THIS PLAN HAS BEEN AMENDED – SEE INSERT UNDER FRONT COVER.

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

OFFERING PLAN FOR

THE ELBERTSON CONDOMINIUM

A PLAN TO CONVERT TO CONDOMINIUM OWNERSHIP

Premises known as

79-15 35th AVENUE
JACKSON HEIGHTS, NEW YORK

Total Purchase Price of all 41 Units to non-tenant purchasers*.....	$4,404,642.00
Working Capital Fund to be Retained by the Condominium from Offering (1).....	15,000.00
Reserve Fund (2).....	90,500.00

***See pages 8-11 for Purchase Price of each Unit to tenant purchasers during exclusive purchase period.**

Sponsor:

AARON ZIEGELMAN
WILLIAM K. LANGFAN
200 West 57th Street
New York, New York 10019

Selling Agent:

GALA REALTY
200 West 57th Street
New York, New York 10019
(212) 582-4252

The approximate date of the first offering of this plan is April 5, 1985.

This plan may not be used after April 4, 1986, unless amended.

(1) This fund may be increased or reduced as the result of closing adjustments. (See the section entitled "WORKING CAPITAL FUND" for a full discussion.)

(2) This fund may be increased or reduced. (See the section entitled "RESERVE FUND" for a full discussion.)

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION CONCERNING THE CONDOMINIUM UNITS IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLLING OR OFFERING TO SELL ANY 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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PART I

SPECIAL RISKS

1. Purchase Agreement Not Contingent on Financing

THE PURCHASE AGREEMENT IS NOT CONDITIONED UPON A PURCHASER'S ABILITY TO OBTAIN FINANCING. ACCORDINGLY, ANY PURCHASER WHO INTENDS TO RELY ON BANK FINANCING SHOULD INQUIRE WITH THE BANK OF HIS PREFERENCE AS TO THE AMOUNT, TERMS, COST, AVAILABILITY, AND HIS ELIGIBILITY FOR SUCH FINANCING BEFORE SIGNING AND RETURNING THE PURCHASE AGREEMENT IN ORDER TO AVOID THE RISK OF LOSING HIS DOWN PAYMENT. IF A PURCHASER EXECUTES A PURCHASE AGREEMENT AND IS UNABLE TO OBTAIN FINANCING OR OBTAINS FINANCING WHICH EXPIRES PRIOR TO HIS CLOSING AND SUCH FINANCING IS NOT EXTENDED, HE MAY FORFEIT HIS DOWN PAYMENT IN AN AMOUNT NOT TO EXCEED TEN (10%) PER CENT OF THE PURCHASE PRICE. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY, AMOUNT, TERMS OR CONDITIONS UPON WHICH SUCH FINANCING MAY BE GRANTED OR THE COST OF SUCH FINANCING.

INTRODUCTION

Nature of the Transaction

The building and all appurtenances thereto at 79-15 35th Avenue, Jackson Heights, New York (the "**Building**") and the approximate 11,500 square feet of land on which it is erected are owned by Aaron Ziegelman and William K. Langfan, as tenants-in-common, (the "**Sponsor**"), who acquired title on December 23, 1983. Such Building and land are hereinafter collectively called the "**Property**". The Sponsor presents this Offering Plan (the "**Plan**") for conversion to condominium ownership of the Property. The condominium shall be known as THE ELBERTSON CONDOMINIUM (the "**Condominium**").

The purpose of the Plan is to set forth all the material terms of the offer. The Plan may be amended from time to time to reflect changes which materially affect the offer. All amendments will be filed with the Department of Law and will thereafter be served upon one residential tenant per Unit, purchasers who have executed and delivered Purchase Agreements to the Sponsor or Selling Agent and are not in default, Unit Owners, and any other person entitled to service pursuant to local law or regulations. Service by personal delivery shall be deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day after the date of the last mailing.

The Offer

The Sponsor hereby offers 41 Units for sale under the Plan. The purchase prices and estimated Common Charges for each of these Units are listed at pages 8-11 of the Plan in the schedule of Purchase Price and Other Financial Details for Each Unit (hereinafter sometimes called the "**Purchase Price Schedule**"). THE PRICES CONTAINED IN THE PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY ANY GOVERNMENTAL AGENCY.

Each tenant in occupancy shall have the exclusive right to purchase his dwelling Unit at the 90-Day Purchase Price to Tenants set forth on pages 8-11 of the Plan for a period of ninety (90) days from the date of service of a copy of the Plan. During this exclusive purchase period a tenant's dwelling Unit shall not be shown to a third party unless the tenant has, in writing, waived his right to purchase. In addition thereto, during this exclusive purchase period Sponsor will not accept Purchase Agreements from non-tenant purchasers for occupied dwelling Units. During the exclusive purchase period afforded tenants, the Purchase Price to tenants may not be increased and may be decreased only by a duly filed amendment to the Plan. Increases in the Purchase Price of Units in the Building must be made by amendment to the Plan. (See "CHANGES IN PURCHASE PRICE AND UNIT SIZES AND LAYOUTS" at page 20 of the Plan.)

Sponsor has the right to reject any prospective purchaser (other than an existing tenant in occupancy who signs and delivers a Purchase Agreement during the exclusive purchase period applicable to such tenant) without cause or explanation, provided that such rejection is not based on sex, race, creed, color, national origin, ancestry, or any other ground proscribed by law.

The Unsold Units may be used for any lawful purposes, including, without limitation, the leasing or renting of any or all of the same for such rents, and upon such terms and conditions, as Sponsor and any tenants may agree upon. The Unsold Units may be sold without prior amendment to the Plan, unless such amendment is required by law.

If a purchaser desires to obtain financing for the Purchase of a Unit (which each purchaser is free to do), the obligations of the purchaser under the Purchase Agreement will not be conditioned upon his or her obtaining such financing. Consequently, it is recommended that such purchaser inquire about the availability, terms and cost of, as well as the purchaser's eligibility for, such financing from the lender of the purchaser's preference before signing and returning the Purchase Agreement. If a purchaser executes a Purchase Agreement and is unable to obtain financing or obtains financing which expires prior to his closing and such financing is not extended, he may forfeit his down payment in an amount not to exceed ten (10%) per cent of the Purchase Price. No representation is made as to whether any purchaser will qualify for financing or as to the terms, cost, or availability of financing.

Features of Condominium Ownership

Ownership of a Unit is similar in many respects to ownership of a private home. The owner of each Unit (a "**Unit Owner**") will own fee title to his or her Unit and will be entitled to the exclusive possession thereof. In addition, each Unit Owner will own, in common with every other Unit Owner, an undivided percentage interest in all parts of the Property other than the Units themselves (the "**Common Elements**"), which Common Elements will include, without limitation, the Land and the roofs, exterior walls, foundations and supports of the Building.

Each Unit Owner may freely mortgage his or her Unit or not, as he or she sees fit, with such lender and in such amount as he or she chooses, subject only to compliance with a certain filing requirement contained in the Condominium's By-Laws. (See "RIGHTS AND OBLIGATIONS OF UNIT OWNERS — Mortgages of Units" for further discussion.) Each Unit is separate and is not subject to the lien of any mortgages placed by his or her neighbors on their Units.

Each Unit will be taxed as a separate tax lot for real estate tax and assessment purposes, and each Unit Owner will be solely responsible for the payment of all real estate taxes and assessments levied against his or her Unit. An estimate of the real estate taxes and assessments that will be payable for each of the Units during the first year of condominium operation of the Property is listed in the Purchase Price Schedule. Subsequent to the Units being separately assessed, no Unit Owner will be liable for the payment of, and no Unit will be subject to any lien arising out of the non-payment of, real estate taxes or assessments levied against any other Unit.

In the opinion of Sponsor's counsel (set forth at page 31 of the Plan), each Unit Owner may, under present income tax laws, deduct from his or her income, for the purposes of federal, New York State and New York City income taxes, any mortgage interest and real estate taxes paid on his or her Unit, substantially like a homeowner.

Any Unit Owner can sell or lease his or her Unit to anyone, without restriction or limitation, subject only to the right of first refusal in favor of the Board of Managers of the Condominium (the "**Condominium Board**") or a third party produced by the Condominium Board to acquire or lease such Unit upon the same terms that were offered to the prospective buyer or tenant. (See "RIGHTS AND OBLIGATIONS OF UNIT OWNERS — Sales and Leases of Units" for further discussion).

Each Unit Owner may decorate the interior of his or her Unit in any manner that he or she desires, subject to compliance with the Condominium's By-Laws and the Rules and Regulations promulgated pursuant thereto, and will be solely responsible for the cost and expense of maintaining, repairing and painting his or her Unit. (See "RIGHTS AND OBLIGATIONS OF UNIT OWNERS — Repairs to, and Maintenance of, Units and Common Elements" for further discussion.)

The Condominium Board will, from time to time, assess all Unit Owners in proportion to their respective percentage interests in the Common Elements, charges (the "**Common Charges**") for, among other things, the cost and expense of operating, maintaining and repairing the Common Elements (the "**Common Expenses**"). Each Unit Owner will be solely responsible for the payment of all Common Charges assessed against him or her. (See "RIGHTS AND OBLIGATIONS OF UNIT OWNERS — Common Charges: Assessment, Collection and Lien for Non-Payment" for further discussion.)

The undivided percentage interest in the Common Elements of each Unit (the "**Common Interest**" of such Unit) shall be 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 uses and the overall dimensions of the Unit, pursuant to the Condominium Act. The aggregate Common Interest of all Units equals 100%. Each Unit's Common Interest and an estimate of the Common Charges that will be payable by the owner of each Unit during the first year of condominium operation of the Property are listed in the Purchase Price Schedule.

Applicable Rent Laws

All 41 Units in the Building are either rent controlled pursuant to the Rent, Eviction and Rehabilitation Regulations or rent stabilized pursuant to the Rent Stabilization Law of 1969 and the Code of the Rent Stabilization Association of New York City ("**Code**"). There is one (1) vacant Unit.

There are no professional apartments.

The superintendent occupies Apartment 1-G in the Building and his apartment is not included in the offering but will be included as a part of the Common Elements.

The Plan is being presented in compliance with the procedures contained in General Business Law Section 352-eeee for converting the Building to condominium ownership on a non-eviction basis. As a result, 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. (See "RIGHTS OF EXISTING TENANTS" at page 43 of the Plan.)

THE PLAN MAY NOT BE AMENDED AT ANY TIME TO AN EVICTION PLAN.

The applicable New York State law (General Business Law Section 352-eeee) is summarized in Part I commencing at page 43 and the salient provisions are printed as Document Number 9 in Part II of the Plan. This law grants certain rights to tenants whether or not they wish to purchase.

Contents of Part II

The agreement to purchase a Unit is called a "**Purchase Agreement**", the general form of which is set forth in Part II as Document Number 1. The terms of sale of Units, as well as the procedure to purchase the same, are summarized in the section entitled "PROCEDURE TO PURCHASE; TERMS OF SALE OF UNITS" at page 50.

A detailed description of the physical condition of the Property is set forth in Part II as Document Number 3 and should be reviewed carefully by prospective purchasers.

The salient provisions of General Business Law Section 352-eeee which concern the conversion of the Property to condominium ownership are set forth as Document Number 9 in Part II.

The salient provisions of the Declaration of the Condominium (the "**Declaration**"), which is the document that establishes condominium ownership of the Property, and the By-Laws of the Condominium (the "**By-Laws**"), which govern the operation of the Condominium and to which are annexed the Rules and Regulations of the Condominium (the "**Rules and Regulations**"), are partially summarized in the sections entitled "**Rights and Obligations of Unit Owners**" and "**Summary of Certain Provisions of the By-Laws**" and are reproduced in full in Part II as Documents Number 4 and 5, respectively.

Floor plans of typical Units are set forth in Part II as Document Number 6.

The form of deed that Sponsor will issue to purchasers of Units, and the form of Unit Owner's Power of Attorney that each Unit Owner will be required to give to the Condominium Board and to Sponsor pursuant to the terms of the By-Laws, are set forth as Documents Number 7 and 8, respectively, in Part II.

Parts I and II constitute the entire offering and contain all the detailed terms of the offer. The exhibits submitted to the Department of Law in connection with the filing of the Plan contain additional supporting documentation and are available for inspection and copying to prospective purchasers and their attorneys at the office of the attorneys for the Sponsor during regular business hours. There will be no charge for inspection. However, there will be

a charge of 40¢ per page for copying. The Plan and exhibits are also available for inspection and copying at the Department of Law, Two World Trade Center, 48th Floor, New York, New York, 10047.

Financing

THE PURCHASE AGREEMENT IS NOT CONDITIONED UPON A PURCHASER'S ABILITY TO OBTAIN FINANCING. ACCORDINGLY, ANY PURCHASER WHO INTENDS TO RELY ON BANK FINANCING SHOULD INQUIRE WITH THE BANK OF HIS OR HER PREFERENCE AS TO THE AMOUNT, TERMS, COST, AVAILABILITY, AND HIS OR HER ELIGIBILITY FOR SUCH FINANCING BEFORE SIGNING AND RETURNING THE PURCHASE AGREEMENT IN ORDER TO AVOID THE RISK OF LOSING HIS OR HER DOWN PAYMENT. IF A PURCHASER EXECUTES A PURCHASE AGREEMENT AND IS UNABLE TO OBTAIN FINANCING OR OBTAINS FINANCING WHICH EXPIRES PRIOR TO HIS OR HER CLOSING AND SUCH FINANCING IS NOT EXTENDED, HE OR SHE MAY FORFEIT HIS OR HER DOWN PAYMENT IN AN AMOUNT NOT TO EXCEED TEN (10%) PER CENT OF THE PURCHASE PRICE.

Various savings and commercial banks in New York State have generally financed a substantial portion of the Purchase Price of Units for purchasers whose credit, income and reputation are acceptable to the bank making the loan. Persons who may be interested in making financial arrangements with any lending institution should communicate directly with the lender of their choice.

Neither the Sponsor nor the Selling Agent is making arrangements for such financing or is acting as agent for any lender with regard to financing for prospective purchasers. NO REPRESENTATION OR WARRANTY IS MADE THAT FINANCING WILL BE AVAILABLE TO ANYONE WHO EXECUTES A PURCHASE AGREEMENT OR AS TO THE TERMS OR CONDITIONS OF SUCH FINANCING.

Certain Definitions

The term "**Condominium Documents**" means the Declaration, together with the By-Laws, the Rules and Regulations and the Floor Plans, each of which will be recorded or filed simultaneously with the recording of the Declaration.

The term "**First Closing**" means the first date upon which title to a Unit is conveyed to a purchaser under the Plan.

The term "**Initial Control Period**" means the period ending on the earlier of (a) the closing of title under the Plan to Units having more than 50% of the aggregate Common Interests appertaining to all Units or (b) five years after the First Closing.

The term "**Managing Agent**" means B.L. Manangement Inc., 212-27 16th Avenue, Bayside, New York 11360.

The terms "**Presentation Date**", "**presentation**", "**presented**" and words of similar import mean the date upon which the Plan, or any amendment hereto, is delivered to all of the tenants in the Building. Delivery to a tenant may be

made either by personal delivery or by mail. However, in the event of mailing the Presentation Date shall be five (5) days after the date of the last mailing.

The term **"Purchaser"** means a purchaser of a Unit under a Purchase Agreement.

The term **"Unit"** means any of the 41 apartments in the Building being offered for sale under the Plan and designated as such in the Declaration, together with its appurtenant Common Interest.

The term **"Units"** means the Units offered herein.

The term **"Unsold Units"** means the Units owned by Sponsor or its designee at the time in question.

In accordance with Title YYYY of the Administrative Code of the City of New York, Sponsor shall, not later than the thirtieth (30) day following the presentation date and until the Closing Date, cause to be maintained at the apartment of the superintendent a listing of all violations of record against the Property as determined by the Department of Buildings and the Department of Housing Preservation and Development and to add to such list all new violations noted against the Property within forty eight (48) hours of their issuance.

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

SCHEDULE A
PURCHASE PRICE AND OTHER FINANCIAL DETAILS FOR EACH UNIT

THE ELBERTSON CONDOMINIUM
79-15 35TH AVENUE
JACKSON HEIGHTS, NEW YORK

First Year of Condominium Operation Estimated To Be July 1, 1985 - June 30, 1986

UNIT NUMBER	STATUS (1)	NUMBER OF ROOMS AND BATHS (2)	PERCENTAGE INTEREST IN THE COMMON ELEMENTS (COMMON INTEREST) (3)	90 DAY PURCHASE PRICE TO TENANTS (4)	PURCHASE PRICE TO NON-TENANTS (4)	ESTIMATED COMMON CHARGES FOR 1ST YEAR (5)		ESTIMATED REAL ESTATE TAXES FOR 1ST YEAR (6)		TOTAL ESTIMATED CARRYING CHARGES FOR 1ST YEAR (ESTIMATED COMMON CHARGES AND REAL ESTATE TAXES FOR 1ST YEAR)	
						MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL
1-A	S	3.0/1	1.9010	58,612.40	83,732.00	158.42	1,901.00	32.56	390.74	190.98	2,291.74
2-A	S	3.5/1	2.2169	68,352.90	97,647.00	184.74	2,216.90	37.97	455.67	222.71	2,672.57
3-A	V	3.5/1	2.2169	VACANT	97,647.00	184.74	2,216.90	37.97	455.67	222.71	2,672.57
4-A	S	3.5/1	2.2169	68,352.90	97,647.00	184.74	2,216.90	37.97	455.67	222.71	2,672.57
5-A	C	3.5/1	2.2169	68,352.90	97,647.00	184.74	2,216.90	37.97	455.67	222.71	2,672.57
6-A	C	3.5/1	2.2169	68,352.90	97,647.00	184.74	2,216.90	37.97	455.67	222.71	2,672.57
1-B	S	2.5/1	1.5850	48,871.90	69,817.00	132.08	1,585.00	27.15	325.79	159.23	1,910.79
2-B	C	4.5/1	2.7444	84,615.30	120,879.00	228.70	2,744.40.	47.01	564.10	275.71	3,308.50
3-B	C	4.5/1	2.7444	84,615.30	120,879.00	228.70	2,744.40	47.01	564.10	275.71	3,308.50
4-B	S	4.5/1	2.7444	84,615.30	120,879.00	228.70	2,744.40	47.01	564.10	275.71	3,308.50
5-B	S	4.5/1	2.7444	84,615.30	120,879.00	228.70	2,744.40	47.01	564.10	275.71	3,308.50
6-B	C	4.5/1	2.7444	84,615.30	120,879.00	228.70	2,744.40	47.01	564.10	275.71	3,308.50

SEE FOOTNOTES FOLLOWING SCHEDULE

SCHEDULE A
PURCHASE PRICE AND OTHER FINANCIAL DETAILS FOR EACH UNIT

THE ELBERTSON CONDOMINIUM
79-15 35TH AVENUE
JACKSON HEIGHTS, NEW YORK

First Year of Condominium Operation Estimated To Be July 1, 1985 - June 30, 1986

UNIT NUMBER	STATUS (1)	NUMBER OF ROOMS AND BATHS (2)	PERCENTAGE INTEREST IN THE COMMON ELEMENTS (COMMON INTEREST) (3)	90 DAY PURCHASE PRICE TO TENANTS (4)	PURCHASE PRICE TO NON-TENANTS (4)	ESTIMATED COMMON CHARGES FOR 1ST YEAR (5)		ESTIMATED REAL ESTATE TAXES FOR 1ST YEAR (6)		TOTAL ESTIMATED CARRYING CHARGES FOR 1ST YEAR (ESTIMATED COMMON CHARGES AND REAL ESTATE TAXES FOR 1ST YEAR)	
						MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL
1-C	S	4.5/1	2.5822	79,618.00	113,740.00	215.18	2,582.20	44.23	530.76	259.41	3,112.96
2-C	S	4.5/1	2.6922	83,006.00	118,580.00	224.35	2,692.20	46.11	553.37	270.46	3,245.57
3-C	C	4.5/1	2.6922	83,006.00	118,580.00	224.35	2,692.20	46.11	553.37	270.46	3,245.57
4-C	C	4.5/1	2.6922	83,006.00	118,580.00	224.35	2,692.20	46.11	553.37	270.46	3,245.57
5-C	S	4.5/1	2.6922	83,006.00	118,580.00	224.35	2,692.20	46.11	553.37	270.46	3,245.57
6-C	C	4.5/1	2.6922	83,006.00	118,580.00	224.35	2,692.20	46.11	553.37	270.46	3,245.57
1-D	C	3.5/1	2.1207	65,388.40	93,412.00	176.72	2,120.70	36.33	435.90	213.05	2,556.60
2-D	S	3.5/1	2.2169	68,352.90	97,647.00	184.74	2,216.90	37.97	455.67	222.71	2,672.57
3-D	S	3.5/1	2.2169	68,352.90	97,647.00	184.74	2,216.90	37.97	455.67	222.71	2,672.57
4-D	C	3.5/1	2.2169	68,352.90	97,647.00	184.74	2,216.90	37.97	455.67	222.71	2,672.57
5-D	S	3.5/1	2.2169	68,352.90	97,647.00	184.74	2,216.90	37.97	455.67	222.71	2,672.57
6-D	C	3.5/1	2.2169	68,352.90	97,647.00	184.74	2,216.90	37.97	455.67	222.71	2,672.57

SEE FOOTNOTES FOLLOWING SCHEDULE

SCHEDULE A
PURCHASE PRICE AND OTHER FINANCIAL DETAILS FOR EACH UNIT

THE ELBERTSON CONDOMINIUM
79-15 35TH AVENUE
JACKSON HEIGHTS, NEW YORK

First Year of Condominium Operation Estimated To Be July 1, 1985 - June 30, 1986

UNIT NUMBER	STATUS (1)	NUMBER OF ROOMS AND BATHS (2)	PERCENTAGE INTEREST IN THE COMMON ELEMENTS (COMMON INTEREST) (3)	90 DAY PURCHASE PRICE TO TENANTS (4)	PURCHASE PRICE TO NON-TENANTS (4)	ESTIMATED COMMON CHARGES FOR 1ST YEAR (5)		ESTIMATED REAL ESTATE TAXES FOR 1ST YEAR (6)		TOTAL ESTIMATED CARRYING CHARGES FOR 1ST YEAR (ESTIMATED COMMON CHARGES AND REAL ESTATE TAXES FOR 1ST YEAR)	
						MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL
1-E	C	3.5/1	2.2801	70,301.00	100,430.00	190.01	2,280.10	39.06	468.66	229.06	2,748.76
2-E	C	3.5/1	2.3762	73,265.50	104,665.00	198.02	2,376.20	40.70	488.42	238.72	2,864.62
3-E	S	3.5/1	2.3762	73,265.50	104,665.00	198.02	2,376.20	40.70	488.42	238.72	2,864.62
4-E	S	3.5/1	2.3762	73,265.50	104,665.00	198.02	2,376.20	40.70	488.42	238.72	2,864.62
5-E	S	3.5/1	2.3762	73,265.50	104,665.00	198.02	2,376.20	40.70	488.42	238.72	2,864.62
6-E	C	3.5/1	2.3762	73,265.50	104,665.00	198.02	2,376.20	40.70	488.42	238.72	2,864.62
1-F	S	3.5/1	2.1730	66,997.70	95,711.00	181.08	2,173.00	37.22	446.65	218.30	2,619.65
2-F	C	3.5/1	2.2691	69,962.20	99,946.00	189.09	2,269.10	38.87	466.40	227.96	2,735.50
3-F	C	3.5/1	2.2691	69,962.20	99,946.00	189.09	2,269.10	38.87	466.40	227.96	2,735.50
4-F	S	3.5/1	2.2691	69,962.20	99,946.00	189.09	2,269.10	38.87	466.40	227.96	2,735.50
5-F	C	3.5/1	2.2691	69,962.20	99,946.00	189.09	2,269.10	38.87	466.40	227.96	2,735.50
6-F	S	3.5/1	2.2691	69,962.20	99,946.00	189.09	2,269.10	38.87	466.40	227.96	2,735.50

SEE FOOTNOTES FOLLOWING SCHEDULE

SCHEDULE A
PURCHASE PRICE AND OTHER FINANCIAL DETAILS FOR EACH UNIT

THE ELBERTSON CONDOMINIUM
79-15 35TH AVENUE
JACKSON HEIGHTS, NEW YORK

First Year of Condominium Operation Estimated To Be July 1, 1985 - June 30, 1986

UNIT NUMBER	STATUS (1)	NUMBER OF ROOMS AND BATHS (2)	PERCENTAGE INTEREST IN THE COMMON ELEMENTS (COMMON INTEREST) (3)	90 DAY PURCHASE PRICE TO TENANTS (4)	PURCHASE PRICE TO NON-TENANTS (4)	ESTIMATED COMMON CHARGES FOR 1ST YEAR (5)		ESTIMATED REAL ESTATE TAXES FOR 1ST YEAR (6)		TOTAL ESTIMATED CARRYING CHARGES FOR 1ST YEAR (ESTIMATED COMMON CHARGES AND REAL ESTATE TAXES FOR 1ST YEAR)	
						MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL
2-G	C	4.5/2	2.9559	91,137.20	130,196.00	246.32	2,955.90	50.63	607.57	296.96	3,563.47
3-G	C	4.5/2	2.9559	91,137.20	130,196.00	246.32	2,955.90	50.63	607.57	296.96	3,563.47
4-G	C	4.5/2	2.9559	91,137.20	130,196.00	246.32	2,955.90	50.63	607.57	296.96	3,563.47
5-G	C	4.5/2	2.9559	91,137.20	130,196.00	246.32	2,955.90	50.63	607.57	296.96	3,563.47
6-G	C	4.5/2	2.9559	91,137.20	130,196.00	246.32	2,955.90	50.63	607.57	296.96	3,563.47
TOTALS:	158.0	ROOMS									
	41	UNITS	100.0000	$3,014,896.50	$4,404,642.00	$8,333.33	$100,000.00	$1,712.88	$20,554.56	$10,046.21	$120,554.56

SEE FOOTNOTES FOLLOWING SCHEDULE

FOOTNOTES TO "PURCHASE PRICE AND OTHER FINANCIAL DETAILS FOR EACH UNIT"

(1) "S" denotes rent stabilized Unit;
"C" denotes rent controlled Unit;
"V" denotes vacant Unit.

(2) Any floor plan or sketch shown to a prospective purchaser is only an approximation of the dimensions and layout of a Unit. Accordingly, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition.

(3) The undivided percentage interest in the Common Elements of each Unit (the "**Common Interest**" of such Unit) shall be 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 uses and the overall dimensions of the Unit, pursuant to the Condominium Act.

(4) Each tenant in occupancy has the exclusive right for a period of ninety (90) days from the date of presentation of the Plan to purchase his or her Unit at the 90 Day Purchase Price to Tenants set forth on pages 8-11 of the Plan. During the exclusive purchase period afforded tenants the purchase price to tenants may not be increased and may be decreased only by a duly filed amendment to the Plan. After the expiration of such exclusive purchase period and until the Plan is declared effective, the purchase price to all tenants who purchase shall be subject to change by duly filed amendment to the Plan. After the Plan is declared effective the purchase price to existing tenants is negotiable. The purchase price to non-tenants is negotiable at any time. However, the Plan will be amended to disclose (i) a general price change affecting a group, line or other category of Units (as opposed to an isolated price change), (ii) a price change to be advertised in a newspaper or other media, or (iii) a higher price to an individual purchaser. During the exclusive purchase period afforded tenants, the occupied Units may not be shown to a third party unless the tenant in occupancy has, in writing, waived his or her right to purchase. (See "CHANGES IN PURCHASE PRICE AND UNIT SIZES AND LAYOUTS" at page 21 of the Plan).

(5) These estimates were based upon the "BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION", which was reviewed by J.H. TAYLOR MANAGEMENT CORPORATION on the assumption that the first year of condominium operation will be from July 1, 1985 through June 30, 1986. The actual first year of operation may be earlier or later than that year. In addition to these estimated charges, each Unit Owner will be responsible for paying: (i) mortgage payments under any loan or loans obtained to finance the acquisition of a Unit; (ii) the cost of gas and electricity supplied to the Unit, which will be separately metered and will be payable directly to the utility company as and when billed; (iii) the cost of interior repairs to, and the maintenance, painting and decoration of, the Unit (including, without limitation, the equipment and appliances contained therein); and (iv) the cost of any insurance that he or she may desire to

obtain covering (a) furniture, belongings, equipment and other personal property and (b) his or her liability to others for personal injury or property damage as a result of occurrences in the Unit.

(6) The assessed valuation of the Property for the fiscal year July 1, 1984 through June 30, 1985 is $209,000.00. The tax rate for such fiscal year is $9.15 per $100.00 of assessed valuation. The transitional assessed valuation of the Property established by the City of New York for the fiscal year July 1, 1985 through June 30, 1986 is $216,000.00. Sponsor projects that the tax rate for such fiscal year will be $9.516 per $100.00 of assessed valuation. The aggregate real estate taxes for the Property during the first year of Condominium operation is estimated to be $20,554.56. However, no representation or warranty is made by Sponsor or Selling Agent as to the actual assessed valuation of the Property or as to the actual tax rates that will be in effect during the first year of condominium operation or as to the assessed valuation of each Unit once the Units are separately assessed.

The estimated real estate taxes for each Unit for the first year of condominium operation assumes that the amount of real estate taxes payable with respect to each Unit will be levied in the proportion that its Common Interest bears to the Common Interest of all Units. There is no assurance that the New York City taxing authority will allocate taxes between Units in proportion to their respective Common Interests. If it does not, owners of Units having the same Common Interest will pay different amounts of real estate taxes. Until the Units are separately assessed, Sponsor will deposit in escrow with the Board of Managers a sum sufficient to pay real estate taxes levied against each Unit for the six (6) month period following the First Closing or until the Units are separately assessed, whichever shall first occur. The Board of Managers will pay the real estate taxes from such escrow when such taxes are due and payable and Sponsor shall be reimbursed for such payment by the individual Unit owner upon the closing of each Unit.

In the opinion of Haberman & Narotsky, counsel to Sponsor, the real estate taxes paid with respect to a Unit will be deductible from the owner's income, for the purpose of Federal, New York State and New York City income taxes, under existing laws.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

(Estimated to Commence July 1, 1985)

Projected Income:	
Annual Common Charges	$ 103,500.00.
Laundry (1)	1,500.00
Total	**$ 105,000.00**
Projected Expenses:	
Labor (2)	$ 8,800.00
Heating (3)	38,800.00
Utilities (Electricity and Gas) (4)	13,700.00
Water Charges and Sewer Rent (5)	4,800.00
Repairs, Maintenance and Supplies (6)	11,000.00
Service Contracts (7)	5,000.00
Insurance (8)	7,400.00
Management Fees (9)	6,500.00
Legal & Audit Fees (10)	2,500.00
Other (11)	1,500.00
Contingency (12)	5,000.00
Total	**$ 105,000.00**

FOOTNOTES TO BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

(Estimated to Commence July 1, 1985)

(1) Predicated on an agreement with LANDMARK EQUITIES INC. maintaining an office at 1200 Nassau Avenue, Inwood, New York 11696 which agreement expires on May 31, 1989. Pursuant to the agreement the concessionaire will pay to the Condominium approximately $1,500.00 per year. The laundry room contains 2 washers and 1 dryer, all of which are owned by the concessionnaire. The Condominium shall be responsible for the payment of gas, electric and water consumed in the laundry room and is required to maintain, paint and heat the laundry room.

