the advantage to which the Member or Officer was not legally entitled.

The Residential Unit Owners shall indemnify and hold harmless each of the Members and Officers against all contractual liability to others arising out of contracts made by the Members or Officers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the Members and Officers shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Residential Unit Owners). It is understood and permissible for a Member or Officer, who may be members of or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing. It is also intended that the liability of any Residential Unit Owner arising out of any contract made by the Board of Managers, Member or Officer or out of the aforesaid indemnity in favor of the Member or Officer shall be limited to such proportion of the total liability thereunder as the Residential Unit Owner's Percentage of Common Interest in the Common Elements bears to the Percentage of Common Interest of all the Residential Unit Owners in the Common Elements. Every agreement made by the Board of Managers, a managing agent, by a Member or Officer on behalf of the Condominium shall provide that the Board of Managers, or the managing agent, or the Member, or Officer as the case may be, are acting only as agent for the Residential Unit Owners and shall have no personal liability thereunder (except as Residential Unit Owners).

Each Residential Unit Owner's liability pursuant to this Section shall be limited to such proportion of the total liability there under as the Residential Unit Owner's

Percentage of Common Interest in the Common Elements bears to the Percentage of Common Interest of all Residential Unit Owners in the Common Elements.

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 appoint one or more Assistant Secretaries and Assistant Treasurers and such other Officers as in their judgment may be necessary. All Officers must be Residential Unit Owners or Members of the Board of Managers except for any appointed Officers who do not need to be Residential Unit Owners or a Member of the Board of Managers. Two (2) or more offices may be held by the same person, except for the President, who can only hold the office of President.

Section 2. Election.

The Board of Managers at its first meeting after each annual Residential Unit Owners Meeting shall elect a President, a Vice President, a Secretary and a Treasurer.

Section 3. Appointive Officers.

The Board may appoint such other officers and agents as it shall deem necessary that shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Managers.

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 cause 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; shall preside at all meetings of the Residential Unit Owners and Managers, shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board of Managers are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation Law of the State of New York. The President may delegate obligations and responsibilities to other Officers or to the managing agent.

Section 6. The Vice-President.

The Vice President shall take the place of the President and perform the President's duties as directed by the President or otherwise 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 Residential Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary, or any Officer if the Secretary is not available, shall give, or cause to be given, notice of all Residential Unit Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision the Secretary 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.

The Treasurer shall disburse or cause to be disbursed the funds of the Condominium as the Treasurer may be ordered by the Board of Managers, making proper vouchers for such disbursements and shall render to the President and Managers of Managers, at the regular meeting of the Board of Managers or whenever they may require it, an account of all the Treasurer's transactions as Treasurer and of the financial condition of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Residential Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Residential Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 9. Agreements, etc.

All agreements and other instruments shall be executed on behalf of the Condominium by the President of the Board of Managers or by such other Officer or 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 Member or Residential Unit Owner, it shall not be construed to mean personal notice; but such notice may be given as permitted hereunder or in writing, in person, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper or by reputable overnight delivery services such as UPS, facsimile telecommunications or by electronic mail addressed to the Board of Managers, such Member or Residential Unit Owner at such address facsimile number or electronic mail 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 by 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 approved budget and any supplement to the budget to every Residential Unit Owner. The Board of Managers shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the General Common Elements, and other Common Expenses including but not limited to the Common Expenses provided in Article VI, Section 3 of these By-Laws, as well as charges to cover any deficits from prior years.

The total annual requirements shall be assessed as a single sum ("Common Charges") against all Residential Units and prorated against each of said Residential Units according to the respective Common Interests appurtenant to such Residential Units, or as permitted in Section 339-m of The Real Property Law of the State of New York, the Board of Managers may also specially allocate and apportion expenses to one or more Residential Units as a result of such Residential Unit(s) receiving special benefits or enjoying intensive or special use of utilities by a specific Residential Unit Owner or where allocation based on percentage of Common Interest would otherwise be inequitable.

The Board of Managers may also charge additional assessments in excess of the Common Charges for expenses not contemplated, foreseen, or which exceed the amount budgeted. Said assessments shall be known as Special Assessments. The Board of Managers shall be entitled to charge a Special Assessment as a single sum or over a period of time as it may determine. Residential Unit Owners shall pay their portion of any Special Assessments in accordance with this Section 2 and Section 9 of Article VI of the By-Laws.

Said Common Charges shall be payable monthly or such other manner as required by the Board of Managers. Special Assessments, should such be required, shall be levied and paid in the same manner as herein above provided for Common Charges and Common Expenses.

The Residential Unit Owners agree to pay promptly when due the Common Charges and all Special Assessments assessed against the Residential Unit Owner's own Residential Unit. In the event any Residential Unit Owner fails to make payment of the Residential Unit Owner's Common Charge and/or Special Assessment payment, the Residential Unit Owner who owns such Residential Unit shall be obligated to pay (a) a "late charge" of $.15 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) 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 and/or Special Assessments or in an action to foreclose the lien on such Residential Unit Owner's Residential Unit arising from said unpaid Common Charges and/or Special Assessments 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 Residential Unit Owner. The Board of Managers shall have the right to modify the amount of such late fees from time to time. In such an event the Board of Managers shall notify the Residential Unit Owners of the revised amount of the late fees.

The Board of Managers may take action to collect any Common Charges due from any Residential Unit Owner which remains unpaid as provided in Article VIII of these By-Laws from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339-aa of the Real Property Law or otherwise.

In addition, in the event of a default in payment of Common Charge assessments and/or Special Assessments by any Residential Unit Owner, the Board of Managers, at its sole option, may declare the Common Charge assessment on said Residential Unit Owner's Residential Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration the Board of Managers shall send notice to the delinquent Residential Unit Owner and mortgagee, if any, of such Residential Unit giving the Residential Unit Owner a five (5) day grace period in which to make the late payment and avoid accelerating payment of Common Charges.

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 Residential Units in which Sponsor is more than thirty (30) days in arrears of Common Charges, unless a majority of the Members, other than Sponsor designated Members, decide otherwise.

No Residential Unit Owner shall be liable for any Common Charges and/or Special Assessments which accrue against the Residential Unit Owner's Residential Unit subsequent to a sale, transfer or other conveyance by the Residential Unit Owner of their Residential Unit in accordance with these By-Laws and the Declaration. A Purchaser of a Residential Unit (other than a holder of a mortgage of record or other Purchaser of a Residential Unit at a foreclosure sale) shall be liable for the payment of all Common Charges and/or Special Assessments assessed against the Residential Unit and unpaid at the time of the purchase.

Each Residential Unit Owner, for the Residential Unit Owner, the Residential Unit Owner's heirs, successors and assigns, agrees to the foregoing provisions and provisions in Article VIII of the By-Laws relating to default, regardless of the harshness of the remedy available to the Condominium and regardless of the availability of other equally adequate legal procedures. It is the intent of all Residential Unit Owners to give the Condominium a method and procedure which will enable it at all times to operate on a business like basis, to collect those monies due and owing it from the Residential Unit Owners and to preserve such Residential Unit Owner's right to enjoy their Residential Unit free from unreasonable restraint.

Notwithstanding any other provision in the Declaration or these By-Laws any mortgagee of an Institutional Mortgage as defined in the Declaration of Condominium who obtains title to a Residential Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Residential Unit's unpaid Common Charges accrued before acquisition of the title to the Residential Unit by the mortgagee unless otherwise required by law. If the Condominium's lien priority includes costs of collecting unpaid Common Charges and/or Special Assessments, the mortgagee of the Institutional Mortgage will be liable for any fees or costs related to the collection of unpaid Common Charges and/or Special Assessments. The unpaid balance of such Common Charges and/or Special Assessments that may be waived will be charged to all other Residential Unit Owners as a Common Expense. Upon acquisition of title the Institutional Mortgagee shall be responsible for all Common

Charges, Special Assessments and/or any other costs and expenses of the Condominium thereafter due and payable. The term "Institutional Mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Sponsor to a purchaser of a Residential Unit or in which the Sponsor participates with one of the above

Section 3. **Purpose of Common Charges.**

The Common Charges shall be used to pay for the Common Expenses of the Condominium including but not limited to operation, repair and maintenance of the General Common Elements, as provided for in the Declaration of Condominium and/or these By-Laws. Said Common Expenses shall include the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Article VII and the fees and disbursements of the Insurance Trustee, drainage, sewer, water and/or storm systems (including sewers, storm sewer and/or water pipes, drywells, detention tanks or other facilities servicing the drainage, sewer water and/or storm systems as applicable), and other Building wide obligations of the Condominium contained in the Declaration and these By-Laws, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, insurance; common utilities; labor; common water and sewer charges; legal and accounting; services and supplies; management fees; contingencies and any other expenses that are Common Expenses of the Condominium and to make up any deficit in the Common Expenses from any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, of any Residential Unit whose Owner has elected to sell or lease such Residential Unit or of any Residential Unit which is to be sold at a foreclosure or other judicial sale.

Section 4. **Foreclosure of Liens for Unpaid Common Charges**.

The Board shall have the power to purchase any Residential Unit at a foreclosure sale resulting from any action brought by the Board of Managers to foreclose a lien on the Residential Unit because of unpaid Common Charges. In the event of such purchase, the Board of Managers shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Residential Unit. A suit to recover a money judgment for unpaid Common Charges shall also be obtainable separately without waiving the lien on the Residential Unit.

Section 5. **Statement of Common Charges**.

Upon the written request of any Residential Unit Owner or its mortgagee, the Board shall promptly furnish such Residential Unit Owner or the Residential Unit Owner's mortgagee with a written statement of the unpaid Common Charges and/or Special Assessments due from such Residential Unit Owner.

Section 6. Liability for Utilities.

Any utility, including electricity and gas, individually consumed and individually metered or sub-metered in an individual Residential Unit shall be the sole expense of each individual Residential Unit Owner. In addition, all Residential Units Owners will be responsible to pay their proportionate share of utilities serving the General Common Elements of the Building.

Section 7. 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 Common Charges assessments as fixed and determined for all Residential Units. Disbursements from said account shall be for the general needs of the operation including, but not limited to, wages, repairs, improvements, maintenance and other operating Common Expenses of the Common Elements, common utility expenses of the Residential Units and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Residential Units.

Section 8. Other Accounts.

The Board shall maintain any other accounts it shall deem necessary to carry out its purposes including a reserve account and working capital account. The reserve account shall be created in compliance with the City of New York Administrative Code Section 26-701 Sections 701-703 (Local Law 70). Pursuant to Local Law 70 the Board of Managers is not permitted to utilize the reserve fund towards the reduction of Common Charges. In addition pursuant to Section 26-704 of the Administrative Code the Board of Managers is required to report to all Residential Unit Owners on a semi-annual basis with respect to all deposits into and withdrawals from the reserve fund.

Section 9. Determination of Common Expenses and Fixing of Common Charges.

The Board of Managers shall from time to time, and at least annually, prepare a budget for the operation of the General Common Elements, those Limited Common Elements the Condominium is responsible for, if any, and the Common Expenses of the Condominium, determine the amount of the Common Charges payable by the Residential Unit Owners to meet said Common Expenses and obligations and allocate and assess such Common Charges and Common Expenses among all the Residential Unit Owners in proportion to their respective Percentage of Common Interests in the Condominium as reflected in Schedule B of the Declaration of Condominium, or as permitted in Section 339-m of The Real Property Law of the State of New York, the

Board of Managers may also specially allocate and apportion expenses to one or more Residential Units as a result of such Residential Unit(s) receiving special benefits or enjoying intensive or special use of utilities by a specific Residential Unit Owner or where allocation based on Percentage of Common Interest would otherwise be inequitable.

The Board of Managers shall advise all Residential Unit Owners promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Common Expenses are based, to all Residential Unit Owners.

The Sponsor or its designee shall be responsible for the Common Charges assessed against each Residential Unit owned by it until such Residential Unit is sold to a bona fide purchaser.

Section 10. Capital Reserves Authorization.

The Board has the power to establish any needed reserves for capital purposes, including (without limitation) reserves for capital improvements, capital repairs or alterations or modifications to the building structure and components, and including a reserve for mortgage amortization, debt service payments, payments to which reserves shall be treated on the corporate books as capital contributions and not as income.

Section 11. Non-Refundable Working Capital Fund Contribution.

Except for Sponsor owned Residential Units, all Residential Unit Owners on a resale of their Residential Unit shall be required to make a non-refundable contribution to the Condominium in an amount equal to two (2) months' Common Charges assessed against the Residential Unit at such time as they close title on their Residential Unit ("Working Capital Fund"). The Working Capital Fund collected shall be deemed and shall be collectible as Common Charges. The Working Capital Fund is in addition to the monthly Common Charges payable to the Condominium by each Residential Unit Owner and is not in lieu of any portion of the monthly Common Charges payable to the Condominium. Upon written notice from the managing agent or the Board of Managers that such deposit has been diminished, the Residential Unit Owner shall replenish the fund within thirty (30) days thereafter. Failure of the Residential Unit Owner to replenish the deposit shall constitute a default under these By-Laws, entitling the Condominium to invoke all remedies hereunder, including, without limitation, the filing of a lien against the Residential Unit. In the event that the Residential Unit Owner shall fail to replenish the deposit referenced in this Section, the Residential Unit Owner shall be obligated to pay: (i) interest thereon at the rate of 3% per month of such unpaid amount, to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Board of Managers, the managing agent, or the manager (if any) in connection with collection with interest as aforesaid and/or in foreclosing the aforementioned lien, including reasonable attorney's fees incurred in

connection with the default, whether or not suit be brought, and any court proceedings instituted in connection therewith, and including attorneys' fees generated by any bankruptcy proceeding concerning the defaulting Residential Unit Owner, and any and all disbursements and court costs; and (ii) a late charge of $300 per month for the failure to replenish the deposit for more than ten (10) days after demand therefore.

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board of Managers.

The Board of Managers shall be required to obtain and maintain, to the extent obtainable from generally acceptable insurance carriers selected by the Board of Managers, the following insurance: property insurance, liability insurance as provided below, flood insurance (if applicable), fidelity bond coverage and worker's compensation, insuring all of the Common Elements no matter how classified, and the Residential Units in the Building of 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 property belonging to the Condominium. In addition, any permanent original and/or affixed original fixtures, original equipment within the Residential Units (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 Residential Unit Owners), contained therein, covering the interest of the Condominium, the Board of Managers and all Residential Unit 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. Any fixtures and/or equipment, personal belongings, improvements or betterments that have been replaced by a Residential Unit Owner is not covered by the Condominium insurance. 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 Residential Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee as defined below, hereinafter set forth; 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, if required and that the net proceeds thereof, if $5,000,000 or less, shall be payable to the Board of Managers, and if more than $5,000,000 shall be payable to the Insurance Trustee. Each Residential Unit Owner and each Residential Unit Owner's mortgagee, if any, shall be beneficiaries of the policy in the Percentage of Common Interest applicable to said Residential Unit.

The blanket property insurance as provided above will commence with the Closing of Title to the first Residential Unit. Insurance for the Condominium may be provided as part of Philips International's blanket policy.

The Board of Managers acting on behalf of the Condominium and the Residential Unit Owners shall the exclusive right to settle any and all claims arising out of a claim under the Condominium's property insurance policy.

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 Residential Unit Owners or of the invalidity arising from any acts of the insured or any Residential Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of a Residential Unit. Upon request, certificates evidencing 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 Residential Unit at least ten (10) days prior to expiration of the current policies, if available.

All policies must also provide for the following: recognition of any, Insurance Trust Agreement; a waiver of the right of subrogation against Residential Unit Owners individually; that the insurance is not prejudiced by any act or neglect of individual Residential Unit Owners which is not in the control of such Residential Unit Owners collectively; and that the policy is primary in the event the Residential Unit 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 Residential Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Residential Unit 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, and legal liability arising out of lawsuits related to employment contracts of the Condominium. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Condominium and to each holder of a first mortgage on any Residential Unit 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, and comprehensive automobile liability insurance. Such public liability insurance shall commence on the closing of title to the first Residential Unit.

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 Common Charges on all Residential Units 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, ("Fannie Mae") Servicers on behalf of Fannie Mae, also receive such notice of cancellation or modification.

Section 2. <u>The Insurance Trustee</u>.

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 hold insurance proceeds in excess of $5,000,000 and disburse such excess to the Board of Managers 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 Section 1 of this Article VII. The Insurance Trustee shall be a bank or trust company or any other lawfully permitted company, entity and/or individual 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 $10,000,000 or more.