(2) The Building's staff presently consists of one (1) part-time superintendent. The staff projected in Schedule B for the first year of condominium operation is the same as the existing staff. The superintendent presently receives a salary of $104.75 per week. In addition, the superintendent receives an apartment rent-free, including gas and electricity, and free basic telephone. The following are the projected labor costs for the first year of condominium operation which are ten (10%) percent more than the current labor costs:

Item	Cost
Salary @$115.00 per week	$5,992.00
One week vacation pay and 12 paid vacation days	391.00
Payroll taxes	453.00
Unemployment Tax	315.00
Disability Insurance	30.00
Worker's Compensation	193.00
Blue Cross/Blue Shield	1,358.00
Total:	$8,732.00

(3) The Building uses Number 6 oil for heat and hot water. The budgeted item is based on a projected consumption of 38,800 gallons at an estimated cost of $1.00 per gallon, including 4% sales tax. The projected consumption is based upon the average consumption for calendar years 1981 through 1983. The consumption, average cost per gallon, and total cost of fuel oil for heat and hot water for the past three years were as follows:

Year	Consumption in Gallons	Average Cost per Gallon	Cost (Includ- Sales Tax)
1982	39,568	0.89	35,216.00
1983	37,585	0.85	31,967.00
1984	38,470	0.84	32,315.00

In view of the current energy situation it is not possible to predict whether the budgeted figure will reflect the actual cost to be incurred during the first year of condominium operation which will vary with the level of consumption and the fuel rate. Consumption will be affected by the severity of the weather and conservation measures (such as staggering hours of heating, lowering the temperature of the hot water, etc.), if any, adopted by the Condominium Board. The cost of crude oil is currently declining, although the budget reflects a projected increase in cost. It is believed that the projected figure should be sufficient to cover any reasonable increases in the cost of fuel oil during the first year of condominium operation. However, no warranty is made that the projection for fuel costs will be in accordance with the actual cost of fuel during the first year of condominium operation.

(4) Based on a projected consumption of 53,599 KWH of electric at a projected cost of $.229 per KWH and a projected consumption of 1,047 CCF of gas at a projected cost of $1.286 per CCF. Includes the cost of electricity for the superintendent's apartment and the common areas, which include public halls, entrances, basement areas, controls on heating system, pumps, mechanical equipment, elevators and the laundry room, and gas for the superintendent's apartment and the laundry eqiupment. It does not include the cost of gas and electricity to individual Units which are separately metered. Each Unit Owner will be responsible for the cost of gas and electricity to his Unit. The cost of gas and electricity for the past three years was as follows:

Year	Electric Consumption	Cost of Electricity	Gas Consumption	Cost of Gas	Total Cost
1982	44,843 (kwh)	7,636.83	1,076 (CCF)	986.17	8,623.00
1983	44,854 (kwh)	8,522.34	1,117 (CCF)	1,190.66	9,713.00
1984	53,599 (kwh)	10,703.83	1,047 (CCF)	1,171.17	11,875.00

The budget includes an increase of approximately 15% more than the cost of gas and electricity for the fiscal year 1984.

In view of the current energy situation it is not possible to predict whether the budgeted figure will reflect the actual cost to be incurred during the first year of condominium operation which will vary with the level of consumption and the cost of utility. The cost of oil used to generate electricity is currently declining, although the budget reflects a projected increase in the cost of electricity. It is believed that the projected figure should be sufficient to cover any reasonable increases in the cost of electricity during the first year of condominium operation. The same is true of the cost of gas. However,

no warranty is made that the projection for electricity and gas will be in accordance with the actual cost of the same during the first year of condominium operation.

(5) The budgeted amount is predicated on a projected 15% increase over the actual water charges and sewer rent for fiscal year 1984/1985. The water charges and sewer rent for the most recent three (3) fiscal years was as follows:

Fiscal Year	Water Charges	Sewer Rent
7/1/82 - 6/30/83	$2,119.16	$1,059.58
7/1/83 - 6/30/84	2,447.45	1,223.73
7/1/84 - 6/30/85	2,605.31	1,563.19

(6) Does not include repairs, painting, maintenance, or supplies for individual Units, all of which are the responsibility of the individual Unit Owners. The budgeted figure is based upon an estimation of repairs to the interior of the Building, the roof, the exterior of the Building (including walls, foundations, windows, doors, and locks), the heating system (including fuel burner, boiler, pipes, and radiators), the plumbing and electrical systems, and includes various supplies (such as cleaning supplies and materials, lubricants, bulbs, public fixtures, general and hardware supplies), and painting of common areas.

(7) Includes the cost for the following service contracts:

Contractor	Nature of Service	Annual Cost	Expiration Date
Otis Elevator Company	Elevator Maintenance	$3,000.00	month-to-month
Hydro Service Associates, Inc.	Boiler Water Treatment	168.87	January 8, 1985
John J. McCann	Extermination	576.00	month-to-month
Star Industrial Service Co., Inc.	Oil Burner Maintenance	541.25	February 28, 1985

The budgeted figure reflects a 15% increase over the cost of service contracts for 1984.

(8) Based upon an estimate furnished by Parker Brokerage Company for the following coverage for which a binder or policy will be in effect upon the First Closing:

Type	Amount
Special Multi-Peril Policy	
Section I-All Risks	
Building (agreed amount $1,000.00 deductible, $2,000.00 contents and lobby theft)	$1,000,000.00
Rents (60% co-insurance)	90,000.00
Section II-Comprehensive General Liability	
Combined Single Limit Bodily Injury and/or Property Damage ($50,000.00 Water Damage legal liability)	1,000,000.00
Elevator Collision	25,000.00
Directors' & Officers' Liability	250,000.00/ 500,000.00
Boiler Insurance (limit per accident)	500,000.00
Umbrella Liability (limit per occurrence)	5,000,000.00
Fidelity Bond (per loss)	100,000.00

The budget includes an increase of approximately ten (10%) percent more than the costs projected by Parker Brokerage Company. The coverage does not include claims for personal injury or property damage resulting from occurrences in a Unit, nor does it include the furniture or personal property of Unit Owners. If such coverage is desired, a Unit Owner should obtain a separate policy for liability and the contents of his Unit at his own expense.

(9) At Closing, the Condominium Board will enter into a management agreement with B. L. Management, Inc. for an initial term of two (2) years at an annual fee of $6,500.00. The projected cost for management is slightly higher than the average for the industry. This is attributable to the fact that the Managing Agent will be charged with management of Units occupied by non-purchasing tenants, in addition to all other Units in the Building. The agreement will be automatically renewed monthly thereafter until terminated by either party upon thirty (30) days' prior written notice. The managing agent may receive additional compensation as a result of commissions from placing insurance, and fees from Unit Owners (other than a holder of Unsold Units) who resell their Units in connection with the processing of such sales. Reference should be made to "MANAGEMENT AGREEMENT AND CONTRACTS" at page 85 of the Plan for details of these and other important features of the management agreement.

(10) It is estimated that $1,250.00 of the projected item will be used for auditing fees in connection with the preparation of the Condominium's audited financial statement for the first year of condominium operation, and $750.00 to provide for miscellaneous (but not major) legal services in the event the Condominium Board determines to engage an attorney.

(11) Includes expenses incurred for superintendent's telephone, Building telephone, boiler licensing fees, fire inspection permit and elevator inspection permits.

(12) This item is included to provide a fund out of which can be paid expenses not included in the budget or possible increases in one or more items of operating expenses.

NOTE: At the First Closing, the Sponsor and the Condominium Board will adjust items of income and expense. Assuming the net closing adjustments are in favor of the Sponsor, same will be paid at the First Closing by the Condominium Board from its Working Capital Fund to the extent of not more than $5,000.00 and any balance owing to the Sponsor shall be paid by the Condominium Board in twelve equal, consecutive, monthly installments commencing thirty (30) days after the First Closing. In such case, although such notes are not directly included in the budget, payment of the notes represents, in effect, payment of certain expenses reflected in the budget that have been prepaid by Sponsor. See "WORKING CAPITAL FUND" at page 70 for further discussion.

IN THE OPINION OF J.H. TAYLOR MANAGEMENT CORPORATION, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE FIRST FISCAL YEAR OF OPERATION COMMENCING JULY 1, 1985. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL RENT (COMMON CHARGES) OR OTHER INCOME OR EXPENSES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM BOARD WILL BE AS SET FORTH IN SAID SCHEDULE, AND IT IS LIKELY THAT THE ACTUAL COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE WILL VARY FROM THE AMOUNTS SHOWN IN THE SCHEDULE.

THE SPONSOR HAS RESERVED THE RIGHT PRIOR TO THE FIRST CLOSING TO MODIFY, RENEW AND REPLACE THE EXISTING SERVICE, MAINTENANCE, EMPLOYMENT, CONCESSIONAIRE AND OTHER AGREEMENTS AND INSURANCE POLICIES, AND TO ENTER INTO NEW AGREEMENTS AND POLICIES THAT WILL BE BINDING ON THE CONDOMINIUM BOARD ON THE FIRST CLOSING PROVIDED THAT THE SPONSOR MAY NOT ENTER INTO ANY BINDING SERVICE, MAINTENANCE OR CONCESSIONAIRE AGREEMENTS THAT WILL MATERIALLY INCREASE THE FIRST YEAR'S ESTIMATED COMMON CHARGES NOR MAY THE TERM OF ANY MODIFIED OR NEW SERVICE MAINTENANCE OR CONCESSIONAIRE AGREEMENT BE FOR MORE THAN TWO (2) YEARS UNLESS SUCH AGREEMENT CONTAINS A PROVISION PERMITTING THE CONDOMINIUM BOARD TO CANCEL THE AGREEMENT FROM AND AFTER THE SECOND ANNIVERSARY OF THE FIRST CLOSING UPON GIVING NOT LESS THAN NINETY (90) DAYS PRIOR WRITTEN NOTICE.

CHANGES IN PURCHASE PRICE AND UNIT SIZES AND LAYOUTS

Changes in Purchase Price

The Sponsor reserves the right at any time and from time to time prior and subsequent to the date of transfer of title to the first Unit, to increase or decrease the amount of the purchase price of one or more Units from the amounts shown in the preceding schedule of "PURCHASE PRICE AND OTHER FINANCIAL DETAILS FOR EACH UNIT". However, the purchase price payable by a tenant for his or her Unit during the first ninety (90) days after the presentation of the Plan may not be increased and may be decreased only by duly filed amendment to the Plan. (See "RIGHTS OF EXISTING TENANTS" at page 39 of the Plan.) Notwithstanding the foregoing, however, no such change shall be made with respect to a Unit for which a Purchase Agreement is then in effect without the consent of the Purchaser thereunder, unless such Purchaser is then in default.

After the expiration of such ninety (90) day period and until the Plan is declared effective, the purchase price to all tenants who purchase shall be subject to change by duly filed amendment to the Plan. After the Plan is declared effective the purchase price to existing tenants is negotiable. The purchase price to non-tenants is negotiable at any time. However, the Plan will be amended to disclose (i) a general price change affecting a group, line or other category of Units (as opposed to an isolated price change), (ii) a price change to be advertised in a newspaper or other media, or (iii) a higher price to an individual purchaser. During the exclusive purchase period afforded tenants, the occupied Units may not be shown to a third party unless the tenant in occupancy has, in writing, waived his or her right to purchase. Other terms of a proposed sale to a tenant or non-tenant, including the manner of payment of the purchase price, may be made without prior notice and without amendment to the Plan, provided no substantial change in the terms of sale to a tenant may be made during the first ninety (90) days after the Plan is presented unless the Plan is amended.

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

Changes in Size, Layout and Number of Units

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Unsold Units and (b) the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, by combining two or more separate Unsold Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit(s), or otherwise, including,

without limitation, the use of any portion(s) of the Common Elements adjacent to such Unsold Units to the extent that such portion(s) are not required to be maintained as Common Elements pursuant to the terms of the By-Laws. Subject to the terms of the last two paragraphs of this section, such right may be exercised by Sponsor from time to time, both before and after the First Closing, without prior notice and without the consent or approval of the Selling agent, the Managing Agent, the Condominium Board, any Unit Owner, or any mortgagee. However, Sponsor shall first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by law and shall amend the Plan to disclose such change. However, no material change will be made in the size or quality of Common Elements unless purchasers not in default are afforded the right to rescind their Purchase Agreement if they notify the Sponsor in writing within thirty (30) days after the presentation of the amendment (see page 96 of the Plan, last paragraph).

In the event that Sponsor shall change the size and/or number of Unsold Units, Sponsor shall increase or decrease the Common Interests appurtenant thereto accordingly; however, the aggregate amount of the Common Interests of all of the Units shall always remain at 100%. As a result of such reapportionment, the amount of the Common Charges and the real estate taxes and assessments payable by the Owners of the Unsold Units affected thereby will be increased or decreased proportionately, but the amount of the Common Charges and the real estate taxes and assessments payable by the Owners of Units unaffected thereby will not be varied.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid, or otherwise, nor may the Common Interest of any Unit be changed, unless, disclosed in a duly recorded amendment to the Declaration. As more particularly provided in the Declaration, Sponsor or its designee, as the Owner of an Unsold Unit, will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners, or any mortgagee consenting to, or executing, such amendment. However, no change of a Unit's Common Interest will be made without obtaining the prior consent of the Owners of all affected Units. In addition, no change will be made in the Common Interest of any Unit for which a Purchase Agreement is in effect without obtaining the prior written consent of the Purchaser thereof.

To the extent permitted by law, if the size or configuration of a Unit is changed in compliance with the Plan and the Condominium Documents and, in connection therewith, a wall, space, or other area forming a part of the Common Elements servicing and benefiting only such Unit is razed or incorporated in the Unit, then such Common Element shall be deemed for the exclusive use and benefit of the Owner of such Unit and the Unit's Common Interest will remain unchanged.

CYRIL H. HERMELE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

GREAT NECK, N. Y. 11021
98 CUTTER MILL ROAD
(212) 895-7750
(516) 829-6150

CYRIL H. HERMELE, C. P. A.
MARVIN SCHWARTZ, C. P. A.
ARTHUR BIRNBAUM, C. P. A.

January 3, 1984

Aaron Ziegelman & William K. Langfan
200 West 57th Street
Suite 1003
New York, New York 10019

Gentlemen:

We have examined the statement of operations of the premises located at 79-15 35th Avenue, Jackson Heights, New York for the year ended October 31, 1982. Our examination was made in accordance with generally accepted auditing standards, and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The attached statement does not give affect to certain income and expense items as listed in Note 2 of the financial statement.

In our opinion, except for the omission of certain income and expense items noted in the preceding paragraph, the financial statement presents fairly the results of the operations of the premises located at 79-15 35th Avenue, Jackson Heights, New York for the year ended October 31, 1982, in conformity with generally accepted accounting principles applied on a consistent basis.

Respectfully submitted,

Cyril H. Hermele & Company

CYRIL H. HERMELE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

STATEMENT OF OPERATIONS
(EXCLUSIVE OF CERTAIN ITEMS OF INCOME AND EXPENSE LISTED IN NOTE 2)

THE PREMISES AT 79-15 35TH AVENUE
JACKSON HEIGHTS, NEW YORK

FOR THE YEAR ENDED OCTOBER 31, 1982

Income:	
Rental income	$131,793
Washing machine income	360
Total Income	$132,153
Expenses:	
Fuel	$ 35,216
Real estate taxes	17,351
Repairs and maintenance	10,850
Electric and gas	8,623
Insurance	6,937
Painting	6,482
Payroll	4,795
Water and sewer	2,943
Management commissions	2,604
Supplies	1,722
Payroll and sundry taxes	776
Professional services	728
Telephone and telegraph	315
Miscellaneous	1,709
Total Expenses	$101,051

See accountants' report and
notes to financial statements.

CYRIL H. HERMELE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

THE PREMISES AT 79-15 35TH AVENUE
JACKSON HEIGHTS, NEW YORK

NOTES TO THE STATEMENT OF OPERATIONS

1. Significant Accounting Policies

The accrual method of accounting has been used in the preparation of this financial statement.

Repairs, fuel and supplies are charged to expense when purchased, inventories of fuel and building supplies are not taken into account.

2. Omissions

The statement of operations does not give affect to the following items recorded on the books of account for the year ended October 31, 1982:

Interest income
Mortage interest expense
Depreciation

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January 3, 1984

Aaron Ziegelman & William K. Langfan
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Gentlemen:

We have examined the statement of operations of the premises located at 79-15 35th Avenue, Jackson Heights, New York for the year ended October 31, 1983. Our examination was made in accordance with generally accepted auditing standards, and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The attached statement does not give affect to certain income and expense items as listed in Note 2 of the financial statement.

In our opinion, except for the omission of certain income and expense items noted in the preceding paragraph, the financial statement presents fairly the results of the operations of the premises located at 79-15 35th Avenue, Jackson Heights, New York for the year ended October 31, 1983, in conformity with generally accepted accounting principles applied on a consistent basis.

Respectfully submitted,

Cyril H. Hermele & Company

CYRIL H. HERMELE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

STATEMENT OF OPERATIONS
(EXCLUSIVE OF CERTAIN ITEMS OF INCOME AND EXPENSE LISTED IN NOTE 2)

THE PREMISES AT 79-15 35TH AVENUE
JACKSON HEIGHTS, NEW YORK

FOR THE YEAR ENDED OCTOBER 31, 1983

Income:	
Rental income	$138,565
Washing machine income	360
Total Income	$138,925
Expenses:	
Fuel	$ 31,967
Repairs and maintenance	17,977
Real estate taxes	17,734
Electric and gas	9,713
Insurance	6,685
Payroll	5,037
Management commissions	5,479
Painting	4,543
Water and sewer	3,615
Supplies	1,752
Payroll and sundry taxes	818
Professional services	500
Telephone and telegraph	304
Miscellaneous	1,351
Total Expenses	$107,475

See accountants' report and
notes to financial statements.

CYRIL H. HERMELE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

THE PREMISES AT 79-15 35TH AVENUE
JACKSON HEIGHTS, NEW YORK

NOTES TO THE STATEMENT OF OPERATIONS

1. Significant Accounting Policies

The accrual method of accounting has been used in the preparation of this financial statement.

Repairs, fuel and supplies are charged to expense when purchased, inventories of fuel and building supplies are not taken into account.

2. Omissions

The statement of operations does not give affect to the following items recorded on the books of account for the year ended October 31, 1983:

Interest income
Mortgage interest expense
Depreciation

BERMAN & MICHEL, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

ARNOLD L. BERMAN
KEVIN A. MICHEL
VICTORIA A. URBANOWICZ

160 NORTH STATE ROAD
BRIARCLIFF MANOR, N.Y. 10510
TELEPHONE (914) 762-4815

To the Owners of 79-15 35th Avenue
Jackson Heights, New York:

We have examined the statement of income and expenses covering the premises at 79-15 35th Avenue, for the year ended October 31, 1984. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The statement does not give effect to depreciation, interest, and expenses directly related to the condominium ownership conversion of the premises.

In our opinion, except for the omission of the items described in the preceding paragraph, the aforementioned financial statement presents fairly the results of operations of the premises at 79-15 35th Avenue, Jackson Heights, New York, for year ended October 31, 1984 in conformity with generally accepted accounting principles applied on a basis consistent with that of the prior year.

Berman + Michel, CPA, PC

December 5, 1984

79-15 35TH AVENUE
JACKSON HEIGHTS, NEW YORK
STATEMENT OF INCOME AND EXPENSES
(Exclusive of Depreciation, Interest and Conversion Expenses)
YEAR ENDED OCTOBER 31, 1984

INCOME:	
Rental income	$ 141,797
Laundry contract	486
	$ 142,283
EXPENSES:	
Salaries, fringe benefits & taxes	$ 11,525
Fuel	32,513
Gas & Electricity	11,875
Management fees	8,473
Water & sewer taxes	3,672
Miscellaneous administration	1,635
Telephone	1,312
Elevator maintenance	3,498
Boiler maintenance	3,582
Other repairs & maintenance	8,248
Supplies	2,708
Real estate taxes	18,296
Insurance	4,649
Professional fees	2,903
	$ 114,889

The accompanying notes are an integral part of this financial statement.

79-15 35TH AVENUE
JACKSON HEIGHTS, NEW YORK

NOTES TO STATEMENT OF INCOME & EXPENSES

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis. Accordingly, rents are recognized when earned under the terms of existing leases, and expenses are recognized when incurred.

Repairs, fuel and supplies are recorded as expenses when purchased; inventories are not recognized.

B. Exclusion of Certain Expenses

Expenses incurred but not applicable to operation of this property as a condominium association have been excluded. They include: depreciation, interest, conversion costs and certain general and administrative expenses.

NOTE 2. REPAIRS AND MAINTENANCE

The amounts shown for repairs and maintenance represent the total expenses incurred for the property.

When converted to condominium ownership, apartment owners will be responsible for the cost of interior repairs as well as the maintenance, painting and decoration of apartments.

RELOCATION ALLOWANCE

Sponsor will pay to each tenant who elects not to purchase his or her Unit a Relocation Allowance (see at page 32 of the Plan for the Relocation Allowance to be paid to each tenant who elects not to purchase in accordance with this provision) if such tenant complies with all of the following conditions:

(1) The tenant must give to Sponsor written notice by certified or registered mail, return receipt requested, in the form set forth at page 34 no later than forty-five (45) days after the presentation of the Plan of tenant's intent to surrender possession pursuant to the provisions hereof;

(2) The tenant must vacate and surrender possession of his Unit to Sponsor no later than ninety (90) days after the presentation of the Plan, free and clear of all tenants, occupants, and rights of others in possession. Time is of the essence with regard to the tenant's obligation to vacate and surrender possession by such date. If such tenant shall fail to vacate and surrender posssession of his Unit as hereinbefore set forth, then in such event the Sponsor shall not be obliged to pay the Relocation Allowance and the tenant shall be entitled to remain in possession of his Unit subject to the provisions of the Plan;

(3) At the time the Unit is vacated and possession delivered, it must be in substantially the condition it is at the date hereof, reasonable wear and tear excepted, broom clean and with all personal belongings and floor coverings removed; tenant shall deliver to Sponsor all keys to exterior doors; and tenant must have paid all rent and other sums (if any) due Sponsor and shall otherwise not be in breach of his lease or tenancy.

The Relocation Allowance shall be paid to the tenant when he vacates the Unit and delivers to Sponsor all keys to exterior doors at which time Sponsor shall return tenant's unapplied rent security, if any.

The Relocation Allowance is a personal right which is not assignable or otherwise transferable. It will not be paid in the event the non-purchasing tenant dies before having given notice of intent to vacate as provided herein. It will be paid to the personal representative of such a tenant who dies after having given timely notice as herein provided, if all of the other conditions herein set forth are met. In the absence of a personal representative, the Relocation Allowance will be paid to the spouse, child, or parent of a tenant in this order of priority, provided such family member resided in the Unit at the date of presentation of the Plan, that the tenant thereafter died while such family member continued to reside therein and further provided the family member complies with all of the conditions set forth above. PURCHASERS SHOULD CONSULT THEIR ATTORNEY OR ACCOUNTANT AS TO THE INCOME TAX CONSEQUENCES, IF ANY OF THE STIPEND.

A tenant is not required to elect the Relocation Allowance. If he does not elect the Relocation Allowance he will be entitled to remain in possession of his Unit provided he is not in violation of his lease or tenancy.

RELOCATION ALLOWANCE

79-15 35th Avenue
Jackson Heights, New York

UNIT	STIPEND
1-A	$20,000.00
2-A	20,000.00
4-A	20,000.00
5-A	20,000.00
6-A	20,000.00
1-B	11,250.00
2-B	25,000.00
3-B	25,000.00
4-B	25,000.00
5-B	25,000.00
6-B	25,000.00
1-C	20,000.00
2-C	20,000.00
3-C	20,000.00
4-C	20,000.00
5-C	20,000.00
6-C	20,000.00
1-D	20,000.00
2-D	20,000.00
3-D	20,000.00
4-D	20,000.00
5-D	20,000.00
6-D	20,000.00

RELOCATION ALLOWANCE

79-15 35th Avenue
Jackson Heights, New York

UNIT	STIPEND
1-E	$20,000.00
2-E	20,000.00
3-E	20,000.00
4-E	20,000.00
5-E	20,000.00
6-E	20,000.00
1-F	20,000.00
2-F	20,000.00
3-F	20,000.00
4-F	20,000.00
5-F	20,000.00
6-F	20,000.00
2-G	25,000.00
3-G	25,000.00
4-G	25,000.00
5-G	25,000.00
6-G	25,000.00

AGREEMENT TO VACATE

(To Be Signed by Each Tenant of the Unit and returned to the Sponsor within 30 days from presentation of the Plan)

Date: _____

Aaron Ziegelman and William K. Langfan
200 West 57th Street
New York, New York 10019

Re: Unit No. _____
79-15 35th Avenue
Jackson Heights, New York

Dear Sirs:

I am presently the tenant of the above Unit.

I agree to vacate the Unit on or before _____.

When I vacate the Unit and deliver to you all keys to exterior doors you agree to pay me a Relocation Allowance in the sum of $_____.

When I vacate the Unit you will return to me my security deposit in the sum of $_____, together with any undistributed interest, provided that I do not owe you additional amounts under my lease or tenancy.

When I vacate the Unit I agree that my lease or tenancy will be automatically cancelled and terminated and I will deliver to you all keys for my Unit, the outer door of the Building and my mailbox key.

I agree to permit the Selling Agent to show my Unit to prospective purchasers upon reasonable notice to me.

_____

_____

_____

HABERMAN & NAROTSKY
ATTORNEYS AT LAW
14 EAST 60TH STREET
NEW YORK, N. Y. 10022

ALAN HABERMAN
LOUIS A. NAROTSKY
JOHN A. DANDOLA

212-308-0101

COUNSEL'S INCOME TAX OPINION

Messrs. Aaron Ziegelman and
William K. Langfan
200 West 57th Street
New York, New York 10019

Re: Offering Plan ("Plan") for the Conversion to Condominium Ownership of Premises known as THE ELBERTSON CONDOMINIUM, located at 79-15 35th Avenue, Jackson Heights, New York ("Property)

Gentlemen:

You have requested our opinion with regard to certain Federal, New York State and New York City income tax matters relating to a person ("**Unit Owner**") who purchases a condominium unit ("**Unit**") under the Plan.

In connection with this opinion, we have reviewed the Plan including the exhibits thereto and such other documents as we considered necessary for the purposes of this opinion.

The opinions expressed herein are based upon the assumptions that the Plan becomes effective and is consummated in accordance with its terms and condominium ownership of the Property is validly established. All terms not otherwise defined herein shall have the same meanings ascribed to them in the Plan.

I. Tax Deductions for Unit Owners

Under the Plan:

(1) a Unit Owner will receive legal title in fee simple to the Unit coupled with ownership of an individual interest in the land and appurtenances and all other parts of the Property held in common with other Unit Owners (the "Common Elements");

(2) each Unit will be a separate tax lot for the purposes of the New York City real estate tax, and the Unit Owner will be directly liable to the City for the real estate tax assessment with respect to his Unit, but not with respect to any other Unit;

(3) subject to certain restrictions as to form, a Unit Owner may mortgage his Unit as he wishes, and will be individually liable for payment of principal and interest (and/or finance charges) on such mortgage but

the Unit will not be subject to the lien of any mortgage placed on other Units; and

(4) a Unit Owner may separately transfer his Unit subject, with certain exceptions, to certain rights of the Condominium Board.

Accordingly, it is our opinion that a Unit Owner who itemizes deductions will be entitled to deduct, for Federal income tax purposes, real estate taxes assessed against his Unit as well as interest on any mortgage indebtedness secured by his Unit. See Sections 163 (interest) and 164 (taxes). of the Internal Revenue Code of 1954 as amended (the "Code"); Revenue Ruling 64-31, 1964-1 (Part I) Cum. Bull. 300.[1] These expenses will be deductible when paid or accrued in accordance with the Unit Ownev's method of accounting. In addition to the interest and real estate tax deductions discussed above, a Unit Owner who uses all or part of his Unit in the conduct of his trade or business or for the production of income may deduct a portion of common charges allocable to such use. Each such Unit Owner will be entitled to deduct cost recovery on his Unit (similar to depreciation), computed separately and based upon the cost of his Unit (see Code Section 1012). Such deduction may be determined under Code Section 168 by using the straight-line method or under ACRS tables which approximate the use of 175% declining balance method, switching to straight-line recovery in later years. The excess of accelerated cost recovery deductions over deductions computed using the straight-line method is an item of tax preference and may result in Unit Owners incurring alternative minimum tax. The deduction of common charges is limited to that portion which does not exceed the Unit Owners' share of expenses paid or incurred through the Condominium and which would constitute trade or business expenses under Code Section 162 or would constitute expenses for the production of income under Code Section 212, if they were paid directly by the Unit Owner. Common Charges may exceed the deductible amount to the extent that Common Charges are used by the Condominium Board to finance capital expenditures or reserves. The amounts used to fund capital expenditures or reserves are not deductible

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1. The New York State and City tax laws incorporate by reference Federal itemized deductions in regard to resident individuals (see N.Y. Tax Law Section 615; N.Y.C. Admin. Code Section T46-115.0) and for corporations (see N.Y. Tax Law Section 208.9; N.Y.C. Admin. Code R46-2.0.8). Hence, all Federal authorities hereinafter referred to should, for the most part, apply under the New York State and/or City income tax statutes and to the extent that deductions are permitted for Federal tax purposes they will be permitted for New York State and New York City tax purposes. It should be noted, however, that, (i) for New York State and New York City income tax purposes, the interest and real estate tax deductions discussed herein may be reduced for a taxpayer who has certain specified items of tax preference (See N.Y. Tax Law Section 622; N.Y.C. Admin. Code Section T46-122.0.); and (ii) for Federal income tax purposes, a Residential Unit Owner may be liable for an alternative minimum tax based upon certain deductions taken (including interest on mortgages) (see Section 55 of the Internal Revenue Code). New York State also imposes a minimum tax based on certain Federal tax preference items including adjusted itemized deductions. See N.Y. Tax Law Sections 601-A and 622.

and must be capitalized by Unit Owners, increasing the basis in the Unit and thus the cost recovery deduction available for that Unit.

II. Tax Treatment of Condominium and Board of Managers

Under the Plan, the Condominium, via the Board of Managers, will determine, assess to, and collect from, all Unit Owners, in proportion to their respective Common Interests, the Common Charges to pay the costs and expenses of operating, repairing and maintaining the Common Elements.

The tax status of the Condominium Board is uncertain and turns upon whether the Condominium Board is treated as a mere conduit for Unit Owners or as an association taxable as a corporation.

If the Condominium Board is deemed to be the conduit for the Unit Owners, all income of the Condominium, such as investment income earned on interim investments or rent on any Unit it acquires, less the applicable expenses of earning such income, will be deemed income to the Unit Owners and taxable to them. However, Common Charges will not be considered income to the Condominium Board.

The Service, however, may take the position that the Unit Owners, acting through the Condominium Board, constitute an association taxable as a corporation (an "**Association**")[2] because of, e.g.:

(1) the Board's centralized management powers over the Building,

(2) the attempt to limit contractual liability of Unit Owners, for the contracts entered into by the Condominium, to the Unit Owners' proportionate share of such liability in accordance with their common interest in the entire Condominium, and

(3) the possibility of perpetual life. (See Treas. Reg. 301.7701-2, and discussion in Shapiro, Commercial Condominiums: Tax Considerations for Unit Purchasers and the Association, 41 J. TAXATION 204, 206-08 (Oct. 1974) and Wolitzer, Condominium - Organization, Taxes and Accounting, XL N.Y.C.P.A. 893, 899-900 (Nov. 1970).)

If the Condominium were treated as an association taxable as a corporation it would be subject to Federal income tax on the excess of the portion of its receipts including Common Charges and laundry concession income which is deemed to constitute gross income over any deductible expenses.

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2. If such an Association were found to exist, it is our view that it would not constitute a tax exempt organization under Section 501(c) as an organization operated exclusively for the promotion of social welfare (cf. Rev. Rul. 74-99, 1974-1 Cum. Bull. 131).

To the extent that any portion of the Common Charge receipts is segregated and used to finance specified capital expenditures or reserves, said portion may be excluded from gross income of the Association. (See Rev. Rul. 74-563, 1974-2 Cum. Bull. 38; I.R.B. 1974-47.6, and Lake Petersburg Ass'n v. Commissioner, 33 CCH Tax Ct. Mem. 259 (1974).) In such event, the Unit Owners might be required to pay further Common Charges to fund the Federal income tax liability of the Association. Any such Common Charges would probably be deemed to constitute additional gross income to the Association - upon which further Federal tax would be owing. See Old Colony Trust Co. v. Commissioner, 279 U.S. 716 (1929), and cf. Rev. Rul. 74-75, 1974-1 Cum. Bull. 19.

In an effort to resolve the above uncertainty, Section 528 was added to the Code, pursuant to which the Condominium Board may, if qualified, elect to exclude from income the Common Charges payable by Unit Owners. (New York State and New York City have not adopted a similar statute.) This exemption is available to the Condominium Board only if:

(i) 60% or more of the gross income for the taxable year is received as fees or assessments from owners of Residential Units ("Exempt Function Income"); and

(ii) 90% or more of the expenditures for the taxable year are for management, acquisition, maintenance and care of the Common Elements.

(iii) 85% of more of the total square footage of all Units within the Condominium must be used by individuals for residential purposes; and

(iv) No part of the net earnings may inure to the benefit of any private individual except through the rebate of excess assessments or indirectly through the acquisition, management and maintenance of association property.

A Condominium meeting the requirements of Section 528 of the Code and electing to be exempt from federal income tax on exempt function income would be taxable at corporate rates, with some minor modifications, on the amount by which its non-exempt function income exceeds the amount of allowable deductions which are directly connected with the production of such income.

It is our opinion that the Condominium will meet the requirements for election of Section 528 during its first year of operation. Thus the Condominium may make such election during the first year if it is advantageous. However, since the requirements for election under Section 528 are applied annually it cannot now be determined whether the Condominium may elect Section 528 treatment in any subsequent tax year.

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those explicitly discussed in this opinion. Nor do we express any view as to the tax status and tax consequences of the Plan under the laws of any other U.S.

or foreign jurisdictions. This opinion does not deal with tax consequences which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units are acquired and/or leased by the Condominium Board or with respect to whether a Unit Owner may be deemed a resident of New York City due to ownership of a Unit. We therefore strongly advise each person contemplating the purchase of a Unit to consult his own tax advisor as to all such tax matters (including the tax matters discussed in this opinion).

We make no warranty that the Internal Revenue Service, the New York State Department of Taxation and Finance or the Finance Administration of the City of New York will accept any or all of the views stated above. Moreover, the Federal, State and City tax laws and regulations (and the rulings and decisions thereunder) may change and thereby affect, in whole or in part, the views stated above.

We consent to the incorporation of this opinion in the Plan.

Very truly yours,

Alan Haberman

IN SPONSOR'S OPINION, EACH UNIT OWNER WILL BE ENTITLED TO INCOME TAX DEDUCTIONS AS DESCRIBED ABOVE. HOWEVER, THIS OPINION IS NOT A GUARANTEE; IT IS BASED UPON EXISTING RULES OF LAW APPLIED TO THE FACTS AND DOCUMENTS REFERRED TO ABOVE. NO ASSURANCES CAN BE GIVEN THAT THE TAX LAWS UPON WHICH COUNSEL BASE THIS OPINION WILL NOT CHANGE. IN NO EVENT WILL THE SPONSOR, THE SPONSOR'S COUNSEL, THE CONDOMINIUM BOARD, COUNSEL TO THE CONDOMINIUM BOARD, THE SELLING AGENT OR ANY OTHER PERSON BE LIABLE IF THERE ARE CHANGES IN THE FACTS ON WHICH COUNSEL RELIED IN ISSUING THIS OPINION, OR IF THERE ARE CHANGES IN THE APPLICABLE STATUTES, REGULATIONS, DECISIONAL LAW OR INTERNAL REVENUE SERVICE RULINGS ON WHICH COUNSEL RELIED WHICH CAUSE THE CONDOMINIUM TO CEASE TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED, OR THE NEW YORK STATE TAX LAW, AS AMENDED.

DESCRIPTION OF THE PROPERTY

The following is a general description of the Property, including the Building, the Units and the Common Elements. Reference should be made to the Architect's Inspection Report, reproduced in full as Document Number 3 in Part II of the Plan, for a more detailed description of the Property and its physical condition.

The Land

The Land is located on the north side of 35th Avenue between 79th Street and 80th Street and has an approximate area of 11,500 square feet.

The Building

The Building is six stories high with a cellar and has a non-fireproof class construction. The structure has masonry enclosing walls which are erected on a concrete foundation. The Building is clad in a red color brick for its entire height. Metal fire escapes are located on the exterior of the Building. The fire escapes are of steel construction and have steel drop ladders. Windows on the Building are wood double hung. Sills are of stone. The structure has built up rolled roofing. The approximate 36 inch parapet walls are brick, topped with concrete coping. The Building was erected on the Land in 1937.

Each Unit is being offered in its condition existing as of the date upon which a Purchase Agreement therefor is signed, ordinary wear and tear excepted. Except as may otherwise be set forth in the Plan, neither Sponsor, the Selling Agent, the Managing Agent, nor the Condominium Board will be obligated to make any repairs or improvements to any of these Units. However, Sponsor will, until the First Closing, maintain the Building in its present condition, ordinary wear and tear excepted.

The Units

Subject to the rights of Sponsor and its designee to change the number of Unsold Units, there are a total of 41 Units situated on the first floor to the sixth floor of the Building, excluding the superintendent's apartment. Detailed descriptions of the Units are set forth in the Declaration, as well as in the Architect's Inspection Report set forth as Document Number 3 in Part II of the Plan.

The existing number of rooms, size, layout and approximate dimensions of typical Units are depicted on the Floor Plans, which were prepared by MICHAEL LYNN & ASSOCIATES P.C., and are set forth as Document No. 6 in Part II of the Plan. However, such Floor Plans are subject to the rights of Sponsor and its designee to change the number of rooms in, as well as the size, layout and dimensions of, one or more Unsold Units. Sponsor shall have no liability or responsibility to Purchasers, nor shall any Purchaser be entitled to any reduction in, or credit against, the Purchase Price or otherwise be relieved

from performing his or her obligations under the Purchase Agreement, by reason of any minor or insubstantial inaccuracy or error in the Floor Plans.

The Common Elements

The Common Elements consist of the Land and all parts of the Building other than Units, including, without limitation, the following:

(a) All foundations, columns, beams, supports, girders, exterior walls, interior walls, partitions, floors, roofs and ceilings, to the extent that the same are not expressly provided in the Declaration to be included as a part of a Unit;

(b) all terraces, patios, hallways, corridors, lobbies, vestibules, basements, cellars, yards, storage spaces, common laundry spaces, mail rooms, mail boxes, stairs, stairways, elevator shafts and pits, other mechanical and electrical equipment spaces, spaces devoted to the lodging or use of the superintendent or other persons employed in connection with the operation of the Property and entrances to, and exits from, the Building;

(c) all central and appurtenant installations for services such as power, light, telephone, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, ventilation, and other mechanical and electrical systems to the extent that the same are not expressly provided in the Declaration to be included as a part of a Unit;

(d) all other parts of the Property, and all apparatus and installations existing in the Building or on the Property, either for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property;

Services and Facilities

The Building will be maintained, operated and staffed in a manner to be determined by the Condominium Board. In addition to the services and facilities described in Document Number 4 in Part II of the Plan, the services and facilities presently being provided will continue to be provided by the Condominium Board during the Initial Control Period. Subsequent to the Initial Control Period, the Condominium Board will be at liberty to change and discontinue any of these services and facilities. Notwithstanding the foregoing, however, the Condominium Board shall at all times maintain, operate and staff the Building in compliance with, and subject to, all applicable laws and any rights of non-purchasing tenants under applicable rent laws.

Mail:

Locked mailboxes for each Unit Owner are located in a mail alcove in the lobby of the Building. Incoming mail is delivered to the Building and inserted into the mailboxes by the U. S. Postal Service.

Refuse Disposal:

There is a refuse chute room located on the public corridor on each floor leading directly to the incinerator room in the cellar of the Building.

Elevator Service:

There is one automatic, self-service passenger elevator.

Building Personnel:

The Building's superintendent lives in Apartment 1-G in the Building.

Laundry:

A laundry room, containing two coin-operated washing machines, one coin-operated drying machine, and a wash tub is located in the cellar for use by Unit Owners.

Storage:

There is one storage room located in the cellar of the Building for use by Unit Owners and their tenants, if any.

Fire Protection System:

There are battery operated smoke detectors in each Unit.

Intercom System:

Each Unit has an intercom speaker and buzzer which permits two-way conversation between the Unit and the master station located in the Building entrance vestibule.

Neither Sponsor, the Selling Agent, the Managing Agent, nor the Condominium Board will be liable in the event of any interruption, discontinuance, or reduction in the quality of any of the foregoing services, including, but not limited to, any services provided by any outside company or person, other than Building personnel, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents.

RIGHTS OF EXISTING TENANTS

The Plan is a non-eviction plan in that those sections of the law which, under certain circumstances, permit the eviction of a non-purchasing tenant shall not be invoked. General Business Law Section 352-eeee defines a non-eviction plan as:

> "A plan which may not be declared effective until written purchase agreements have been executed and delivered for at least 15% 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 disciminatory inducements."

All bona fide tenants in occupancy of a Unit in the Building used for dwelling purposes on the date the Plan is accepted for filing will have the exclusive right to purchase his or her Unit for a period of ninety (90) days from the date of service of the Plan for the 90-Day Purchase Price to Tenants set forth on pages 8-11 of the Plan. Any bona fide tenant with the right to renew a lease for dwelling purposes on the date the Plan is accepted for filing has the right to subscribe as a tenant during the exclusive purchase period. Any bona fide tenant who has the right to continued occupancy of his Unit for dwelling purposes on the date the Plan is accepted for filing has the right to purchase his or her Unit during the exclusive purchase period. 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 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 dwelling unit or the dwelling unit is not the tenant's primary residence. A bona fide sublessee in occupancy on the date the Plan is accepted for filing has the right to purchase during the exclusive period if he or she; (i) sublets from a non-bona fide tenant, or (ii) has obtained written permission to purchase his or her dwelling unit from a bona fide tenant of record. Nothing herein shall be construed to deprive an owner of any legal remedy for illegal occupancy.

After the expiration of the ninety (90) day exclusive right to purchase set forth above and until the Plan is declared effective the

Purchase Price to each tenant may be changed from time to time by amendment to the Plan.

No tenant in occupancy shall have the exclusive or preferential right to purchase any vacant Unit or Units occupied by another tenant. The exclusive right granted to tenants hereunder pertains only to the purchase by such tenant of the Unit he or she occupies. Present tenants may, if they wish, enter into Purchase Agreements for vacant Units or other occupied Units at the Purchase Price to non-tenants set forth on pages 8-11 of the Plan. However, the Sponsor is not obligated to accept such Purchase Agreements.

In accordance with General Business Law Section 352-eeee:

1. 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; and provided further that an owner of a unit 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.

2. 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 condominium ownership shall continue to be subject thereto. (See "OBLIGATIONS OF OWNERS OF DWELLING UNITS OCCUPIED BY NON-PURCHASING TENANTS" at page 42 of the Plan.)

3. 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. Complaints of unconscionable rent increases may be referred to the New York State Department of Law, Real Estate Financing Bureau, Two World Trade Center, New York, New York, 10047.

4. The plan may not be amended at any time to provide that it shall be an eviction plan.

5. 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.

6. 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 tenth and 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.

7. Tenants or their representatives may physically inspect the Property at any time 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.

8. No person shall 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 thereto.

Upon the transfer of a Unit occupied by a non-purchasing tenant, the non-purchasing tenant will be notified in writing of such transfer within thirty (30) days thereafter by certified mail (see Section 7.10 of the By-Laws).

If prior to the expiration of any exclusive period which begins prior to the First Closing, the Sponsor amends the terms and conditions of the Plan to be more favorable to tenant purchasers, a Purchase Agreement executed and submitted before

the Sponsor amended the terms and conditions of the Plan by a tenant who was in occupancy on the date of service of the Plan shall be deemed amended to include the more favorable terms.

No non-purchasing tenant shall be discriminated against in any way with respect to the level of service or equipment required to be provided by law.

OBLIGATIONS OF OWNERS OF DWELLING UNITS OCCUPIED BY NON-PURCHASING TENANTS

A person interested in purchasing a Unit occupied by another will purchase same and obtain a deed therefor subject to the rights of the existing tenant. Under existing law, a purchaser of a Unit occupied by an existing tenant may not obtain possession of such Unit so long as the existing tenant does not default in paying rent, use or occupy the Unit for illegal purposes, refuse reasonable access to the owner or commit a similar breach of his lease or tenancy. Furthermore, a non-occupant purchaser of a Unit occupied by another may not commence an action to recover possession on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family. Upon the expiration of a rent stabilized tenant's lease he will be entitled to obtain a one or two year renewal lease (at the tenant's option), at an increased rental determined in accordance with the provisions of the Rent Stabilization Law and Code. The rent stabilized tenant will be entitled to obtain a sequential renewal lease as each lease held by him expires.

The Condominium Board, the Sponsor, and the Selling Agent make no representation as to the controlling regulations and statutes and a prospective purchaser of a Unit occupied by another is advised to consult with an attorney regarding the applicable laws and regulations to be fully aware of his rights as a purchaser and his obligations to any existing tenant or occupant.

If a tenant fails to pay rent or otherwise breaches his lease or the terms of his tenancy and such default is not cured within any applicable grace period or fails to renew his lease, the purchaser of such Unit may, at his own expense, bring administrative and/or judicial proceedings to gain possession of the Unit. In a dispossess proceeding the court has discretionary power to stay the issuance of a warrant of eviction for not more than six (6) months, depending upon the availability of other suitable accommodations and upon other factors.

No repesentation or warranty is made as to the length of time which may elapse, even if a proceeding or suit is properly brought, before the granting of a certificate of eviction or before a final court order of eviction is granted and made effective, or that such court order will be granted, or that possession of a Unit occupied by another will be obtained.

All costs and expenses incurred in connection with the ownership of a Unit occupied by another (including, without limitation, legal fees and litigation expenses for enforcing the lease and obtaining possession of the Unit) will be borne entirely by the purchaser.

If a purchaser acquires title to a Unit occupied by another, then on the closing date the purchaser will become the landlord of such occupant and the latter will become the purchaser's tenant. Such purchaser will be required, under the Declaration of the Condominium and the By-Laws of the Condominium, to pay the common charges for such Unit to the Condominium Board, whether or not such common charges are more or less than the rent payable by the tenant or occupant and regardless of whether the rent is received. In addition, such purchaser will be responsible for the performance of all obligations as landlord under the lease, or tenancy of, the tenant or occupant, including, without limitation, the obligations to maintain, repair and replace plumbing fixtures, refrigerator, range, any dishwasher, lighting fixtures, and other equipment (if any) in the Unit, and to paint the Unit, as provided in the lease and the applicable laws.

No representation or warranty is made as to whether the present rent laws and regulations will continue to apply to any Units in the Building or whether there will be any future amendment thereto.

A person interested in purchasing a Unit in which he does not reside is advised to examine any lease for such Unit to ascertain the rental thereof, expiration date, and obligations imposed on the landlord thereof. These leases are on file at the office of the Managing Agent. It is again recommended that a prospective purchaser of an occupied Unit consult with his own attorney.

A purchaser of a 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. Such security must be held by the purchaser, in trust, in an interest bearing account in accordance with Section 7-103 of the New York General Obligations Law. Upon delivery of such security deposit the purchaser will be required to execute, have notarized, and deliver to Sponsor an agreement acknowledging the amount received and indemnifying the Sponsor and the Condominium Board against all claims and liability in connection therewith. In either event, Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrears due to Sponsor from such tenant or occupant.

A person who purchases a Unit occupied by a non-purchasing tenant (other than Sponsor, a designee of Sponsor, or a holder of Unsold Units) shall deposit with the managing agent of the Building at the closing a sum equal to two (2) months' common charges, to be used by such managing agent as working capital to furnish to the non-purchasing tenant all services required under the non-purchasing tenant's lease and all laws and rent regulations applicable to the tenancy of the Unit. Upon notice by the managing agent that said deposit has been diminished such fund shall be replenished by the owner of the Unit within sixty (60) days after receipt of such notice, so that the amount of such fund shall always be equal to two (2) months' common charges. Such fund shall be terminated when the Unit is vacated by the non-purchasing tenant. If the Condominium Board does not employ a Managing Agent, then the fund shall be maintained by the Condominium Board in the same manner as aforesaid. The failure of the Unit Owner to replenish the fund in a timely manner shall result in a lien in favor of the Condominium Board against the Unit. Interest, if any, earned on the fund shall be the property of the Unit Owner.

INTERIM LEASES

The Sponsor reserves the right to rent or lease vacant Units (including any Units which become vacant after the date of presentation of the Plan) to purchasers and non-purchasers. However, once a vacant Unit is sold, and so long as the Purchase Agreement is in effect, it may only be leased to the purchaser of such Unit. The lease will be for such rent (but not to exceed the maximum rent legally collectible) and other terms as may be mutually agreed upon. The lease shall be prepared on the standard form of apartment lease currently published by the Real Estate Board of New York, Inc. and shall be subject to the Rent Stabilization Law and Code adopted pursuant thereto. The term of such lease shall be for a period which will expire on the date of closing of title to the Unit in the event the Plan shall be declared effective, or one year after the date of execution of said lease in the event the Plan shall not thereafter be declared effective in accordance with its terms. In the event the Plan is abandoned, the Purchaser, Tenant under said lease may, at any time at his or her sole option, cancel said lease and remove from the premises upon 90 days' prior written notice to the Sponsor at the address set forth on the cover page of the Plan. Such lease will also provide that an uncured default by the purchaser under his or her Purchase Agreement will constitute a default under the lease entitling the landlord (i.e., Sponsor), at its sole option, to immediately terminate such lease. The Purchase Agreement contains a similar cross-default provision entitling the Sponsor to cancel the Purchase Agreement in the event the purchaser fails to cure a default under his or her lease within the applicable grace period (if any) and such default results in his or her eviction from the Unit (whether by voluntary removal or by court order). An uncured default under such lease or Purchase Agreement may cause a Purchaser to forfeit his or her downpayment, but in no event shall such forfeiture be more than ten (10%) percent of the Purchase Price. No portion of the rental paid under such lease will be credited toward the Unit's Purchase Price.

In the event of an amendment to the Plan which would permit a Purchaser who is an interim lessee to rescind his or her Purchase Agreement, such rescission will be conditioned upon the cancellation of the Purchaser's interim lease and surrender of possession of the Unit within forty-five (45) days after such rescission.

PROCEDURE TO PURCHASE; TERMS OF SALE OF UNITS

Procedure to Purchase

A person desiring to purchase a Unit will be required to execute, in quadruplicate, a Purchase Agreement in the form set forth as Document Number 1 in Part II of the Plan and one (1) copy of Form TP-581 in the form set forth as Document Number 2 of the Plan (signatures on Form TP-581 must be notarized), and deliver all of the above documents to the Selling Agent, together with a check equal to ten (10%) per cent of the purchase price to the order of "THE ELBERTSON CONDOMINIUM SPECIAL ACCOUNT". The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and should be read carefully by the prospective Purchaser and his or her legal or financial representative before being executed.

No Purchase Agreement will be accepted until the third business day after presentation of the Plan. In the event the Plan is amended, no Purchase Agreement will be accepted from a Purchaser who has not yet executed an agreement until the third business day after presentation of such amendment.

A Purchase Agreement properly executed and submitted by an existing tenant during the ninety (90) day exclusive period afforded tenants to purchase his or her Unit will be deemed accepted. A Purchase Agreement submitted by any other prospective purchaser, including an existing tenant who submits a Purchase Agreement after the ninety (90) day exclusive period afforded tenants, or an existing tenant who submits a Purchase Agreement for a Unit other than his own, will not be binding on the Sponsor until a fully executed duplicate original of such Purchase Agreement is returned to such prospective purchaser. If such duplicate Purchase Agreement is not returned to the prospective purchaser within twenty (20) days after it is received by the Selling Agent, it will be deemed rejected and all monies submitted with such Purchase Agreement will be promptly returned to such prospective purchaser, without interest. Except as otherwise provided herein with respect to tenants who execute Purchase Agreements for the Unit in which they reside, Sponsor may reject any Purchase Agreement without cause or explanation so long as such rejection is not based upon race, creed, color, national origin, ancestry, sex, or any other ground prohibited by law.

After the Plan is declared effective, Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (in the City of New York) for the transfer of title to his or her Unit. At title closing, such Purchaser shall pay the balance of the Purchase Price stated in the Purchase Agreement by his or her

unendorsed certified personal check or by official cashier's check drawn on a New York bank, a member of the New York Clearing House Association.

Terms of Sale

The following is a summary of certain material provisions of the Purchase Agreement, but is not intended as a complete statement of these or other important provisions of the same. Reference should be made to the form of Purchase Agreement set forth as Document Number 1 in Part II of the Plan for the complete terms of these and other material provisions:

(a) **Incorporation of Plan**

The Plan (including, without limitation, the Condominium Documents contained in Part II of the Plan) and any amendments thereto duly filed by Sponsor are incorporated into each Purchase Agreement by reference. The execution and submission of a Purchase Agreement constitutes Purchaser's acceptance of the Plan (Parts I and II) and his or her agreement to abide and be bound by the terms of the same, as well as all amendments to the Plan duly filed by Sponsor. No Purchaser shall have the right to approve or consent to any such amendments, including, without limitation, any changes, modifications, or updating of the estimated Common Charges or estimated real estate taxes and assessments to be paid by the Purchaser or the "BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION" and no such amendment will excuse a purchaser from performing his or her obligations under a Purchase Agreement or entitle such purchaser to any credit or offset against the purchase price set forth therein. However, if an amendment materially adversely affects the rights, obligations or liabilities of then existing Purchasers, Purchasers will be given the right to rescind their Purchase Agreements by notifying Sponsor within thirty (30) days of presentation of such amendment and will receive a refund of their Down Payments, without interest (unless interest is earned), within thirty (30) days after Sponsor's receipt of Purchaser's election to rescind.

(b) **Financing**

Each Purchaser is free to obtain financing from any lender of the Purchaser's choice. However, the Purchaser's obligations under the Purchase Agreement will not be conditioned upon his or her obtaining such financing. As a result, to avoid the risk of forfeiting the Down Payment, each Purchaser should inquire about the availability, terms and costs of, as well as the Purchaser's eligibility for, such financing from the lender of the Purchaser's preference before signing and returning the Purchase Agreement. No representation is made as to whether any Purchaser will qualify for financing, or as to the terms, cost, or availability of financing.

(c) **Trust Funds**

All monies received by Sponsor, directly or through its agents or employees shall be held in trust and deposited into a non-interest bearing segregated escrow account at National Westminster Bank, U.S.A., 44 Wall Street, New York, New York 10005, entitled "THE ELBERTSON CONDOMINIUM SPECIAL ACCOUNT". In the event that the Plan is abandoned or withdrawn or any Purchase Agreement is cancelled pursuant to its terms through no fault of the Purchaser, such monies shall be refunded to the appropriate Purchaser together with interest earned thereon, if any. However, with respect to any Purchaser who has defaulted under his or her Purchase Agreement and who has failed to cure the default within the applicable grace period (if any) or whose Purchase Agreement had been previously cancelled due to an uncured default as of the date of such abandonment or withdrawal, Sponsor shall retain, as and for liquidated damages, the Down Payment (but not to exceed 10% of the purchase price) plus any additional sums deposited on account of any special work in the Unit ordered by the Purchaser, together with interest earned thereon, if any, (hereinafter collective called the "**Liquidated Sum**"). Any sums deposited with Sponsor in excess of the Liquidated Sum (together with interest earned on such excess sums, if any) will be refunded to the delinquent Purchaser within thirty (30) days after the date of such abandonment or withdrawal. The monies received under each Purchase Agreement may not be withdrawn from the escrow account until (i) title to the Unit is transferred to the Purchaser, in which event said monies shall be delivered to Sponsor at closing; or (ii) the Purchase agreement is cancelled, in which case such monies and the interest earned thereon, if any, shall be paid to the party entitled to receive the same as set forth in the Purchase Agreement. The amounts paid by Purchasers will be handled in accordance with the provisions of Sections 352-e(2)(b) and 352-h of the New York General Business Law.

Until such time as completion of the sale and consummation of the Plan, funds deposited in trust as Down Payments or as the purchase price for Units, will only be released upon the signature of a member of the firm of Haberman & Narotsky and be disbursed only upon instruction of counsel for the Sponsor (Haberman & Narotsky), to be used for purchase of the Unit if the Plan is declared effective and title closes, or returned to the purchaser if the Plan is abandoned or withdrawn or if title does not close as herein provided, or if the required number of tenant occupants do not purchase the Units pursuant to the terms of the Plan.

(d) **Events of Default**

In the event that a Purchaser (i) defaults in paying the balance of the Purchase Price on the date scheduled by Sponsor for closing title to his or her Unit, (ii) defaults in performing some other obligation under the Purchase Agreement and fails to cure such default within fifteen (15) days after Sponsor sends written notice to such Purchaser specifying the nature of the default, or (iii) is or becomes a tenant or occupant of the Building and is evicted for failure to pay rent or to perform some

other lease or tenancy obligation (whether by voluntary removal or by court order), Sponsor's sole remedy is to cancel the Purchase Agreement by sending thirty (30) days' written notice to such Purchaser and, if such Purchaser shall fail to cure such default within the said thirty (30) day period, to retain, as and for liquidated damages, the Liquidated Sum. Any payments received by Sponsor in excess of the Liquidated Sum, together with any interest earned on such excess payments, if any, shall be refunded to the Purchaser with reasonable promptness after cancellation.

If a Purchaser is or becomes a tenant or occupant of the Building and fails to pay rent or otherwise to comply with his or her lease obligations or vacates or abandons his or her Unit, then Sponsor may cancel his or her Purchase Agreement as set forth above whether or not such Purchaser is evicted from the Building by reason thereof. However, if such Purchaser is not evicted from the Building by reason of such default, vacating or abandonment, Sponsor shall return to such Purchaser all monies deposited under the Purchase Agreement, together with the interest earned thereon, if any.

In the event that a Purchase Agreement is cancelled, both Sponsor and the Purchaser shall be relieved of all further obligations and liabilities thereunder and under the Plan, and Sponsor shall be free to sell the Unit to another as though such Purchase Agreement had never been made and without accounting to the Purchaser for the proceeds received on such sale.

(e) **Units Sold "As Is"; Fixtures and Appliances**

The Units and the Building are being sold in the condition in which they exist at the time of signing the Purchase Agrement, subject to ordinary use, wear and tear and natural deterioration and subject, further, to Sponsor's obligation to maintain the Building until the First Closing to the extent indicated in "SPONSOR'S STATEMENT OF BUILDING CONDITION" at page 98 of the Plan. Sponsor will not be obligated to make repairs, modifications, or changes in or to any Unit unless expressly agreed to in writing. Each Purchaser will be given a reasonable opportunity to examine the Unit prior to closing, subject to the rights of any tenant or occupant of such Unit, and is urged to make a careful inspection.

At closing, each Unit will contain only those appliances, countertops, cabinets, sinks, vanities (if any), air-conditioning units (if any), hardware and other fixtures and equipment installed therein as of the date of the Purchase Agreement relating thereto that are owned by Sponsor. Each Unit is to be sold unfurnished, and there will be no modifications or extras unless agreed to in writing by the parties. Any appliances, furnishings, equipment, fixtures and other personal property owned by any tenant of the Unit will not be included in the sale. However, if the Unit is then occupied other than by the Purchaser and such tenant or other occupant removes a stove or refrigerator belonging to him or her, then Sponsor will supply a replacement, which need not be new, but will be in working order

and similar in style and quality to the stoves and refrigerators owned by Sponsor that are contained in comparable Units in the Building on the date of presentation of the Plan.

(f) **Closing of Title**

The closing of title to each Unit will be held at the office of Haberman & Narotsky, 14 East 60th Street, New York, New York 10022, Suite 303, on such day and at such hour as Sponsor shall designate to the Purchaser of such Unit on not less than thirty (30) days' prior written notice. Sponsor has the right to postpone the closing date and to fix a new closing date. In such event, Sponsor shall give the Purchaser not less than ten (10) days' notice of the new date and time of closing. The closing shall take place only after or concurrently with the occurrence of the events set forth in the section entitled "PREREQUISITES TO CLOSING OF TITLE" at page 64 of the Plan. Purchasers desiring to arrange for such closing to take place at another location in New York City should promptly notify Counsel for Sponsor of that address and, in addition, will be responsible for the payment of an attendance fee to such Counsel. (See "Closing Costs" at page 56 of the Plan.)