Section 3. <u>Restoration or Reconstruction After Fire or Other Casualty</u>.

In the event of damage to or destruction of the Building as a result of fire or other casualty (unless seventy-five [75%] percent or more of the Residential Units are destroyed or substantially damaged and seventy-five [75%] percent or more of the

Residential Unit 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 Building (including any damaged Residential Unit, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other affixed 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 Residential Unit Owners in the Residential Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Residential Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Residential Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Residential Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Condominium Property shall be subject to an action for partition at the suit of any Residential Unit 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 Residential Unit Owners in proportion to the their respective Percentage of Common Interest, after first paying out of the share of each Residential Unit Owner the amount of any unpaid liens on the Residential Unit Owner's Residential Unit in the order of the priority of such liens.

Section 4. Residential Unit Owner Insurance.

Each Residential Unit Owner is required to carry insurance covering their contents, fixtures, personal property and improvements and betterments (collectively "Contents") and liability insurance covering their Residential Unit and extended to include the Board of Managers, Managing Agent and other Residential Unit Owners as additional insured's. Such insurance is subject to the approval of the Board of Managers in advance of the purchase of a Residential Unit, in the Board of Manager's sole discretion. The policy shall be extended to include any additional insureds including but not limited to the Board of Managers, Managing Agent, Sponsor, other Residential Unit Owners and any Mortgagees. All such insurance must be provided by a carrier that is recognized as a licensed admitted carrier in the State of New York with a rating equal to a Best Rating Guide of AV or better. The Board of Managers reserves the right to alter or increase the coverage required hereunder at any time and from time to time. In addition to the foregoing, Residential Unit Owners are instructed to carry coverage for loss of rents, water damage, sewer and drain back up and such other coverage for their contents as they may determine to be in their best interests.

Section 5. General.

Under no circumstances shall a Residential Unit Owner permit or suffer anything to be done or left in a Residential Unit Owner's Residential Unit which will increase the insurance rates on the Residential Unit or any other Residential Unit or on the Common Elements.

ARTICLE VIII. DEFAULT

In the event a Residential Unit Owner does not pay any Common Charges, Special Assessments, fines, late fees or any other sums, charges or assessments required to be paid when due, as determined by the Board of Managers, the Board of Managers, acting on behalf of the Condominium shall notify the Residential Unit Owner and the mortgagee, if any, of such Residential Unit and may place a lien on such Residential Unit pursuant to the provisions of Section 339-z of the Real Property Law of the State of New York.

In the event a Residential Unit Owner does not remit payment of their Common Charges, Special Assessments, or any other sums, charges or assessments required to be paid when due the Residential Unit Owner shall be required to pay all late fees and other fees as provided for in Article VI, Section 2 of these By-Laws.

The Board of Managers may take action to foreclose any lien for past due Common Charges in accordance with Section 339-aa of the Real Property Law or otherwise. 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 Residential Units in which Sponsor is more than thirty (30) days in arrears of Common Charges. In any such foreclosure the Residential Unit Owner shall be required to pay a reasonable rental for the Residential Unit for any period prior to sale pursuant to judgment of foreclosure and sale and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same.

The Board of Managers (on behalf of the Residential Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges, Special Assessments, fines, late fees or any other sums, charges or assessments determined by the Board of Mangers at the option of the Board of Managers, without foreclosing or waiving the lien securing such or other sums, charges or assessments determined by the Board of Managers at the option of the Board of Managers. In such an event the Residential Unit Owner shall be liable for the reasonable costs and reasonable attorney's fee incurred by it incident to the collection of the delinquent Common Charges.

In addition to the Board of Manager's right to bring an action to foreclose a lien of a Residential Unit in the event of a default in the payment of Common Charges by any

Residential Unit Owner, the Board of Managers, at its sole option, may declare the Common Charge assessment on said Residential Unit Owner's Residential Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board of Managers shall send notice to the delinquent Residential Unit Owner and the mortgagee, if any, of such Residential Unit giving the Residential Unit Owner a five (5) day grace period in which to make the late payment. In addition the Board (on behalf of the Residential Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges at the option of the Board of Managers, without foreclosing or waiving the lien securing such charges. In the event the Board of Managers is successful the Residential Unit Owner shall be responsible for the payment of reasonable attorney's fees of the Condominium, plus interest and costs of suit, as well as all costs associated with remedying the violation. In the event the Residential Unit Owner is successful the Residential Unit Owner will only be responsible for the Residential Unit Owner's attorney fees and other individual expenses the Residential Unit Owner paid in defending the law suit.

Notwithstanding the above any foreclosure or deed in lieu of a foreclosure by a holder of an Institutional Mortgage shall be subject to the provisions of Article VI, Section 2 of these By-Laws.

ARTICLE IX. RULES AND REGULATIONS

Section 1. General

In addition to the other provisions of these By-Laws, the following 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 Residential Units and the conduct of all Residential Unit Owners, residents, tenants (subject to any statutory rights tenants may be subject to) and occupants thereof.

(a) All Residential Units shall be used for residential purposes only in accordance with municipal regulations. All rentals other than rentals by the Sponsor must be subject to local zoning ordinances and any City and State requirements as well as the provisions contained in Article XI of these By-Laws.

(b) Residential Unit Owners, members of their families, their employees, tenants, 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 Residential Unit Owners, or in such a way as to be injurious to the reputation of the Condominium.

(c) The Common Elements shall not be obstructed, littered, defaced or misused in any manner.

(d) Every Residential Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be

caused by said Residential Unit Owner, the Residential Unit Owner's permitted lessees and occupants of such Residential Units, their respective family members and guests, employees or such other person for whose conduct the Residential Unit Owner is legally responsible.

(e) Maintenance.

(i) Every Residential Unit Owner must perform promptly all maintenance and repair work to their own Residential Unit and any Individual Residential Unit's Limited Common Element for the Residential Unit Owner's exclusive use which is their sole responsibility and, if not done would affect the Condominium in its entirety or in a part belonging to other Residential Unit Owners, or the Building of which the Residential Unit forms apart, the Residential Unit Owner being expressly responsible for the damages and liabilities that the failure to do so may engender.

(ii) All the repairs to internal installations of the Residential Unit located in and servicing only that Residential Unit, such as telephones and sanitary installations and windows shall be at the Residential Unit Owner's expense.

(f) Structural Changes.

(i) No Residential Unit Owner shall make any alterations, improvements, additions or repairs, change the use or layout of, or number of rooms in the Residential Unit, to the Residential Unit, the interior load bearing walls, or any part of the Common Elements, amend the Certificate of Occupancy for the Building, change the size of the Residential Unit or its appurtenant Limited Common Elements without the prior written consent of the Board of Managers and execution and delivery of an Alteration Agreement. Consent may be requested by mailing a letter, certified mail, return receipt requested to the Managing Agent. If building plans are required for the above under any applicable building code, a copy of such plans must be included with said letter. All work done pursuant to this Section must be approved in advance by the Board of Managers and performed in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof. The provisions of this Article IX, Section 1 (f)(i) shall not apply to the Declarant or its designee.

(ii) Prior to, and as a condition of, the granting of any such approval required in Article IX, Section 1 (f)(i) above, the Board of Managers at its sole option shall: (1) require the Residential Unit Owner to obtain and maintain during the course of such work such insurance as the Board of Managers may reasonably prescribe and provide the Board of Managers with a certificate of insurance at least ten

(10) days prior to the commencement of the work, (2) require the Residential Unit Owner to execute and deliver to the Board of Managers an Alteration Agreement, in form and substance approved by the Board of Managers, setting forth among other things the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the indemnity referred to in this Article IX, Section 1 (f)(i) and specifying the days and hours during which any such work may be done, (3) require the Residential Unit Owner to execute and deliver to the Board of Managers a written agreement (if so requested by the Board of Managers) or which shall be deemed to agree (in the absence of such writing) indemnifying and holding harmless the Board of Managers, its Members and Officers, all Residential Unit Owners of the Condominium and the Managing Agent from and against any liability, cost or expense arising out of or connected to such work, (4) the Board of Managers shall have the right in its sole discretion to approve Residential Unit Owner's contractors and materialmen, plans, drawings, amendments to the Declaration, By-Laws and Tax Lot Drawings provided however that the foregoing requirements may be modified by the Board of Managers and the Board of Managers has the right to require that any conditions be satisfied prior to granting approval to any Residential Unit Owner. The Condominium shall employ the services of architectural, engineering, legal and other professionals and impose charges upon the Residential Unit Owner to reimburse the Condominium for architectural, engineering, legal and other fees incurred in reviewing the Residential Unit Owner's request for approval and in monitoring the work performed until completion and a fee payable to the Managing Agent. Neither the Board of Managers nor any Residential Unit Owner (other than the Residential Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Residential Unit and appurtenant Limited Common Elements) shall incur any liability, cost, or expense either (a) in connection with the preparation, execution, or submission of the applications referred to above; (b) to any contractor, subcontractor, materialperson, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Residential Unit Owner; or (c) to any Person asserting any claim for personal injury or property damage arising therefrom, and (6) obtaining all approvals, as necessary, from the City of New York and any other governmental agency. The Residential Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the additions or improvements.

Any application to any department of the City of New York or any other governmental authority for a permit to make an alteration or improvement in or to any Residential Unit or Limited Common Element shall be completed by the Residential Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialmen on account of such alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom. In the event a Residential Unit Owner violates this provision of the Declaration, the Board of Managers, in addition to all remedies it may have under this Declaration and the By-Laws, may institute legal action against the Residential Unit Owner for the enforcement of this provision. In the event the Board of Managers is successful the Residential Unit Owner shall be responsible for the payment of reasonable attorney's fees of the Condominium, plus interest and costs of suit, as well as all costs associated with remedying the violation. In the event the Residential Unit Owner is successful the Residential Unit Owner will only be responsible for the Residential Unit Owner's attorney fees and other individual expenses the Residential Unit Owner paid in defending the law suit.

(g) A Residential Unit Owner will be responsible for the due performance of all of the obligations of the landlord under the lease, statutory tenancy or other tenancy of the tenant, including obligations to maintain, repair and replace plumbing fixtures, the refrigerator, range, lighting fixtures and other equipment in the Residential Unit, and to paint the Residential Unit as provided in the lease with the tenant, or as required by any applicable law, as the case may be. In addition, any litigation costs, fees and dues related to the tenancy will be the sole responsibility of the Residential Unit Owner.

(h) The Residential Unit irrevocably appoints the Managing Agent for the Condominium and its successors as his or her agent to perform for the account and at the expense of the Residential Units all services required to be furnished or performed by a landlord under the Non-Purchasing Tenant's lease and the laws and regulations specified above that are not to be provided by the Condominium, including, but not limited to, interior repairs and Condominium painting.

(i) The Common Elements shall not be used for storage purposes except if specifically designated for such purposes.

(j) No Residential Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of their Residential Unit.

(k) Each Residential Unit Owner shall keep their Residential Unit and its appurtenant Individual Residential Unit's Limited Common Elements in a good state of preservation, condition, repair and cleanliness in accordance with the terms of these Rules and Regulations, the By-Laws and the Declaration of Condominium.

(l) The sidewalks, entrances, passages, public halls, vestibules, corridors and stairways of the Condominium may not be obstructed or used for any other purpose other than ingress and egress to and from the Residential Units and the Building. No vehicle belonging to a Residential Unit Owner, to a family member of a Residential Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Residential Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to or exit from the Building.

(m) No article (including, but not limited to, garbage cans, bottles or mats) may be placed in any of the passageways, public halls, vestibules, corridors or stairways of the Condominium, nor may any fire exit be obstructed in any manner.

(n) Residential Unit Owners, residents, occupants, tenants, agents, servants, licensees or their guests are not permitted to play in, exercise or use for any unintended purposes, the entrances, passageways, public halls, vestibules, corridors and stairways of the Condominium.

(o) No public hall of the Condominium is permitted to be decorated or furnished by any Residential Unit Owner in any manner.

(p) No baby carriages, bicycles, scooters, or similar vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

(q) Nothing shall be hung or shaken from any doors, windows or placed upon the exterior window sills, of the Building, and no Residential Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance there from. The Common Elements and Individual Residential Unit's Limited Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.

(r) There shall be no playing or lounging in any, entrances, passageways, public halls, vestibules, corridors, or stairways, of the Building, except in designated recreational areas, if any, or other areas designated as such in the Declaration or by the Board of Managers.

(s) The Board of Managers or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements that may be devoted to storage, recreation, or service purposes in the Building.

(t) Nothing shall be done or kept in any Residential Unit or in any Individual Residential Unit's Limited Common Element that will increase the rate of insurance of the Building or the contents thereof, without the prior written consent of the Board of Managers. No Residential Unit Owner shall permit anything to be done or kept in their Residential Unit or in any Individual Residential Unit's Limited Common Elements that will result in the cancellation of or increase to insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Residential Unit Owner or any of the Residential Unit Owner's family members, tenants, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in their Residential Unit or Common Elements, no matter how classified, any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Residential Unit or the Common Elements, no matter how classified.

(u) No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from their Residential Unit or Individual Residential Unit's Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner, family members, tenants, agents, servants, employees, licensees, visitors or occupants of a Residential Unit shall play any musical instrument, or shall operate or permit to be operated a Compact Disk Player, IPod, computer, phonograph, radio, television set, or other similar equipment in such Residential Unit Owner's Residential Unit between 10:00 P.M. and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner, family members, tenants, agents, servants, employees, licensees, visitors or occupants of a Residential Unit practice either vocal or instrumental music between the hours of 10:00 P.M. and the following 8:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or approved by the Board of Managers.

(v) No Residential Unit Owner shall install any plantings in the Common Elements or Individual Residential Unit's Limited Common Elements without the prior written approval of the Board. It shall be the responsibility of each Residential Unit Owner to maintain all plantings in the Residential Units and Individual Residential Unit's Limited Common Elements to prevent any damage to floors, walls or any other part of the Building or other Residential Unit. Residential Unit Owners shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

(w) In the event that any Residential Unit shall be used for home occupation or professional purposes in conformance with the Declaration and the By-Laws and applicable zoning, no patients, clients, or other invitees shall be permitted to wait in any public or common lobby, public hallway, or vestibule.

(x) No ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Board of Managers, which approval may be granted or refused in the sole discretion of the Board of Managers.

(y) No sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease", or "For Rent" sign or a sign advertising a business or trade) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or By-Laws or shall have been approved in writing by the Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

(z) All radio, television, or other electrical equipment of any kind or nature installed or used in each Residential Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

(aa) No television or radio receiving device or any other type of receiving or transmitting device shall be erected on the exterior or roof of the Building or on any Individual Residential Unit's Limited Common Element without the prior written consent of the Board of Managers, subject to the Sponsor's right to license or lease or require the Board of Managers to license or lease on behalf of the Sponsor such space and to provide for the Sponsor to retain the income therefrom as provided for in Article Twenty-Fourth of the Declaration. The Board of Managers may adopt such rules and regulations pertaining to satellite dishes so as to comply with then current Federal Communications Commission rules.

(bb) Water-closets, toilets, and other water apparatus in the Building shall not be used for any purpose other than for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets, toilets or other water apparatus in a Residential Unit shall be repaired and paid for by the owner of such Residential Unit.

(cc) The agents of the Board or the Managing Agent, and any contractor or workman authorized by the Board or the Managing Agent, may enter any room in a Residential Unit, other than a Sponsor held Residential Unit, at

any reasonable hour of the day, on at least one day's prior notice to the Residential Unit Owner, for the purpose of inspecting such Residential Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

(dd) The Board or the Managing Agent may retain a pass-key to each Residential Unit, other than a Sponsor held Residential Unit, for emergency access to the Residential Unit. If any lock is altered or a new lock is installed, the Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to their Residential Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board or the Managing Agent, then the Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an Officer of the Condominium or an Officer of the Managing Agent) may forcibly enter such Residential Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

(ee) If any key or keys are entrusted by a Residential Unit Owner, by any family member thereof, or by their agent, tenant, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Residential Unit Owner's Residential Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Board nor the Managing Agent shall (Except as provided in Rule (cc) above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

(ff) No Residential Unit Owner of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

(gg) Any Residential Unit Owner who mortgages, sells or leases their Residential Unit shall provide at least thirty (30) days prior notice to the Board of Managers, providing the name and address of the new mortgagee, new Residential Unit Owner or tenant.

(hh) The Board of Managers shall, at the request of the mortgagee of the Residential Unit, report any delinquent assessments due from the Owner of such Residential Unit.

(ii) Residential Unit Owners will faithfully observe the procedures established from time to time by the Board of Managers or the Managing Agent with respect to services provided and the management of the Building.

(jj) Residential Unit Owners will be permitted to keep dogs, cats or other common household pets in their Residential Unit subject to the provisions of this regulation. The foregoing notwithstanding, no breed or mix of dog, including American Pit Bulls, Terrier or Rottweiler, deemed to be dangerous to the safety of the residents of the Condominium shall be permitted to be kept or harbored in the Condominium or any Residential Unit. No exceptions will be permitted unless the same in each instance be expressly permitted in writing by the Board of Managers of the Condominium. No animals may be kept or maintained in a Residential Unit for any commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Condominium Property upon fifteen (15) days written notice from the Board of Managers. All Residential Unit Owners shall advise the Board of Managers of any household pet intended to be kept in their Residential Unit prior to the household pet residing therein. In no event shall any animal be permitted in any of the public corridors or lobbies of the Condominium unless carried or on leash and in compliance with the local and municipal rules and regulations regarding pets. All Residential Unit Owners shall be responsible for picking up and disposing of their pets' waste and for any damage caused by their pets to any Common Elements of the Condominium. In addition to the above restrictions, the Board of Managers shall have the right to further adopt additional rules and regulations regarding pets including, but not limited to, limiting the number, size and type of pet including but not limited to the type of breed of such pet permitted to be kept in a Residential Unit.

(kk) All Residential Unit Owners shall keep their thermostats at a minimum of 60 degrees Fahrenheit to prevent freezing of pipes. Any Residential Unit Owner failing to adhere to this requirement shall be responsible for any damage done to the Common Elements of the Condominium and/or any other Residential Unit.

(ll) No window guards or window decorations (other than curtains and window treatments which conform to the By-Laws) are permitted to be used in or about any Residential Unit, unless otherwise required by law, except such as will have been approved in writing by the Board of Managers. The Board of Managers shall have the right to designate or approve a contractor to do any of such work at the Residential Unit Owners' sole expense. In no event however, shall any exterior glass surface of any windows of a Residential Unit be colored or painted. In the event window

guards are required in a Residential Unit, the cost of installing the window guards shall be the sole responsibility of the Residential Unit Owner.

(mm) Corridor doors are required to be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

(nn) Except as permitted under the Declaration and By-Laws, Residential Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees are not permitted at any time or for any reason whatsoever to enter upon or attempt to enter upon the roof of the Building.

(oo) No group tour or exhibition of any Residential Unit or its contents may be conducted, nor will any auction sale or other sale of contents be permitted to be held in any Residential Unit, without the prior consent of the Board of Managers.

(pp) The Board of Managers shall have the right to promulgate rules and regulations regarding the moving in and/or moving out of the Building by a Residential Unit Owner including the right to charge a move in and/or move out fee to said Residential Unit Owner.

(qq) The Board of Managers shall have the right to promulgate rules and regulations regarding any common facility in the Building being utilized by all Residential Unit Owners, including charging a fee for said use by a Residential Unit Owner for parties or similar events and requiring a deposit to cover any damage resulting therefrom.

Section 2. Violations of Rules and Regulations

(a) 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 Rules and Regulations or other provisions of the By-Laws or the Declaration of Condominium as herein established or hereafter established or adopted by the Board of Managers, the Board of Managers shall make a determination as to the validity of the complaint.

(b) If, it is determined that the complaint is valid and justified the Managing Agent, if any, or the Board of Managers if no Managing Agent, shall be directed to send written notice to the violator levying a reasonable fine as determined by the Board of Managers upon the violator and instructing the violator to stop, curtail, correct or eliminate the violation, if applicable, within a period of three (3) days from the date of receipt of such notice. Such fine is to be considered as an additional Common Charge obligation to the account of the violator and shall be treated as such regarding late penalties and a lien upon the Condominium Property as elsewhere

provided for in the Declaration of Condominium or By-Laws. If the violation is not stopped, curtailed, corrected or eliminated, the Board of Managers may assess additional fines in an amount determined by the Board of Managers and may continue to levy additional reasonable fines in an amount determined by the Board of Managers every thirty (30) days thereafter. The initial fine and any additional fines shall be cumulative. If the violation results in loss of or damage to property classified as a Common Element, the Board of Managers shall itself or direct a 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.

(c) In addition to the right to issue fines for violations of the Rules and Regulations as provided above the Board of Managers shall be entitled to any other remedies that may be available to the Board of Managers to enforce the Declaration of Condominium, the By-Laws and/or the Rules and Regulations of the Condominium.

Section 3. Costs

Any costs incurred by the Board of Managers to remedy or cure any violation of the Rules and Regulations, By-Laws or Declaration of Condominium as herein or hereafter established, shall be an additional Common Charge charged to the violator in addition to the fine(s) levied upon the violator as described in Article IX, Section 2 of the By-Laws. In the event a Residential Unit Owner's tenant violates the provisions of any Rule and Regulation or any other provision of the By-Laws, fines may be levied against both the Residential Unit Owner and such Residential Unit Owner's tenant, and the Residential Unit Owner shall be jointly and severally liable with the Residential Unit Owner's tenant for the payment of same.

In the event the Board of Managers institutes legal action for the collection of any fines for the enforcement of any of the provisions of the Declaration, By-Laws and/or Rules and Regulations of the Condominium and the Board of Managers is successful, then the Defendant shall be responsible for payment of reasonable attorney's fees of the Condominium, plus interest and costs of suit. In the event the Residential Unit Owner is successful the Residential Unit Owner will only be responsible for the Residential Unit Owner's attorney fees and other individual expenses the Residential Unit Owner paid in defending the law suit.

Section 4. Board of Managers Right to Change Rules and Regulations

Except as may be otherwise provided in these Rules and Regulation, the By-Laws or the Declaration of Condominium, the Board of Managers shall have the following rights:

(a) The Board of Managers reserves the right to rescind, alter, waive or add, as to one or more or all Residential Unit Owners, occupants, lessees, guests and any other person residing in the Building, any Rule or Regulation at any time prescribed for the Condominium when, in the reasonable judgment of the Board of Managers, the Board of Managers deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium or the preservation of good order therein, or for the operation or maintenance of the Condominium or the equipment thereof, or the comfort of the Residential Unit Owners, occupants or others in the Condominium. No rescission, alteration, waiver or addition of any Rule or Regulation in respect of one Residential Unit Owner, occupant lessee, guest or other person residing in the Building will operate as a rescission, alteration or waiver in respect of any other Residential Unit Owner.

(b) Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Board of Managers. Further, any such consent or approval may, in the discretion of the Board or the Managing Agent, be conditional in nature.

(c) The Board shall have the right to increase the maximum amount of a fine imposed on the Residential Unit Owners from time to time. If the Board increases the maximum amount of a fine as it applies to all Residential Unit Owners it shall do so only after a notice has been sent to the Residential Unit Owners advising them of the increase.

Section 5. Sponsor

The above rules and regulations shall not apply to the Sponsor or Sponsor owned Residential Units unless required: (a) to comply with applicable laws or regulations, or (b) to remedy any notice of violation.

Section 6. Complaints

Complaints regarding the service of the Condominium shall be made in writing to the Board of Managers or to the Managing Agent.

ARTICLE X. AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Residential Unit Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty-six and two-thirds (66-2/3%) percent of the Residential Unit Owners in number and Common Interest; and (3) said amendment shall be set forth in a duly

recorded amendment to the Declaration. Notwithstanding the above, the following shall be applicable to amendments to the By-Laws:

(i) No amendment shall be passed which will affect or impair the validity of the Residential Unit Owners' interest in a Residential Unit.

(ii) No amendment, modification, addition or deletion of, to or from the By-Laws or any Rules and Regulations shall impair, prejudice or be effective in any way against Sponsor or its successor, assignee or designee or any Unsold Residential Unit, as long as the Sponsor owns an Unsold Residential Unit in the Condominium unless Sponsor has given its prior written consent thereto. This provision is not subject to amendment.

(iii) No amendment shall be adopted which shall affect the rights of a Non-Purchasing Tenant of a Residential Unit as provided for under Section 352-eeee of the New York State General Business Law.

(iv) The Sponsor shall have the right to amend the By-Laws without the consent of the Residential Unit Owners or the Board of Managers to (a) make corrections that are patent errors, inconsistencies, scrivener's errors or technical errors, to conform to other documents, or (b) to make changes or revisions to comply with the requests, guidelines and/or requirements of any major participant in the secondary market for mortgages, including but not limited to the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal Housing Association ("FHA") of the Housing and Urban Development ("HUD"), the Veterans Administration ("VA") and/or any State or Local Funding Agencies, or (c) to reduce the Sponsor control period of the Board of Managers, or (d) to comply with any federal, state or local law or regulation that may affect the Condominium. In connection therewith each Residential Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest, to the Sponsor, its successors, assigns and purchasers of Unsold Residential Units to amend these By-Laws for said purposes.

(v) The Board of Managers shall have the right to amend these By-Laws without the consent of the Residential Unit Owners to make corrections to the By-Laws that are patent errors, inconsistencies, scrivener's errors and/or technical errors. In connection therewith each Residential Unit Owner upon becoming a Residential Unit Owner shall be deemed to grant an irrevocable power of attorney, coupled with an interest, to the Board of Managers to amend these By-Laws for said purposes

(vi) No amendment to the By-Laws shall be passed which shall impair or prejudice the validity, interest, rights or priorities of a mortgagee.

(vii) In addition, in the case of material changes to the Declaration of Condominium and/or By-Laws, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Residential Units 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 elements; responsibility for maintenance and repairs; reallocation of interests in the General or Individual Residential Unit's Limited Common Elements, or rights to their use; boundaries of any Residential Unit; convertibility of Residential Units into Common Elements 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; revisions to the leasing provisions of Residential Units contained in Article XI; imposition of any restrictions on a Unit Owner's right to sell or transfer the Residential Unit Owner's Residential 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 by certified or registered mail, return receipt requested, to approve amendments who does not deliver to the Condominium a negative written response within sixty (60) days of the receipt of the request shall be deemed to have approved such amendment.

ARTICLE XI. SELLING AND LEASING RESIDENTIAL UNITS

Section 1. Selling and Leasing Residential Units.

Any Residential Unit may be conveyed or leased by a Residential Unit Owner, subject to the leasing requirements contained in Article XI, Section 2 and subject to local zoning ordinances and Section 352-eeee of the New York State General Business Law and as applicable to the specific Residential Unit, the Omnibus Housing Act of 1983, (the "OHA"), the Rent Stabilization Law (the "RSL") and the Amended Code of the Rent Stabilization Association of the City of New York, Inc. (the "Code") and free of any restrictions except that no Residential Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease their Residential Unit unless and until all unpaid Common Charges assessed against the Residential Unit Owner's Residential Unit shall have been paid to the Board of Managers of the Condominium. However, any unpaid Common Charges can be paid out of the proceeds of the sale of a Residential Unit, or by the Grantee. Notwithstanding the above any Residential Unit Owner who wishes to

enter into a lease for the Residential Unit Owner's Residential Unit shall be required to provide the Board of Managers of the Condominium with a copy of the lease prior to its execution, except for any Residential Units owned by the Sponsor, its successor, assignee and/or designee which shall not be required to provide the Board of Managers with a copy of the lease at any time. All leases must comply with all the requirements contained in Section 2 below. Failure to comply will be deemed an automatic violation of the By-Laws of the Condominium. Further, a Residential Unit Owner may convey the Residential Unit Owner's Residential Unit and Percentage of Common Interest appurtenant thereto, to the Board of Managers on behalf of all Residential Unit Owners free of any cost to the Board or the Residential Unit Owners and upon such conveyance such Residential Unit Owner shall not be liable for any Common Charges thereafter accruing against such Residential Unit. Any sale or lease of any Residential Unit in violation of this Section shall be voidable at the election of the Board of Managers.

The provisions of this Section shall not apply to the acquisition or sale of a Residential Unit by a first mortgagee who shall acquire title to such Residential Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagees.

Whenever the term "Residential Unit" is referred to in this Section, it shall include the Residential Unit, the Residential Unit Owners undivided interest in the Common Elements and the Residential Unit Owners interest in any Residential Units acquired by the Board of Managers.

Section 2. Leasing Requirements.

In addition to the provisions of Section 1 of this Article XI, every lease on every Residential Unit in the Condominium is subject to the following rules and regulations, regardless of whether in the lease:

(a) No later than thirty (30) days prior to execution of a lease, the Residential Unit Owner must provide the Board of Managers of the Condominium with a copy of the lease.

(b) the lease must be in writing;

(c) the lease must be for the entire Residential Unit;

(d) the lease must comply with all of the requirements of Section 352-eeee of the General Business Law and as applicable to the requirements of the OHA, RSL and the Code;

(e) the lease must be for a minimum term of twelve (12) months. Renewal terms shall also have a minimum of twelve (12) months;

(f) the use of the premises is subject to the Declaration and the By-Laws of the Condominium and the Rules and Regulations of the Condominium;

(g) within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the Managing Agent or if no Managing Agent to a Member of the Board of Managers of the Condominium;

(h) within thirty(30) days of any renewal of a lease of a tenant, the name and telephone number of the tenant, together with a clear and complete copy of the renewal lease, must be furnished to the Managing Agent or if no Managing Agent to the Board of Managers of the Condominium;

(i) the Residential Unit cannot be used as a motel or hotel or otherwise for transient tenants;

(j) all leases and tenants are subject to all municipal requirements applicable to rentals, if any; and

(k) if any Residential Unit Owner (landlord) or tenant is in violation of any of the provisions of the Declaration or By-Laws, or both, including any Rules and Regulations, the Board of Managers of the Condominium may bring an action in its own name or in the name of the Residential Unit Owner, or both, to have the tenant evicted or to recover damages, or both;

In order to carry out the provisions of this Article XI and pursuant to the provisions of Article Fourteenth of the Declaration of Condominium each Residential Unit Owner shall upon becoming a Residential Unit Owner grant an irrevocable power of attorney, to nominate, designate, constitute and appoint the members of the Board of Managers of the Condominium and their successors, jointly, their true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in their name and on their behalf, the right to act in their behalf to take any and all action necessary against any tenant(s) that may be residing in a Residential Unit Owner's Condominium Residential Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium. The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies available to the Board of Managers of the Condominium. If permitted by present or future law, the Condominium may recover all of its costs, including court costs and reasonable attorney's fees, and these costs shall be a continuing lien on the Residential Unit that shall bind the Residential Unit in the hands of the then Residential Unit Owner and the Residential Unit Owner's successors and assigns. The Board of Managers of the Condominium shall give the tenant and the Residential Unit Owner written notice of the nature of the violation of the rules, and thirty (30) days from the mailing of the notice in which to cure the violation before the Board of Managers of the Condominium may file for eviction.

Section 3. Tenant Bound by Declaration

By becoming a tenant, each tenant agrees to be bound by the Declaration, By-Laws and the other rules and regulations of the Condominium and recognizes and accepts the right and the power of the Board of Managers of the Condominium to evict the tenant for any violation by the tenant of the above, and the other rules and regulations of the Condominium

Section 4. Lenders.

To protect first mortgage lenders and to encourage first mortgage lenders to make loans on Residential Units in the Condominium, only subsections (b), (d), (e), (f), (g), (h), (i), (j) and (k) of Section 2 of this Article XI shall apply to a first mortgage lender who has title to the Residential Unit through (a) foreclosure of its first mortgage on the Residential Unit; or (b) a deed in lieu of foreclosure of its first mortgage on the Residential Unit. Any subsequent purchaser from the first mortgage lender is subject to all the terms of Article XI.

Section 5. Sponsor

The foregoing restrictions of Sections 1 and 2 of this Article XI shall not apply to Sponsor-owned Residential Units. The Sponsor, its successors, assignees or designees shall have the right to freely sell their Residential Unit or to freely lease all or any part thereof without any interference or any restrictions by the Board of Managers as long as the lease and use by a tenant is in compliance with the permitted use of the Residential Unit under applicable zoning and occupancy requirements.

Section 6. Tenants in Occupancy

The provisions of this Article XI shall not affect the rights of a Tenant in Occupancy of a Residential Unit as said term is defined in Section 352-eeee of the General Business Law of the State of New York.