The foregoing shall not act to extend Sponsor's time to declare the Plan effective as set forth in the section entitled "EFFECTIVE DATE OF THE PLAN AND DATE OF CLOSING TITLE TO UNITS" at page 61 of the Plan and shall not affect Sponsor's right to abandon or withdraw the Plan as set forth in such section. In the event that the Plan is so abandoned or withdrawn, the Purchase Agreement will be deemed cancelled and all monies paid by the Purchaser thereunder, together with interest earned thereon, if any, shall be disbursed as discussed in the subsection entitled "Trust Funds" at page 52 of the Plan. After the funds are so disbursed, neither the Purchaser nor Sponsor shall have any claims against each other or against the Selling Agent in connection with the Purchase Agreement or the Plan, and all of the same shall be released and discharged from all liabilities under the Purchase Agreement and the Plan.

(g) **Deed and State of Title; Existing Tenancies**

Upon delivery to Sponsor of: (i) the balance of the Purchase Price, (ii) a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor and (iii) a transfer tax return in the form required to be filed with The City of New York, each of which must be executed and acknowledged by the Purchaser, Sponsor will execute, acknowledge and deliver to the Purchaser a Bargain and Sale Deed with covenant against grantor's acts, conveying title to such Unit to Purchaser subject only to the title conditions set forth in Exhibit A to the Purchase Agreement. The Deed and Unit Owner's Power of Attorney will be substantially in the forms set forth as Documents Number 7 and 8, respectively, in Part II of the Plan.

Sponsor will correct, by the First Closing, all title defects and all violations of record issued prior to the First Closing and will comply with proper work orders of the insurer of the Property noted or issued prior to the First Closing. However, the Plan may be withdrawn if the cost of curing any title defects or violations of record or work orders exceeds $1,000.00 for any one Unit or $25,000.00 in the aggregate for all Units. With respect to all violations noted before the First Closing, Sponsor will complete all corrective work by the First Closing or within a reasonable period of time thereafter. Notwithstanding the foregoing, Sponsor shall not be obligated to correct or remove any violations that are the obligations of tenants to cure within their own Units or which result from the acts or omissions of tenants within their own Units or violations noted with respect to radio or television antennae. In calculating the stated dollar amounts above set forth, any title defects, violations, work orders, or determinations of any authority or regulatory association which existed on the date of presentation of the Plan and either are known to the Sponsor or are a matter of public record shall be excluded.

In the event that the Purchaser's Unit is, at the time of signing the Purchase Agreement, occupied by, or under lease to, one other than such Purchaser, such Purchaser will purchase the said Unit subject to the rights of the existing tenant or occupant, as more fully described in the sections hereof entitled "RIGHTS OF EXISTING TENANTS" beginning at page 43. In addition, upon becoming the owner of such Unit, said Purchaser will succeed to and assume all of Sponsor's rights and obligations as the landlord of such tenant or occupant, as more fully set forth in the section hereof entitled "OBLIGATIONS OF OWNERS OF DWELLING UNITS OCCUPIED BY NON-PURCHASING TENANTS" to be found at page 47 of the Plan.

(h) **Closing Adjustments**

At the closing of title to each Unit, Sponsor and the Purchaser shall apportion, as of midnight of the day preceding the closing: (i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, including water charges and sewer rents (if separately assessed) and escrows for real estate taxes, if any; (ii) Common Charges for the month in which title closes; and (iii) rent and other charges, if any, pursuant to a lease for, or tenancy of, such Unit. In the event that the Unit has not been separately assessed for the then current fiscal tax year at the time of closing title, the apportionment of real estate taxes shall be based on the Unit's pro rata share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. Until the Units are separately assessed, Sponsor will deposit in escrow with the Board of Managers a sum sufficient to pay real estate taxes levied against each Unit for the six (6) month period following the First Closing or until the Units are separately assessed, whichever shall first occur. The Board of Managers will pay the real estate taxes from such escrow when such taxes are due and payable

and Sponsor shall be reimbursed for such payment by the Unit owners upon the closing of each Unit.

(i) **Closing Costs**

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

(i) If such Purchaser elects to obtain fee title insurance, he or she will pay a premium therefor to his or her title insurance company which will vary depending upon the amount of insurance requested. The premium for fee title insurance, if ordered from Lawyers Title Insurance Corporation, will be $439.00 for the first $50,000.00 of fee insurance plus $4.74 for each $1,000.00 of additional fee insurance up to $100,000.00 and $3.80 for each $1,000.00 of additional fee insurance up to $500,000.00. Each Purchaser is free to obtain title insurance from a title insurance company other than Lawyers Title Insurance Corporation However, Sponsor makes no representation or warranty as to the cost, terms, or availability of such other title insurance. Furthermore, Sponsor shall not be obligated to satisfy any exceptions to title raised by any title insurance company other than Lawyers Title Insurance Corporation;

(ii) A fee for recording the deed and Unit Owner's Power of Attorney of $10.00 for each instrument plus $1 per page, together with a service charge to the title company for such recording of approximately $1.00 per instrument;

(iii) If Purchaser obtains a mortgage loan, Purchaser will pay:

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

(b) a mortgage recording tax in the amount provided for by law (at the date of the Plan, the tax is 1.5% of the face amount of the mortgage);

(c) all costs and expenses in connection with such loan in amounts determined by the lender. Sponsor makes no representation or warranty as to such closing costs or expenses or as to the availability of such financing;

(iv) A closing fee of $300.00 to Sponsor's Counsel;

(v) If Purchaser does not close on the date designated for the transfer of title by the Sponsor, the Purchaser shall pay to Sponsor's Counsel an additional closing fee of $200.00. Further, if Sponsor offers mortgage financing and the same is accepted by Purchaser, or if the closing takes place out of the office of the Sponsor's attorney, additional closing costs of $250.00 for each such event will be incurred by the Purchaser.

(vi) If the Sponsor consents to the assignment or transfer of a Purchase Agreement, a fee of $250.00 to the attorneys for the Sponsor for reviewing the assignment and assumption of assignment and preparation of the Sponsor's form of consent to the assignment.

(vii) Finally, if such Purchaser deals with any broker in connection with the purchase of his or her Unit other than the Selling Agent or any other broker engaged in writing by Sponsor, then such Purchaser will be required to pay the commission of such broker unless Sponsor agrees otherwise in writing.

Sponsor will pay for the documentary stamps to be affixed to the deed, the transfer taxes due to The City of New York, and the New York State Real Property Transfer Gains Tax.

(j) **Rent Security Deposit**

The unapplied rent security deposit, if any, of a tenant who purchases will be refunded to such tenant, together with any interest earned thereon, within thirty (30) days after the closing of title, provided that the tenant is not in default under his or her lease or tenancy obligations. If an occupied Unit is purchased by someone other than the tenant or the occupant, the unapplied security deposit, if any, will be transferred at closing to such Purchaser, who will, in writing, acknowledge receipt of same at closing and agree to indemnify Sponsor from all liability in connection therewith. In either event, Sponsor will have the right to deduct

from any tenant's security deposit the amount of any rent arrears due to Sponsor from such tenant or occupant.

(k) **Damage to Units**

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

(l) **Broker**

The Purchaser will represent to Sponsor that he or she has not dealt with any broker other than the Selling Agent in connection with the acquisition of his or her Unit and will indemnify Sponsor against the claims of any other broker.

(m) **No Lien**

Neither the Purchase Agreement nor any monies deposited thereunder shall constitute a lien against the Property, including the Unit.

(n) **Agreement Is Not Contingent Upon Financing**

The Purchase Agreement to be signed by Purchasers under the Plan is not conditioned upon the Purchaser's obtaining any financing from a bank or other source. Purchasers who desire to obtain financing should make their own arrangements in this regard.

Sponsor reserves the right at its election (but without obligation) to offer financing. If Sponsor offers financing, and same is requested by the Purchaser, counsel for Sponsor will charge a fee of $250.00

to the Purchaser for the preparation of the required documents. This fee will be in addition to any other closing expenses associated with such financing. (See "Closing Costs" at page 56 of the Plan.)

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ASSIGNMENT OF PURCHASE AGREEMENTS

Purchase Agreements of Existing Tenants and those of non-tenants are not assignable.

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EFFECTIVE DATE OF THE PLAN AND DATE OF CLOSING TITLE TO UNITS

The following provisions will determine whether and when the Plan will be declared effective for the purpose of closing:

1. The Plan will not be declared effective until written Purchase Agreements have been executed and delivered for at least fifteen (15%) per cent of all dwelling units in the Building 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 intends to 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. No more than one (1) Purchase Agreement by the tenant or tenants of a particular dwelling unit shall be counted for purposes of declaring the Plan effective. Furthermore, only one (1) Purchase Agreement from any tenant who leases or occupies more than one (1) dwelling unit shall be counted for purposes of declaring the Plan effective.

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

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

(ii) conditioned upon an amendment to the Plan that has not been served on purchasers at least three (3) business days prior to execution of the Purchase Agreement;

(iii) 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 shareholder, or a limited partner; except that such a purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the purchaser is either a bona fide tenant or a bona fide purchaser who represents that he or she intends that he or she or one or more members of his or her immediate family intends to occupy the dwelling unit when it becomes vacant.

2. After the condition in the preceding Paragraph 1 has been met, the Sponsor may, at its option, declare the Plan effective.

3. When Purchase Agreements have been executed and accepted for the sale of eighty (80%) per cent of the Units offered under the Plan, and the condition referred to in the foregoing Paragraph 1 has been met, the Sponsor must declare the Plan effective.

If the Plan has not been declared effective within fifteen (15) months from the date of issue of the letter of the Attorney General stating that the Plan has been accepted for filing, it will be deemed abandoned, void, and of no effect, and all monies will be returned to purchasers in full, without interest unless interest is earned, within twenty (20) days after the filing of a notice of abandonment with the Department of Law. In the event of such abandonment, no new plan for the conversion of the Building shall be submitted to the Attorney General for at least twelve (12) months after such abandonment.

The Plan will be declared effective by written notice to all purchasers and tenants of the Building delivered by personal delivery or regular mail. Within two (2) business days thereafter, an amendment declaring the Plan effective will be submitted for filing. In no event will the First Closing be held prior to acceptance of the amendment for filing.

The Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever before it is declared effective or the eighty (80%) percent quota and other conditions referred to in the foregoing Paragraph 3 are met. Within thirty (30) days after the Plan is abandoned, all monies received from purchasers shall be refunded to them without interest unless interest is earned. If the Plan has not been declared effective within fifteen (15) months from the date of issuance of the letter from the Attorney General stating that the Plan has been accepted for filing, it will be deemed abandoned.

After the Plan has been declared effective, Sponsor may not abandon the Plan for any reason except for (a) a defect in title which cannot be cured without litigation or for less than $1,000.000 for any ne Unit and $25,000.00 in the aggregate for all Units; (b) work orders of a mortgagee or violations of record which cannot be cured for less than $1,000.00 for any one Unit and $25,000.00 in the aggregate for all Units; (c) substantial damage or destruction of all or part of the Building by fire or other casualty that is not fully covered by the insurance proceeds retained by Sponsor, unless Sponsor elects to repair the same; or (d) the taking of any material portion of the Property by eminent domain. Sponsor will not be obligated to remove, cure or comply with violations which are the obligation of tenants to remove, cure or comply within the Units in which they reside. In calculating the stated dollar amounts above set forth, Sponsor shall exclude title defects, violations, work orders, or determinations of any authority or regulatory association which existed on the date of presentation of the Plan and either are known to the Sponsor or are a matter of public record.

Subsequent to the First Closing, the Plan may not be withdrawn or abandoned unless at least eighty (80%) percent of the Unit Owners, both in number and in Common Interest, vote to terminate the Condominium. Sponsor will not vote the aggregate Common Interest appurtenant to its Units for such termination unless at least eighty (80%) percent of the other Unit Owners, both in number and in Common Interest, elect to terminate, in which event Sponsor may choose to vote its Common Interest, either in favor of or against termination of condominium ownership, as it sees fit. (See the section entitled "TERMINATION OF CONDOMINIUM" at page 87 of the Plan for further discussion.)

(If this Plan is withdrawn or abandoned, all purchasers and all tenants or other occupants of Units will be so notifed in writing. Within thirty (30) days thereafter, all down payments paid to Sponsor pursuant to Purchase Agreements then in effect (together with any interest earned thereon) will be returned to Purchasers in good standing. However, Sponsor will retain as liquidated damages the down payment (together with any interest earned thereon) of any Purchaser who is then in default under his or her Purchase Agreement beyond any applicable grace period or whose Purchase Agreement had been cancelled previously due to such Purchaser's default. Upon the return or retention of the down payments and any such interest, the Purchase Agreements will be null and void and Sponsor will have no further obligation or liability to Purchasers under this Plan or under such Purchase Agreements.)

After the Plan has been declared effective, Sponsor will, from time to time, fix one or more dates for closing title to Units for which Purchase Agreements are in effect. The First Closing will be held no later than one hundred eighty (180) days after the Plan is declared effective, unless adjourned by Sponsor, but in no event sooner than thirty (30) days after the date upon which notice is given that the Plan is declared effective. The closing of title to each Unit will take place in accordance with the terms of the applicable Purchase Agreement. (See the section entitled "PROCEDURE TO PURCHASE; TERMS OF SALE OF UNITS" at page 50 of the Plan for a more complete discussion of the events that will occur at each such closing of title.)

PREREQUISITES TO CLOSING OF TITLE

The closing of title to each Unit shall take place only after, or concurrently with, the latest of the following events to occur:

(a) The Plan being declared effective by Sponsor;

(b) The recording or filing, as required by law, of the Declaration, the By-Laws and the Floor Plans;

(c) Either (i) the release of such Unit and its appurtenant Common Interest from the lien of all mortgages or (ii) in the event that the Purchaser obtains mortgage financing and such mortgagee shall so elect, the assignment of any mortgages that are then a lien against such Unit and its appurtenant Common Interest to such mortgagee and the assumption of such mortgages by the Purchaser (provided that, to the extent that the aggregate outstanding balance of such existing mortgages exceeds the amount of financing desired, or that the terms of such mortgages differ from the terms of such financing, the amount of such mortgages shall be reduced and/or the terms of such mortgages shall be modified accordingly, as the case may be);

(d) Sponsor procures the New York State Real Property Transfer Gains Tax Tentative Assessment and Return or Statement of No Tax Due, whichever may be applicable and pays the Transfer Gains Tax due, if any; and

(e) If the Purchaser of such Unit so requests, the issuance of a title insurance binder insuring fee title to such Unit in the Purchaser subject only to the encumbrances set forth in such Purchaser's Purchase Agreement, which binder will also insure that a valid condominium has been created pursuant to the terms of the Condominium Act. The cost of such title insurance shall be borne by the Purchaser. (See the section entitled "PROCEDURE TO PURCHASE; TERMS OF SALE OF UNITS" for an estimate of the cost to the Purchaser to obtain such title insurance.)

At this time, the Property is encumbered by the following mortgage, which shall be released or assigned in accordance with "(c)" above:

Mortgage held by European American Bank and Trust Company in the principal sum of $541,122.00.

SUMMARY OF CERTAIN PROVISIONS OF THE BY-LAWS

Condominium Board

The affairs of the Condominium shall be governed by the Condominium Board, which shall consist initially of three members designated by Sponsor. At the first meeting of the Unit Owners, which will be held within approximately four months after the First Closing, the three-member Condominium Board shall resign in favor of a new nine-member Condominium Board, to be elected by Unit Owners at such meeting. Thereafter, elections to the Condominium Board shall be held at the regular annual meeting of Unit Owners held in January of each succeeding year. (See the subsection below entitled "Meetings and Votes of the Unit Owners" for further discussion.)

The term of office of each of the nine members of the Condominium Board shall normally be three years, except that, with respect to the first nine-member Board, three members shall serve for two years and three other members shall serve for one year. At the expiration of the initial term of office of each member of the Condominium Board, such member's successor shall be elected to serve for a term of three years. As a result, the terms of one-third of the members of the Condominium Board will expire each year. Those members receiving the highest number of votes shall serve for the longest terms; however, any members elected by Sponsor or its designee, as owner of the Unsold Units, during the Initial Control Period, shall serve for the shortest terms.

All members of the Condominium Board shall be either: (a) Unit Owners or spouses of Unit Owners or mortgagees of Units or a spouse of an individual mortgagee; (b) partners or employees (or their spouse) of a partnership owning a Unit or a mortgage covering a Unit; (c) officers, directors, stockholders or employees (or their spouses) of corporate owners or corporate mortgagees of Units; or (d) fiduciaries or their beneficiaries (or their spouses) who are owners or mortgagees of Units (or directors, officers, stockholders or employees, or their spouses, of corporate fiduciaries, or partners or employees, or their spouses, of partnership fiduciaries). However, members elected by Sponsor or its designee need not be Unit Owners. Other than members elected by Sponsor or its designee, no member shall continue to serve on the Condominium Board after he ceases to be a Unit Owner or an interested party in a Unit Owner, as specified in this paragraph.

Members of the Condominium Board are subject to removal, without cause, by vote of Unit Owners owning a majority of the Common Interests attending a meeting at which a quorum is present. However, members elected by Sponsor or its designee may only be replaced by designates of Sponsor or said designee.

All members of the Condominium Board shall serve without compensation.

Control By Sponsor

Sponsor shall have the right to vote all of the Common Interests attributable to Units owned by Sponsor, except that, when voting for members of the Condominium Board, Sponsor shall in no event cast its votes in favor of more than five of the nine members to be elected. Further, at all elections held after the expiration of the Initial Control Period, not more than three of the members of the Board may be elected by Sponsor or the then owner of the Unsold Units. Accordingly, from and after the first meeting of Unit Owners, at least four of the members of the Condominium Board shall be elected by Purchasers under the Plan or their successors in interest.

The By-Laws provide that Sponsor or its designee shall have the right, after the Initial Control Period, to elect the following minimum number of members of the Condominium Board: (a) three members, for so long as the Common Interests attributable to the Unsold Units equals, in the aggregate, thirty-five (35%) per cent or more of the Common Interest of all Units; (b) two members, for so long as the Common Interests attributable to the Unsold Units equals, in the aggregate, less than thirty-five (35%) per cent but more than fifteen (15%) per cent of the Commons Interests of all Units; and (c) one member, for so long as the Common Interests attributable to the Unsold Units (if owned by Sponsor or its designee) equals, in the aggregate, less than fifteen (15%) per cent but more than five (5%) per cent of the Common Interests of all Units.

The number of members of the Condominium Board may not be increased without the consent of the owner of the Unsold Units for so long as there remain two (2) Unsold Units.

Until Sponsor no longer elects a majority of the members of the Condominium Board, Sponsor will, through its control of the Board, have control of the maintenance and operation of, and the services to be provided by, the Condominium and will determine the Common Charges to be paid by all Unit Owners.

Powers and Duties of the Condominium Board

The Condominium Board shall have the powers and duties necessary for administration of the affairs of the Condominium (subject to the limitations set forth in the By-Laws), including, without limitation, the following: (a) operation, care, upkeep and maintenance of the Common Elements; (b) determination of the Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property; (c) collection of the Common Charges from the Unit Owners; (d) employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements; (e) adoption and amendment of the Rules and Regulations covering the details of the operation and use of the Property (subject to a right of the Unit Owners to overrule the Board as provided in the By-Laws); (f) maintaining bank accounts on behalf of the Condominium and designating the signatories required therefor; (g) purchasing, leasing, or otherwise acquiring in the name of the Condominium Board or its designees, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their owners to the Condominium Board; (h) purchasing Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, on behalf of all Unit

Owners; (i) selling, leasing, mortgaging, or otherwise dealing with (but not voting the votes appurtenant to) Units acquired by, and subleasing Units leased by, the Condominium Board or its designee, on behalf of all Unit Owners; (j) obtaining and renewing insurance for the Property, including the Units; (k) making repairs, additions and improvements to, or alterations of, the Property and repairing and restoring the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings; (l) enforcing obligations of the Unit Owners; (m) levying fines against the Unit Owners for violations of the Rules and Regulations (no fine may exceed $25.00 for any one violation, but for each day a violation continues after notice, it shall be considered a separate violation); (n) borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep, and maintenance of the Common Elements (provided, however, that (i) the consent of at least 66-2/3% of all Unit Owners, both in number and in Common Interests, shall be required for the borrowing of any sum in excess of $50,000.00 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interests in the Common Elements without the consent of the Unit Owner); and (o) adjusting and settling insurance claims and executing and delivering releases in connection therewith.

The Condominium Board shall be responsible for maintaining and repairing the Common Elements as set forth in the Declaration and in the By-Laws, regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other occupant.

Notwithstanding anything to the contrary contained herein, so long as Sponsor or its designee or both shall continue to collectively own Units representing twenty-five (25%) per cent or more in number or in aggregate Common Interest but in no event later than the fifth anniversary of the date of the First Closing, the Condominium Board may not, without Sponsor's or such designee's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, unless required by law (nothing contained herein shall restrict the right and obligation of the Condominium Board to maintain and repair the Common Elements); (b) assess any Common Charges for the creation or replacement of or addition to, all or part of a reserve, contingency, or surplus fund in excess of five (5%) per cent in the aggregate of the estimated Common Expenses for any year of operation; (c) increase the number or change the type of employees from that described in the First Year's Budget; (d) enter into any service or maintenance contract for work not covered in the First Year's Budget; or (e) borrow money on behalf of the Condominium.

Officers of the Condominium

The officers of the Condominium shall consist of the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Condominium Board at its annual meeting. The Condominium Board may also appoint additional officers. All officers shall serve without compensation from the Condominium. None of the officers need be Unit Owners until the nine-member Condominium Board is elected at the first meeting of the Unit Owners. Thereafter, at least two (2) officers must be members of the Condominium Board and Unit Owners (or officers, directors, shareholders, partners, employees, beneficiaries (or members of their family) of corporations, partnerships, fiduciaries, or mortgagees that are Unit Owners). Any officer may

be removed, without cause, by vote of a majority of the Condominium Board at a meeting called for such purpose.

Meetings and Votes of the Unit Owners

Except for the first meeting, the Unit Owners shall hold annual meetings on or about the second Tuesday in January of each year, unless such date shall occur on a legal holiday, in which event the meeting shall be held on the succeeding business day. At each annual meeting, the Unit Owners shall elect successors to the members of the Condominium Board whose term of office expires as of such meeting. In addition, special meetings of Unit Owners may be held from time to time, pursuant to the By-Laws, whenever necessary for the affairs of the Condominium.

Each Unit Owner shall be entitled to cast one vote at all meetings of the Unit Owners for each .0001% of Common Interest attributable to the Unit(s) owned by him or her, except that, when voting for the election of members of the Condominium Board, each Unit Owner: (i) shall be entitled to one vote for each .0001% of Common Interest attributable to his or her Unit per member to be elected and (ii) shall not have the right to cumulate his or her votes in favor of any one or more members to be elected. The presence, in person or by proxy, of Unit Owners having a majority of the votes of all Unit Owners shall constitute a quorum at all meetings of Unit Owners, and unless otherwise provided, the decision of the Unit Owners casting a majority of the votes of the Unit Owners at a meeting at which a quorum shall be present shall be binding upon all of the Unit Owners. However, elections of members of the Condominium Board shall be determined by plurality vote.

Repairs, Alterations and Improvements to Common Elements

All painting, decorating, maintenance, repairs and replacements to the Common Elements, whether located inside or outside of Units, shall be made by the Condominium Board, which need not obtain the approval of the Unit Owners or of mortgagees of Units (regardless of the cost thereof), and the cost of the same shall be a Common Expense (unless necessitated by the negligence, misuse, or neglect of a Unit Owner, in which case such Unit Owner will bear the entire cost thereof).

The cost of snow removal from driveways and walks shall be a Common Expense. All maintenance and repairs to the Common Elements shall be performed by employees of the Condominium or by independent contractors. The Condominium will employ a resident superintendent, whose estimated wages are included in the First Year's Budget.

Whenever, in the judgment of the Condominium Board, the Common Elements shall require additions, alterations, or improvements costing more than $25,000.00, in the aggregate, in any calendar year, such additions, alterations, or improvements shall not be made unless the same have been approved by the Unit Owners (including Sponsor, if it then owns any Unit) owning a majority of the Common Interests at a duly constituted Unit Owner's meeting and by the representatives of institutional mortgagees of Units, if any, appointed pursuant to the By-Laws (the "Mortgage Representatives"). If approved, the Condominium

Board may, in its discretion, assess each Unit Owner his or her pro-rata share of the cost of such additions, alterations, or improvements, according to his or her Common Interest, as part of the Common Charges. Any additions, alterations, or improvements costing $25,000.00 or less, in the aggregate, in any calendar year may be made by the Condominium Board without the approval of the Unit Owners or the Mortgage Representatives, if any, and the cost thereof shall constitute a Common Expense. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to the Common Elements, regardless of the cost thereof, unless the consent of Sponsor or its designee is first obtained (so long as Sponsor or its designee or both shall collectively own Units representing twenty-five (25%) per cent or more in number or in Common Interests but in no event later than the fifth anniversary of the date of the First Closing), unless same is required by law or is necessary for the health or safety (but not the general comfort or welfare) of the residents of the Building.

Insurance

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

The proceeds of all such policies of physical damage insurance shall be payable to the Condominium Board in the event of a loss amounting to $100,000.00 or less, and to the Insurance Trustee if the loss shall amount to more than $100,000.00. Such proceeds shall be applied for the purpose of repairing, restoring, or rebuilding the Building, unless otherwise determined by Unit Owners. In no event shall such proceeds be paid to the holder of any mortgage placed by a Unit Owner on his or her Unit unless, in accordance with the provisions of Section 5.5 of the By-Laws, there shall be a determination not to rebuild the Building. The Insurance Trustee shall be a bank or trust company, having an office in the City and State of New York, designated by the Condominium Board in accordance with the By-Laws.

All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on co-insurance or on invalidity arising from any acts of the insured and of pro rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' written notice to all of the insureds, including Permitted Mortgagees. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be

delivered to all Permitted Mortgagees ten (10) days prior to expiration of the then current policies, and each Unit Owner shall receive a certificate of such insurance.

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

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

Until the first meeting of the Condominium Board elected by the Unit Owners, the public liability insurance will be in an amount of $1,000,000.00 covering all claims for personal injury or property damage in respect of any one occurrence, and the fire insurance will be at least in the amount of $1,000,000.00. The Condominium Board shall review such limits annually.

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

Repair or Restoration After Fire or Other Casualty

Except as set forth in the next paragraph, in the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Condominium Board will arrange for the prompt repair and restoration thereof (including any damaged Units but excluding appliances, fixtures, furniture, furnishings, or other personal property not constituting a part of such Unit).

If the insurance proceeds are insufficient to cover the cost of repairs or restorations, the Condominium Board may assess all Unit Owners for such deficit as a Common Expense. Any surplus insurance proceeds shall be paid

to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to reduce unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

If seventy-five (75%) per cent or more of the Building is destroyed or substantially damaged and if seventy-five (75%) per cent or more of all Unit Owners, both in number and Common Interests, do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of the resulting sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens. If Sponsor or its designee is then a Unit Owner, it will have the right to vote at any meeting of Unit Owners called for the purpose of deciding whether or not to proceed with the restoration or repair of the Building.

Units Acquired by the Condominium Board

All Units acquired or leased by the Condominium Board or its designee shall be held by the Condominium Board or its designee on behalf of all Unit Owners. Any rent, purchase price, closing costs and closing adjustments payable in connection therewith shall be assessed against all Unit Owners as a Common Expense. No Units held by the Condominium Board or its designee shall carry voting rights.

Liability of the Condominium Board and the Unit Owners

The members of the Condominium Board will have no liability to Unit Owners for errors of judgment, negligence, or otherwise, except that individual members will be liable for their own bad faith or willful misconduct. The Condominium Board may contract or effect other transactions with any member thereof, with any Unit Owner, with Sponsor, or with any affiliate of any of them at competitive rates without incurring any liability for self-dealing.

Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building, shall state (if obtainable) that (a) it is made only as agent for all Unit Owners, and the members of the Condominium Board or such officer, superintendent, or Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners), and (b) the liability of any Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, and (ii) such Unit Owner's interest in his or her Unit and its appurtenant Common Interest, unless otherwise provided by law.

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

Reports to Unit Owners

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Condominium Board to all Unit Owners within four (4) months after the end of each fiscal year of the Condominium.

Compliance with Rent Laws

The Condominium Board shall operate the Property at the same level of services as those supplied on the date of recording the Declaration in accordance with the Rent Laws except for those services that, under the Declaration or the By-Laws, are the obligation of Sponsor to provide to its Units. The Condominium Board shall not impose any charge or fee against the tenants and occupants of the Unsold Units owned by Sponsor or its designee for using the Common Elements or on account of any services provided to such tenants and occupants unless permitted by the rent laws. Such permitted charge or fee may be increased by the Condominium Board, but only to the extent allowed by the Rent Laws. Except for those services and obligations to be provided or performed by the Condominium Board as set forth in the Declaration and the By-Laws, Sponsor shall provide and perform all other services and obligations required by law to be furnished to tenants and occupants of the Unsold Units (including, but not limited to, painting the interior of such Units).

Amendments to the Condominium Documents

Generally, subject to certain exceptions and provided that any required consent of the Mortgage Representatives is obtained, any provision of the Declaration, the By-Laws, or the Rules and Regulations may be amended, modified, added to, or deleted by the affirmative vote of 66-2/3% of all Unit Owners, both in number and in Common Interests. However, for so long as Sponsor or its designee is the owner of one or more Units, the Declaration, the By-Laws and the Rules and Regulations may not be amended or modified so as to adversely affect Sponsor or such designee without the prior written consent of Sponsor or said designee. In addition, the provisions of the Declaration and the By-Laws relating to the use of Units or each Unit's Common Interest may not be amended without the prior consent of every Unit Owner affected by such amendment.

PURCHASERS FOR INVESTMENT OR RESALE

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

(1) A purchaser for investment or resale must register as a broker-dealer pursuant to General Business Law Section 359-e.

(2) A purchaser for investment or resale shall comply with the trust fund provisions of General Business Law Section 352-e(2-b) and 352-h.

(3) A purchaser for investment or resale shall provide the following documents to a prospective purchaser, at no cost to the purchaser, three (3) business days before entering into a purchase agreement:

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

(ii) Copies of notices from the Condominium Board 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 the offering of the Unit, the seller's capacity to perform all of its obligations under the purchase agreement, or the rights of an existing tenant of the Unit, if any.

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

(v) Copy of the By-Laws of the Condominium.

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

The foregoing is set forth pursuant to the regulations of the Department of Law. In no event will the Sponsor, the Selling Agent, the Condominium Board, or counsel to any of the foregoing, be liable if a purchaser for investment fails to comply with the foregoing.

WORKING CAPITAL FUND, CLOSING ADJUSTMENTS WITH THE CONDOMINIUM BOARD, AND RESERVE FUND

Working Capital Fund

At the First Closing, Sponsor will contribute the sum of $15,000.00 (the **"Working Capital Fund"**) to the Condominium which will be used first to pay the closing adjustments to the extent set forth below and the balance thereof may be held or used for working capital, to make repairs or improvements, and/or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Condominium Board in its sole discretion.