Section 7. Waiver of Partition Rights

The Residential Unit Owners waive all of their voting rights concerning partition respecting any Residential Unit acquired by the Board of Managers in accordance with this Article.

Section 8. Gifts, etc.

Any Residential Unit Owner may convey or transfer their Residential Unit by gift during their lifetime or devise their Residential Unit by will or pass the same by intestacy, without restriction.

Section 9. 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 Residential Unit Owner who rents any Residential Unit in the Condominium to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Residential Unit 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. The provisions of Section 339-kk of the Real Property Law shall control any dispute pursuant to this provision of the By-Laws.

Section 10. Notice.

All notices referred to in this Article XI shall be given by reputable overnight delivery service, personal service or registered or certified mail, return receipt requested.

ARTICLE XII. RIGHTS OF NON-PURCHASING TENANTS OF A RESIDENTIAL UNIT

The following shall apply to a Non-Purchasing Tenant as said term is defined in Section 352-eeee of the General Business Law of the State of New York for all Residential Unit Owners of a Residential Unit occupied by a Non-Purchasing Tenant and the Board of Managers, should the Board acquire a Residential Unit through foreclosure or otherwise.

1. No eviction proceedings will be commenced at any time against Non-Purchasing Tenants of a Residential Unit for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of access to the owner or a similar breach by the Non-Purchasing Tenant of the Non- Purchasing Tenant's obligations to the landlord, and provided further that the owner of the Residential Unit thereto may not commence an action to recover possession of a Residential Unit from a Non-Purchasing Tenant on the grounds that the Residential Unit Owners seeks the Residential Unit for the use and occupancy of the Residential Unit Owner or the Residential Unit Owner's family.

2. The rentals of Non-Purchasing Tenants who reside in Residential Units not subject to government regulations as to rentals and continued occupancy and Non-Purchasing Tenants who reside in Residential Units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Offering Plan has become effective shall not be subject to unconscionable increases

beyond ordinary rentals for comparable unregulated apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses. Complaints of unconscionable rent increases may be referred to the New York State Department of Law, Real Estate Financing Bureau, 120 Broadway, New York, New York 10271.

3. Non-Purchasing Tenants will be notified of any changes in ownership of a Residential Unit they occupy by registered or certified mail, within fifteen (15) days of any change in ownership.

4. The Managing Agent shall provide to Non-Purchasing Tenants all services and facilities required by law on a non-discriminatory basis.

5. The rights granted herein to Non-Purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, Section 352-eeee of the General Business Law.

6. This Section of the By-Laws concerning said Non-Purchasing Tenants may not be subsequently amended or deleted.

ARTICLE XIII. OBLIGATIONS OF NON-OCCUPANT OWNERS OF RESIDENTIAL UNITS

If the Residential Unit Owner is the Residential Unit Owner of a Residential Unit subject to the lease of Non-Purchasing Tenant in occupancy on the date that title to the Residential Unit was transferred to the Residential Unit Owner, the following shall apply:

1. A Residential Unit Owner of an occupied Residential Unit is subject to: (a) the lease for the Residential Unit then in effect (and any renewal of the term thereof effected after the date of presentation of the Plan, but prior to the date on which the Purchaser's executed Purchase Agreement is delivered to the Selling Agent); (b) any existing statutory tenancy or occupancy of the Apartment; (c) all of the rights of any existing tenant of a Residential Unit who has not purchased their Residential Unit afforded by Section 352-eeee, including the right (among others) to continue to reside in their Residential Units, without having any eviction proceedings commenced against them at any time other than for nonpayment of rent, illegal use or occupancy of the premises, refusal of access to the owner or similar breach of their obligations to the owner of their Residential Unit; and (d) any other applicable federal, state or city laws, regulations and rules limiting or controlling rent and occupancy terms and the landlord's rights to evict tenants or other occupants now existing or hereinafter enacted.

2. A Residential Unit Owner who acquires an occupied Residential Unit will be required to pay to the Condominium the Common Charges for such

Residential Unit whether such charges are greater or less than the rent payable or received by the Residential Unit Owner from the Tenant in Occupancy.

3. A Residential Unit Owner will be responsible for the due performance of all of the obligations of the landlord under the lease, statutory tenancy or other tenancy of the tenant, including obligations to maintain, repair and replace plumbing fixtures, the refrigerator, range, lighting fixtures and other equipment in the Residential Unit, and to paint the Residential Unit as provided in the lease with the tenant, or as required by any applicable law, as the case may be. In addition, any litigation costs, fees and dues related to the tenancy will be the sole responsibility of the Residential Unit Owner.

4. A Residential Unit Owner of an occupied Residential Unit shall irrevocably appoint the Managing Agent for the Condominium and its successors as his or her agent to perform for the account and at the expense of the Residential Unit Owner all services required to be furnished or performed by a landlord under the Non-Purchasing Tenant's lease and the laws and regulations specified above that are not to be provided by the Condominium, including, but not limited to, interior repairs and Condominium painting.

5. A Residential Unit Owner of an occupied Residential Unit is required to deposit with the Managing Agent at closing a sum not less than an amount equal to 2 months' Common Charges to be used as working capital to furnish services required under the Non-Purchasing Tenant's lease and the laws and regulations specified above. Upon notice by the Managing Agent that said deposit has been diminished, said fund shall be replenished by the Residential Unit Owner within a specified period of time. The failure of the Residential Unit Owner to replenish the fund in a timely fashion shall result in the Condominium having a lien against the Residential Unit. Interest, if any, earned on the fund shall be the property of the Residential Unit Owner.

6. All Residential Unit Owners of a Residential Unit occupied by a Non-Purchasing Tenant are required to notify the Non-Purchasing Tenant of any changes in ownership of the Residential Unit by registered or certified mail, within fifteen (15) days of any change in ownership.

7. A Residential Unit Owner of an occupied Residential Unit which is occupied by an Eligible Senior Citizen or Eligible Disabled Person shall be bound by the representations contained in the Offering Plan and the requirements of the New York State General Business Law.

ARTICLE XIV. ARBITRATION

Section 1. Procedure.

Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the local jurisdiction of the Condominium in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in New York City before one arbitrator appointed, upon the application of any party by the Real Estate Board of New York.

Section 2. Variation by Agreement.

The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3. Binding Effect.

The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. Costs and Expenses.

The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

All costs and expenses paid or incurred by the Condominium Board of Managers in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses.

ARTICLE XV. 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 $500,000 and to the Board of Managers if the award is $500,000 or less, to be distributed among all the Residential Unit Owners in proportion to their respective Percentage of Common Interest, after first paying out of

the share of each Residential Unit Owner the amount of any unpaid liens on the Residential Unit Owner's Residential Unit in the order of the priority of such liens in the following amounts:

(a) So much of the award as is applicable to the General Common Elements, to the Residential Unit Owners pro rata according to the respective Percentage of Common Interest appurtenant to the Residential Unit owned by such Residential Unit Owners.

(b) So much of the award as is applicable to an Individual Residential Unit's Limited Common Element to the Residential Unit Owner having general use of such Individual Residential Unit's Limited Common Element.

In such eminent domain or condemnation proceeding the Board of Managers shall request that the award shall set forth the amount allocated to General Common Elements and to each Individual Residential Unit's Limited 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. Any condemnation or eminent domain award shall require that any proceeds applicable to a Residential Unit be applied first to a first mortgagee of a Residential Unit as its interest may appear.

ARTICLE XVI. SPONSOR RIGHTS

Section 1. Sales/Rentals.

The Sponsor, its nominees and agents, shall have the right and privilege to maintain general and local sales and rental offices in and about the Condominium, including any model Residential Units located within the Condominium Building or elsewhere throughout the project, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Residential Units to prospective purchasers or tenants, to utilize the Common Elements, and without limitation, to do any and all things necessary incident to the sale or rental of the Residential Units, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein.

Section 2. Signs/Ingress/Egress.

The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to construct, sell and lease the Residential Units, or any other property, development or community the Sponsor, its successors, assigns or designees so prescribe. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium. This Article XVI may not be modified or

amended without the written consent of the Sponsor so long as the Sponsor continues to own one (1) or more Unsold Residential Units.

Section 3. Additional Rights.

The Sponsor, its successor, assignees, designees, nominees and agents shall, in addition to the above, have any additional rights afforded to the Sponsor, its successors, assignees, designees, nominees and agents in these By-Laws, Rules and Regulations and the Declaration of Condominium.

ARTICLE XVII. MISCELLANEOUS.

Section 1. Severability.

Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 2. Notice to Condominium.

A Residential Unit Owner who mortgages the Residential Unit Owner's Residential Unit shall notify the Condominium through the managing agent, if any, or an Officer of the Board of Managers in the event there is no managing agent, of the name and address of the Residential Unit Owner's mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Residential Units".

Section 3. Notice of Unpaid Assessment.

The Board of Managers shall at the request of a mortgagee of a Residential Unit, report any unpaid assessments due from the Residential Unit Owners of such Residential Unit.

Section 4. Examination of Books and Records.

Every Residential Unit Owner or the Residential Unit Owner's representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board of Managers convenient hours on weekdays (except legal holidays) but not more often than once a month. Said hours are to be determined by the Board of Managers or Managing Agent.

Section 5. Costs of Legal Action

In the event the Board of Managers institutes any legal action for the enforcement of any of the provisions of the Declaration of the Condominium, By-Laws and/or Rules and Regulations of the Condominium and the Board of Managers is successful, then the Defendant shall be responsible for payment of reasonable attorney's fees of the Board of Managers on behalf of the Condominium, plus interest and costs of suit. In the event the Residential Unit Owner is successful the Residential

Unit Owner will only be responsible for the Residential Unit Owner's attorney fees and other individual expenses the Residential Unit Owner paid in defending the law suit.

Section 6. Report to Residential Unit Owners

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

(i) a financial statement of the Condominium prepared by a certified public accountant or public accountant by a specific date; such statement shall be certified while the Sponsor retains a majority of the Members of the Board of Managers and such statement shall be provided within approximately four (4) months of the end of each fiscal year;

(ii) prior notice of the annual Residential Unit Owners meeting; and

(iii) a copy of the proposed annual budget of the Condominium within thirty (30) days after adoption by the Board of Managers. While Sponsor is in control of the Board of Managers such budget will be certified in accordance with the regulations of the Department of Law.

During the period Sponsor retains control of the Board of Managers of the Condominium, the Sponsor shall be required to provide certified financial statements for the Condominium. The cost of such reports shall be a Condominium expense. In addition, during said period the Sponsor will be required to provide a Certification of Adequacy of the budget for the Condominium from a Managing Agent or other expert who is unaffiliated with the Sponsor

Section 7. 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 8. Compliance with Article 9-B.

These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law. In case any provision of these By-Laws conflicts with the provisions of said Statute or the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO 13 NYCRR 23.4 (b)

Date: 11/5/17

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

RE: **2276 HOMECREST AVENUE CONDOMINIUM**

Gentlepeople:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of article 23-A of the General Business Law, the regulations promulgated by the Department of Law in 13 NYCRR Part 23 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification.

We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

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

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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

(vii) not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

2276 HOMECREST OWNER LLC

By: _____
PHILIP PILEVSKY, Manager

BROOKLYN PORTFOLIO MEMBER LLC, Sole Member

By: _____
PHILIP PILEVSKY, Manager

DOMENICA FACCIOLA
Notary Public, State Of New York
No. 01FA5058533
Qualified In Kings County
Commission Expires April 8, 20 18

SPONSOR'S PRINCIPALS:

Sworn to before me this
5TH day of JANUARY, 2017.

_____
NOTARY PUBLIC

_____
PHILIP PILEVSKY

Sworn to before me this
4th day of January, 2017.

_____
NOTARY PUBLIC

_____
SETH PILEVSKY

CHRISTOPHER S. NA
Notary Public, State of New York
Registration #02NA6328103
Qualified In New York County
Commission Expires July 27, 2019

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SPONSOR'S ENGINEER OR ARCHITECT CERTIFICATION
PURSUANT TO 13 NYCRR 23.4(c)

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

RE: **2276 Homecrest Avenue, Brooklyn, New York**

Ladies and Gentlemen:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report disclosing the condition of the property, (the "Report"). We have visually inspected the property on January 12, 2016 and prepared the Report dated April 19, 2017, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

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 Attorney General in Part 23 insofar as they are applicable to this Report.

I/we read the entire Report and investigated the facts set forth in the Report and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this Certification.

I/we certify the Report and all documents prepared by me/us disclose all the material facts which were then discernible from a visual inspection of the property. This Certification is made for the benefit of all persons to whom this offer is made.

I/We certify that, the Report, based on my/our visual inspection:

(i) sets forth in narrative form the physical condition of the entire property and is current and accurate as of the date of inspection;

(ii) in my/our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property;

(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.

(viii) It is to be understood that all aspects of the physical condition of the property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

I/We further certify that I/we am/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,

Vincent Boccia, P.E.
Engineered Building Inspections, P.C.

By: _____
Signature of Individual if prepared by Firm

Engineer

_____
Title or Position if prepared by Firm

Sworn to before me this 19
day of April , 2017

_____
Notary Public

GREGORY R GIETZ
Notary Public - State of New York
NO. 01GI6286972
Qualified in Nassau County
My Commission Expires Aug 5, 2017

PENMARK
PROPERTY ADVISORS, LLC

PART 20: CERTIFICATION BY EXPERT AS TO ADEQUACY OF CONDOMINIUM BUDGET

June 3, 2016

New York State Department of Law
Real Estate Finance Bureau
120 Broadway - 23rd Floor
New York, New York 10271

Re: Condominium Offering Plan
2276 Homecrest Avenue Condominium
2276 Homecrest Avenue
Brooklyn, New York

The sponsor of the condominium offering plan for the captioned property retained our firm to review Schedule B (together with the notes thereto, the "Schedule") containing projections of income and expenses for the first year of condominium operation. Penmark Property Advisors, LLC is licensed as a real estate broker in the State of New York. The undersigned Manager of the company has been engaged in the management of Residential real estate for over 40 years and has managed over 200 cooperative and condominium buildings during that period and is still active in management.

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

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

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

We certify that the Schedules:

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

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828 HEMPSTEAD TURNPIKE FRANKLIN SQUARE, NY 11010
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PROPERTY ADVISORS, LLC

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

(iii) do not omit any material fact;

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

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

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

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

PENMARK PROPERTY ADVISORS, LLC

By: _____
Name: Leslie Bogen Winkler
Title: Manager

Sworn to before me this
3 day of June, 2016

_____
Notary Public

STUART B. SHAPIRO
NOTARY PUBLIC, State of New York
No. 02SH6092248
Qualified in Suffolk County
Commission Expires Feb 02, 20 18

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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.

SCHEDULE O

Westlaw

McKinney's General Business Law § 352-eeee

P

Effective: [See Text Amendments]

McKinney's Consolidated Laws of New York Annotated Currentness
General Business Law (Refs & Annos)
Chapter 20 Of the Consolidated Laws
Article 23-A. Fraudulent Practices in Respect to Stocks, Bonds and Other Securities (Refs & Annos)

§ 352-eeee. Conversions to cooperative or condominium ownership in the city of New York

[Eff. until and including June 15, 2011, pursuant to L.1982, c. 555, § 10.]

1. As used in this section, the following words and terms shall have the following meanings:

(a) "Plan". Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-eviction plan". A plan which may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) "Eviction plan". A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(d) "Purchaser under the plan". A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant". A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) "Eligible senior citizens". Non-purchasing tenants who are sixty-two years of age or older on the date the

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SCHEDULE P

attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

(g) "Eligible disabled persons". Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least twelve months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

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(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or group of buildings or development to cooperative or condominium ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses.

(v) The plan may not be amended at any time to provide that it shall be an eviction plan.

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of the dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement and, (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building

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services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings

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or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers, at which time the cooperative corporation or the condominium association shall assume responsibility for the provision of all services and facilities required by law on a non-discriminatory basis.

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the city of New York.

CREDIT(S)

(Added L.1982, c. 555, § 2; amended L.1988, c. 685, § 2.)

<Laws 1989, Chapter 25>

HISTORICAL AND STATUTORY NOTES

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New York City, N.Y., Code § 26-702
NEW YORK CITY CHARTER, CODE, AMENDMENTS & RULES
NEW YORK CITY ADMINISTRATIVE CODE
TITLE 26. HOUSING AND BUILDINGS
CHAPTER 8. COOPERATIVE AND CONDOMINIUM CONVERSIONS.

The New York City Code is current with files received through October 31, 2016.

§ 26-702. Definitions.

As used in this chapter the following words shall mean:

a. "Building" any building, group of buildings or development.

b. "Total price" (1) with respect to cooperative conversions, the number of all shares in the offering multiplied by the last price per share which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made; (2) with respect to condominium conversions, the sum of the cost of all units in the offering at the last price which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made.

c. "Capital replacement" a building-wide replacement of a major component of any of the following systems:

(1) elevator;

(2) heating, ventilation and air conditioning;

(3) plumbing;

(4) wiring;

(5) window;

or, a major structural replacement to the building; provided, however, that replacements made to cure code violations of record shall not be included.

d. "Offeror" the offeror, his or her nominees, assignees and successors in interest.

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New York City, N.Y., Code § 26-703
NEW YORK CITY CHARTER, CODE, AMENDMENTS & RULES
NEW YORK CITY ADMINISTRATIVE CODE
TITLE 26. HOUSING AND BUILDINGS
CHAPTER 8. COOPERATIVE AND CONDOMINIUM CONVERSIONS.

The New York City Code is current with files received through October 31, 2016.

§ 26-703. Establishment of reserve fund.

a. Within thirty days after the closing of a conversion pursuant to an offering plan the offeror shall establish and transfer to the cooperative corporation or condominium board of managers, a reserve fund to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such buildings. Such reserve fund shall be exclusive of any other funds required to be reserved under the plan or applicable law or regulation of the state attorney general, except a fund for capital repairs, replacements and improvements substantially similar in purpose to and in an amount not less than the reserve fund mandated by this section. Such reserve fund also shall be exclusive of any working capital fund and shall not be subject to reduction for closing apportionments.

b. Such fund shall be established in an amount equal to either (i) three per cent of the total price or, (ii) (A) three per cent of the actual sales price of all cooperative shares or condominium units sold by the offeror at the time the plan is declared effective, provided, however, that if such amount is less than one per cent of the total price, then the fund shall be established as a minimum of one per cent of the total price; plus (B) supplemental contributions to be made by the offeror at a rate of three per cent of the actual sales price of cooperative shares or condominium units for each unit or its allocable shares held by the offeror and sold to bona fide purchasers subsequent to the effective date of the plan and within five years of the closing of the conversion pursuant to such plan notwithstanding that the total amount contributed may exceed three per cent of the total price; and provided, further, that if five years from thirty days after the closing of the conversion pursuant to such plan the total contributions by the offeror to the fund are less than three per cent of the total price the offeror shall pay the difference between the amount contributed and three per cent of the total price. Supplemental contributions shall be made within thirty days of each sale.

c. The contributions required pursuant to this section may be made earlier or in an amount greater than so provided. An offeror may claim and receive credit against the mandatory initial contribution to the reserve fund for the actual cost of capital replacements which he or she has begun after the plan is submitted for filing to the state department of law and before the plan is declared effective; provided, however, that any such replacements must be

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set forth in the plan together with their actual or estimated costs and further provided, that such credit shall not exceed the lesser of the actual cost of the capital replacements or one per cent of the total price.

d. Any building, construction of which was completed within three years prior to the closing of a conversion pursuant to an offering plan, shall be exempt from the requirements of this section.

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End of Document

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New York City, N.Y., Code § 26-704
NEW YORK CITY CHARTER, CODE, AMENDMENTS & RULES
NEW YORK CITY ADMINISTRATIVE CODE
TITLE 26. HOUSING AND BUILDINGS
CHAPTER 8. COOPERATIVE AND CONDOMINIUM CONVERSIONS.

The New York City Code is current with files received through October 31, 2016.

§ 26-704. Report on status of reserve fund.

The cooperative corporation or condominium board of managers shall report to shareholders and unit owners on a semi-annual basis with respect to all deposits into and withdrawals from the reserve fund mandated by section 26-703 of this chapter.

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MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT ("Agreement") is made and entered into as of _____, 201_, by and between 2276 HOMECREST OWNER LLC, having an address c/o Philips International, 295 Madison Avenue, 2nd Floor, New York, New York 10017 ("Owner") and CROSSTOWN MANAGEMENT CORP., having an address at 97-77 Queens Boulevard, Suite 1120, Rego Park, New York 11374 ("Manager").

1. EMPLOYMENT: Owner hereby employs Manager, and Manager hereby accepts such employment from Owner, for the Term (defined below), at the compensation, and upon all of the other terms and conditions set forth herein as sole and exclusive property manager for the property known as 2276 Homecrest Avenue, Brooklyn, New York (hereafter referred to as "Property").

2. TERM: Subject to Section 7.1 below, the term of this Agreement ("Term") shall commence as of the date hereof and shall continue for one year, and upon the one year anniversary hereof shall automatically terminate unless renewed in writing by Owner and Manager.

3. MANAGEMENT FEES: During the Term, Manager shall receive, as compensation for the performance of its services hereunder, a monthly sum equal to five percent (5%) of base rents collected for the preceding month (the "Management Fees"). In addition to the Management Fees, Manager shall be reimbursed for (i) all reasonable expenses actually and properly incurred or expended, and documented, in connection with Manager's performance hereunder and (ii) extraordinary services requested by Owner in accordance with Section 4.5. The Management Fees shall be paid to Manager in monthly installments on the fifteenth day of each month, and may be deducted by Manager from receipts.

4. MANAGEMENT SERVICES AND POWERS: In consideration of the Management Fees to be paid by Owner hereunder, Manager agrees as follows:

4.1 Manager shall furnish the services of its organization and exert all commercially reasonable efforts in operating, maintaining, leasing and managing the Property. Everything done by Manager in the performance of its obligations hereunder and all expenses incurred

shall be for and on behalf of Owner and for Owner's account, except as expressly otherwise provided herein.

4.2 Manager shall, notwithstanding the authority granted herein, confer fully and freely with Owner in the performance of its duties, and shall continue to remain, and keep Owner, fully informed regarding the Property. After consultation with and approval by Owner, the Manager shall establish all rental rates, prices and price schedules, and in connection therewith, Manager shall use its reasonable efforts to lease vacant units and enforce the collection of all rentals and receipts and shall give receipts for all services or income of any nature from the operation of the Property. Manager shall bill tenants and subtenants for rents and other charges, use its best efforts to collect such charges, rents and other charges, and, when and if directed by Owner, serve notice upon tenants or subtenants to quit and surrender space occupied by them. Also, when directed by the Owner and on Owner's behalf, sue for rents and other charges which may be or any time become due, as aforesaid, from any tenant or subtenant of space in the Property, institute summary proceedings to recover possession thereof, and with the consent of the Owner's attorney employ and pay special counsel, if necessary, for any such purposes, but no suit or summary proceedings shall be instituted unless the Owners written authorization thereof is first obtained. For the avoidance of doubt, Owner shall be responsible for paying all legal fees in connection with any legal proceedings.

4.3 Manager shall enforce all warranties, if any, on the Property and/or the manufactured items thereon.

4.4 Manager shall hire, train, discharge, and supervise all labor and employees necessary to properly maintain and operate the Property. The selection, terms of employment and termination thereof, including rates of employment, and the supervision, direction, training and assignment of duties of all such employees shall be the duty and responsibility of and shall be determined or controlled by Manager. All costs and expenses of any persons who are part-time or full-time employees of Manager shall be paid for solely by Manager.

4.5 Manager, at the expense of Owner, shall cause the Property, and its appurtenances and grounds, to be maintained and repaired according to standards acceptable to Owner, including, but not limited to, interior and exterior cleaning, painting, plumbing, heating and ventilating systems, carpentry and such other normal maintenance and repair work as may be

necessary. Manager shall field all tenant requests for work or maintenance to the Property, or complaints, shall keep Owner fully informed of such request or complaints and shall with Owner's approval take such actions as Owner determines. Furthermore, Manager shall supervise any extraordinary services with respect to the Property, which Owner may request from time to time, for compensation to Manager as agreed upon between Owner and Manager.

4.6 In fulfillment of its duties hereunder, Manager, at the expense of Owner, shall purchase such supplies, equipment and services as are necessary for the operation, maintenance, and repair of the Property, and any discounts or rebates received by Manager shall be returned to Owner.

4.7 Subject to Owner's written approval, Manager, on behalf of Owner, shall contract on favorable terms, quality and service considered, in the name of Owner, for all services and utilities necessary for the efficient operation and maintenance of the Property, including, but not limited to, water, electricity, gas, fuel, telephone, vermin extermination, rubbish hauling, parking lot sweeping and maintenance, roof maintenance, landscape maintenance and lighting maintenance. Manager shall check all bills received for services, work and supplies ordered in connection with maintaining and operating the building; pay or cause to be paid all such bills, water charges, utilities and other charges as and when the same shall become due and payable. Manager shall provide the Owner with the evidence of the payment of all such charges by providing copies of the bills and canceled checks indicting payment thereof.

4.8 Manager shall take such action as may be necessary to comply promptly with any and all orders or requirements affecting the Property placed thereon by any federal, state, county, or municipal authority having jurisdiction thereover, subject to the same limitation contained in Subparagraph 4.7 and elsewhere in this Agreement regarding Owner's written approval. Owner shall execute any and all applications and other documents necessary for Manager to obtain and maintain in the name of Owner all licenses and permits required of Owner or Manager in connection with the operation and/or management of the Property. Manager, however, shall not take any action under this section so long as Owner is contesting, or has, after prompt notification of the facts by Manager, affirmed its intention to contest any such order or requirement. Manager shall promptly notify Owner of all such orders and notices or requirements.

4.9 Manager shall, at the expense of and upon written request from Owner, cause to be placed and kept in force all forms of insurance needed to adequately protect Owner and as required by law, including, where appropriate, but not limited to, workmen's compensation insurance if necessary, public liability insurance, auto, flood, office equipment and personal property insurance, boiler insurance, fire and extended coverage insurance, and burglary and theft insurance. All of the various types of insurance coverages required for the benefit of Owner shall be placed in such amounts, with such companies and with such beneficial interests appearing therein as shall be acceptable to Owner; provided, however, that Manager shall be named as coinsured in all policies related to public liability insurance. Proof of all such insurance shall be delivered to Owner in a form acceptable to Owner. Manager shall promptly investigate and make a full written report as to all accidents or claims for damage relating to the ownership, operation, and maintenance of the Property including any damage or destruction to the Property, the estimated cost of repair, and shall cooperate and make any and all reports required by any insurance company in connection therewith.

4.9.1 Manager shall maintain at Manager's cost and expense insurance coverages for, without limitation, (i) workers' compensation and employers' liability in the limits required by the State of New York, (ii) employee dishonesty covering theft of money, goods, assets or property belonging to Owner, tenants or any third party with a limit of not less than $100,000 combined single limit per occurrence, (iii) commercial general liability not less than $1million combined single limit bodily injury and property damage, (iv) automobile liability including owned, non-owned and hired car coverage with a limit not less than $1million combined single limit bodily injury and property damage, and (v) real estate managers professional liability with a limit not less than $1million combined single limit. Proof of all such insurance shall be delivered to Owner and such coverage shall be in form and content acceptable to Owner.

4.10 Manager shall establish and maintain, in a bank of Manager's selection (which may be JPMorgan Chase or any other bank reasonably approved by Owner), a segregated bank account for the deposit of the moneys collected from the Property ("Bank Account") and shall maintain segregated tenant security deposit accounts at Customers Bank or at another bank of Owner's choice (the "Security Accounts"). Manager shall have the authority to draw on the Bank Account consistent with the requirements of Owner for any payments which Manager must make to discharge

any liabilities or obligations incurred pursuant to this Agreement, all of which payments shall be subject to the limitations of this Agreement. Owner shall be a signatory to the Bank Account and Security Accounts and shall have on-line access to the Bank Account and Security Accounts and shall receive monthly account statements. Funds collected from the Property may not be commingled with any other funds handled by Manager.

4.11 From the funds collected and deposited in the Bank Account, Manager shall cause to be disbursed regularly and punctually all expenses authorized in other sections of this Agreement.

4.12 Manager shall keep accurate, complete and separate records in accordance with accepted accounting standards and procedures, showing income and expenditures in connection with the operation of the Property, to the end that any accounts payable, other obligations, cash, accounts receivable, and other assets pertaining thereto can be identified and the amount determined at all times. Manager shall maintain files containing rent records, insurance policies, leases and subleases, correspondence, receipted bills and vouchers and all other documents and papers pertaining to the Property. Manager shall upon request of the Owner, make same available to the Owner, Owner's officers, accountants, attorney, or other representatives and shall deliver copies of the aforementioned records and files to the Owner or its aforesaid Agents on demand from the Owner. Owner shall have the right at any time, through its representatives, to inspect any records of Manager which in its opinion may verify the financial or monthly reports, including, but not limited to, all checks, bills, vouchers, statements, cash receipts, correspondence, and all other records in connection with the management of the Property.

4.13 Manager shall prepare and deliver to Owner such financial reports, budgets and statements as owner may reasonably require. Manager shall cooperate with the Owner's accountants in regard to the preparation and filing on behalf of the Owner, of federal, state, city and any other income or other tax returns required by any governmental authority.

4.14 Manager shall refer all matters requiring legal or accounting services to qualified professionals approved by Owner.

4.15 Manager may do such other acts, not contrary to the intent of the provisions hereof, as it deems necessary for the proper performance of its duties hereunder.

4.16 Manager may not, unless otherwise instructed by Owner, execute leases and other documents. All leases must be approved in advance by Owner.

4.17 Notwithstanding anything to the contrary contained herein, Manager shall not expend more than $2,000 either singularly on in the aggregate, without obtaining the Owner's prior written approval for such expenditure or expenditures, except in the event of an emergency at the Property or to prevent imminent damage to the Property or to any person.

5. COSTS AND EXPENSES:

5.1 Owner shall pay for all ordinary and necessary expenses of the Property, including, without limitation, the following:

5.1.1 Intentionally omitted;

5.1.2 All maintenance repairs to the Property;

5.1.3 All utilities;

5.1.4 All taxes, principal and interest on all loans secured by the Property,

5.1.5 Insurance, professional services (including without limitation in house and external attorneys); and

5.1.6 All independent contractors (e.g., carpenters, electricians, landscaping etc.) who are employed to render services at the Property.

Manager shall not be liable to any third parties for debts, liabilities or obligations of the Property or arising in the course of business of the Property or by virtue of its management, supervision, control or operation of the Property.

6. RELATIONSHIP OF THE PARTIES: All duties to be performed by Manager under this Agreement shall be for and on behalf of Owner, in the name of Owner and for Owner's account. In taking any action pursuant to this Agreement, Manager shall be acting as Owner's Agent. This Agreement shall not be construed to create a partnership, joint venture, employer-employee, or any other relationship by and between Owner and Manager other than that of principal and agent. Manager shall not bear any portion of the losses from the operation of the Property nor shall it be entitled to any of the profits therefrom.

7. TERMINATION:

7.1 This Agreement shall immediately terminate, at Owner's option, upon delivery of written notice thereof to Manager, at any time and from time to time, including without limitation after: (a) all or substantially all of the Property is sold, condemned or the improvements thereon are destroyed (if destroyed, the termination shall occur only if Owner decides not to rebuild), (b) Manager is dissolved, becomes insolvent or is adjudicated bankrupt or makes a general assignment of its assets for the benefit of its creditors, (c) the holder of any lien on the Property forecloses its lien and requires termination of this Agreement, or (d) Manager commits gross negligence or willful misconduct in the performance or nonperformance of its duties hereunder. Notwithstanding the foregoing, Owner and Manager shall each have the right to terminate this Agreement for any reason or for no reason, at any time, upon thirty (30) days prior written notice to the other party.

7.2 Upon termination of this Agreement for any reason, it is agreed that: (a) all of the lease files in the possession of Manager pertaining to the operation of the Property, together with any other property of the Owner in Manager's possession, shall be immediately delivered to Owner, (b) the agency created hereby shall immediately cease, and Manager shall have no further right to act for Owner and (c) Manager shall for a period of thirty (30) days cooperate with Owner in connection with the transition of management of the Property.