If the net closing adjustments are in favor of the Condominium, the amount thereof will be paid or credited to the Condominium at closing. If the net closing adjustments are in favor of the Sponsor, same will be paid to Sponsor out of said Working Capital Fund to the extent of not more than $5,000.00, and the payment of any balance owing shall be deferred and paid to Sponsor in twelve (12) equal consecutive monthly installments commencing one (1) month after the First Closing, with 10% interest, pursuant to negotiable serial promissory notes to be executed by the Condominium Board and delivered to Sponsor at closing of title. Each such note will contain a provision permitting acceleration of the maturity date in the event of default under any other note. The Condominium may prepay each note in full only at any time without penalty, but with interest accrued to the date of prepayment.

No representation is made that the Working Capital Fund will be adequate to cover expenses for the first or any subsequent year of condominium operation, including repairs or replacements, and if additional funds are required over and above the Working Capital Fund it may be necessary to increase common charges or levy a special assessment.

THE PROPERTY IS OFFERED IN ITS CURRENT CONDITION SET FORTH IN THIS OFFERING PLAN, WITHOUT ANY OBLIGATION BY SPONSOR OR THE CONDOMINIUM BOARD TO MAKE ANY REPAIRS OR IMPROVEMENTS EXCEPT TO THE LIMITED EXTENT SET FORTH IN "SPONSOR'S STATEMENT OF BUILDING CONDITION" SET FORTH AT PAGE 98 OF THE PLAN. NO GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND OR ON THE PHYSICAL CONDITION OF THE BUILDING.

Closing Adjustments

Immediately prior to the First Closing, Sponsor shall apportion the following items with the Condominium Board as of the day immediately preceding such closing:

(a) rents as and when collected;

(b) employees' wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building;

(c) deposits with utility companies and fees for assignable permits and licenses, if any;

(d) cost of fuel on hand (plus sales tax);

(e) charges for gas and electricity for the Common Elements;

(f) charges and receipts in connection with service and maintenance contracts and concession agreements;

(g) water charges, sewer rents, and vault charges (if any), on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);

(h) cost of supplies on hand at Sponsor's cost;

(i) premiums for transferable insurance policies; and

(j) Senior Citizens exemptions (if any);

(k) Realty Advisory Board charges (if any).

Prepaid rent for a Unit will be credited to the Condominium which, in turn, will credit such rent against the first Common Charges payable by the Owner of such Unit.

Reserve Fund

In addition to the Working Capital Fund described on page 70 of the Plan and in accordance with Title YYYY of the Administrative Code of the City of New York, within thirty (30) days after the First Closing the Sponsor will establish and transfer to the Condominium Board a reserve fund to be used exclusively for making capital repairs, replacements, and improvements necessary for the health and safety of the residents of the Building. Such fund shall be established in an amount equal to either (i) three (3%) percent of the total price or (ii) three (3%) percent of the Total Purchase Price of all Units sold by the Sponsor at the time the Plan is declared effective, provided, however, that if such amount is less than one (1%) percent of the total price (the sum of the Total Purchase Price of all Units at the last price offered to tenants in occupancy prior to the effective date of the Plan regardless of the number of Units sold), then the fund established shall be one (1%) percent of the total price, plus supplemental contributions to the reserve fund at a rate of three (3%) percent of the Total Purchase Price of each Unit sold to a bona fide purchaser (not including a Holder of Unsold Units) subsequent to the effective date of the Plan and within five (5) years of the First Closing, notwithstanding that such amount contributed may exceed three (3%) percent of the total price. In the event that five (5) years

from thirty (30) days after the First Closing the total contributions by the Sponsor to the reserve fund shall be less than three (3%) percent of the total price, the Sponsor shall pay the difference between the amount contributed and three (3%) percent of the total price. Such supplemental contributions shall be made within thirty (30) days after the closing of each Unit.

The Sponsor may claim and receive a credit against the initial contribution to the reserve fund for the actual cost of capital replacements which Sponsor has begun after the Plan is submitted for filing to the Department of Law and before the Plan is declared effective; provided, however that any such replacements must be 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 (1%) percent of the total price.

The Condominium Board shall report to Unit Owners on a semi-annual basis with respect to all deposits into and withdrawals from the reserve fund.

The foregoing provisions are set forth in compliance with Title YYYY of the Administrative Code of the City of New York, it being intended that the rights of the Sponsor and the rights of purchasers contained in this Section of the Plan shall be no greater than those set forth in Title YYYY and no rights independent of Title YYYY are being created under the Plan.

No representation is made that the Reserve Fund will be adequate to cover expenses for any necessary capital repairs or replacements during the first or any subsequent year of condominium operation. If additional funds are required over and above those in the Reserve Fund, it may be necessary to increase common charges.

THE PROPERTY IS OFFERED IN ITS CURRENT CONDITION SET FORTH IN THIS OFFERING PLAN, WITHOUT ANY OBLIGATION BY SPONSOR OR THE CONDOMINIUM BOARD TO MAKE ANY REPAIRS OR IMPROVEMENTS EXCEPT TO THE LIMITED EXTENT SET FORTH IN "SPONSOR'S STATEMENT OF BUILDING CONDITION" SET FORTH AT PAGE 98 OF THE PLAN. NO GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND OR ON THE PHYSICAL CONDITION OF THE BUILDING.

OBLIGATIONS OF SPONSOR

Sponsor's Obligations with Respect to the Creation of The Condominium

Sponsor will bear all costs and expenses to be incurred in connection with the creation of the Condominium and the preparation, filing and distribution of the Plan. In addition, Sponsor will pay all selling expenses and brokerage commissions of the Selling Agent or other broker engaged by Sponsor. Finally, in the event that there are violations of record or other title encumbrances (other than mortgages and permitted encumbrances) affecting the Property at the time of the First Closing, Sponsor shall cause such violations or encumbrances to be cured, remedied and removed, at its sole cost and expense, except that Sponsor shall have no obligation to cure, remedy or remove any such violations or encumbrances if the same cannot be accomplished for less than $1,000.00 for any one Unit and $25,000.00 in the aggregate for all Units (including attorney's fees and disbursements). The existence of any such violations or encumbrances will not constitute an objection to title or excuse any Purchaser from completing payment of the balance due under his or her Purchase Agreement (without provision for escrow), provided that Sponsor either furnishes adequate proof that such violation or encumbrance has been cured or remedied, or deposits in an escrow account with its attorneys an amount determined by a licensed architect or professional engineer selected by Sponsor to assure the completion of such work within a reasonable period of time after the First Closing, and cause any violations to be removed of record within a reasonable period of time thereafter. If the aggregate cost and expense of curing, remedying and removing all such violations and encumbrances exceeds $1,000.00 for any one Unit and $25,000.00 in the aggregate for all Units and Sponsor elects not to accomplish the same, Sponsor may withdraw the Plan in accordance with the terms of the section above entitled "EFFECTIVE DATE OF PLAN AND DATE OF CLOSING TITLE TO UNITS". In calculating the foregoing amounts, title defects, violations, work orders or determinations of any authority or regulatory association which existed on the date of presentation of the Plan and either are known to the Sponsor or are a matter of public record shall be excluded.

Immediately following the First Closing, Sponsor will assign all assignable service and maintenance contracts and agreements relating to the Property to the Condominium Board, and the Condominium Board will, on behalf of all Unit Owners, assume the same and indemnify Sponsor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the First Closing occurs.

General

Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to any Unsold Units (for so long as Sponsor owns same), the foregoing sets forth the entire extent of the obligations of Sponsor hereunder and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Purchasers under their respective Purchase Agreements. Sponsor makes no representations and warranties other than as set forth in this section. The obligations of Sponsor under this section shall survive the delivery of the deeds to the respective Units.

Sponsor shall not be liable for, or be obligated to defend, any suits or claims with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit or the leasing thereof to any Purchaser or, with respect to the Common Elements, arising out of any occurrence taking place on or after the date of the First Closing, except suits or claims arising out of the acts of Sponsor or the representations made by Sponsor in the Plan.

Obligations of Sponsor hereunder with respect to the Condominium and the Common Elements shall be enforceable only by the Condominium Board on behalf of all Unit Owners. In no event shall any obligations of Sponsor be enforceable by individual Unit Owners unless the Condominium Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of written notice of such claim by any Unit Owner to the Condominium Board. Sponsor has not furnished any bonds or other security for the performance of its obligations under the Plan. In addition, Sponsor's liability to any Purchaser under the Plan, or to such Purchaser's successors or assigns, or to the Condominium Board with respect to its obligations under the Plan shall, in any event, be limited to the net proceeds paid to Sponsor from the sale of all Units after payment of, or reserve for, all costs, expenses and liabilities paid or incurred in connection with the promulgation and consummation of the Plan (including, but not limited to, the offering and sale of the Units and the creation of the Condominium).

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sales and Leases of Units

Each owner of a Unit (other than Sponsor or its designee with respect to Unsold Units) may sell or lease his or her Unit, provided, however, that such owner first gives the Condominium Board written notice of his or her intention to do so, which notice shall be accompanied by a fully executed copy of the contract of sale or lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or lessee. The Condominium Board, on behalf of all Unit Owners, shall have the exclusive right to purchase the Unit within fifteen (15) business days after receipt of such notice of sale, or to lease the Unit within ten (10) business days after receipt of such notice of lease, on the same terms set forth in said contract or lease, all as more specifically set forth in Article 7 of the By-Laws. If the Condominium Board does not notify the Unit Owner of its election to purchase or lease the Unit, such Unit Owner will have sixty (60) days thereafter to consummate the sale or lease in accordance with the terms stated in the contract of sale or lease appended to such notice, failing which the Unit Owner will again be required to offer the same first to the Condominium Board as provided above.

The Condominium Board may not exercise its option to purchase or lease any Unit unless those Unit Owners owning a majority of the aggregate Common Interests of all Units affirmatively vote in favor thereof, in person or by proxy, at a meeting of Unit Owners at which a quorum is present. If approval is given, the Condominium Board may assess each Unit Owner (other than the selling Unit Owner), in proportion to his or her Common Interest, an amount necessary to effectuate the purchase or lease.

Notwithstanding the foregoing, any Unit Owner may sell or lease his or her Unit to his or her spouse, adult child, parent, grandparent, parent-in-law, or adult sibling, or may convey his or her Unit by gift, devise it by will, or have it pass by intestacy, without complying with the restrictions described above; provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, such restrictions. In addition, any Unit Owner that is not a natural person may sell, lease, or convey its Unit to a related or controlled entity as more particularly set forth in Article 7 of the By-Laws.

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

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such Unit Owner's: (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and satisfied

at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor, in the form set forth as Document Number 9 in Part II of the Plan, in accordance with Article 14 of the Declaration.

The lease for any Unit shall be in the form of apartment lease then approved by the Real Estate Board of New York, Inc., except for such changes thereto as are provided in the By-Laws.

Mortgages of Units

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

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

(b) the Condominium Board is notified in writing of the making of such mortgage and is given a copy thereof; and

(c) the Unit Owner making such mortgage is not in arrears for Common Charges and first satisfies all other unpaid liens against his or her Unit, other than mortgages placed on his or her unit in compliance with Article 8 of the By-Laws ("**Permitted Mortgages**").

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

Common Charges: Assessment, Collection and Lien for Non-Payment

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

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

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

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

(d) amounts for such other items as the Condominium Board may deem proper (such as amounts for reserves, to make up deficits for prior years, to prepay indebtedness of the Condominium, or to purchase or lease Units).

Based upon such budget, the Condominium Board will promptly determine and advise each Unit Owner of the Common Charges payable by such Unit Owner during the ensuing fiscal year, which Common Charges shall represent a portion of the projected Common Expenses of the Condominium assessed to such Unit Owner pro-rated according to the Common Interest of his or her Unit. The Common Interest of each Unit, as set forth in the Purchase Price Schedule, has been determined upon the basis of each Unit's approximate square footage of floor space relative to that of other Units in the Condominium pursuant to the terms of the Condominium Act.

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

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

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

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

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

(c) at the time of conveyance, Sponsor shall pay the Condominium Board a sum equal to the product of the then current monthly Common Charges for the Unsold Units being conveyed multiplied by 24.

On a resale of any Unit, the purchaser of such Unit shall be required to pay unpaid Common Charges assessed against such Unit prior to his or her

acquisition, except that a mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale shall not be liable, and such mortgaged Unit shall not be subject to, a lien for the payment of any Common Charges assessed subsequent to the recording of such mortgage and prior to the acquisition of title to such Unit by the mortgagee or a purchaser at a mortgage foreclosure sale. In the event that the Condominium Board forecloses its statutory lien on any Unit for unpaid Common Charges and the net proceeds of the foreclosure sale shall not be sufficient to pay such unpaid Common Charges, or if such Unit is acquired by a mortgagee or purchaser at a mortgage foreclosure sale, then, in either event, the defaulting Unit Owner shall remain personally liable for the balance of such unpaid Common Charges. The Condominium Board shall have the right to assess such unpaid balance amongst all those who are Unit Owners at the time that the same is levied.

Under the provision of Section 339-z of the Condominium Act and Article 6 of the By-Laws, the Condominium Board will have a lien, on behalf of all Unit Owners, on each Unit for unpaid Common Charges assessed against such Unit together with interest thereon. All such liens, however, will be subordinate, to the extent required by applicable law, to any liens for real estate taxes and assessments on such Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office and until all sums secured thereby, with interest accrued thereon, shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall be sooner. Such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing the lien.

Restrictions on the Use of Units

As more fully set forth in the Declaration and in the By-Laws, each Unit shall be used only as a residence (except as otherwise described herein), and not more than one family may occupy a Unit at any one time. However, upon the prior written consent of the Condominium Board any Unit may be used as a professional or business office, provided that such use is permitted by law and does not violate the then existing Certificate of Occupancy covering such Unit. In addition, Sponsor may, without obtaining the consent of the Condominium Board or the other Unit Owners:

(a) allow any Unit owned by Sponsor or its designee to be used as a professional or business office or for any other purpose, provided that such use is permitted by law and does not violate the then existing Certificate of Occupancy covering such Unit; and

(b) use any one or more of such Units as model units and sales and/or promotion offices in connection with the sale or rental of the Unsold Units or for any other purpose, subject only to compliance with law.

A Unit owned or leased by an individual, corporation, partnership, fiduciary, or other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner

or employee of such partnership, or by said fiduciary (including officers, directors, stockholders, or employees or corporate fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such entity, respectively, or by members of the immediate family or guests of any of the foregoing. However, the foregoing restriction shall not apply to Unsold Units.

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

Repairs to, and Maintenance of, Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

(a) in or to any Unit (other than the Common Elements contained therein) shall be performed by the Owner of such Unit at his or her sole cost and expense; and

(b) in or to the Common Elements shall be performed by the Condominium Board as a Common Expense.

In connection with the foregoing, it should be noted that the exterior glass surfaces of all windows located in any Unit are to be washed and cleaned by the owner of such Unit, at such Unit Owner's sole cost and expense. It is also noted that the Rules and Regulations require eighty (80%) percent of the floor area of each Unit (except for kitchens, bathrooms, closets and foyers) to be covered with rugs, carpeting, or other equally effective noise-reducing material.

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

The By-Laws require that each Unit, and all portions of the Common Elements be kept in first-class condition (and, with respect to any terrace, roof, or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof. The By-Laws further require that those public or other areas of the Building that are exposed to public view (whether the same are required to be maintained by a Unit Owner or by the Condominium Board) be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or the Condominium Board, as the case may be. In the event that any Unit Owner fails to keep his or her

Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter his or her Unit to perform such acts as are necessary to cure such default. (See the subsection entitled "Rights of Access" for a further discussion.)

Alterations and Improvements of Units and Common Elements

No Unit Owner (except Sponsor or its designee, as described in the following paragraph) may make any structural alteration, addition, improvement, or repair in or to his or her Unit without the prior written approval of the Condominium Board. Such approval may be conditioned, in the discretion of the Condominium Board, upon the execution of an agreement by such Unit Owner, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions upon which such alteration, addition, improvement, or repair may be made. Except as otherwise provided in the By-Laws, no Unit Owner may make any alteration, addition, improvement, or repair in or to the Common Elements.

Sponsor or its designee shall have the right, without the approval of the Condominium Board, the Selling Agent, the Managing Agent, other Unit Owners, or representatives of holders of mortgages on Units to:

(a) make alterations, additions, improvements, or repairs in or to any Unsold Unit, whether structural or non-structural, interior or exterior, ordinary or extraordinary; and

(b) subdivide, combine and change the boundary walls of Unsold Units. (See the section entitled "CHANGES IN PURCHASE PRICE AND UNIT SIZES AND LAYOUTS" at page 21 of the Plan for further discussion.)

At the request of Sponsor or its designee, the Condominium Board will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any addition, alteration, improvement, or repair proposed to be made by Sponsor, at which time Sponsor shall execute an agreement to indemnify and hold harmless the Condominium Board and the Unit Owners from any expense or liability by virtue of the execution of the application or such other documents.

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

Rights of Access

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

Elements for purposes of performing certain alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan.

Self-Help

In the event that any Unit Owner fails to maintain or repair parts of the Building required to be maintained or repaired by such Unit Owner, or in the event of any breach of the Condominium Documents, then, as set forth in Article 9 of the By-Laws, the Condominium Board shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

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

Each Unit Owner must strictly comply with the provisions of the Condominium Documents, as the same may be amended, modified, deleted, or added to from time to time pursuant to the terms thereof. Failure to strictly comply is grounds for an action for damages, injunctive relief, or both.

MECHANICS' LIENS

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners. Liens may arise or be created against only the several Units and their respective Common Interests. A lien for labor performed in, or materials supplied to, a Unit may be filed against the Unit of an owner who has expressly requested or consented to the performance of such work or the supplying of such materials, but may not be filed against the Unit of any other owner who has not expressly requested or consented to the same, except in the case of emergency repairs. No labor performed in, or materials furnished to, the Common Elements shall be the basis for a lien thereon, but all Common Charges received by the Condominium Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request, or with the consent, of the Condominium Board or the Managing Agent.

TERMINATION OF CONDOMINIUM

The Condominium shall continue (unless terminated by casualty loss, condemnation, or eminent domain as provided by the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of a least eighty (80%) per cent of all Unit Owners, both in number and in Common Interests. In addition, the written consent of the Mortgage Representatives, if any, shall be required before such vote is effective. Sponsor will not vote the aggregate Common Interests appurtenant to Unsold Units for such withdrawal unless at least eighty (80%) per cent of all other Unit Owners, both in number and in Common Interests, elect to withdraw, at which time Sponsor may choose to vote its Common Interests either in favor of or against withdrawal from condominium ownership, as it sees fit. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale resulting therefrom shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his or her Unit, in the order of priority of such liens.

EASEMENTS

Each Unit shall have, in common with all other Units: (a) an easement to use, maintain, repair, alter and replace all pipes, wires, ducts, vents, cables, conduits, public utility lines and other Common Elements existing, or that may come into existence, as a result of (i) the settling or shifting of the Building; (ii) any alteration or repair to the Common Elements made by, or with the consent of, the Condominium Board; or (iii) any repair or restoration of the Building (or any portion thereof) or of any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, so that any such encroachment may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements.

Sponsor has reserved the right, for itself and its designee (so long as Sponsor or said designee owns a Unit) and for the Condominium Board, to grant such additional electric, gas, telephone, water, sewer, drainage, or other utility easements or to relocate any existing utility easements as Sponsor, its designee, or the Condominium Board shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof, or for the general health or welfare of the Unit Owners, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for dwelling or permitted professional or business purposes. Access to any Unit or to the Common Elements in furtherance of such additional or relocated easement shall be exercised in such a manner as shall not unreasonably interfere with the use of the affected Units for dwelling or permitted professional or business purposes.

Sponsor and prospective purchasers and tenants of Unsold Units shall have an easement on and through the Common Elements for all purposes relating to the sale and rental of such Units, without being subject to any charge or fee therefor. Sponsor may use its Units and the Common Elements (at any one or more places designated by Sponsor) for sales, renting, or display purposes, including placing "for sale" or "for rent" signs and other promotional and/or building materials of such size and content as Sponsor shall determine.

MANAGEMENT AGREEMENT AND CONTRACTS

Management Agreement

Simultaneously with the First Closing, a management agreement will be entered into between the Condominium Board and B. L. Management, Inc. (hereinafter in this section referred to as the "Managing Agent").

The agreement shall be for an initial term of two (2) years and will be automatically renewed monthly thereafter until cancelled by either party on at least thirty (30) days' prior written notice.

The Managing Agent will receive an annual fee of $6,500.00. The projected cost for management is slightly higher than the average for the industry. This is attributable to the fact that the Managing Agent will be charged with management of Units occupied by non-purchasing tenants, in addition to all other Units in the Building. Further, the Managing Agent may receive commissions in connection with insurance placed on the Property and additional fees for certain special services performed by it. If engaged by the Condominium Board, commissions will be paid to the Agent in accordance with the Agent's rates then in effect for leasing or renewing leases of space owned by the Condominium.

The duties and services to be rendered by the Managing Agent include, among others:

(a) billing and collecting Common Charges;

(b) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board, except that the approval of the Condominium Board is necessary for any expenditure of over $1,000.00 for any one item of ordinary repairs or alterations (other than emergency repairs);

(c) contracting for necessary services for the Common Elements (such as utility, exterminator, elevator and fuel oil services), but no contract shall be for a term longer than three (3) years or shall require annual payments in excess of $2,000.00 unless authorized by the Condominium Board;

(d) purchasing all supplies necessary to properly maintain and operate the Common Elements;

(e) checking all bills received in connection with the operation of the Common Elements and causing all such bills and other expenses to be paid;

(f) supervising, hiring and discharging employees, which duty may be delegated by the Managing Agent to one or more persons in its general employ;

(g) rendering monthly statements of receipts and disbursements to the Condominium Board;

(h) maintaining payroll records and filing withholding tax statements for employees;

(i) maintaining accurate sets of books for the Condominium (other than books of account to be maintained by the Condominium's accountants) and orderly files of rent records, insurance policies, leases, receipted bills, and the like;

(j) preparing and submitting to the Condominium Board, on an annual basis, operating budgets setting forth the anticipated income and expenses for the ensuing year; and

(k) sending notices, preparing agendas and attending meetings of the Condominium Board and Unit Owners and keeping minutes thereof.

The annual certified financial statement with respect to the Condominium will not be prepared by the Managing Agent. Such statement will be prepared by an independent certified public accountant engaged by the Condominium Board, whose fees are to be paid by the Condominium Board and charged to the Unit Owners as a Common Expense.

All disbursements incurred by the Managing Agent in performance of its duties will be reimbursed by the Condominium Board and charged to the Unit Owners as a Common Expense. In addition, the Condominium Board will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Condominium Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or willful failure to comply with its obligations under the management agreement.

All members of the Condominium Board, officers and employees of the Condominium, and officers and employees of the Managing Agent (during the term of the management agreement) will be bonded at all times from and after the First Closing under fidelity bonds in favor of the Condominium in the amount of $100,000.00 for each loss. The cost of the bonds will be borne by the Condominium Board and charged to the Unit Owners as a Common Expense, and has been provided for in the estimate of Common Charges contained in the First Year's Budget.

The agreement will not be assignable by the Managing Agent without the consent of the Condominium Board. It will not be unilaterally cancelled by the Condominium Board or the Managing Agent before the end of its initial term except if the Condominium Board or the Managing Agent default under the terms of the Agreement or shall fail or refuse to comply with or abide by any rule, determination, ordinance or law of any Federal, State or municipal authority, in which event the agreement will be cancelled by the Managing Agent or Condominium Board upon two days prior written notice.

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. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The Sponsor

guarantees the obligation of the managing agent to provide all such services and facilities until such time as the Sponsor no longer controls the Condominium Board.

Contracts

Upon commencement of condominium operation, the Property will be subject to the then existing union employment agreements affecting the Building staff and maintenance, service and concessionaire agreements (see footnotes 1, 2 & 7 to the First Year's Budget for full details of the agreements in effect or proposed at the date of presentation of the Plan). The projected insurance coverage to be obtained for the first year of condominium operation is contained in footnote 8 to the First Year's Budget.

THE SPONSOR HAS RESERVED THE RIGHT PRIOR TO THE FIRST CLOSING TO MODIFY, RENEW AND REPLACE THE EXISTING SERVICE, MAINTENANCE, EMPLOYMENT, CONCESSIONAIRE AND OTHER AGREEMENTS AND INSURANCE POLICIES, AND TO ENTER INTO NEW AGREEMENTS AND POLICIES THAT WILL BE BINDING ON THE CONDOMINIUM BOARD ON THE FIRST CLOSING PROVIDED THAT THE SPONSOR MAY NOT ENTER INTO ANY BINDING SERVICE, MAINTENANCE OR CONCESSIONAIRE AGREEMENTS THAT WILL MATERIALLY INCREASE THE FIRST YEAR'S ESTIMATED COMMON CHARGES NOR MAY THE TERM OF ANY MODIFIED OR NEW SERVICE MAINTENANCE OR CONCESSIONAIRE AGREEMENT BE FOR MORE THAN TWO (2) YEARS UNLESS SUCH AGREEMENT CONTAINS A PROVISION PERMITTING THE CONDOMINIUM BOARD TO CANCEL THE AGREEMENT FROM AND AFTER THE SECOND ANNIVERSARY OF THE FIRST CLOSING UPON GIVING NOT LESS THAN NINETY (90) DAYS PRIOR WRITTEN NOTICE.

IDENTITY OF PARTIES

Sponsor

Aaron Ziegelman and William K. Langfan, Sponsor, are real estate investors and operators who have been active in the greater New York Metropolitan area for the past twenty (20) years. Mr. Ziegelman maintains an office at 200 West 57th Street, New York, New York, and Mr. Langfan at 6 East 45th Street, New York, New York. Sponsor has been the Sponsor of numerous Plans to convert properties within the City of New York to cooperative or condominium ownership. The most recent are:

Address of Property	Date of Closing or First Closing
2900 Ocean Avenue Brooklyn, New York	October 1, 1984
415 Ocean Parkway Brooklyn, New York	October 1, 1984
2121 Shore Parkway Brooklyn, New York	August 28, 1984
135 West 16th Street New York, New York	August 8, 1984
215 Hart Boulevard Staten Island, New York	July 10, 1984

Managing Agent

At the closing, the Condominium Board will enter into a management agreement with B. L. Management Inc. The Managing Agent maintains offices at 212-27 16th Avenue, Bayside, New York 11360.

Selling Agent

Francine L. Birnback doing business as GALA REALTY, the Selling Agent, is a licensed real estate broker who has been engaged in the real estate business for approximately three (3) years. Its offices are located at 6 East 45th Street, New York, New York, 10017. Neither Ms. Birnback nor any of her employees have a direct financial interest in the Property. The Selling Agent will receive from the Sponsor selling commissions pursuant to a separate agreement.

Architect

The architect, MICHAEL LYNN & ASSOCIATES P.C., has examined the physical condition of the Premises and has rendered its report thereof which is

set forth in Part II at page 101 of the Plan. The architect has prepared numerous reports which have been included in offering plans relative to other properties within the City of New York. The architect has no financial interest in the Property, the Sponsor, the Condominium, the Selling Agent or any other party interested in this transaction except for its fee for services rendered in connection with such report.

Attorneys

Sponsor has designated Haberman & Narotsky to represent them in connection with the preparation of the Plan. Their offices are located at 14 East 60th Street, New York, New York. Their fees and disbursements will be paid by the Sponsor.

SPONSOR'S PROFIT

The Sponsor acquired the Property on December 23, 1983, from Miriam Reichmann and Richard Cohen as Trustees under the Last Will and Testament of Samuel Cohen, deceased, for a total consideration of $775,000.00.

If all of the Units in THE ELBERTSON CONDOMINIUM are sold at the price to tenants set forth in the "PURCHASE PRICE AND OTHER FINANCIAL DETAILS FOR EACH UNIT" (SCHEDULE A) within the time contemplated at the presentation date of the Plan, the Sponsor's profit from the sale of the Units to the Purchasers may be approximately $480,000.00 computed before payment of taxes but after deducting the Sponsor's expenses in connection with the acquisition and operation of the Property, which total approximately $220,000.00, and the expenses incurred in the presentation of the Plan and the closing of title with the Purchasers which include, but are not limited to, sales commissions, attorneys' and accountants' fees, printing, and engineers' fees, which expenses total approximately $260,000.00.

The exact profit to be realized by the Sponsor upon the sale of the Units to the Purchasers cannot now be determined and may increase or decrease depending upon such variable factors as future market conditions, the Purchase Price at which each Unit is actually sold, the length of time required to sell all the Units offered under the Plan, losses and disbursements arising from obligations assumed by Sponsor under the Plan, and other contingencies.

DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits and documents referred to herein shall be available for inspection by prospective purchasers and by any person who shall have purchased a Unit offered under the Plan or shall have participated in the offering of such Unit, at the office of Haberman & Narotsky, attorneys for the Sponsor, 14 East 60th Street, New York, New York 10022, during convenient weekday hours and shall remain available for such inspection for a period of six (6) years from the First Closing. There will be a charge of 40¢ per page for copying any documents. The Plan and all other exhibits and documents referred to herein shall also be available for inspection and copying at the Department of Law, Two World Trade Center, 48th Floor, New York, New York 10047. In addition, a set of the floor plans showing the layout, locations and approximate dimension of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of the City of New York as conforming to the official tax lot number for each such Unit, will be filed with the Register's Office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

The Declaration and the By-Laws will be recorded in the Register's Office prior to or concurrently with the First Closing. All deeds conveying, and all mortgages covering, individual Units will also be recorded in such office.

GENERAL

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents and, in the case of any such documents executed by or with the written consent of a purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits, administrative proceedings, or other proceedings now pending, or any judgments outstanding against the Sponsor, the outcome of which may materially affect this offering, the purchasers of Units, the Property, the rights of existing tenants, Sponsor's capacity to perform all of their obligations under the Plan, the Condominium, or the operation thereof, except for possible individual landlord-tenant matters and except as may be further herein expressly set forth.

Sponsor has no knowledge of any prior cooperative or condominium offering of the Property. As of the date of presentation of the Plan neither the Sponsor, the Condominium Board, the Selling Agent, nor any other person or entity having any connection with any of the foregoing, has raised funds from or made any preliminary offering to or binding agreement with an prospective purchaser, including existing tenants.

The Plan is offered only to persons 18 years of age or over.

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

Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise the Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, purchasers, or prospective purchasers, without obtaining the consent of purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in case of an uncured default), nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing purchasers or reducing the undertakings or obligations of Sponsor, such purchasers will be given the right to rescind their Purchase Agreements if they notify the Sponsor in writing within thirty (30) days after the presentation of the amendment, and be refunded all monies paid thereunder, with interest earned thereon, if any, within thirty (30) days after such notification to the Sponsor. However, such rescission, as to a purchaser who first became a tenant of the Building after the Presentation Date of the Plan, will be conditioned on the

cancellation of any interim lease and surrender of possession of his or her Unit within ninety (90) days thereafter.