8. ASSIGNMENT: Neither this Agreement nor any right pursuant hereto or interest herein shall be assignable by Manager.

9. INDEMNIFICATION: Owner agrees to indemnify, defend and save Manager harmless from damages arising from third party claims (including reasonable attorney fees and costs incurred by Manager in the defense or prosecution thereof) in connection with or arising from this agreement or with the management of the premises, and from liability for injuries suffered by Owner's officers, directors, agents and employees or any other persons on or about the premises, excluding Managers employees or Manager, except as set forth in the next sentence. Owner agrees that Manager shall not be liable for any error of judgment or for any mistake of fact or of law, or for anything which it may do or refrain from doing hereunder, except in cases of willful misconduct, gross negligence, or breach of this agreement by Manager. Owner shall provide Manager with a certificate of insurance as to the premises upon Manager's request. Owner shall cause Manager to be named as additional

insured under all policies of liability insurance maintained by Owner against claims arising sat the premises. Manager's insurance shall be acceptable to Owner in all respects.

10. BINDING: This Agreement shall inure to and be binding on all the parties, their estates, heirs, personal representatives and assigns.

11. HEADINGS: The article and section headings in no way define, limit, extend or interpret the scope of this Agreement, or any particular article or section.

12. NUMBER AND GENDER: When the context in which the words are used in this Agreement indicates that such is the intent, word in singular number shall include the plural and vice-versa.

13. VALIDITY: If any provision of this Agreement is held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

14. AMENDMENTS: This Agreement may be amended only by a written instrument signed by all parties hereto.

15. ENTIRE AGREEMENT: This Agreement contains the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior and contemporaneous oral and written arrangements and understandings between the parties in regard to the Property and their respective rights and obligations in connection therewith. No other agreement, statement, or promise made by either party hereto which is not contained herein shall be binding or valid.

16. LICENSING: The Agent represents to the Owner that it has any and all licenses, permits and approvals required by applicable law for Manager to perform its obligations hereunder and such licenses, permits and/or approvals are in full force and effect.

(Remainder of page blank)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

MANAGER: CROSSTOWN MANAGEMENT CORP.

By: _____

Name: Anthony Musto

Title: President

OWNER: 2276 HOMECREST OWNER LLC

By: _____

Name: Philip Pilevsky

Title: Manager

ELIGIBLE SENIOR CITIZEN ELECTION FORM

SEE INSTRUCTION SHEET ON NEXT PAGE BEFORE COMPLETING THIS FORM

For use in New York City which is subject to GBL Section 352-eeee, and municipalities in New York State which have adopted GBL Section 352-e(2-a).

NAME: _____

ADDRESS: _____

_____

DATE OF BIRTH: _____

I elect not to purchase my apartment under the offering plan for conversion of the building to a cooperative or condominium.

I certify that:

1. I am a tenant of the apartment listed above.
2. I am or my spouse is now 62 years of age or older.

I understand that this senior citizen election does not preclude me from purchasing my apartment at a later date.

The above statements are true to the best of my knowledge and understanding.

SIGNED: _____

Sworn to before me this

_____day of_____, 20_____.

_____

NOTARY PUBLIC

Receipt acknowledged and copy given to tenant.

SPONSOR/AGENT: _____ DATE: _____

FORM SH-1 (Rev. 11/15)

INSTRUCTIONS FOR COMPLETING ELIGIBLE SENIOR CITIZEN ELECTION FORM

State law provides that tenants who are "eligible senior citizens" cannot be evicted because they did not buy their apartments.

How to Qualify as an "Eligible Senior Citizen"

To qualify as an "eligible senior citizen," you must:

1. Be a tenant, or the spouse of a tenant; and
2. Have been 62 years of age or older on the date the Department of Law "accepted the offering plan for filing," and
3. Complete this election form and return it to the sponsor within 60 days of the date you first received the offering plan.

Date Offering Plan Was Accepted For Filing

The approximate date the Department of Law "accepted the offering plan for filing" is printed on the front cover of the offering plan. You must have been 62 years of age or older on the filing date to qualify.

Who is Considered a Tenant?

A tenant for purposes of this form is a person who has signed a lease or the spouse of a person who has signed a lease.

Return This Form Within 60 Days

You must complete and return this form within 60 days of the date you first received the offering plan. Return the form either by delivering it to the sponsor or the sponsor's selling agent at the location specification in the plan, or by mailing it by certified or registered mail, return receipt requested, to the sponsor or selling agent at the address specified in the plan. **Be sure to sign the form before a Notary Public**

WARNING!

FAILURE TO RETURN THIS FORM WITHIN 60 DAYS COULD ULTIMATELY RESULT IN YOUR BEING EVICTED!

The Sponsor May Dispute Your Eligibility

The law allows the sponsor to dispute your eligibility as an "eligible senior citizen". In order to do so, the sponsor must apply to the Department of Law for an eligibility determination within 30 days after the sponsor receives your election form. In case of a dispute, the Department of Law has 30 days to determine your eligibility. If your eligibility is disputed, you will be notified by the Department of Law and given the opportunity to defend your eligibility.

ELIGIBLE DISABLED PERSON ELECTION FORM

SEE INSTRUCTION SHEET ON NEXT PAGE BEFORE COMPLETING THIS FORM

For use in New York City which is subject to GBL Section 352-eeee, and for use in municipalities in Nassau, Rockland and Westchester Counties which have adopted GBL Section 352-eee, and to use in municipalities in the State of New York which have adopted GBL Section 352-e(2-a).

NAME: _____

ADDRESS: _____

_____

I elect not to purchase my apartment under the offering plan for conversion of the building to a cooperative or condominium.

I certify that:

1. I am a tenant of the apartment listed above.

2. I have an impairment which results from anatomical, physiological or psychological conditions (other than an addiction to alcohol, gambling, or any controlled substance) which (1) is demonstrable by medically acceptable clinical and laboratory diagnostic techniques, (2) is expected to be permanent, and (3) prevents me from engaging in any substantial gainful employment.

I understand that this disabled person election does not preclude me from purchasing my apartment at a later date.

The above statements are true to the best of my knowledge and understanding.

SIGNED: _____

Sworn to before me this

_____day of_____, 20_____.

_____

NOTARY PUBLIC

Receipt acknowledged, and copy given to tenant.

SPONSOR/AGENT:_____ DATE: _____

FORM SH-2 (Rev. 11/15)

INSTRUCTIONS FOR COMPLETING ELIGIBLE DISABLED PERSON ELECTION FORM

State law provides that tenants who are "eligible disabled persons" cannot be evicted because they did not purchase their apartments.

How to Qualify as an "Eligible Disabled Person"

To qualify as an "eligible disabled person," you must:

1. Be a tenant; and
2. Have a disability as defined on the reverse side of this form; and
3. Complete the form and return it to the sponsor within 60 days of first receiving the offering plan or first becoming disabled (see below for more information).

Who Is Considered a Tenant?

A tenant for purposes of this form is a person who has signed a lease or the spouse of a person who has signed a lease.

Return This Form to the Sponsor

If you were disabled when you first received the offering plan, you must complete and return this form to the sponsor not more than 60 days after first receiving the offering plan.

However, if your disability first occurred after you received the offering plan, then you may elect to become an "eligible disabled person" up to 60 days after the disability first occurred (unless after the first 60 days but before your election the sponsor has accepted a written agreement to purchase your apartment from a "bona fide" purchaser).

Return the form either by delivering it to the sponsor or the sponsor's selling agent at the location specified in the plan, or by mailing it by certified or registered mail, return receipt requested, to the sponsor or selling agent at the address specified in the plan. **Be sure to sign the form before a Notary Public.**

WARNING!

FAILURE TO RETURN THIS FORM WITHIN 60 DAYS COULD ULTIMATELY RESULT IN YOUR BEING EVICTED!

The Sponsor May Dispute Your Eligibility

The law allows the sponsor to dispute your eligibility as an "eligible disabled person." In order to do so, the sponsor must apply to the Department of Law for an eligibility determination within 30 days after the sponsor receives your election form. In case of a dispute, the Department of Law has 30 days to determine your eligibility. If your eligibility is disputed, you will be notified by the Department of Law and given the opportunity to defend your eligibility.

PURCHASE MONEY MORTGAGE

CONSULT YOUR LAWYER BEFORE SIGNING THIS INSTRUMENT-THIS INSTRUMENT SHOULD BE USED BY LAWYERS ONLY

THIS MORTGAGE (hereinafter the "Mortgage"), made the day of , 20

BETWEEN

_____, with an address at _____
_____,

the Mortgagor,

and

2276 HOMECREST OWNER LLC, a New York limited liability company, with an address at 295 Madison Avenue, 2nd Floor, New York, New York 10017,

the Mortgagee,

WITNESSETH, that to secure the payment of an indebtedness in the sum of _____ _____ **AND** _____**/100 ($**_____.____**) DOLLARS** lawful money of the United States, in lawful money of the United States of America, together with interest thereon calculated at the rate of four (4%) percent per annum ("Interest Rate"), in arrears, payable as follows:

Commencing on _____, 20__ and on the 1st day of each month thereafter, Mortgagee shall make monthly payments of interest only in the amount of **$**_____ each; and

A final payment in the amount of **$**_____ of any remaining Principal Amount, together with all accrued interest thereon and any fees and/or expenses shall be due and payable in full on _____, 20_____ ("Maturity Date").

The Mortgagor hereby mortgages to the Mortgagee,

All that certain piece or parcel of real property, with the improvements therein contained, situate and being a Condominium Unit (the " Unit") in Kings County, City and State of New York, known as Unit No. _____ in the Condominium known as 2276 Homecrest Avenue Condominium, said Residential Unit designated and described as Unit No._____, in the Declaration establishing a plan for Condominium Ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), dated and recorded in the Office of the City Register, (the "Register's Office") on _____ as CRFN# _____ and also designated as Tax Lot _____ in Block _____ of Section ____ of Kings County on the Tax Map of the

Real Property Assessment Department of the City of New York, and on the Floor Plan of said building certified by _____on _____and filed with the Real Property Assessment Department of the City of New York on _____as Condominium Plan No. _____, and also filed in the Register's Office on _____ as Condominium Plan No. _____, Map No. _____.

TOGETHER with an undivided _____% percentage of Common Interest in the Common Elements; as more particularly described on Schedule A annexed hereto and made a part hereof.

TOGETHER with all fixtures, chattels and articles of personal property now or hereafter attached to or used in connection with said Unit, and fixtures of every kind.

TOGETHER with all awards heretofore and hereafter made to the Mortgagor for taking by eminent domain the whole or any part of said Unit or any easement therein, including any awards for changes of grade of streets, which said awards are hereby assigned to the Mortgagee, who is hereby authorized to collect and receive the proceeds of such awards and to give proper receipts and acquittances therefor, and to apply the same toward the payment of the Mortgage debt, notwithstanding the fact that the amount owing thereon may not then be due and payable; and the said Mortgagor hereby agrees, upon request, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning said awards to the Mortgagee, free, clear and discharged of any encumbrances of any kind or nature whatsoever.

AND the Mortgagor covenants with the Mortgagee as follows:

1. That the Mortgagor will pay the indebtedness as hereinbefore provided.

2. That the Mortgagor will keep the Unit insured against loss for hazards as described in the Mortgage Rider including, but not limited to, loss by fire, for the benefit of the Mortgagee; that the Mortgagor will assign and deliver the policies to the Mortgagee; and that the Mortgagor will reimburse the Mortgagee for any premiums and interest paid for insurance made by the Mortgagee on the Mortgagor's default in so insuring the Unit or in so assigning and delivering the policies.

3. That the Unit shall not be altered without the consent of the Mortgagee in Mortgagee's sole discretion.

4. That the whole of said principal sum and interest shall become due at the option of the Mortgagee: after default in the payment of any installment of principal or of interest for fifteen (15) days; or after default in the payment of any tax, water rate, sewer rent or assessment for thirty (30) days after notice and demand; or after default after notice and demand either in assigning and delivering the policies insuring the Unit against loss by fire or in reimbursing the Mortgagee for premiums paid on such insurance, as hereinbefore provided; or after default upon request in furnishing a

statement of the amount due on the Mortgage and whether any offsets or defenses exist against the Mortgage debt, as hereinafter provided. An assessment which has been made payable in installments at the application of the Mortgagor or lessee of the Unit shall nevertheless, for the purpose of this paragraph, be deemed due and payable in its entirety on the day the first installment becomes due or payable or a lien.

5. That the holder of this Mortgage, in any action to foreclose it, shall be entitled to the appointment of a receiver.

6. That the Mortgagor will pay all taxes, assessments, sewer rents, water rates and interest thereon, and in default thereof, the Mortgagee may pay the same and all such sums paid by Mortgagee shall be reimbursed by Mortgagor to Mortgagee together with interest thereon at the Involuntary Rate (as defined in the Note).

7. That the Mortgagor within ten (10) business days of written notice will furnish a written statement duly acknowledged of the amount due on this Mortgage and whether any offsets or defenses exist against the Mortgage debt.

8. That notice and demand or request may be in writing and may be served in person or by mail.

9. That the Mortgagor warrants the title to the Unit.

10. That the fire insurance policies required by paragraph No. 2 above shall contain the usual extended coverage endorsement; that in addition thereto the Mortgagor, within thirty days after notice and demand, will keep the Unit insured against war risk and any other hazard that may be required by the Mortgagee. All of the provisions of paragraphs No. 2 and No. 4 above relating to fire insurance and the provisions of Section 254 of the Real Property Law construing the same shall apply to the additional insurance required by this paragraph.

11. That in case of a foreclosure sale, said Unit, or so much thereof as may be affected by this Mortgage, may be sold in one parcel.

12. That if any action or proceeding be commenced (except an action to foreclose this Mortgage or to collect the debt secured thereby), to which action or proceeding the Mortgagee is made a party, or in which it becomes necessary to defend or uphold the lien of this Mortgage, all sums paid by the Mortgagee for the expense of any litigation to prosecute or defend the rights and lien created by this Mortgage (including counsel fees), shall be reimbursed by the Mortgagor to the Mortgagee, together with interest thereon at the Involuntary Rate, and any such sum and the interest thereon shall be a lien on said Unit, prior to any right, or title to, interest in or claim upon said Unit attaching or accruing subsequent to the lien of this Mortgage, and shall be deemed to be secured by this Mortgage. In any action or proceeding to foreclose this Mortgage, or to recover or collect the debt secured thereby, the provisions of law respecting the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant.

13. That the Mortgagor hereby assigns to the Mortgagee the rents, issues and profits of the Unit as further security for the payment of said indebtedness, and the Mortgagor grants to the Mortgagee the right to enter upon and to take possession of the Unit for the purpose of collecting the same and to let the Unit or any part thereof, and to apply the rents, issues and profits, after payment of all necessary charges and expenses, on account of said indebtedness. This assignment and grant shall continue in effect until this Mortgage is paid. The Mortgagee hereby waives the right to enter upon and to take possession of said Unit for the purpose of collecting said rents, issues and profits, and the Mortgagor shall be entitled to collect and receive said rents, issues and profits until default under any of the covenants, conditions or agreements contained in this Mortgage, and agrees to use such rents, issues and profits in payment of principal and interest becoming due on this Mortgage and in payment of taxes, assessments, sewer rents, water rates and carrying charges becoming due against said Unit, but such right of the Mortgagor may be revoked by the Mortgagee upon any default, on five (5) business days' written notice. The Mortgagor will not, without the written consent of the Mortgagee in Mortgagee's sole discretion, receive or collect rent from any tenant of said Unit or any part thereof for a period of more than one month in advance, and in the event of any default under this Mortgage will pay monthly in advance to the Mortgagee, or to any receiver appointed to collect said rents, issues and profits, the rental value for the use and occupation of said Unit or of such part thereof as may be in the possession of the Mortgagor, and upon default in any such payment will, at the option of Mortgagee or the receiver, vacate and surrender the possession of said Unit to the Mortgagee or to such receiver, and in default thereof may be evicted by summary proceedings.

14. That the whole of said principal sum and the interest shall immediately become due at the option of the Mortgagee: (a) after failure to exhibit to the Mortgagee, within ten (10) business days after written demand, receipts showing payment of all taxes, water rates, sewer rents and assessments; or (b) after the actual alteration of the Unit without the written consent of the Mortgagee; or (c) after the assignment of the rents of the Unit or any part thereof without the written consent of the Mortgagee; or (d) if the Unit is not maintained in good repair; or (e) after failure to comply with any requirement or order or notice of violation of law or ordinance issued by any governmental department claiming jurisdiction over the Unit within three months from the issuance thereof; or (f) if on application of the Mortgagee two or more fire insurance companies lawfully doing business in the State of New York refuse to issue policies insuring the Unit; or (g) in the event of the removal, demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered hereby, unless the same are promptly replaced by substantially similar fixtures, chattels and articles of personal property at least equal in quality and condition to those replaced, free from chattel mortgages or other encumbrances thereon and free from any reservation of title thereto; or (h) after thirty (30) days' notice to the Mortgagor, in the event of the passage of any law deducting from the value of the land for the purposes of taxation any lien thereon, or changing in any way the taxation of mortgages or debts secured thereby for state or local purposes; or (i) if the Mortgagor fails to keep, observe and perform any of the other covenants, conditions or agreements contained in this Mortgage after receipt of written notice and an opportunity to cure the same.

15. If there shall be a default under this Mortgage, other than a monetary default, Mortgagee shall give Mortgagor written notice thereof and thirty (30) days to cure same. If after expiration of such thirty (30) days said default has not been cured, Mortgagee may, but shall not be obligated to, cure such default and the amounts advanced by Mortgagee, and the other costs and expenses of Mortgagee in curing such default, with interest at the rate of sixteen (16%) percent per annum from the time of the advances or payments, shall be added to the indebtedness secured by this Mortgage and may be collected hereunder at any time after the time of such advances or payments. If Mortgagee shall not elect to cure such default, the provisions of paragraph 4 and 14 of the printed portion of this Mortgage shall prevail.

16. The whole of the principal sum and, if permitted by law, any accrued interest thereon and other sums secured hereby, shall bear interest at the rate of sixteen (16%) percent per annum from and after maturity, or earlier default hereunder, to be calculated at such rate from the date of maturity or default, as applicable, until Mortgagee receives payment in full of all amounts due hereunder.

17. If Mortgagor shall be dissolved or liquidated or if any petition shall be filed for any relief under the provisions of the Bankruptcy Act or any state insolvency statute, by or against Mortgagor, or if Mortgagor shall make a general assignment for the benefit of creditors, or if any receiver shall be appointed for any property of Mortgagor, then, in any of such events, the whole of said principal sum and the interest thereon shall become immediately due and payable at the option of the Mortgagee.

18. To the extent permitted by law, the rights and remedies provided for herein, or which Mortgagee may have otherwise at law or in equity, shall be distinct, separate and cumulative, and shall not be deemed to be inconsistent with each other, and none of them, whether or not exercised by Mortgagee, shall be deemed to be in exclusion of any other, and any two or more of all such rights and remedies may be exercised at the same time. Any failure of Mortgagee to exercise any of its rights hereunder shall not be deemed a waiver of such rights. The provisions of this Mortgage may not be waived, changed or discharged orally but only in a writing signed by the party against whom such waiver, charge or discharge is sought to be enforced.

19. In the event Mortgagee engages the services of an attorney in connection with any default by Mortgagor hereunder or in connection with a foreclosure action or proceeding of this Mortgage, Mortgagor agrees that there shall be included in the computation of indebtedness secured hereby the amount of a fee for the services of Mortgagee's attorney, as well as disbursements, costs, allowances and additional allowances, together with interest thereon at the Involuntary Rate, and any such sum and the interest thereon shall be a lien upon the Unit prior to any right, title to, interest in or claim upon the Unit which attaches or accrues subsequent to the lien of this Mortgage and it shall be deemed to be secured by this Mortgage. In addition, there shall be due to the holder of this Mortgage, and added to the amount secured hereby, all attorneys' fees, costs and expenses incurred by Mortgagee (i) in connection with any bankruptcy or other insolvency proceeding in any way involving this Mortgage or the

note secured hereby (the *"Note"*), including, without limitation, an application by Mortgagee to lift an automatic stay in Bankruptcy Court, (ii) all attempts to enforce this provision, and (iii) any action or proceeding whatsoever to which action or proceeding Mortgagee is made a party, or in which it becomes necessary to defend or uphold the lien of this Mortgage.

20. Mortgagor shall, immediately upon obtaining knowledge of the commencement of any action or proceeding to take all or any part of the Unit by exercise of the right of condemnation, eminent domain, purchase or otherwise, give written notice thereof to the Mortgagee. Mortgagee, may, at its option, participate in any such proceedings, and Mortgagor shall from time to time deliver to Mortgagee such instruments as Mortgagee shall request to permit such participation. In the event of any such action or proceeding, Mortgagor shall not settle the same or agree to accept any award without the prior written consent of Mortgagee, in Mortgagee's sole discretion, if the amount of such settlement is insufficient to fully satisfy this Mortgage and the underlying mortgages to which this Mortgage is subject, if any; and the award or compensation payable thereunder is hereby assigned to and shall be paid to Mortgagee to the extent of the unpaid principal balance and accrued interest due hereunder. Mortgagee shall have the right, but shall be under no obligation to question the amount of any such award or compensation, and Mortgagee may accept the amount which shall be paid. The proceeds of any award or compensation so received shall, at the option of the Mortgagee, either be applied, without premium, to the prepayment of the indebtedness secured by the Mortgage and at the rate of interest provided in the Note regardless of the rate of interest payable on the award by the condemning authority or be held by Mortgagee and thereafter paid over to Mortgagor.

21. The whole of the unpaid principal and interest payable hereunder shall become due and payable at the option of the Mortgagee in the event Mortgagor sells, transfers, conveys, mortgages or otherwise alienates or encumbers all or any part of the Unit. Any sale or transfer of a controlling interest in any corporate Mortgagor, partnership or limited liability company interest of Mortgagor shall constitute a "transfer" within the meaning of this paragraph.

22. In the event that any payment of any installment of principal or interest shall become overdue for a period in excess of fifteen (15) days other than the principal payment on the maturity date of the Note, a "late charge" of five (5%) percent may be charged by Mortgagee for the purpose of defraying the expenses incident to handling such delinquent payment.

23. Mortgagor for itself, its successors and assigns and all subsequent owners of the Unit, covenants and agrees with Mortgagee, that it will keep and maintain the Unit in a good and complete state of repair and condition and will promptly comply with all the requirements of the Federal, State and Municipal governments or of any departments or bureaus thereof having jurisdiction of the Unit. Mortgagee and/or its authorized representatives shall be entitled at all times to enter upon and inspect the Unit. In the event of failure of the Mortgagor to keep the Unit in a good and complete state of repair

or condition or failure to promptly comply with all the requirements of the Federal, State and Municipal governments or of any departments or bureaus thereof having jurisdiction over the Unit, the Mortgagee may make any such repairs or actions in Mortgagee's sole discretion that Mortgagee may deem necessary for the proper preservation of the Unit, and the full amount of each and every such payment together with interest thereon at the Involuntary Rate shall be due and payable upon demand, and shall be a lien upon the Unit prior to any right, title to, interest in or claim upon the Unit which attaches or accrues subsequent to the lien of this Mortgage and shall be deemed secured by the lien of this Mortgage.

24. In the event of a foreclosure of this Mortgage, the Unit may be sold in one (1) or more parcels, subject to any provision of law prohibiting or restricting same.

25. Wherever used in this Mortgage, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, (a) the word "Mortgagor" shall be deemed to mean the undersigned, its successors and assigns, and/or any subsequent owner or owners of all or any part of the Unit, and (b) the word "Mortgagee" shall be deemed to mean the Mortgagee named herein or any subsequent holder of this Mortgage. Further, whenever the context shall require or admit it, the singular number shall be held to include the plural number, and vice versa, and words of any gender shall be deemed to include any other gender. If there shall be more than one Mortgagor, the covenants and warranties hereof and the Note shall be joint and several.

26. If any provision of this Mortgage or the Note or application thereof to any person or circumstance shall to any extent be invalid, the remainder of this Mortgage or the Note or the application of such provision to any person or circumstance other than those to which it is held invalid shall not be affected thereby and each provision of this Mortgage and the Note shall be valid and enforced to the fullest extent permitted by law.

27. Mortgagor hereby agrees that in any proceeding instituted to foreclose the lien of this Mortgage, Mortgagor will not, cannot and hereby waives any right to (a) assert or interpose against Mortgagee or against the Note or this Mortgage (or the payment, collection or other enforcement of either such instrument) any claim, demand, defense, setoff, deduction or counterclaim (except compulsory counterclaims) whatsoever of any nature or description, and/or (b) seek to consolidate or obtain a joint trial or hearing of any action or proceeding or motion in which Mortgagor makes a claim or demand against Mortgagee or against the Note or this Mortgage (or the payment, collection or other enforcement of either such instrument) of any nature or description, and/or (c) to a trial by jury in any action or proceeding involving the foreclosure of enforcement of this Mortgage and/or the Note.

28. The Mortgagor shall be required to pay a one (1%) percent origination fee to the Mortgagee at the closing of the financing.

29. The Note secured by this Mortgage may be prepaid in whole or part (in full or multiples of $1,000 if in part) by Mortgagor at any time upon ten (10) days prior written

notice without penalty or premium upon written notice to Mortgagee, together with all accrued and unpaid interest, fees and/or expenses thereon through the date of payment. Mortgagee's attorney shall be entitled to receive a fee for preparation of satisfaction documents and for attendance at a closing in connection with the payoff of this Mortgage, if required.

30. Mortgagor hereby agrees to submit and consents to the jurisdiction of the federal and state Courts located in the State of New York and further agrees that service of any process against the Mortgagor in any action brought by any holder of this Mortgage, may be made by certified mail return receipt requested, mailed to the Mortgagor at the Mortgagor's address stated on the front page of the printed portion of this Mortgage with a copy to Mortgagor's attorney at the address set forth above, and service of process made in such manner shall confer upon the Court jurisdiction over the Mortgagor. Said service shall be valid notwithstanding that the holder of this Mortgage may, but shall not be required to, also serve, or attempt to serve, process by personal delivery or any other means.

31. All payments under this Mortgage, whether of principal or of interest, shall be made by check drawn upon a bank having a branch office within the New York metropolitan area. In the event that any two (2) checks given to Mortgagee are dishonored for any reason whatsoever, then Mortgagee shall have the right to demand that all future payments be made by either certified or bank check. In addition, in the event that any check given by the Mortgagor to the Mortgagee in connection with this Mortgage shall be returned uncollected for any reason whatsoever, then the Mortgagor shall pay to the Mortgagee an administrative fee of $100.00 for each such check. This paragraph shall not be construed as requiring the holder of this Mortgage to accept a substitute check or in any way as limiting the other rights given to the holder of this Mortgage.

32. The Mortgagee may, at Mortgagee's option and to the extent permitted by law, foreclose this Mortgage for any portion of the debt or any other sums secured thereby which are then due and payable, subject to the continuing lien of this Mortgage for the balance of the Mortgage debt not then due.

33. This Mortgage and the Note are subject to the express condition that at no time shall Mortgagor be obligated or required to pay interest on the principal balance at a rate which could subject the holder of the Mortgage to either civil or criminal liability as a result of collecting in excess of the maximum interest rate which Mortgagor is permitted by law to pay. If, by the terms of the Note or this Mortgage, Mortgagor is at any time required or obligated to pay interest on the principal balance at a rate in excess of such maximum rate, the rate of interest hereunder shall be deemed to be immediately reduced to such maximum rate, the interest rate payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance.

34. Mortgagor acknowledges and agrees, and represents to Mortgagee that the subject loan is not a consumer loan.

35. To the extent that this rider conflicts or is inconsistent with the printed portion of the Mortgage, the provisions of this rider shall control and govern.

36. Mortgagor shall make all payments due under the Mortgage to Mortgagee without any offsets or deductions of any nature whatsoever.

37. Mortgagor hereby agrees to indemnify and hold Mortgagee harmless from and against all costs, damages and expenses Mortgagee suffers or incurs, including, without limitation, attorneys' fees and disbursements, by reason of any violation on, at, under or around the Mortgaged Unit of applicable environmental laws, rules, regulations and ordinances governing the use, storage, manufacture and presence of hazardous or toxic substances, wastes or materials for which Mortgagor is or was responsible at the time such violation arose and which were not due to the acts or negligence of Mortgagee occurring prior to the date hereof. This indemnification shall survive re-payment of the loan and shall survive the acquisition of title by Mortgagee or its designee arising out of any foreclosure action or deed in lieu of foreclosure.

38. All notices to be given hereunder shall be delivered, by certified or registered mail, return receipt requested, or overnight delivery service to the parties below as follows:

If to Mortgagee:	Mortgagee Attorney:
2276 Homecrest Owner LLC c/o Philips International 295 Madison Avenue, 2nd Floor New York, New York 10017	_____ _____ _____ _____
If to Mortgagor:	Mortgagor Attorney:
_____ _____ _____	_____ _____ _____

Either party may change its address for notices by written notice to the other party. The effective date of each such notice shall be the date of receipt or first refusal to accept delivery thereof.

39. This Mortgage is a purchase money mortgage given to secure a portion of the purchase price paid by Mortgagor to Mortgagee for the purchase of the Unit.

40. That the Mortgagor will, in compliance with Section 13 of the Lien Law, receive the advances secured hereby and will hold the right to receive such advances as a trust

fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

41. Mortgagor will indemnify and hold Mortgagee harmless against any loss, liability, cost or expense, including, without limitation, any judgments, attorney's fees, costs of appeal bonds and printing costs, arising out of or relating to any proceeding instituted by any claimant alleging a violation by Mortgagor of any applicable lien law, including, without limitation, any section of Article 3-A of the New York Lien Law.

42. That the execution of this Mortgage has been duly authorized by the member/manager of the Mortgagor.

This Mortgage may not be changed or terminated orally. The covenants contained in this Mortgage shall run with the land and bind the Mortgagor, the heirs, personal representatives, successors and assigns of the Mortgagor and all subsequent owners, encumbrances, tenants and subtenants of the Unit, and shall inure to the benefit of the Mortgagee, the personal representatives, successors and assigns of the Mortgagee and all subsequent holders of this Mortgage. The word "Mortgagor" shall be construed as if it read "Mortgagors" and the word "Mortgagee" shall be construed as if it read "Mortgagees" whenever the sense of this Mortgage so requires.

IN WITNESS WHEREOF, this Mortgage has been duly executed by the Mortgagor.

IN PRESENCE OF:

_____

STATE OF)
) ss.:
COUNTY OF)

On the _____ day of_____, 20___, before me, the undersigned, a notary public in and for said state, 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 they executed the same in their capacity, and that by their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

SCHEDULE A
LEGAL DESCRIPTION

TO BE INSERTED

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this __ day of _____, 20___, and is incorporated into and shall be deemed to amend and supplement the Purchase Money Mortgage ("PMM") of the same date, given by _____ _____ (the "Mortgagor") to secure Mortgagor's Note to 2276 Homecrest Owner LLC (the "Lender") of the same date and covering the Premises described in the PMM and located at: Residential Unit No. _____, 2276 Homecrest Avenue, Brooklyn, New York 11229. The Unit includes, but is not limited to, the Residential Unit, together with an undivided _____ % Percentage of Common Interest in the Common Elements, as described in the Declaration of Condominium entitled 2276 Homecrest Avenue Condominium made by 2276 Homecrest Owner LLC, under Article 9-B of the New York Real Property Law dated the _____ day of _____, 20___ and recorded in the Office of the City Register of the City of New York on the _____ day of _____, 20___ as CRFN#_____, (the "Declaration"). The Unit is a part of a condominium known as 2276 Homecrest Avenue Condominium (the "Condominium"). The Unit also includes Mortgagor's undivided interest in the common elements of the Condominium and the uses, benefits and proceeds of Mortgagor's interest.

CONDOMINIUM COVENANTS. In addition to the covenants and agreements made in the PMM, Mortgagor and Lender further covenant and agree as follows:

A. Condominium Obligations. Mortgagor shall perform all of Mortgagor's obligations under the Condominium's Constituent Documents. The "Constituent Documents" are the: (i) Declaration; (ii) certificate of incorporation, if any; and (iii) any by-laws or other rules or regulations of the Condominium. Mortgagor shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Hazard Insurance. So long as the Condominium maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Unit which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then Mortgagor's obligation under Uniform Covenant 2 to maintain hazard insurance coverage on the Unit is deemed satisfied to the extent that the required coverage is provided by the Condominium policy.

Mortgagor shall give Lender prompt notice of any lapse in required hazard insurance coverage provided by the master or blanket policy.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Unit or to common areas and facilities

of the Condominium, any proceeds payable to Mortgagor are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the PMM, with any excess paid to Mortgagor.