If the Plan is substantially amended prior to the First Closing, the exclusive right to purchase afforded tenants shall be extended as follows: (a) if the substantial amendment is presented during the initial exclusive 90-day purchase period afforded tenants, such period shall terminate at the later of 30 days after presentation of the substantial amendment or the expiration of the initial exclusive 90-day purchase period, or (b) if the substantial amendment is presented after the expiration of the initial exclusive 90-day purchase period afforded tenants, the amendment will grant to all tenants who had the right to purchase during the initial exclusive 90-day purchase period a new exclusive right to purchase on the terms offered in the amendment for a period of 30 days from the date of presentation of the amendment.

In the event of any inconsistency between the terms of the Plan (as same may be amended from time to time) and any rent laws and regulations, the terms and provisions of the rent laws and regulations shall govern with respect to tenants of Units afforded rights under such laws and regulations who are affected thereby to the extent of any such inconsistency, so that the terms of the Plan (as same may be amended from time to time) shall be in complete conformity with the requirements of such laws and regulations.

Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine, or neuter, includes the other two.

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

Dated: New York, New York
November 30, 1984

Sponsor:

AARON ZIEGELMAN &
WILLIAM K. LANGFAN

SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor represents that, to the best of its knowledge, the "Report of Inspection" hereinafter set forth accurately states the description and condition of the land and Building and the Building's equipment, and that Sponsor does not know of any material defect or need for material repairs except as indicated in said Report or included in the Condominium's budget for its first year of condominium operation or items customarily corrected by routine maintenance. The Report of Inspection was prepared by MICHAEL LYNN & ASSOCIATES P.C., a registered architectural firm, and is included in the Plan in Part II at page 101 in reliance upon the expertise of such firm.

The Property is offered in its current condition as of the date of the Plan. Neither the Sponsor nor the Condominium will have any obligation to make repairs or improvements, except as set forth in the Plan. The Sponsor will, however, maintain and operate the Property until the First Closing in substantially the same manner and condition as on the date of presentation of the Plan. will cure or cause to be cured by the First Closing or within a reasonable period of time thereafter all violations of record against the Property as of the date of the First Closing ("except violations which are the obligation of tenants to cure within their own Units or which result from the acts or omissions of tenants within their own Units or violations noted with respect to radio or television antennae"), will eliminate all dangerous or hazardous conditions that Sponsor has notice of and will comply with all work orders from the insurer of the Property provided the net cost to accomplish same shall not exceed $1,000.00 for any one Unit, or $25,000.00 in the aggregate for all Units. If Sponsor is unable to complete the work necessary to cure all violations as of the date of the First Closing, it will deposit in an escrow account with its attorneys an amount determined by a licensed architect or professional engineer selected by Sponsor to assure the completion of such work within a reasonable period of time after the date of the First Closing, and cause such violations to be removed of record within a reasonable period of time after. In calculating the foregoing amounts, title defects, violations, work orders or determinations of any authority or regulatory association which existed on the date of presentation of the Plan and either are known to the Sponsor or are a matter of public record shall be excluded.

Prior to the First Closing, Sponsor will provide a current oil storage permit, triennial certificates of operation for the oil burner and incinerator and a boiler safety inspection certificate.

Also included in Part II immediately following the report of Michael Lynn & Associates, P.C., is a report of Jack Merzin, a licensed professional engineer retained by the Tenants Association. Mr. Merzin's report was not prepared by the Sponsor or at the Sponsor's request and the Sponsor makes no representation with regard to its content.

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PURCHASE AGREEMENT

For Unit Number ___ in
THE ELBERTSON CONDOMINIUM
79-15 35th Avenue
Jackson Heights, New York

(Please execute in quadruplicate)

THIS AGREEMENT is made as of _____, 198___ between **Aaron Ziegelman and William K. Langfan** (hereinafter called "**Sponsor**"), having an office c/o Haberman & Narotsky, 14 East 60th Street, New York, New York 10022 and _____, (hereinafter called "**Purchaser**"), having an address at _____.

W I T N E S S E T H:

1. **Definitions**

The following terms shall have the meanings ascribed to them:

(i) "**Building**" shall mean the building known as 79-15 35th Avenue, Jackson Heights, New York.

(ii) "**Closing Date, "closing", "closing of title**" and words of similar import are used synonymously and mean the settlement of the mutual obligations of Sponsor and Purchaser under this Purchase Agreement, including the payment to Sponsor of the Purchase Price and the delivery to Purchaser of the deed transferring full ownership (fee simple title) to the Unit on the terms set forth in this Agreement.

(iii) "**Condominium**" shall mean THE ELBERTSON CONDOMINIUM.

(iv) "**Declaration**" shall mean the Declaration of Aaron Ziegelman and William K. Langfan, establishing condominium ownership of the Property.

(v) "**Plan**" shall mean the Offering Plan to convert the Property to condominium ownership and any Amendments thereto filed prior to the date upon which Purchaser signs this Agreement.

(vi) "**Property**" shall mean the Building and the land on which it is erected.

All other terms not defined elsewhere herein shall have the meanings ascribed to them in the Plan.

2. **Plan**

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

3. **Agreement to Purchase and Sell**

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

4. **Purchase Price**

A. The purchase price for the Unit (exclusive of closing adjustments and costs referred to in Paragraphs 13 and 14 below) is $_____ (hereinafter called the "**Purchase Price**"), which Purchaser agrees to pay to the Sponsor, as follows:

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

(ii) $ _____ (hereinafter called the "**Balance**"), constituting the balance of the Purchase Price, is due on the delivery to Purchaser of the deed to the Unit and must be paid by Purchaser's personal certified check or official cashier's check,

in either event drawn on a bank that is a member of the New York Clearing House Association.

B. The payment of the Balance and acceptance of deed to the Unit by Purchaser shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the closing.

C. Purchaser is not required to pay the Balance or accept title to the Unit unless concurrently with, or prior to, closing all the prerequisites set forth under "PREREQUISITES TO CLOSING OF TITLE" in Part I of the Plan are met.

5. **Agreement Not Conditioned on Financing**

This Agreement is not conditioned upon the Purchaser's obtaining any financing from a bank or other source. If financing is desired, Purchaser must make his or her own arrangements. Neither the Sponsor nor the Selling Agent is making arrangements for such financing or is acting as agent for any lender with regard to financing for Purchaser. No representation or warranty is made that financing will be available or as to the terms or conditions of such financing.

6. **Purchase Monies Held in Trust**

Sponsor will hold in trust any and all monies received by it directly or through its agents, employees or Escrow Agent until the Unit is transferred to Purchaser or the Purchase Agreement is cancelled in accordance with its terms. All monies received hereunder will be deposited at National Westminster Bank, U.S.A., 44 Wall Street, New York, New York 10005, in a special non-interest bearing escrow account entitled "THE ELBERTSON CONDOMINIUM SPECIAL ACCOUNT". The funds so deposited will be disbursed only in accordance with the provisions of this Agreement and the Plan. In the event the Plan is abandoned or withdrawn, such funds will be returned to purchaser without interest, (unless interest is earned), except as otherwise provided in the next sentence. If at the time the Plan is abandoned or withdrawn the Purchaser shall be in default hereunder and shall have failed to cure such default within the applicable grace period or if this Agreement had been previously cancelled due to Purchaser's uncured default, then Sponsor shall retain as and for liquidated damages the Down Payment (but in no event to exceed 10% of the Purchase Price) plus any additional sums deposited on account of any special work in the Unit ordered by Purchaser, and any sums in excess thereof shall be returned to Purchaser within thirty (30) days after the date of such abandonment or withdrawal without interest (unless interest is earned). All funds received under this Purchase Agreement will be handled in accordance with Sections 352-e(2)(b) and 352-h of the New York General Business Law.

Until such time as completion of the sale and consummation of the Plan, funds deposited in trust as Down Payment or as the Purchase Price for Units, will only be released upon the signature of a member of the firm of Haberman & Narotsky and be disbursed only upon instruction of counsel for the Sponsor (Haberman & Narotsky), to be used for purchase of the Unit if the Plan is declared effective and title closes, or returned to the Purchaser if the Plan is abandoned or withdrawn or if title does not close as herein provided.

7. **Closing Contingent on Plan Being Declared Effective**

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

B. If the Plan is abandoned or does not become effective or if after being declared effective the Plan shall not be consummated for any reason on or before twenty-four (24) months from the date it is presented to the tenants of the Building (as such period may have been tolled pursuant to the Plan), this Agreement shall be deemed cancelled and all monies paid by Purchaser hereunder shall be disbursed in accordance with the provisons of Paragraph 6 above. After the funds are so disbursed, Purchaser and Sponsor shall have no claim against each other or the Selling Agent in connection with this Agreement or the Plan, and all of same shall be released and discharged from all liabilities and obligations hereunder and under the Plan.

8. **Closing Date and Place**

A. The closing of title shall occur on the date and at the time and place in the City and State of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days' prior written notice. Sponsor shall have the right, from time to time, to adjourn such date and time for closing on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for title closing and shall give Purchaser not less than ten (10) business days' prior written notice of the new scheduled date and time for closing.

B. The closing of title shall occur only after or concurrently with compliance with the prerequisites set forth under "PREREQUISITES TO CLOSING OF TITLE" in Part I of the Plan.

9. **The Deed**

At closing, Sponsor shall deliver to Purchaser a Bargain and Sale Deed with covenant against grantor's acts transferring to Purchaser full ownership (fee simple title) to the Unit. The deed shall be substantially in the form reproduced as Document Number 7 in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Such executed deed shall be delivered immediately to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Purchaser or Purchaser's attorney).

10. **State of Title**

Legal ownership to the Unit shall be transferred to Purchaser at closing subject only to the liens, encumbrances and title conditions (hereinafter called the "**Permitted Encumbrances**") enumerated in Exhibit A to this Agreement. Any other liens, encumbrances, or conditions shall not be an objection to title if: (i) the instrument required to remove it from the record is delivered to said representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for recording in the proper office, together with the requisite recording or filing fees; or (ii) Purchaser's title insurance company will insure Purchaser against its collection or enforcement out of the Unit.

11. **Title Company Approval**

Sponsor shall give, and Purchaser shall accept, such title as Lawyers Title Insurance Corporation, a member of the New York Board of Title Underwriters, will approve and insure, provided the only liens, encumbrances and conditions affecting title shall be the Permitted Encumbrances. Sponsor shall not be obligated to satisfy any exceptions to title raised by any other title insurance company.

12. **Sponsor's Inability to Convey Title**

In the event Sponsor is unable to deliver to Purchaser title to the Unit in accordance with the provisions of this Agreement, Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of $1,000.00 to render title marketable or to remove, cure or comply with any violations of record issued prior to the First Closing, and in such case, Sponsor may abandon the Plan. In no event shall Sponsor be obligated to cure violations of record which are the obligations of tenants to cure in their Units or which result from the acts or omissions of tenants in their Units, or violations noted with respect to radio or television antennae.

13. **Closing Adjustments**

A. At closing, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the closing:

(i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, including water charges and sewer rents (if separately assessed) and any escrows for real estate taxes;

(ii) Common Charges for the month in which title closes; and

(iii) rent and other charges, if any, pursuant to a lease for, or tenancy of, the Unit.

The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as otherwise provided herein.

B. In the event the Unit has not been separately assessed for the then current fiscal tax year at the time of title closing, the apportionment of real estate taxes shall be based on the Unit's pro-rata share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. If the Unit has been separately assessed but the closing occurs before the tax rate is fixed, then the apportionment of real estate taxes shall be based upon the latest tax rate applied to the most recent assessed valuation.

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

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

14. **Purchaser's Closing Costs**

At closing, Purchaser will pay certain costs in connection with the purchase of the Unit, in addition to the legal fees of Purchaser's counsel (if any) and the amount of any net credit in favor of Sponsor that may result from the closing apportionments described in the preceding Paragraph 13. Such closing costs will include the following, the amounts of which are based on rates in effect on the date of the Plan and are subject to change without prior notice:

(i) If such Purchaser elects to obtain fee title insurance, he or she will pay a premium therefor to his or her title insurance company which will vary depending upon the amount of insurance requested. The premium for fee title insurance, if ordered from Lawyers Title Insurance Corporation, will be $439.00 for the first $50,000.00 of fee insurance plus $4.74 for each $1,000.00 of additional fee insurance up to $100,000.00 and $3.80 for each $1,000.00 of additional fee insurance up to $500,000.00. Each Purchaser is

free to obtain title insurance from a title insurance company other than Lawyers Title Insurance Corporation However, Sponsor makes no representation or warranty as to the cost, terms, or availability of such other title insurance. Furthermore, Sponsor shall not be obligated to satisfy any exceptions to title raised by any title insurance company other than Lawyers Title Insurance Corporation;

(ii) A fee for recording the deed and the Unit Owner's Power of Attorney of $10.00 for each instrument plus $1.00 per page, together with a service charge to the title company for such recording of approximately $1.00 per instrument.

(iii) If Purchaser obtains a mortgage loan, Purchaser will pay:

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

(b) a mortgage recording tax in the amount provided for by law (at the date of this Plan, the tax is 1.5% of the face amount of the mortgage);

(c) all costs and expenses in connection with such loan in amounts determined by the lender. Sponsor makes no representation or warranty as to such closing costs or expenses or as to the availability of such financing.

(iv) A closing fee of $300.00 to Sponsor's Counsel;

(v) If Purchaser does not close on the date designated for the transfer of title by the Sponsor, the Purchaser shall pay to Sponsor's Counsel a closing fee of $200.00. Further, if Sponsor offers mortgage financing and the same is accepted by Purchaser, or if the closing takes place out of the office of the Sponsor's attorney, additional closing costs of $250.00 for each such event will be incurred by the Purchaser.

(vi) If the Sponsor consents to the assignment or transfer of this Purchase Agreement, a fee of $250.00 to the attorneys for the Sponsor for reviewing the assignment and assumption of assignment and preparation of the Sponsor's form of consent to the assignment.

(vii) If Purchaser has dealt with any broker other than the Selling Agent in connection with this purchase, then Purchaser will be required to pay a commission to such broker unless Sponsor agrees otherwise in writing.

15. **Sponsor's Closing Costs**

At closing, Sponsor shall pay for the cost of the documentary stamps to be affixed to the deed, the transfer taxes due The City of New York, and the New York State Real Property Transfer Gains Tax. If requested not less than two business days prior to the closing, Purchaser shall provide separate certified checks to the order of the appropriate governmental officer and in the amounts requested by Sponsor to pay these costs. Such checks shall be credited against the Balance of the Purchase Price.

16. **Rent Security Deposit**

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

17. **Power of Attorney to Board of Managers and Sponsor**

At closing, Purchaser shall execute, acknowledge and deliver to the representative of the title insurance company insuring Purchaser's title to the Unit (or if no representative is present, then to Sponsor's attorney) for recording in the New York City Register's office of the County of Queens, State of New York, a power of attorney in favor of the Board of Managers relative to purchasing or leasing of Units and in favor of Sponsor relative to amending the Condominium Documents to the extent permitted in the power of attorney. The power of attorney shall be substantially in the form set forth in Document Number 9 in Part II of the Plan. After being recorded, the power of attorney shall be sent to the Condominium Board.

18. **Transfer Tax Return**

At closing, Sponsor and Purchaser shall each duly complete and sign before a Notary Public the transfer tax return required to be filed with The City of New York. The transfer tax return shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental officer.

19. **Events of Default**

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

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

(ii) Purchaser's failure to duly sign, notarize and deliver at closing the power of attorney pursuant to Paragraph 17 above or the New York City transfer tax return pursuant to Paragraph 18 above;

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

(iv) The failure to pay, perform or observe any of the Purchaser's other obligations hereunder, which is not cured within fifteen (15) days after the mailing of written notice specifying the nature of such default.

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

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

D. If Purchaser is or becomes a tenant of the Building and Purchaser fails to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations, or Purchaser vacates or abandons the leased premises, then such failure, vacating or abandonment (as the case may be) shall constitute a

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

20. **Appliances and Equipment**

A. At closing, the 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 Sponsor. The Unit is being sold unfurnished. Any appliances, air conditioning units, furnishings, equipment, fixtures and other personal property owned by any tenant of the Unit are not included in this sale. However, if the Unit is presently occupied by someone other than Purchaser and the existing tenant removes a stove or refrigerator belonging to him or her, then Sponsor agrees to supply a replacement, which may not be new, but will be in working order and similar in size and quality to the stoves and refrigerators owned by Sponsor that are contained in comparable apartments in the Building on the date of presentation of the Plan.

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 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, alterations and additions to the Unit must be approved by Sponsor in writing and, if approved, shall be performed by Sponsor at Purchaser's expense (payable in the manner to be set forth in an addendum to this Agreement or separate agreement).

21. **Acceptance of Condition of Building and Unit**

A. The signing of this Purchase Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property, including the Building, the Unit and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively called "**Installations**"), in their respective existing conditions, subject to reasonable use, wear and tear and natural deterioration between the date Purchaser signs this Agreement and delivery of the deed to Purchaser. Purchaser acknowledges having read, or having had ample opportunity to read, the Inspection Report of MICHAEL LYNN & ASSOCIATES P.C., set forth as Document Number 3 in Part II of the Plan, which sets forth a description and then existing physical condition of the Building. Purchaser understands that the Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the

Unit or the Installations, except as set forth in the Plan. However, Sponsor agrees to maintain the Building in substantially the same condition it was in on the date of presentation of the Plan, unless prevented from so doing by reason of acts or events beyond Sponsor's control, as more particularly set forth in the Plan.

B. Purchaser shall be given a reasonable opportunity to examine the Unit prior to closing.

22. **Possession; Risk of Loss**

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

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

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

D. Except as provided in the preceding subparagraph C, all other risk of loss prior to closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit. If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage, this agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Condominium Board to complete such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of

the Condominium Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing.

E. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited hereunder, without interest (unless interest is earned), whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain the Liquidated Sum pursuant to Paragraph 19 above.

23. **Sale Subject to Existing Tenancy**

The following provisions are applicable only if, at the time of signing this Purchase Agreement, the Unit is occupied by or under lease to one other than Purchaser.

Purchaser understands that he is purchasing the Unit subject to the rights of the existing tenant or occupant of same, as explained more fully in the Plan under the section entitled "RIGHTS OF EXISTING TENANTS". Purchaser acknowledges that so long as the tenant or occupant continues to pay the required rent and complies with his other lease or tenancy obligations, such tenant or occupant will have the right to remain in possession of the Unit. Moreover, Purchaser understands that upon the expiration of the existing rent stabilized tenant's lease he will be entitled to obtain a one, two, or three year renewal lease (at the tenant's option), at an increased rental determined in accordance with the provisions of the Rent Stabilization Law and the Code adopted pursuant thereto.

Purchaser acknowledges that he has read and thoroughly understands the section of the Plan entitled "OBLIGATIONS OF OWNERS OF DWELLING UNITS OCCUPIED BY NON-PURCHASING TENANTS" which summarizes various rights, duties, and procedures to be followed in order to gain possession of the Unit. Purchaser realizes that if the tenant or occupant fails to voluntarily remove from the Unit he shall be required to obtain possession at his own expense which may entail the institution of summary dispossess proceedings. Purchaser further acknowledges that no representation or statement has been made to him (and if made, Purchaser knows same are unauthorized and has not relied thereon) as to the length of time that may elapse before he gains possession of the Unit or that he, in fact, will obtain possession of the Unit.

Purchaser further understands, as explained in the Plan, that if the tenant or occupant has not vacated the Unit by the Closing Date, such Purchaser will assume the rights and obligations of the landlord of such tenant or occupant, including the right to collect rent (whether the same be greater or less than the Common Charges established from time to time by the Condominium Board) and the obligations to repair, maintain, and paint the Unit (including its equipment

and appliances) for the benefit of the existing tenant or occupant. At closing, Sponsor and Purchaser will sign and deliver to each other an agreement (in form and substance satisfactory to Sponsor) in which Sponsor assigns to Purchaser all of its rights under the then existing lease for the Unit and Purchaser assumes full responsibility for, and indemnifies Sponsor from, all obligations under such lease to be performed from and after the closing.

At the Closing, purchaser agrees that he or she shall deposit with the Managing Agent a sum equal to two (2) months' Common Charges, to be used by such Managing Agent as working capital to furnish to the non-purchasing tenant all services required under the non-purchasing tenant's lease and all laws and rent regulations applicable to the tenancy of the Unit. Upon notice by the Managing Agent that said deposit has been diminished, such fund shall be replenished by the owner of the Unit within sixty (60) days after receipt of such notice so that the amount of such fund shall always be equal to two (2) months' Common Charges. Such fund shall be terminated when the Unit is vacated by the non-purchasing tenant. Such deposit shall not be required of a purchaser who is a Sponsor of the Plan, a designee of Sponsor or a holder of an Unsold Unit.

From and after delivery of the deed, Purchaser alone will bear the entire costs and expenses of owning the Unit (including, but not limited to, any legal fees and litigation expenses for enforcing the lease and obtaining possession of the Unit).

24. **No Representation**

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or others, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners or the estimated Common Charges and estimated real estate taxes for the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as may be specifically represented herein or in the Plan; Purchaser having relied on Purchaser's own examination and investigation thereof. No person has been authorized to make any representations on behalf of Sponsor. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans, is accurate or correct, provided the layouts and dimensions conform substantially to such Floor Plans and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any minor inaccuracy or error. The provisions of this Paragraph 24 shall survive the closing of title.

25. **Notices**

All notices, elections, consents, demands and communications (collectively called "notices" or individually called "notice") shall be delivered personally or given in writing by registered or certified mail, return receipt requested, postage prepaid and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Agreement and, if sent to Sponsor, addressed to Sponsor c/o Haberman & Narotsky, 14 East 60th Street, New York, New York 10022). Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is effected or when deposited in any branch, station or depository maintained by the U.S. Postal Service in the City and State of New York, except that a notice of a change of address shall be deemed given when actually received.

26. **Broker**

Purchaser represents to Sponsor that the Selling Agent is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction. Sponsor agrees to pay the commission due the Selling Agent pursuant to separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph 26 shall survive the closing.

27. **No Lien; Agreement Subject to Mortgage**

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

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

that any such mortgage is subordinated to the Declaration and the Unit is released from the lien of such mortgage at closing.

28. **Entire Agreement**

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

29. **Joint Purchasers**

The term "**Purchaser**" shall be read as "**Purchasers**" if more than one person are purchasers, in which case their obligations shall be joint and several.

30. **Liability of Sponsor**

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

B. Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

31. **Further Assurances**

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

32. **Severability**

If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement

or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

33. **Strict Compliance**

Any failure by Sponsor to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

34. **Governing Law**

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

35. **Waiver of Jury Trial**

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement, or the relationship created hereby. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

36. **Gender**

A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

37. **Certain References**

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

38. **Captions**

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

39. **Successors and Assigns**

The provisions of this Agreement shall bind and enure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted

assigns and shall bind and enure to the benefit of Sponsor and its successors and assigns.

40. **No Oral Changes**

This Agreement cannot be changed or any provision waived orally. ANY CHANGES OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

41. **Acceptance of Purchase Agreement**

A. If Purchaser is an existing tenant, this Agreement shall be accepted by Sponsor on condition that:

(i) Purchaser signs and returns this Agreement, together with the requisite Down Payment, within ninety (90) days from the date the Plan is presented to Purchaser; and

(ii) the Purchase Price is in accordance with the price for this Unit set forth in the Plan.

B. If Purchaser is not an existing tenant of the Property then the submission of this Purchase Agreement by Purchaser does not constitute a binding obligation on either Purchaser or Sponsor. No such binding obligation shall arise until duplicates of this Purchase Agreement are executed by and delivered to both Purchaser and Sponsor (or Sponsor's duly authorized agent). If, within twenty (20) days after the Sponsor (or Sponsor's duly authorized agent) receives this Purchase Agreement signed by Purchaser, a duplicate of this Agreement signed by Sponsor or its authorized agent is not sent or delivered to Purchaser, then it shall be deemed rejected and of no force or effect and all monies paid by Purchaser shall be promptly refunded, without interest. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, or other ground proscribed by law.

42. **Agreement Not Assignable; Binding Effect**

This Agreement may not be assigned. Any purported assignment by Purchaser in violation of this Agreement shall be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment shall not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. This Agreement shall bind and apply to Purchaser and Purchaser's executors, administrators, legal representatives, heirs, and successors, and shall insure to

the benefit of Sponsor, its successors and assigns, and (to the extent provided herein) the Condominium and other Purchasers under the Plan.

43. **Good Faith Purchase (Tenants in Occupancy)**

The sale of the above Unit was made to me pursuant to the terms set forth in the Plan without disciminatory repurchase agreements or other discriminatory inducements.

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

Purchaser:

_____ L.S.

_____ L.S.

Purchaser's Address:

_____

Purchaser's Social Security No.

Accepted & Agreed to: _____

GALA REALTY

By: _____
Francine L. Birnback,
Authorized Agent

Dated Accepted:

_____

STATEMENT OF INTENTION

(To Be Executed Only By Non-Tenant Purchasers)

I/We represent that I/we intend that I/we or one or more members of my/our immediate family intend to occupy the Unit when it becomes vacant.

_____

(Name of Person(s))

intend(s) to occupy the Unit when it becomes vacant.

I/We have executed agreements for the purchase of apartments at the following properties in which agreements we have represented that I/we intend that I/we or one or more members of my/our immediate family intend to occupy the apartments when they become vacant:
(If None, so state.)

_____

_____

_____

Purchaser(s):

_____ L.S.

_____ L.S.

Sworn to before me this
day of November, 1984.

_____
Notary Public

EXHIBIT A

Permitted Encumbrances

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

2. State of facts shown in the survey of the Land made by William L. Savocool dated March 26, 1937 and any additional state of facts which a subsequent survey or personal inspection of the Land would show, provided such additional facts would not prevent the use of the Unit for dwelling purposes. The foregoing survey shows:

(a) Projections over and encroachments on 80th Street and 35th Avenue:

Cast stone water table up to 0 feet 1½ inches
Cast stone trim at 5th story up to 0 feet 3 inches
Stone roof cornice up to 0 feet 3½ inches
Iron window boxes at 6th Story up to 0 feet 4¾ inches

Inspection made by Lawyers Title Insurance Corporation on February 4, 1984 disclosed:

(a) Concrete curbs on or near portions of the Southerly and Easterly record lines of premises not located.

3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all set forth in the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Power of Attorney from Purchaser to the Condominium Board and Sponsor and the Floor Plans, all as may be amended from time to time.

4. Consents by Seller or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Land may abut.

5. Any easement or right of use in favor of any utility company for electricity, steam, gas, telephone, water, or other service, and the right to construct, use, maintain, repair and replace all utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.

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

7. Encroachments of shrubbery, stoops, areas, steps, doors, ledges, window sills, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and stand pipes, sewerage pipes, air-conditioning units, canopies, ramps, and similar projections, if any, on, over, or under the Property or the streets or sidewalks or property abutting the Property and the rights of governmental authorities and adjoining property owners to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.

8. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

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

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

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

12. Any lease covering, or tenancy or occupancy of, the Unit and the rights of such tenant(s) and occupant(s), if any, under the RSL, Code, GBL or other applicable law.

13. Certificate of Occupancy No. 54935, dated April 14, 1937 covering the Building.

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

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

TP-581 (5/83)

New York State Department of TAXATION and FINANCE

New York State
REAL PROPERTY TRANSFER GAINS TAX

Questionnaire

TRANSFEREE
DOCUMENT NUMBER 2

For Departmental Use Only

This questionnaire must be completed for all transfers of real property and transfers of controlling interests in entities which own real property where the realty is located in New York State and where the transfer is to occur on or after May 28, 1983.

NOTE: See Instructions (TP-581-I), Section B before completing this form if the consideration for the transfer is less than $500,000 or if the property being transferred consists of premises occupied and used by the transferor as his residence.

PLEASE PRINT	Name	Address	Zip Code	Social Security Number / Federal Employer Identification Number
(Transferee)				
(Transferor)	AARON ZIEGELMAN and WILLIAM K. LANGFAN	200 West 57th Street, New York, New York	10019	[redacted]
(Transferee's Att'y)				

LOCATION OF PROPERTY TO BE TRANSFERRED (List each lot separately)

Address	County
Unit No. 79-15 35th Avenue Jackson Heights, New York	Queens

DATE OF ANTICIPATED TRANSFER

Month	Day	Year

COMPLETE LINES 1, 2 AND 3

1 Consideration to be Paid to Transferor By Transferee	1	
2 Brokerage Fees to be Paid by Transferee to Transferor	2	
3 Brokerage Fees to be Paid by Transferee to Broker	3	

AFFIDAVIT OF TRANSFEREE

I swear (or affirm) under penalty of perjury that this questionnaire including the accompanying schedules or statements has been examined by me and is to the best of my knowledge and belief, a true and complete return, made in good faith, pursuant to Article 31-B of the New York State Tax Law.

Sworn to and subscribed to before me this _____ day of _____, 19____

Name(s) of Transferee(s)

Signature(s) of owner(s), partner, officer of corporation, etc.

Signature of officer administering oath

Title

MLA BRODSKY
MICHAEL LYNN & ASSOCIATES P.C.
ARCHITECTS • ENGINEERS
PLANNERS • INTERIOR DESIGNERS

300 PARK AVENUE SOUTH • NEW YORK, N.Y. 10010 • (212) 477-1900
TELEX: 66395 BHA

MICHAEL LYNN, AIA
GEORGE EMERY, AIA

March 13, 1984

DOCUMENT NUMBER 3

REPORT OF INSPECTION

RE: Elbertson
79-15 35th Avenue
Jackson Heights, New York
Project #67417

An inspection has been made of the above premises and the following is a report of our findings:

1. SITE

A. LOCATION: The property is located at 79-15 35th Avenue Jackson Heights, Queens, New York on the northwest corner of 35th Avenue and 80th Street. The front of the building is on 35th Avenue. It is Zone R7-1.

The building is a six story apartment building with a cellar. The structure was erected on lot number 33-44, block number 1266 in the Borough of Queens, City of New York. The building is now occupied under Certificate of Occupancy number 54935 dated 4/14/37.

The building is classified as a non-fireproof construction and is located in a resident zoning district. The date of completion is approximately 1937 (N.B. No. 4953/36). The permissible use and occupancy is as follows.

FLOOR	USE
Cellar	Storage and multi-dwelling
1	Multiple Dwelling
2	Multiple Dwelling
3	Multiple Dwelling
4	Multiple Dwelling
5	Multiple Dwelling
6	Multiple Dwelling

The building is subdivided into 41 apartments. They vary in size, there are 24 - 1 Bedroom; 10 - 2 bedroom, 6 - 1 bedroom and study and 1 studio apartments.

B. These streets are public streets paved with asphalt and have concrete curbing. In general, the asphalt, pavement, and concrete curbing on all streets appear to be in good condition. However, there appears to be minor settling in a few sections of curbing along 35th Avenue. These streets are drained with catch basins emptying into the city sewer system. The streets and sidewalks are lit by means of standard New York City type lighting standards.

C. UTILITIES:

1.

a. ELECTRICAL: The electrical service to the building is 120/208 volts - 3 phase, 4 wire, supplied by the Consolidated Edison Company. The above electrical service connects to a service end box and two (2) 3 phase 400A, and 200A 4 wire fused service switches located in a below grade electrical meter room.

b. TELEPHONE: Tenants individually subscribe service through the New York Telephone Company.

2. GAS SERVICE: The gas service for the building enters at one location. There is one (1) 3" low pressure gas service that enter at the cellar level and is piped from the city main on 35th Avenue. The gas runs to the gas meters supplying the tenant apartment ovens and stoves and management laundry room dryers. From the management meter to the boiler room to feed the gas fired boiler. The gas system is supplied by Brooklyn Union Gas Co. All gas piping appears to be black steel and seems to be in good condition. There is one gas meter room located in the cellar. The tenants absorb the cost of gas fuel for their apartments.

3. SANITARY AND STORM SEWER DRAINAGE: The building has two (2) sanitary and two (2) storm house sewers which empty by gravity into the city mains on 35th Avenue and 80th Street. The pipe construction is of extra heavy cast iron and appears to be in good condition.

4. WATER SUPPLY: The domestic water is supplied to the building via a four inch (4") water main from the New York City main on 35th Avenue. This line is not metered and goes to a steel water tank located in the

cellar. The water is distributed throughout the building via a pumped system. The pipe construction is of galvanized steel, brass and copper and was at the time of inspection in good condition.

a. STANDPIPE SYSTEM: None.

D. LANDSCAPING: Landscaping on the site is minimum and consists of trees shrubbery and grass areas. The landscaping was in good condition.

E. SIDEWALKS: In general, the concrete sidewalks along 35th Avenue, 80th Street and on the site are in good condition with the exception of some minor settling along 80th Street.

F. PARKING: None.

2. BUILDING SIZE DATA

The building is approximately 110'x100' and 6 stories high. (Approximately 62 ft. in height).

3. STRUCTURAL SYSTEM

The building has a non-fireproof class construction. The structure has masonry enclosing walls which are erected on a concrete foundation. There were no signs of structural distress observed at the time of this inspection.

4. BUILDING EXTERIOR

A. The building is clad in a red color brick for its entire height and in general appeared to be in good condition for the exception of minor repointing in several areas.

B. Metal Fire Escapes are located on the exterior of the building and appear to be in good condition. The fire escapes are of steel construction and have steel drop ladders and other than repainting, were in good condition at the time of inspection.

Windows on the building are wood double hung which require maintenance and repainting of sashes and frames. Sills are of stone and appear to be securely attached and in good condition.

Local Law No. 10 is not applicable to the above site.

5. EXTERIOR ENTRANCE

There is one main tenant entrance. Access is provided by one walkway which extends off of 35th Avenue sidewalk.

The walkway is surfaced with concrete. The landscaping and walkway appear to be in good condition. The main entry is wooden framed which appears to be in fair condition.

There is an enclosed lobby vestibule with an intercom system panel accessible through wooden framed swing type doors. Typical construction of the lobby vestibule consists of terrazzo floors, plaster walls, and a plaster ceiling. The vestibule appears to be in good condition at the time of inspection.

A pair of wooden frame swing type doors is also located off of the lobby vestibule. Beyond the doors, there is a terrazzo floor at the lobby level, all of which appear to be in good condition.

Upon entering the lobby, there is a mirrored wall at the east side and a non-working fireplace. The main lobby consists of terrazzo flooring, plaster walls, and a plaster ceiling, all appear to be in good condition.

The elevator lobby has a mail alcove. Typical construction of the elevator lobby and mail alcove consists of terrazzo flooring, plaster walls, and plaster ceilings, all of which appear to be in good condition.

6. SERVICE ENTRANCE

Two secondary entrances to the building are provided at the cellar level. One secondary entrance is located in the rear of the building and is accessible via a concrete walkway which extends from 80th Street. The doorway is located at the bottom of a concrete ramp which is bordered along its outer edge by a concrete retaining wall topped with a wrought iron railing.

The other secondary entrance is located on the side of the building and is accessible via a concrete walkway which extends from 80th Street. Each secondary entrance door is a metal swing type door with no glass panes and a metal frame.

7. ROOF AND ROOF STRUCTURES

The structure has built up rolled roofing. In several areas it was observed that air pockets have developed under the roof surface. Also, it appears that in some locations flashing

around rooftop bulkheads and parapets need an asphaltic sealant. The above conditions requires minor repair to prevent possible damage to the roof or apartments below. In general, the roof is in good condition at the time of inspection.

The masonry elevator and staircase bulkheads appeared to be in good condition.

The approximate 36 inch parapet walls are brick, topped with concrete coping. Both the coping and the parapet walls are in good condition.

8. ELEVATORS

There is a total of one (1) elevator which provides service for the building. This elevator is a passenger type and is manufactured by the "Otis Elevator Company" with a 1,800 pound capacity. Typical cab construction is wood walls and wood ceilings with resilient flooring, lit by fluorescent lighting. The elevator doors are metal doors with a glass vision panel. As indicated by the elevator inspection certificates, the last inspection date for this elevator was February 22, 1983.

9. INTERIOR STAIRS

There is a total of one main stair which provide fire egress from the building. The staircase is located in the lobby level of the building. The stairs originate at the lobby level and terminate at the platform in the stair bulkhead on the roof.

The stairs are constructed of steel with terrazzo treads, and wooden handrails which are attached to the walls and newels. The stairs appeared to be in good condition.

10. INTERIOR DOORS AND FRAMES

All apartment entrance doors and doors to equipment rooms are hollow metal with hollow metal frames.

Interior doors of apartments are wood set in metal frames.

All bedroom closet doors are swing type and made of wood. The above were in good condition at the time of inspection.

11. LAUNDRY

There is a total of one (1) laundry room located in the cellar of the building. The laundry room contains one (1) coin-operated washing machine, one (1) "Speed Queen" coin-operated gas dryers and a wash tub. Refer to Ventilation.

12. REFUSE DISPOSAL

On each floor, there is a small room on every floor with a hopper type door to a refuse chute. All refuse is fed from the chute directly into the incinerator room at cellar level. Refuse is picked up by the New York City Department of Sanitation on Tuesdays and Fridays of each week.

Details of Incinerator is as follows:

Application Number:	RA 1879/70
Triennial Inspection Date	11/05/81
Triennial Issuance Date	12/9/81
Renewal Expiration Date	11/05/84

INCENERATOR EQUIPMENT

Type of Incinerator: Flue Fed
Auxiliary Burner: eclipse 200 JID-C
Overfire Air Blower: Dayton 4C006
Cycling Clock: Tork 8001
Temperature Control & Indicator: Burling F2C-1075
Scrubber: Aquatron 360-1A
Automatic By-pass Damper, M.H. M445
Automatic Draft Controller: M.H. P246A w/M.H. M644A
Charing Rate #/Hr 67 Burns/Day 3 Type of Refuse 2
Burning Hours: Normal X
7 AM - 5PM

13. GARAGE

None.

14. PLUMBING

The domestic water enters the building via a four inch (4") main from the New York City Water Supply on 35th Avenue. The water is piped to one (1) domestic booster pump rated at approximately 7 H.P., 1750 R.P.M. which supply water to the pressure tank. The booster pump is in operable condition and the pressure tank was in good condition at the time of inspection.

This system supplies the building with cold water via an up feed system. The hot water is generated in the coil in the boiler. This system is also supplied with a pumped re-circulation system. The domestic hot and cold water riser system was observed to be copper and brass construction. The above was in good condition at the time of inspection.

15. SANITARY AND STORM WATER DRAINAGE

The building has two (2) sanitary sewers which empty into the city sewer by gravity on 35th Avenue and 80th Street. The sanitary drainage from the apartment fixtures appeared to be in good condition and the storm drainage piping appeared, in general, to be in good condition. There are drains located at the following locations of the building: roof, service entrance, and the boiler room has a drain and sump pump for drainage. The above appeared to be in good condition at the time of inspection.

16. FIRE PROTECTION SYSTEM

There are battery operated smoke detectors in each apartment.

17. HEATING AND VENTILATION

The building is heated by a one fuel system. There is one (1) no. 6 oil and gas fired boiler. There is one oil tank with a capacity of 3,000 gallons. The fill-up for the tanks is located on the cellar level facing 35th Avenue. The boiler appeared to be in good working condition.

Details of the Boiler and Burner is as follows:

Triennial Certificate Application Number:	CA 3358/68
Triennial Inspection Date:	2/17/81
Triennial Issuance Date:	2/17/81
Renewal Expiration Date:	2/17/84

Boiler(s)	Make Pacific Model 5291	Minimun boiler water temperature to be maintained at all times
Burner(s)	Make Ray Model AR 141-b	180 degrees F.

Firing Oil # 6

Max. Gal/Hour 30

Refer to attached NYC Fuel Oil Permit.

The apartments are heated by steam fin tube convectors located under each window. Ventilation in the apartments are achieved by operable windows including kitchens and bathrooms. Public Corridors are ventilated by the same means.

The laundry room was ventilated by operable windows. The gas dryers were exhausted into a common plenum which exhausted out the side of the building. This appeared to be in satisfactory condition.

There was no central air conditioning system for the building proper. Apartments were observed to have management owned window air conditioners (set in sleeves and were located in the bedrooms and living rooms). It was possible to determine from the physical inspection that the electrical system is sufficient to support the air conditioning units should they be installed.

18. GAS SUPPLIED

Refer to Item No. 1.C. Utilities 2. page two.

19. AIR CONDITIONING

Refer to Item No. 17 (5th Paragraph above).

20. ELECTRICAL

The electrical distribution system and the metering equipment appear to be in reasonably good shape at the time of inspection.

A. POWER DISTRIBUTION FOR THE BUILDING IS AS FOLLOWS:

ELECTRIC METER ROOM

1. The main service (refer to C. utilities 1.a., page one for details).

2. The above feeds a tenant electric meter bank. Each meter feeds an above 40 amp, 110/208 volt, circuit breaker vertical distribution panel thus feeding a 40 amp, 110/208 volt distribution panel into each tenant apartment for its branch circuits.

3. There are management distribution panels being used for lobby, lighting, planters, corridors, lighting and power, mail alcove, etc.

4. A time clock controlling the exterior front entrance and perimeter lighting on the building.

5. The above equipment was in good condition.

B. APARTMENT LIGHTING AND RECEPTACLE

Layouts vary according to apartment size and tenant preference. Lighting in apartments observed is of the incandescent type. All apartments met at least code minimum requirements at time of construction for receptacle outlets.

Receptacle outlets were of the ungrounded type. Apartments observed have 40 amp, 110/208 volt circuit breaker panel with eight (8) circuit capacity.

C. ELEVATOR

Controller equipment is the open type and was in good condition at the time of inspection.

D. INTER-COMMUNICATION AND SIGNAL SYSTEMS

1. Intercom System: Each apartment has an intercom speaker and buzzer. The master intercom is located in the building entrance vestibule. The intercom system permits two-way conversation between an apartment and the master station, but any call must first be initiated by the master station.

2. Television Facilities: There is no roof master antenna and no H.B.O. service.

E. PUBLIC LIGHTING. POWER AND RECEPTACLES (INTERIOR)

1. Main Lobby: The lobby is lit with incandescent fixtures. The lobby has ungrounded receptacles spaced around the walls.

2. Building utility rooms are lit with incandescent and fluorescent fixtures.

3. Tenant corridors and stairs are lit incandescent fixtures. Light levels in corridors are good.

4. The laundry room is luminated with ceiling mounted incandescent fixtures. There are grounded receptacles serving the gas dryer and washing machine. The lighting and receptacles are served by one (1) circuit breaker panel, for the dryer, washing machine, and branch circuits.

F. BOILER ROOM POWER AND CONTROL

The panels in the boiler room feed boiler blowers, compressors, heaters and oil pumps. Boiler controls are of the heat/timer type with night setback, selector switch, outside thermostat and smoke alarm. The controls are mounted in metal cabinets on the boiler room walls. It was observed that the above were in operating condition at the time of inspection.

21. UNIT INFORMATION

All the apartments in the building are of typical construction

ROOM	FLOOR	WALLS	WAINSCOT	CEILING	APPROXIMATE CEILING HEIGHT
Living	Oak Wood	Plaster	--	Plaster	108 inches ±
Kitchen	Wd/Linoleum	Plaster	--	Plaster	108 inches ±
Dining	Wood	Plaster	--	Plaster	108 inches ±
Bedroom	Wood	Plaster	--	Plaster	108 inches ±
Bathroom	Cer. Tile	Plaster	Cer. Tile	Plaster	108 inches ±

Sponsor has to submit plans indicating layout and room sizes.

KITCHEN FIXTURES:

Range and Oven: Slattery
Refrigerator: Admiral

BATHROOM FIXTURES:

Water Closet: Standard
Lavatory: Standard

The kitchen cabinets are wood with wood counter tops.

In general, the apartments visited appeared to be in good condition at the time of inspection.

22. SCHEDULE OF SPACES OTHER THAN APARTMENTS

ROOM	FLOOR	WALLS	WAINSCOT	CEILING	CEILING HEIGHT
Two Ten. Storage Rms	Concrete	Concrete	--	Concrete	9' ±
Electric Meter	Concrete	Conc/Block	--	Concrete	9' ±
Super/Storage/Wk Shop	Concrete	Conc/Block	--	Concrete	9' ±
Boiler Room	Concrete	Concrete	--	Concrete	14'-3" ±
Incinerator Rooms	Concrete	Concrete	--	Concrete	9' ±
Laundry Room	Concrete	Concrete	--	Concrete	9' ±
Service Corridor	Concrete	Concrete	--	Concrete	9' ±
Laundry Toilets	VAT	Concrete	--	Concrete	8' ±
Porters Room	Concrete	Concrete	--	Sus. Clg.	9' ±
Gas Meter Room	Concrete	Concrete	--	Concrete	9' ±

STREET LEVEL

ROOM	FLOOR	WALLS	CEILINGS	APPROXIMATE CEILING HEIGHTS
Lobby Vest.	Terrazzo	Plaster	Plaster	11 ft-2 in ±
Main Lobby	Terrazzo	Mirror/Plaster	Plaster	9 ft-2 in ±
Elev. Lobby	Terrazzo	Painted Plaster	Plaster	9 ft-2 in ±

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TYPICAL FLOOR

ROOM	FLOOR	WALLS	WAINSCOT	CEILINGS	APPROXIMATE CEILING HEIGHTS
Corridor	Terrazo	Plaster	--	Plaster	9' ±
Incinerator Chute	Terrazo	Plaster	--	Plaster	8'-2" ±

ROOF LEVEL

ROOM	FLOOR	WALLS	CEILINGS	APPROXIMATE CEILING HEIGHTS
Elev. Mch. Rm.	Concrete	Masonry	Concrete	84 inches ±

23. VIOLATIONS

A search of the records from the City of New York Department of Housing Preservation and Development, Office of Rent and Housing Maintenance reveal that there are no violations pending - Multiple Dwelling Section. An official search has been requested from the N.Y.C Construction and Elevator Division and when received will be forwarded as an addendum to this report.

We hereby affirm that the above report is an unbiased professional opinion arrived at without inducement of any kind.

Michael Lynn & Associates P.C.
Architects/Planners/Engineers

Michael Lynn, A.I.A.

MLA BRODSKY
MICHAEL LYNN & ASSOCIATES P.C.
ARCHITECTS • ENGINEERS
PLANNERS • INTERIOR DESIGNERS

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TELEX: 66395 BHA

MICHAEL LYNN, AIA
GEORGE EMERY, AIA

ADDENDUM NO. 1

August 31, 1984

Alan Haberman
Haberman & Narotsky
14 East 60th Street
New York, NY 10022

RE: 79-15 35th Avenue
Jackson Heights, NY

Project No.: 67417-0002

Dear Mr. Haberman:

On August 30, 1984 a reinspection of the above mentioned building was conducted for the purpose of reviewing the Attorney General's comments for the aforementioned property.

This addendum will also update the sponsor's engineering report and reply to the Attorney General's comments. In our evaluation, the following are comments of our findings as you had requested from your letter dated August 17, 1984.

This addendum shall be included as part of the "Report of Inspection" and incorporated into the offering plan.

NOTE: The following items referenced below are taken from the Attorney General's dated August 14, 1984 and August 17, 1984.

Attorney General Comments reference below are taken from the Attorney General"s dated August 14, 1984:

Describe condition of exterior walls.

MLA Reinspection:

For the exception of minor pointing in several areas the exterior appears to be in good condition.

Attorney General Comment:

Add violation list to report.

MLA Reinspection:

As of the date of this report, there is a request for pending violation of the Building Department's records from the Construction Division, Elevator and Housing Divisions and will be forwarded as an addendum to this report.

Attorney General Comment:

Provide updated inspection certificates and permits prior to closing include: oil storage, air resources certificate; boiler safety inspection.

MLA Reinspection:

Oil Storage Permit: Refer to the attached Fired Oil Permit
Boiler Air Resource Certificate: Expired 2-17-84.
Incinerator Air Resource Certificate: Expires 11-05-84
Boiler Safety Inspection Certificate: was inspected on 4/23/84
Sponsor stated that before closing all updated permits and certificates will be provided. Boiler Air Resource Certificate will be included.

Attorney General Comment:

Add the condition of: elevator cables and machinery boiler shell, tubes and safety controls.

MLA Reinspection:

Elevator Cables: in good condition.
Elevator Machinery: in good condition for the exception that the elevator coil relay needs replacement.

Boiler:

Shell: in good condition.
Fire Chamber: requires repair on the leftside (eastside) of the chamber.
Tubes: in good condition. It appears that twelve tubes have been replaced.
Boiler Safety Controls: in good condition for the exception that the High and Low (Pilot) motor control has to be replaced.

Sponsor stated that the above repairs will be compeleted before closing.

Attorney General Comments dated August 17, 1984

Attorney General Comments:

We informed Mr. Nicaj that part of the roof parapets, which has copings that are held up by ornamental balusters should be examined and repaired as required. Some of the balusters were missing and in one case the coping was sagging downward and could fall either on the roof or to the ground below and do damage. We also informed him that the ramp from the basement to the backyard requires repair and that, the intended sump pump in the boiler room should be installed. Mr. Nicaj gave us the impression that these items will be corrected.

MLA Reinspection:

Roof Oranamental Balusters and the ramps from the Basement to the backyard: Repairs has not been corrected at the time of reinspection but the sponsor stated that repairs will be completed before closing.

The intended sump pump in the boiler room: The sump pump has not been installed and it needs an independent electrical 110/208 volt. The sponsor stated that the electrical line and the installation of the sump pump will be installed before closing.

We hereby affirm that the above report is an unbased professional opinion arrived at without inducement of any kind.

Michael Lynn & Associates P.C.

Michael Lynn, AIA
President

ML/ss



CERTIFICATE OF BOILER INSPECTION

Boiler No. MD 4682-01 Certificate No.

This is to Certify that the herein-described boiler insured and inspected by
THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY
on 7/13/83
may be operated at a ***Pressure not to exceed*** 15 pounds per square inch.
Name of user MANAN REICHMAN & C HOFFMAN
Address 74-09 37 AVE Jackson Heights N.J 11372
Location of boiler 74-15 35th Ave (No. and Street) Jackson (City) Heights (County) N.J (State) 11372
Type of boiler FT Year built 1945
Made by PACIFIC Std. and Std. No.

Certificate expires one year from date of last inspection.

RE-INSPECTIONS

Kind	Date	Inspector
	by	
	by	
	by	

Signature C.D. Robinson
Inspector of Boilers

POST THIS CERTIFICATE IN A CONSPICUOUS PLACE NEAR THE BOILER

2000

MLA BRODSKY
MICHAEL LYNN & ASSOCIATES P.C.
ARCHITECTS • ENGINEERS
PLANNERS • INTERIOR DESIGNERS

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TELEX: 66395 BHA

MICHAEL LYNN, AIA
GEORGE EMERY, AIA

ADDENDUM NO. 1

December 4, 1984

Attn: Aaron Ziegelman

RE: 79-15 35th Avenue
Jackson Heights, New York

Project No.: 67417-0002

Dear Mr. Ziegelman:

On December 4, 1984, a search of the records from the City of New York Department of Housing Preservation and Development Office of Rent, Housing Mainenance, Construction, Plumbing and Elevator Divisions was conducted for the aforementioned property.

This addendum of the following violations shall be included as part of the "Report of Inspection" and incorporated into the offering plan and are as follows:

Housing Division: Latest Inspection 11/21/84.

Haz. Class	Order No.	Story	Violation Abstract	Description - Specific location
A	692	06	No lock or key to apartment	Chain door guard, Apt. 6F
A	556	06	Paint (peeling)	Ceilings, Apt. 6E Entrance Hall & Foyer
B	501	06	Repair	Bottom rail lower sash, Apt. 6E Southeast room
A	505	06	Replace	Glass Apt. 6E Southeast Room upper sash
A	508	06	Repair Plaster	Walls and ceiling, Apt. 6E Bathroom
A	556	05	Paint (peeling)	Ceiling, Apt. 5E Southeast room
A	508	05	Repair plaster	Ceiling and upper wall over window Apt 5D, Center Room

Haz. Class	Order No.	Story	Violation Abstract	Description - Specific location
B	505	05	Replace	Glass, kitchen window, Apt. 5B
B	505	05	Replace (warped & unrepairable)	Upper & lower sashes, Apt. 5B Front south room, west window
B	521	05	Remove bars or gates	5th story, Apt. 5B
A	510	04	Abate the Nuisance	Exposed wiring stapled to baseboard Apt 4F, southeast and northeast rooms
A	692	04	No lock or key to apt.	Chain door guard, Apt. 4E
A	556	04	Paint (peeling)	Walls & ceiling, Apt. 4C Center west room
B	501	04	Repair	Bottom rails lower sash, Apt. 4B Kitchen
A	506	04	Replace	Sash chain, Apt. 4B Center front room, west window
B	702	03	Repair smoke detector	Defective, Apt. 3G (Tenant - Lita Sodine)
A	501	03	Repair	Electric light, wall fixture Apt. 3E
A	556	03	Paint (peeling)	Wall & ceiling at window, Apt. 3D Center room
A	692	03	No lock or key to apartment	Chain door guard, Apt. 3D
A	556	02	Paint (peeling)	Walls & ceiling, Apt. 2F Northeast room
B	521	02	Remove bars or gates	Apt. 2F
A	692	02	No lock or key to apt.	Chain door guard, Apt. 2E
A	556	02	Paint (peeling)	Walls & ceilings, Apt. 2B Bathroom & rear east room
A	501	02	Repair	Caulking of bathtub, all sides Apt 2B
B	510	02	Abate the nuisance	Air conditioner obstructs access to fire escape, Apt. 2B
A	501	01	Repair	Kitchen window stop, Apt. 1F

MLA

Haz. Class	Order No.	Story	Violation Abstract	Description - Specific location
A	556	01	Paint	Walls & ceiling at window, Apt. 1E Southeast room
A	692	01	No lock or key to apt.	Chain door guard, Apt. 1D
B	702	01	Replace smoke detector	Missing, Apt. 1D (Tenant - I. Hayn)
B	505	01	Replace	Glass, Apt. 1D Center room window
A	556	01	Paint (peeling)	Ceiling & upper walls, Apt. 1D Private Hall
A	692	01	No lock or key to apartment	Chain door guard, Apt. 1C
A	508	01	Repair plaster	Walls & ceilings, Apt. 1C Bathroom
A	556	01	Paint (peeling)	Ceilings & upper walls, Apt. 1C All rooms
A	692	01	No lock or key to apartment	Chain door guard, Apt. 1B
B	505	01	Replace	Glass, Apt. 1B Northeast room window
B	702	01	Repair smoke detector	Defective, Apt. 1B (Tenant - Robert Kutnick)
A	700	01	Post smoke detector sign	Notice missing Public Hall
A	658	Yard F2	Repair paving	North courtyard - ramp area
B	513	Yard F2	Adjust drop ladder	North fire escape
A	583	Roof	T.V. Antenna	Vent pipe - roof at west
B	538	Roof	Remove encumbrances	Chairs & pats - Public hall Bulkhead to roof
B	501	Roof	Repair	Tar covering (parapet) walls Roof at front and east
B	510	Roof	Abate the nuisance	Push bars installed on bulkhead door to roof preventing re-entry

MLA

Haz. Class	Order No.	Story	Violation Abstract	Description - Specific location
C	506	Roof	Replace (7 missing)	Concrete balusters in parapet wall openings - all sides
			Egress Cellar	Entry was obtained - no violations

VIOLATIONS PENDING

ELEVATORS - 5 year test mandate Violation #6-9-81-E 131424

E17 # (1 year mandate) pending for 1981,1982
1984 - 2 year mandate violation

CONSTRUCTION - No violations on property

PLUMBING - No violations on property

Michael Lynn & Associates P.C.



Michael Lynn, AIA
President

MLA

(516) 295-3747
(516) 295-3435

JACK MERZIN
PROFESSIONAL ENGINEER

620 Longacre Avenue

Woodmere, L. I. 11598

SUMMARY

EXTERIOR

1) Evidence of deterioration of rolled roofing.
2) Inner face of brick parapet walls needs to be waterproofed.
3) Evidence of severe weathering of exterior face brick along the cement joints. The brick needs to be pointed and siliconized.
4) Rotting wooden window frames noted; windows are shaky along their tracks. It is recommended that all windows be replaced with thermopane windows to help lower the fuel bills.

HEATING

There was evidence of furnace corrossion in boiler walls and deterioration of combustion chamber. The brick chamber walls had loose fire brick.

STEAM PIPES

There was evidence of corrossion on steam pipe valves, steam pipe joints, and pipe unions.

ELEVATOR

Elevator cab is old. Evidence of deterioration in braking mechanism, and the elevator relay panel board needs to be upgraded to 1904 standards. The panel board is the original equipment of the building.

PLUMBING

1) Water pressure to all plumbing appurtenances was acceptable. No evidence of water hammer knocks (noises caused by trapped air pockets). Plumbing is composed mainly of brass pipe. Evidence of corrossion of pipe joints and water shut-off valves.

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JACK MERZIN
PROFESSIONAL ENGINEER

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SUMMARY

Page Two:

2) The plumbing fixtures show signs of deterioration as to spindles in sinks and bathtubs of bathrooms, and sinks in the kitchen.
3) Evidence of deterioration of soil pipes at their joints.

ELECTRICAL

1) Incoming electrical service is two boxes of 3 phase/400 amp service which is adequate for this building, but the circuit distribution to each apartment could be upgraded.
2) There are no special circuits for dishwashers in kitchen or for air conditioning in bedrooms or living room.
3) Wall outlets in some apartments need to be upgraded.

APARTMENTS

1) Evidence of water damage to plaster walls along inner face of outer walls in some apartments.
2) Evidence of bathroom wall tile and floor tile being in need of professional grouting.
3) Bathroom lavatoriums need to be upgraded.
4) Kitchen cabinets need upgrading.
5) Kitchen lacks proper counter and work space.
6) There are many old refrigerators and stoves in the apartments.
7) Many ceilings in apartments have cracks and need repairs.

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620 Longacre Avenue

Woodmere, L. I. 11598

SUMMARY

Page Three:

The following costs are necessary to upgrade the building to a standard condition:

1)	Replacement of windows	$106,500.00
2)	Replacement of 50% of roof	11,040.00
3)	Replacement of deteriorating furnace with new furnace and electronic appurtenances	40,000.00
4)	Upgrading elevator equipment	8,000.00
5)	Pointing the exterior brick joints and siliconizing the brick veneer	90,000.00
6)	Upgrading wiring, walls, cabinets, ceilings, bathroom lavatorium, kitchen appurtenances	143,500.00
7)	Upgrading plumbing, piping, valves, fixtures in bathrooms and kitchens	18,000.00
		$417,040.00

JACK MERZIN, P. E.

OK MERZIN
OFESSIONAL ENGINEER

INSPECTION CHECK LIST

Property Inspected: 79-15 35TH AVENUE JACKSON HEIGHTS, N.Y. Date: 8/13/84 Weather: cloudy

OUTSIDE

DRAINAGE: Good ☐ Satisfactory ☑ Poor ☐ Needs Correction ☐
GRADING: Good ☐ Satisfactory ☑ Poor ☐ Needs Correction ☐
UTILITIES:
Electricity: Overhead ☐ Underground ☑ Number of Wires (4)
Sewers: Installed/city ☑ Cesspool ☐ Other (_____) Verify Sewer Hook Up ☐
Gas ☑ Water ☑ Wells ☐ Pump ☐ Adequate ☑ Needs Repairs ☐
TERMITES: Evidence of ☐ Not observable ☑ Suspicion Of ☐ See Remarks ☑
BUILDING:
Sidewalls: Brick ☑ Wood ☐ Shingle ☐ Stucco ☐
Masonry ☐ Other (_____)
Condition: Good ☐ Acceptable ☑ To Poor ☑
ROOF:
Material: Asphalt shingle ☐ Wood shingle ☐ Slate ☐ Approaching end of useful life ☑ (50% of Roof Will need repairs & replacement
Rolled Roofing ☑ Other _____
Condition: Good ☐ Acceptable ☑ To Poor ☑ Needs Repairs ☐ Evidence of Patches ☐
Flashing: Copper ☐ Other _____ REMARKS: _____
LEADERS & GUTTERS:
None ☐ Galv. ☐ Copper ☐ Wood ☐ Aluminum ☐ (CAST-IRON)
Condition: Good ☐ Adequate ☑ Poor ☐ Needs Repairs ☐
EXTERIOR PAINT: Good ☐ Acceptable ☐ Needs Repainting ☑
GARAGE: Yes ☐ No ☑ Number of Cars (_____) Attached ☐ Detached ☐
Heat ☐ Electric ☐ Storage Space ☐ Water ☐ Suspicion of Termites ☐
WINDOWS:
Putty: Good ☐ Acceptable ☐ Needed ☑ Number Broken ☐
Caulking: Good ☐ Acceptable ☐ Needed ☑
Screens: Yes ☑ No ☐ Good ☐ Acceptable ☐ Needs Repair ☐ Missing ☐
Storm Windows: Yes ☐ No ☐ Good ☐ Acceptable ☐ Needs Repairs ☐ Missing ☑
DOORS:
Number (2) Weather Stripped: Yes ☐ No ☑ Needs Repairs ☐
Putty: Good ☐ Acceptable ☑ Needed ☐
Caulking: Good ☐ Acceptable ☑ Needed ☐
Locks ☑ Working ☑ Needs Repairs ☐
[redacted]: ENTRANCEWAY
Front/[redacted]: Good ☐ Acceptable ☑ Needs Repairs ☐
[redacted]: Good ☐ Acceptable ☐ Needs Repairs ☐

NOTE: Addition To Building Should Be Filed With Building Department ☐
SIDEWALKS: Condition: Acceptable ☑ Needs Repairs ☐
[redacted]S: Condition: Acceptable ☐ Needs Repairs ☐
PATIO: Yes ☐ No ☑ Condition: Acceptable ☐ Needs Repairs ☐

REMARKS: Rotting WINDOW FRAMES

This report of inspection has been prepared at your request for the purpose of ascertaining the present physical condition of the premises and/or equipment. The report covers only those portions of the subject premises and equipment as were capable of being visually inspected and does not include any portion not actually seen or capable of being seen. The report as to present condition is not to be construed as a guarantee or warranty and is not intended for the purpose of fixing a value or as an opinion as to the advisability or inadvisability or purchase.