C. Public Liability Insurance. Mortgagor shall take such actions as may be reasonable to insure that the Condominium maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Mortgagor in connection with any condemnation or other taking of all or any part of the Unit or the common elements of the Condominium, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the PMM as provided in Paragraph 20 of the PMM.

E. Lender's Prior Consent. Mortgagor shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Unit or consent to:

(i) the abandonment or termination of the Condominium, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;
(ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender;
(iii) termination of professional management and assumption of self-management of the Condominium; or
(iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Condominium unacceptable to Lender.

F. Remedies. If Mortgagor does not pay Condominium Common Charges and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Mortgagor secured by the PMM. Unless Mortgagor and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Involuntary Rate described in the Note and shall be payable, with interest, upon notice from Lender to Mortgagor requesting payment.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and provisions contained in this Condominium Rider.

_____

NOTE

$_____ East Meadow, New York
_____, 20__

FOR VALUE RECEIVED, the undersigned, _____, ("Maker"), hereby promises to pay to **2276 HOMECREST OWNER LLC**, a New York limited liability company ("Payee") or order, the principal sum of _____ _____ **AND** _____**/100 ($**_____,_____**) DOLLARS** ("Principal Amount"), in lawful money of the United States of America, together with interest thereon calculated at the rate of four (4%) percent per annum ("Interest Rate"), in arrears, payable as follows:

Commencing on _____, 20__ and no later than the 1st day of each month thereafter, Maker shall make monthly payments of interest only in the amount of **$**_____ each; and

A final payment in the amount of **$**_____, together with all accrued interest, any fees and/or expenses thereon shall be due and payable in full on _____ _____, 20__ ("Maturity Date").

All payments shall be made to Payee at c/o Philips International, 295 Madison Avenue, 2nd Floor, New York, New York 10017; or at such other place as designated in writing by Payee, in currency of the United States of America that at the time of payment shall be legal tender for the payment of public and private debts. In the event that this Note shall become due on a Sunday or legal holiday, it shall be deemed to be due the next business day.

This Note is secured by a mortgage ("Mortgage") made by Maker to Payee of even date herewith on property situate in Kings County, City and State of New York, designated as Section ____, Block _____, Lot _____ and known by the street address Residential Unit No. _____, 2276 Homecrest Avenue, Brooklyn, New York 11229 (the "Unit").

In the event of any default by Maker in its obligations hereunder, after any applicable notice and grace periods, interest shall immediately accrue at the Involuntary Rate (as defined below).

Notwithstanding any other provision of this Note to the contrary, all payments made hereunder shall be applied first to payment of interest on the Principal Amount outstanding hereunder from time to time, second, to sums payable hereunder or under the Mortgage other than interest and principal, and third to the Principal Amount.

In the event the Payee has not received the full amount of any monthly payment by the end of fifteen (15) calendar days after the date such monthly payment is due, Maker shall pay a late charge to Payee in the amount of five (5%) percent of the amount

of the overdue payment. The foregoing right is in addition to, and not in limitation of, any other rights which Payee may have upon Maker's failure to make timely payment of any amount due hereunder. In the event any payment due hereunder is dishonored for any reason, in addition to the amount of the payment dishonored, Maker shall pay a fee to Payee in the amount of $100.00, which fee shall be due and payable within five (5) days after receipt by the Maker of notice from Payee that the payment has been dishonored.

From and after the Maturity Date and from and after any event of default by the Maker in its obligations hereunder, after any applicable notice and grace periods, so long as such event of default shall continue, this Note shall bear interest at a rate equal to sixteen (16%) percent per annum or higher amount, if permitted by law ("Involuntary Rate"). Such interest shall be due and payable to Payee on demand.

In the event the indebtedness represented by this Note or any part thereof shall be collected at law or in equity, or in bankruptcy, receivership or any other court proceedings (whether at trial or at the appellate level) or in the event this Note shall be placed in the hands of attorneys for collection upon default, Maker shall pay, in addition to other items provided hereunder, all costs of collection or attempting to collect the amount of this Note, including but not limited to, attorneys' fees and expenses.

Maker hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices in connection with this Note, except for those expressly provided herein.

Notwithstanding anything to the contrary contained herein, the obligations of Maker under this Note shall be subject to the limitation that payments of interest shall not be required to the extent that receipt of any such payment by Payee would be contrary to provisions of law applicable at the time of computation to Payee limiting the maximum rate of interest that may be charged or collected by Payee. Any payments in excess of the Involuntary Rate theretofore collected by Payee shall be credited on the principal balance of this Note and all other indebtedness secured by the Mortgage.

This Note may not be changed, modified or discharged, nor any provision waived, orally, but only in writing, signed by the party against whom enforcement of any such change, modification, discharge or waiver is sought.

Neither any failure or delay on the part of the holder of this Note in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall a single or partial exercise of any such right, power or privilege preclude any other or future exercise thereof or the exercise thereof or the exercise of any other right, power or privilege.

The provisions of this Note shall bind Maker, its successors and assigns and shall inure to the benefit of Payee and its successors and assigns.

This Note may be prepaid, in whole or in part, without penalty at any time prior to the Maturity Date upon not less than ten (10) days prior written notice to Payee.

Maker irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Note.

This Note has been delivered in, and shall be construed and enforced in accordance with, the laws of the State of New York.

_____ _____

Witness

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

On the ___ day of _____, 20__, before me, the undersigned, a notary public in and for said state, 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 they executed the same in their capacity, and that by their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____

Notary Public

REL 1262 PAGE 1022

THIS AGREEMENT made on the 26 day of August, 1981, between WILLIAM E. ELIAS, and ELEANOR M. ELIAS, his wife, both residing at [redacted], and 2276 HOMECREST AVE. REALTY CORP., a domestic corporation with offices at 1509 Voorhies Avenue, Brooklyn, New York 11235.

1372

WITNESSETH

WHEREAS, WILLIAM E. ELIAS and ELEANOR M. ELIAS (hereinafter called "ELIAS") are the owners of the premises described as follows:

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the northeasterly side of Sheepshead Bay Road distant 146.25 feet northwesterly from the corner formed by the intersection of the northeasterly side of Sheepshead Bay Road with the northwesterly side of Gravesend Neck Road; running thence northwesterly alongside of Sheepshead Bay Road 30.35 feet; thence easterly parallel with Avenue V, 91.61 feet; thence southerly at right angles to Avenue V, 26 feet; thence easterly parallel with Avenue V and part of the distance through a party wall 75.56 feet to the northeasterly side of Sheepshead Bay Road to the point or place of BEGINNING, and

WHEREAS, 2276 HOMECREST AVE. REALTY CORP. is the owner of the premises adjoining on the east, described as follows:

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, known and designated as parts of Lots 1122 and 1123 on Map of 2nd Addition to Homecrest, filed in the Register's Office of Kings County on May 24th, 1899, as Map 1939, bounded and described as follows:

BEGINNING at a point on the Westerly side of Homecrest Avenue, distant 600 feet Southerly from the corner formed by the intersection of the Westerly side of Homecrest Avenue with the Southerly side of Avenue V;

RUNNING thence Westerly parallel with Avenue V, 100 feet;

THENCE Southerly parallel with Homecrest Avenue, 40 feet;

THENCE Easterly parallel with Avenue V, 100 feet to the Westerly side of Homecrest Avenue;

THENCE Northerly along the Westerly side of Homecrest Avenue, 40 feet to the point or place of BEGINNING.

WHEREAS, the fence located at the rear of the premises owned by ELIAS encroaches to the extent of five (5) feet, three (3) inches on the property of 2276 HOMECREST AVE. REALTY CORP., as per the survey attached herewith and,

WHEREAS, it is the desire of the parties to set forth in writing, their agreement with reference to the fence.

NOW, THEREFORE, in consideration of the premises and the sum of ONE DOLLAR, each to the other in hand paid, the receipt whereof is hereby duly acknowledged, the parties agree as follows:

1 - Wherever the fence of ELIAS as presently existing, encroaches upon or overlaps the premises of 2276 HOMECREST AVE. REALTY CORP. they consent that the same shall remain in its present location as long as it stands subject to the limitations and conditions set forth below.

2 - The use of such fence or portion thereof which now encroaches upon the property of 2276 HOMECREST AVE. REALTY CORP. does not and shall never ripen into nor become a right to use any portion of the property of 2276 HOMECREST AVE. REALTY CORP. but is and shall continue to be only a use by sufferance of a portion only of the premises of 2276 HOMECREST AVE. REALTY CORP. covered by the fence.

3 - Should 2276 HOMECREST AVE. REALTY CORP., or their assigns desire to discontinue the use by ELIAS of the premises encroached by the fence, such use and encroachment will be discontinued and terminated by ELIAS and the fence removed from the premises of 2276 HOMECREST AVE. REALTY CORP. within thirty (30) days after written notice to ELIAS, or their assigns, by Certified Mail by 2276 HOMECREST AVE. REALTY CORP., or their assigns, of notice to remove the encroachment.

4 - Within 30 days after the date of mailing of such notice, ELIAS shall, at their own cost and expense, remove the fence from the property of 2276 HOMECREST AVE. REALTY CORP. and if the fence shall not be so removed, 2276 HOMECREST AVE. REALTY CORP., at their option may exercise the right of removing so much of the fence that rests on or extends over the property of 2276 HOMECREST AVE. REALTY CORP. blocking the use of any portion of the premises of 2276 HOMECREST AVE. REALTY CORP.

5 - In the event of a sale by ELIAS, their heirs, legal representatives, distributees or assigns of his property, then upon the delivery of a conveyance thereto, the consent by 2276 HOMECREST AVE. REALTY CORP., herein contained, for the fence or a portion thereof, to remain on the premises is revoked and the fence shall be removed from the premises of 2276 HOMECREST AVE. REALTY CORP. forthwith.

6 - In the event 2276 HOMECREST AVE. REALTY CORP., or their assigns, shall attempt to sell this property or mortgage same and the proposed purchaser or mortgagee shall refuse to buy or mortgage the premises subject to such encroachment, 2276 HOMECREST AVE. REALTY CORP., or its assigns, may terminate the consent for the fence to remain on the premises of 2276 HOMECREST AVE. REALTY CORP. immediately and block any further use of any portion of the premises and notice of such termination shall be sent to ELIAS by Certified Mail and ELIAS shall forthwith remove at their own cost and expense the fence and restore the premises to normal grade.

7 - All notices provided for herein shall be sent to the party entitled to receive same at their address above given or at the last address appearing in the records of the City Collector, City of New York

8 - Annexed and made a part is a print of the survey of the premises of 2276 HOMECREST Ave. REALTY CORP. showing the encroachment of the fence referred to herein.

9 - This agreement and all of its terms, covenants and conditions shall be binding upon and enure to the benefit of the parties hereto, their legal representatives, distributees, successors and assigns.

IN WITNESS WHEREOF, the parties have set their hands on the day and year written above.

2276 HOMECREST AVE. REALTY CORP.

By: _____

_____
WILLIAM E. ELIAS

_____
ELEANOR N. ELIAS

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

On the 26 day of Aug, 1981, before me personally came WILLIAM E. ELIAS and ELEANOR N. ELIAS, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged that they executed the same.

ANN HARRIMAN
NOTARY PUBLIC, State of New York
No. 4738201
Qualified in Kings County
Commission Expires March 30, 1983

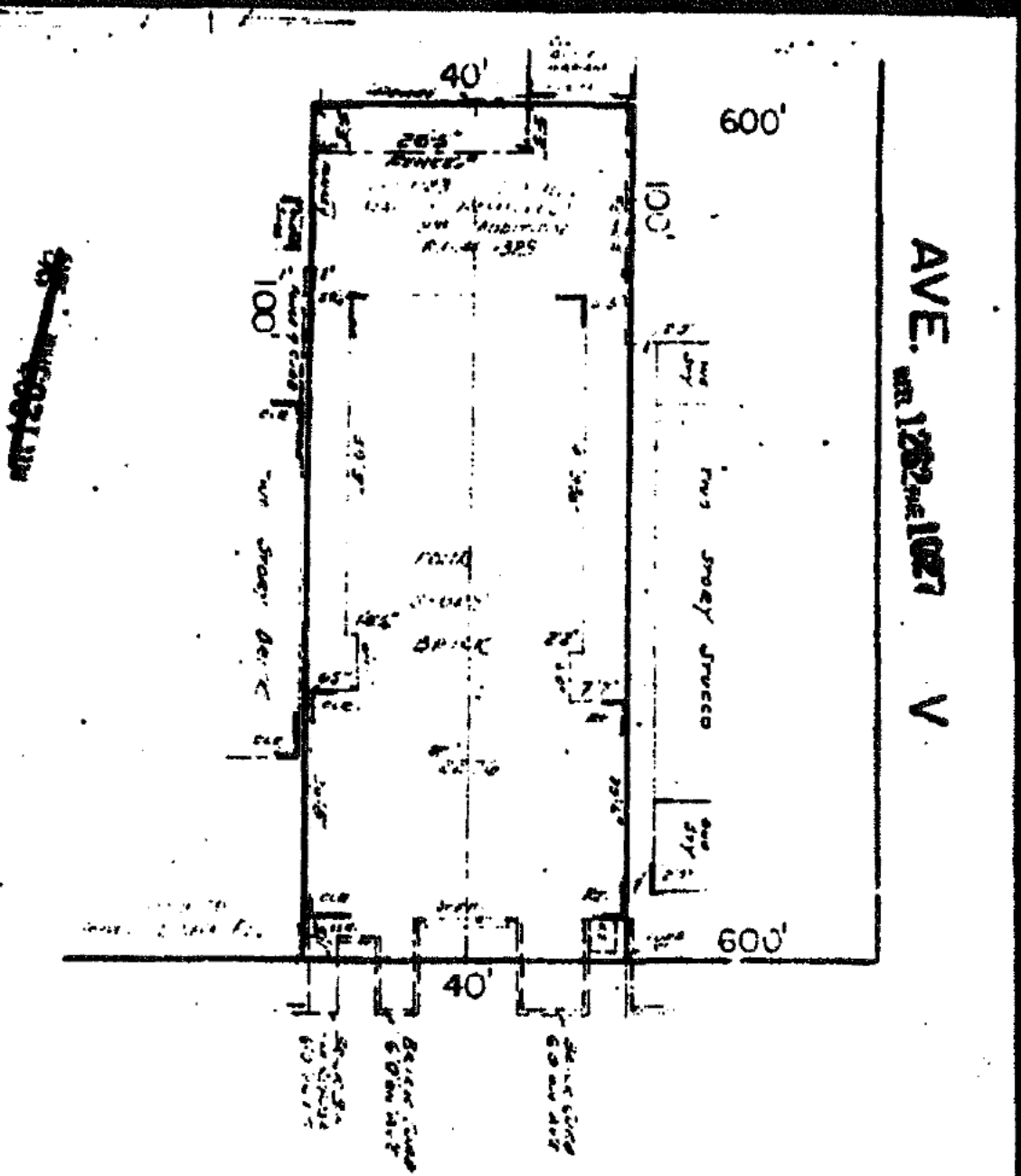
Ann Harriman
NOTARY PUBLIC

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

On the 26th day of Aug, 1981, before me personally came Robert Weinstein, to me known, who, being by me duly sworn, did depose and say that he resides at [redacted] that he is the V.P. of 2276 HOMECREST AVE. REALTY CORP.; the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

Ralph D. Henry
NOTARY PUBLIC

RALPH D. HENRY
Notary Public - State of New York
No. 4648834
Qualified in Nassau County
Commission Expires March 30, 19[illegible]



GUARANTEED TO:
CHICAGO TITLE INSURANCE COMPANY
FRANKLIN SAVINGS BANK
CITY OF NEW YORK

SURVEYED

SAMUEL A. McELROY
CITY SURVEYOR
26 COURT ST BROOKLYN N Y

Block 7378

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27

RECORDED IN CITY REGISTER
Kings County
RECORDED
Witness my hand
and official seal

CITY REGISTER

2276

2276 BORDEN AVE. REALTY CORP.

with

WILLIAM E. ELIAS and
ELEANOR N. ELIAS

AGREEMENT

Block 7372
Lot 37, 57

Return and Return To:
VICTOR GANTENSTEIN, P.C.
ATTORNEY AT LAW
1809 VOORHIES AVENUE
P.O. BOX 170, GAY STATION
BROOKLYN, NEW YORK 11229
(212) 769-4202

Section
Block 7372
Lot 37,57
County Kings

No 9-2-81