Building Address: 79-15 35TH AVE JACKSON HEIGHTS, N.Y.

CELLAR AND/OR UTILITY ROOM AND/OR CRAWL SPACE

TERMITES:
Evidence of ☐ Not observable ☐ Suspicion Of ☐ Probe Holes ☑
Termite Protection: Good ☐ Adequate ☐ Poor ☐ None ☐ See Remarks ☑
☑ Covered Ceiling (Partially/Completely), Covered Walls (Partially/Completely) in cellar precludes a thorough inspection for termites.
☑ Have your attorney get you a suitable representation and guarantee from seller and/or reliable termite company that no termites or termite damage exists in house.

REMARKS: _____

WALLS: Concrete ☑ Block ☐ Other (_____)
Condition: Acceptable ☑ Needs Repairs ☐ Cracks ☐ Fine ☐ Large ☐

FLOOR:
Concrete ☑ Wood Finish ☐ Tiled ☐ Other (_____)
Condition: Acceptable ☑ Needs Repairs ☐

GIRDERS:
Steel ☑ Wood ☐ None ☐ Not observable ☑
Condition: Good ☐ Acceptable ☐ Needed ☐
Slab on grade: Yes ☐ No ☐
Slab below grade: Yes ☑ No ☐

COLUMNS:
Steel ☑ Wood ☐ None ☐ Not observable ☑
Condition: Good ☐ Acceptable ☐ Needed ☐
CONCRETE ENCASED

FLOOR JOISTS:
Spacing (_____) Size (_____)
Condition: Good ☐ Acceptable ☐ Poor ☐ Not observable ☑

HEATING SYSTEM:
Furnace/Boiler: Manufacturer PACIFIC TUBULAR FURNACE
Condition Appears to be: Good ☐ Serviceable ☑ Poor ☐
Evidence of rusting: Yes ☑ No ☐
Adequate ☑ Inadequate ☐
Gas ☐ Oil ☑ Coal ☐
Hot Water ☐ Steam ☑ Hot Air ☐
Ducting: Adequate ☑ Inadequate ☐
☑ Approaching end of useful life Will need repairs & replacement JUST ABOUT 2
☑ Maintain a premium oil service contract covering all parts: such as oil pump, circulator pump, hot water coil, oil tank, relay, etc.

HOT WATER SYSTEM:
Capacity: Gallons (_____)
Manufacturer SAME
Electric ☐ Gas ☐ Instant. with Heat System ☑
Condition: Good ☐ Serviceable ☑ Poor ☐
Adequate ☑ Inadequate ☐ Rusting: Yes ☑ No ☐
☑ Approaching end of useful life Will need repairs & replacement JUST ABOUT 2

☐ BOILER NOT OPERATING DURING INSPECTION
Due to Summer ☐ Due to Utilities Turned Off ☐ Other ☐ _____
☐ Get representation from Seller that Plumbing, Boiler, Burner and Hot Water Heater are in good working order, that no repairs are required, and a list of repairs that have been made (if any) to units.

REMARKS: CORRODING FURNACE WALLS, FIRE WALLS IN CHAMBER NEEDS REPAIRS, SUMP PUMP IN BOILER PIT INSTALLED

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Building Address: 79-15 35th Ave JACKSON HEIGHTS N.Y.

CELLAR AND/OR UTILITY ROOM AND/OR CRAWL SPACE - CONT'D.

ELECTRICITY: Approximate Service At Panel

No. of Circuits VARIED Amps: 30 ☐ 40 ☑ 100 ☐ 125 ☐ Volts: 110 ☐ 110/220 ☐

Adequate: Yes ☑ No ☐ Cond: Good ☐ Serviceable ☑ Poor ☐

Circuit Breakers: Yes ☑ No ☐ Outlets in Cellar Adequate: Yes ☐ No ☐

REMARKS: 2-400 Amp INCOMING SERVICE
you need special HEAVY circuits per apt

CELLAR DRAINAGE: Wet Basement Conditions

Sump Pump ☐ None ☐ Sump Pit ☐ None ☐ Adequate Drains ☐ None ☐

Evidence of: Moisture ☑ Leaks ☐ Water ☐

Walls ☑ Floor ☑ Ceiling ☐ _____ Condition Should Be Eliminated ☐

REMARKS: _____

PLUMBING:

Copper ☐ Brass ☑ Galv. Iron ☐ Corrosion will decrease water pressure ☐

Conditon Appears to Be: Good ☐ Serviceable ☑ Poor ☐ Needs Repairs ☐ Galvanic action ☐

Sewer Lines: Cleanouts: Yes ☑ None Apparent ☐ None ☐ Water Shutoffs: Yes ☑ None ☐

REMARKS: CORRODING

VENTILATION: Good ☐ Acceptable ☑ Poor ☐ Exhaust Fan: Yes ☐ No ☑

CHIMNEY: Yes ☑ None ☐ Cond: Acceptable ☐ Needs Repairs ☐ Cleanout: Yes ☑ No. ☐

STAIRS: Cond: Good ☐ Acceptable ☑ Poor ☐ Needs Repairs ☐

HEADWAY OVER STAIRS: Adequate ☑ Inadequate ☐

REMARKS: _____

ATTIC OR CRAWL SPACE

Wall

LEAKS: Evidence of: Yes ☑ No ☐

INSULATION:

Roof ☐ Floor ☐ Walls ☐ None ☑

Condition: Good ☐ Acceptable ☐ Poor ☐

FRAMING: JOISTS:

Size (_____) Spacing (_____) Size (_____) Spacing (_____)

Good ☐ Acceptable ☐ Below Standard ☐ Good ☐ Acceptable ☐ Below Standard ☐

FLOORING: None ☑ Partial ☐ Complete ☐

ELECTRIC WIRING: Installed ☐ None ☑ Adequate ☐ Poor ☐

VENTS (PLUMBING): None ☐ Poor ☐ Adequate ☑

VENTILATION: Adequate ☑ Inadequate ☐

Windows: Number ☐ Weatherstripped ☐ None

Ventilator Fan: Yes ☐ No ☑

CONDENSATION: Evidence of: Yes ☐ No ☑

PLUMBING: None ☑ Provision For Expansion ☐

DOORS: Number ☐ 1 Hardware: Good ☐ Adequate ☑ Needs Repairs ☐

CHIMNEY: Yes ☑ No ☐

REMARKS: FLAT Roof UNASSERTAINABLE

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Building Address: 79-15 35TH AVE JACKSON HEIGHTS, N.Y.

KITCHEN

Stove ☑ Refrigerator ☑ Sink ☑
CABINETS: Adequate ☐ Inad. ☑ Cond: Good ☐ Satisfactory ☑ To Poor ☑
WORK SPACE: Excellent ☐ Adequate ☐ Poor ☐
CEILINGS:
Plaster ☑ Accous. Tile ☐ Sheet Rock ☑
Cracks: Yes ☑ No ☐ Needs Repairs ☑ Paint ☐ Paper ☐
WALLS: Plaster ☑ Sheet Rock ☐ Other ( )
Cracks: Yes ☑ No ☐ Needs Repairs ☐ Paint ☐ Paper ☐
FLOORS:
Linoleum ☑ Wood ☐ Other ( )
Condition: Good ☐ Serviceable ☑ Needs Repairs ☐
WINDOWS:
NUMBER (1) Weatherstripped ☑ Adequate ☐ Poor ☑
ELECTRIC OUTLETS: Adequate ☐ Inadequate ☑
TRIM: Wood ☑ Miscel. ☑ Cond.: Good ☐ Adequate ☑ Needs Repairs ☐
HEATING: Radiators ☑ Ducts ☐ Baseboards ☐ None ☐
EXHAUST FAN: Yes ☐ No ☑
EATING SPACE: Excellent ☐ Adequate ☑ To Poor ☑ None ☐
DOORS:
Interior: Number (None) Cond: Good ☐ Adequate ☐ Poor ☐
Exterior: Number (None) Cond: Good ☐ Adequate ☐ Poor ☐
Weatherstripped: Yes ☐ No ☐
HARDWARE: Good ☐ Adequate ☑ Needs Repairs ☐
PLUMBING:
Leaks (No)
Cond: Good ☐ Adequate ☑ Poor ☐
Evidence of Rusting: Yes ☑ No ☐
PLUMBING / ROOF LEAKS: Evidence of: Yes ☐ No ☑
Water stains: Yes ☐ No ☑
Door bucks square: Yes ☑ No ☐
Pressure Adequate: Yes ☑ No ☐
Needs Repairs ☐
Cleanouts: Yes ☑ No ☐

REMARKS: (Appliances not tested unless otherwise noted.)

ROOM: Living room, Bedroom, Bathroom

CEILINGS: Plaster ☑ Accous. Tile ☐ Sheet Rock ☐
Cracks: Yes ☑ No ☐ Needs Repairs ☑ Paint ☐ Paper ☐
WALLS: Plaster ☑ Tile ☑ Sheet Rock ☐
Cracks: Yes ☑ No ☐ Needs Repairs ☐ Paint ☐ Paper ☐
FLOORS: Linoleum ☐ Wood ☑ Miscel. (TILE)
Cond: Good ☐ Serviceable ☑ Needs Repairs ☐
WINDOWS: Number (2) Weatherstripped: Adequate ☐ Poor ☑
ELECTRIC OUTLETS: Adequate ☐ Inadequate ☑
TRIM: Wood ☑ Miscel. ☑ Cond: Good ☐ Adeq. ☑ Needs Repairs ☐
HEATING: Radiators ☑ Ducts ☐ Baseboard ☐ None ☐
CLOSETS: Number (2)
DOORS: Interior: Number (1) Cond: Good ☐ Adequate ☑ Poor ☐
Exterior: Number (1) Cond: Good ☐ Adequate ☑ Poor ☐
Weatherstripped: Yes ☐ No ☑
HARDWARE: Good ☐ Adequate ☑ Needs Repairs ☐
PLUMBING/ROOF LEAKS: Evidence of: Yes ☑ No ☐
Water stains: Yes ☑ No ☐
E walls
Floor sags: Yes ☐ No ☑
Door bucks square: Yes ☑ No ☐
FIREPLACE: Needs Repairs ☐ None ☑
Fireplace Needs Cleaning ☐
Dampers Operational ☐
Get Representation that Fireplace is Operational ☐

BATHROOM:

PLUMBING: Leaks (No) Pressure Adequate: Yes ☑ No ☐
Cond: Good ☐ Adequate ☑ Poor ☐ Needs Repairs ☐
Evidence of Rusting: Yes ☑ No ☐ Copper ☐ Brass ☑ Galv. Iron ☐
Adequate tiling behind sinks, bathtubs, showers: Yes ☑ No ☐

REMARKS: Bathroom wall Tiles need grouting

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REV 1975

DOCUMENT NUMBER 4

DECLARATION

Establishing a Plan for Condominium Ownership
of the Premises known as

THE ELBERTSON CONDOMINIUM
79-15 35th Avenue
Jackson Heights, New York

Pursuant to Article 9-B of the Real Property
Law of the State of New York

Name:	THE ELBERTSON CONDOMINIUM
Sponsor:	AARON ZIEGELMAN and WILLIAM K. LANGFAN c/o Haberman & Narotsky 14 East 60th Street New York, New York 10022
Date of Declaration:	_____, 19___
Prepared by:	Haberman & Narotsky 14 East 60th Street New York, New York 10022

The land affected by the within instrument
lies in Section 8, Block 1266, Lot 33 on the
Tax Map of the Borough of Queens,
County of Queens, City and State of New York

INDEX TO DECLARATION

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* Reproduced in full as Document Number 6

** Reproduced in full as Document Number 9

DECLARATION
OF
THE ELBERTSON CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

Aaron Ziegelman and William K. Langfan, having an office c/o Haberman & Narotsky, 14 East 60th Street, New York, New York (hereinafter referred to as "**Sponsor**"), does hereby declare as follows:

PART I

Article 1

Definitions

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which the same are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Article 2

Submission of the Property

Sponsor hereby submits the Property to the provisions of the Condominium Act and, pursuant thereto, does hereby establish a regime for the condominium ownership of the Property as more particularly set forth herein and in the By-Laws.

Article 3

Name of Condominium

The Condominium shall be known as THE ELBERTSON CONDOMINIUM.

Article 4

The Land

The Land, which is located in the Borough of Queens, County of Queens, City and State of New York and is more particularly described in Exhibit A annexed hereto, is owned by Sponsor in fee simple absolute and has an area of approximately 11,500 square feet.

Article 5

The Building

The Building is six stories high with a cellar and has a non-fireproof class construction. The structure has masonry enclosing walls which are erected on a concrete foundation. The Building is clad in a red color brick for its entire height. Metal fire escapes are located on the exterior of the Building. The fire escapes are of steel construction and have steel drop ladders. Windows on the Building are wood double hung. Sills are of stone. The structure has built up rolled roofing. The approximate 36 inch parapet walls are brick, topped with concrete coping. The Building was erected on the Land in 1937.

Each Unit is being offered in its condition existing as of the date upon which a Purchase Agreement therefor is signed, ordinary wear and tear excepted. Neither Sponsor, the Selling Agent, the Managing Agent, nor the Condominium Board will be obligated to make any repairs or improvements to any of these Units. However, Sponsor will, until the First Closing, maintain the Building in its present condition, ordinary wear and tear excepted.

Article 6

The Units

(a) Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its designation number; (ii) its tax lot number; (iii) its approximate location in the Building; (iv) its approximate area; (v) the number of rooms contained therein; (vi) the portions of the Common Elements to which such Unit has immediate access; and (vii) the Common Interest appurtenant to such Unit. The precise location of each Unit within the Building is shown on the Floor Plans.

(b) Each Unit consists of the area measured horizontally between the hidden (unexposed) surface of the plaster walls enclosing such Unit and the area measured vertically from the top of the concrete floor to the underside of the concrete ceiling. However, any Common Elements located within a Unit shall not be considered a part of such Unit.

(c) Each Unit includes: (i) the front entrance door and any other entrance doors to such Unit; (ii) the interior walls, partitions and floor coverings and plastered ceilings affixed, attached, or appurtenant to such Unit; (iii) all windows (including, without limitation, their panes, casements and frames) located within, or opening from , such Unit; (iv) all equipment, fixtures and appliances (including, without limitation, heating and cooling equipment, plumbing facilities, sinks, bathtubs, waterclosets, refrigerators, ovens, ranges, dishwashers and any other appliances) affixed, attached, or appurtenant to such Unit; and (v) all other Facilities affixed, attached, or appurtenant to such Unit and benefiting only that Unit.

(d) Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity of such Unit or of the Building.

Article 7

The Common Elements

(a) The Common Elements consist of the Land and those rooms, areas, corridors and other portions of the Building (other than the Units), as well as those Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intention to limit the generality of the foregoing in any respect, the Common Elements include:

(i) the Land;

(ii) all foundations, columns, beams, supports, girders, exterior walls, interior walls, partitions, floors, roofs, and ceilings in, on or under the Building, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof;

(iii) all hallways, corridors, lobbies, vestibules, basements and cellars (except to the extent that Units are located on such levels), yards, storage spaces, garages, common laundry spaces, mail rooms, mail boxes, stairs, stairways, elevator shafts and pits, other mechanical and electrical equipment spaces, spaces devoted to the lodging or use of the superintendent or other persons employed in connection with the operation of the Property and entrances to, and exits from, the Building;

(iv) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, ventilation, air-conditioning, garbage disposal, master and cable television and other mechanical and electrical systems to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof; and

(v) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

(b) The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-Laws.

Article 8

Determination of Common Interests

The Common Interest of each Unit in the Common Elements shall be 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 uses and the overall dimensions of the Unit, pursuant to the Condominium Act.

Article 9

Use of Units

(a) As more particularly set forth in the By-Laws, each Unit may be used only as a residence, and not more than one family may occupy a Unit at one time. A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members or guests). Upon the prior written consent of the Condominium Board any Unit may be used as a professional office, provided, however, that such use is permitted by Law and does not violate the terms and conditions of the then existing

certificate of occupancy for such Unit. Units may be leased only in accordance with the By-Laws and the Rules and Regulations.

(b) Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Sponsor may, without the consent of the Condominium Board or other Unit Owners: (i) grant permission for the use of any Unsold Unit as a professional office or for any other purpose, provided, however, that such use is permitted by Law and does not violate the then existing certificate of occupancy for such Unit; (ii) use any Unsold Units as model units and offices for the selling, renting, management, operation and promotion of the Unsold Units or for any other purpose, subject only to compliance with Law; and (iii) lease any Unsold Units to third parties for their occupancy.

Article 10

Easements for the Enjoyment of Common Elements

(a) Subject to the terms of the By-Laws and the Rules and Regulations, Sponsor, the Unit Owners, all other permitted tenants and occupants of the Building, the Selling Agent, the Managing Agent, the Condominium Board and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Common Elements, and the Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

(b) Notwithstanding anything to the contrary contained in paragraph (a) hereof, Sponsor and its successors, assignees, invitees, licensees, contractors, employees, agents and tenants shall have an easement in, over, under, through and upon the Common Elements to use the same, without being subject to any fee or charge, for all purposes and activities in connnection with the sale or renting of Unsold Units and shall have the right to use any one or more Unsold Units as sales, rental and/or management offices and/or as model units. Such Unsold Units shall remain Units within the meaning of this Declaration, the By-Laws and the Condominium Act, and shall not comprise a part of the Common Elements. In addition, Sponsor reserves the right, to the extent permitted by Law, to use one or more portions of the Common Elements, as designated by Sponsor in its sole discretion, for sales, rental, or display purposes, which right shall include, without limitation, the right to place "for sale", "for rent" and other signs and promotional materials, of such size and content as Sponsor shall determine, in, on, about and adjacent to the Building (including the exterior walls thereof) and the Property.

Article 11

Other Easements

(a) Subject to the terms of the By-Laws and to the Rules and Regulations, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Common Elements, and all pipes, wires, ducts, cables, conduits, public utility lines and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Element and utility distribution system serves, or is necessary to the service of, his or her Unit, and each Unit and all of the Common Elements shall be subject to such easement. In addition, the Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this paragraph shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Building, for the safety of the occupants of the Building or other persons, or to avoid the suspension of any necessary service in the Building.

(b) Sponsor reserves for itself, for so long as it shall own any Unsold Unit(s), and grants to the Condominium Board, on behalf of all Unit Owners, the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof or for the general health or welfare of the owners, tenants and occupants of the appropriate Units; provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units for their permitted purposes. Any utility company, as well as its officers, employees and agents, shall have the right of access to each Unit and to the Common Elements in furtherance of such easement. However, such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

(c) Each Unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

(d) If (i) any portion of the Common Elements now encroaches upon any Unit or upon any other portion of the Common Elements, (ii) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or (iii) any such encroachment shall hereafter occur as a result of (x) the settling or shifting of the Building, (y) any repair or alteration made to the Common Elements in accordance with the terms of this Declaration and the By-Laws by,

or with the consent of, the Condominium Board, by Sponsor or Sponsor's designee, or (z) any repair or restoration made to the Building or any portion thereof, to any Unit, or to the Common Elements in accordance with the terms of this Declaration and the By-Laws after damage by fire or other casualty or after any taking by condemnation or eminent domain proceedings, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Building or the affected Unit or Common Elements shall stand.

(e) In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act.

Article 12

Alterations, Additions, Improvements and Changes to Unsold Units

Except to the extent prohibited by Law, Sponsor or its designee shall have the right, without the consent or approval of the Condominium Board, the Unit Owners, the Selling Agent, the Managing Agent, or the Mortgage Representatives, if any, to:

(i) make alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Units;

(ii) change the layout of, or number of rooms in, any Unsold Units;

(iii) change the size and/or number of Unsold Units by (w) subdividing one or more Unsold Units into two or more separate Units, (x) combining two or more separate Unsold Units (including, without limitation, those resulting from such subdivision or otherwise) into one or more Units, (y) altering the boundary walls of any Unsold Units, or (z) otherwise; and

(iv) if appropriate, reapportion among the Unsold Units affected by such change in size or number pursuant to the preceding clause (iii) their respective Common Interest;

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon an Unsold Unit;

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

(2) Sponsor or its designee shall comply with Law;

(3) Sponsor or such designee shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

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

Notwithstanding the foregoing, however, the aggregate amount of the Common Interests of all of the Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to any Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest of the affected Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered, at Sponsor's election, by Sponsor, the Selling Agent, the Managing Agent, or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article 12 may not be added to, amended, modified, or deleted without the prior written consent of Sponsor or its designee.

Article 13

Acquisition of Units by the Condominium Board

If (i) any Unit Owner surrenders his or her Unit, together with its Appurtenant Interests, to the Condominium Board pursuant to the terms of the By-Laws or of Section 339-X of the Condominium Act or (ii) the Condominium Board, pursuant to the terms of the By-Laws or otherwise, either (x) acquires or leases a Unit, together with its Appurtenant Interests or (y) purchases a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title or the leasehold estate, as the case may be, in and to such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or such designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

Article 14

Power of Attorney to Sponsor and the Condominium Board

(a) Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest

and with power of substitution, (i) Sponsor, to amend the Condominium Documents pursuant to the terms of Article 18 hereof and (ii) the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(x) acquire or lease any Unit, together with its Appurtenant Interests, (1) whose owner desires to sell, convey, transfer, assign, lease, or surrender the same or (2) that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;

(y) convey, sell, lease, mortgage, or otherwise deal with (but not to vote the Common Interest appurtenant to) any Unit so acquired or to sublease any Unit so leased; and

(z) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

(b) In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney in the form set forth in Exhibit E to this Declaration.

Article 15

Termination of Condominium

The Condominium shall continue until terminated by (i) casualty loss, condemnation, or eminent domain, as more particularly provided in the By-Laws or (ii) withdrawal of the Property from the provisions of the Condominium Act by a vote of at least eighty percent of all Unit Owners, both in number and in aggregate Common Interests. No such vote under clause (ii) in the preceding sentence shall be effective without the written consent of the Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed. Sponsor will not vote the aggregate Common Interests appurtenant to the Unsold Units for such withdrawal unless at least eighty percent, both in number and in aggregate Common Interests, of all other Unit Owners so elect for such withdrawal, at which time Sponsor may choose to vote either in favor of or against withdrawal from condominium ownership, as it sees fit. In the event that said withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or

lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

Article 16

Covenant of Further Assurances

(a) Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or a sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action, as such other Person 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.

(b) If any Unit Owner or any other person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other Person, 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 such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(c) If any Unit Owner or the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that the Condominium Board, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of Sponsor, then Sponsor is hereby authorized as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, 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 Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person , as the case may be.

Article 17

Covenants to Run With the Land

(a) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 17, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon, and shall inure to the benefit of, the owner of all or any part thereof, or interest therein, and his or her heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in, or for the benefit of, the general public. All present and future owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance, the entering into a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, or lease.

(b) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be for the purposes of submitting the Property to the provisions of the Condominium Act.

(c) Subject to the terms of paragraph (b) of this Article 17, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to

the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

Article 18

Amendments to this Declaration

(a) Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions, or deletions affecting Sponsor or its designee of any Unsold Units, any provision of this Declaration may be amended, modified, added to, or deleted by the vote of at least 66-2/3% of all Unit Owners, both in number and in aggregate Common Interests, taken in accordance with the provisions of the By-Laws. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions, or deletions affecting Sponsor or its designee or any Unsold Units, no amendment, modification, addition, or deletion pursuant to the preceding sentence shall be effective without the written consent of the Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed. No such amendment, modification, addition, or deletion shall be effective until recorded in the Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions, or deletions affecting Sponsor or its designee or any Unsold Units, any such amendment, modification, addition, or deletion shall be executed by the Condominium Board as attorney-in-fact for the Unit Owners, which power shall be deemed to be coupled with an interest, and the Condominium Board is hereby authorized by the Unit Owners so to act as their attorney-in-fact. Subject to the rights of Sponsor or its designee under Articles 9, 10, 11, 12, 14 and 15 of this Delcaration, Articles 9, 10, 11, 12, 14 and 15 of this Declaration may not be amended, modified, added to, or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above) eighty percent, both in number and in aggregate Common Interests, of all Unit owners affected thereby approve such amendment, modification, addition, or deletion in the manner set forth above.

(b) Sponsor or its designee shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record (or, at Sponsor's or such designees' sole option, to require the Condominium Board or any other Unit Owners to execute, acknowledge and record) in the Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such documents, plans and maps as Sponsor or such designee deems appropriate to effectuate the same:

(i) to reflect any changes in Unsold Units and/or the reapportionment of the Common Interest of the affected Unsold Units resulting therefrom made by Sponsor or such designee in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by Sponsor to make a loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Sponsor to insure title to any Unit.

provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this paragraph shall not (1) change the Common Interest of any Unit other than a Unit owned by Sponsor, (2) require a material, physical modification of any Unit other than a Unit owned by Sponsor, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in subparagraph (1) or (2) of this paragraph) or the holder of such mortgage (in the event described in subparagraph (3) of this paragraph) shall consent thereto by joining in the execution of such amendment.

(c) Any amendment to this Declaration may be executed: (i) if on behalf of Sponsor pursuant to the terms of paragraph (b) hereof, by Aaron Ziegelman or William K. Langfan or (ii) if on behalf of the Unit Owners or by the Condominium Board, by the President or Vice President and the Secretary or an Assistant Secretary of the Condominium. If the amendment requires the approval of a specified percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certification shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

(d) Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be adopted for so long as Sponsor or its designee owns any Unit if the same would (i) unreasonably interfere with the sale, lease, or other disposition of a Unit owned by Sponsor or such designee; (ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit reserved to Sponsor or such designee; or (iii) impose any discriminatory charge or fee against Sponsor or such designee.

(e) The provisions of this Article 18 may not be modified, amended, added to, or deleted, in whole or in part, without the consent of Sponsor or its designee.

Article 19

Consents of Sponsor

Wherever the consent, approval, satisfaction, or permission of Sponsor or its designee is required under this Declaration or the By-Laws, such

consent, approval, satisfaction, or permission shall not be required when Sponsor or such designee no longer owns any Units.

Article 20

Person to Receive Service

B. L. Management Inc., 212-27 16th Avenue, Bayside, New York 11360 or any Successor Managing Agent is hereby designated to receive service of process in any action that may be brought against the Condominium.

Article 21

Incorporation by Reference

The terms, covenants, conditions, descriptions and other information contained in (i) the Property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Owner's Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

Article 22

Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Article 23

Severability

Subject to the provisions of paragraphs (b) and (c) of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provision of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

Article 24

Successors and Assigns

The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with consent of Sponsor, any transferee of all of the then Unsold Units. Subject to the foregoing, Sponsor shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by merger, consolidation, lease, assignment, or otherwise.

Article 25

Gender

A reference in this Declaration to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Article 26

Captions

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of this Declaration or the intent of any provision hereof.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the _____ day of _____, 19___.

_____
AARON ZIEGELMAN

_____
WILLIAM K. LANGFAN

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

On this ____ day of _____, 19__, before me personally came AARON ZIEGELMAN, to me known and known to be to the individual described in and who executed the within instrument, and he thereupon acknowledged that he executed the same.

_____
Notary Public

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

On this ____ day of _____, 19__, before me personally came WILLIAM K. LANGFAN, to me known and known to be to the individual described in and who executed the within instrument, and he thereupon acknowledged that he executed the same.

_____
Notary Public

PART II

EXHIBIT A TO THE DECLARATION OF THE ELBERTSON CONDOMINIUM

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Second Ward, Borough and County of Queens, City and State of New York, more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of 35th Avenue (formerly Fillmore Avenue) with the westerly side of 80th Street (formerly 23rd Street);

RUNNING THENCE northerly along the westerly side of 80th Street, 115 feet;

RUNNING THENCE westerly at right angles to the westerly side of 80th Street, 100 feet;

RUNNING THENCE southerly parallel with the westerly side of 80th Street, 115 feet to the northerly side of 35th Avenue;

RUNNING THENCE easterly along the northerly side of 35th Avenue, 100 feet to the point or place of **BEGINNING.**

SAID premises being known as 79-15 35th Avenue, Jackson Heights, New York.

EXHIBIT B TO THE DECLARATION
OF THE ELBERTSON CONDOMINIUM

Description of the Units

79 - 15 35th AVENUE

TOTAL SUMMARY OF BUILDING AREAS

FLOOR	GROSS BLDG. AREA.	NET APT. FLOOR AREA	NET COMMON AREA
Cellar	8,229.8 sq.ft.	- 0 -	8,229.8 sq.ft.
1st	8,282.2 sq.ft.	5,386.8 sq.ft.	2,895.4 sq.ft.
2nd	8,263.7 sq.ft.	7,496.9 sq.ft.	766.8 sq.ft.
3rd	8,263.7 sq.ft.	7,496.9 sq.ft.	766.8 sq.ft.
4th	8,263.7 sq.ft.	7,496.9 sq.ft.	766.8 sq.ft.
5th	8,263.7 sq.ft.	7,496.9 sq.ft.	766.8 sq.ft.
6th	8,263.7 sq.ft.	7,496.9 sq.ft.	766.8 sq.ft.
R	397.9 sq.ft.	- 0 - sq.ft.	397.9 sq.ft.
	TOTAL BLDG. FLOOR AREA =	TOTAL NET APT. FLOOR AREA =	TOTAL COMMON FLOOR AREA =
	58,228.4 sq.ft.	42,871.3 sq.ft.	15,357.1 sq.ft.

DESCRIPTION OF UNITS

"THE ELBERTSON CONDOMINIUM"
79-15 35TH AVENUE

Unit Designation (Apt. No.)	Tax Lot No.	Location	Approx. Area In Sq. Ft.	Number of Rooms*	Common Elements to Which Unit has Immediate Access	Percentage of Interest in the Common Elements
1A	1001	S.W.Corner	784.7	3 1/2	Stair, Elevator, Corridor, Lobby	1.9010
1B	1002	W. Side	559.5	2 1/2	Stair, Elevator, Corridor, Lobby	1.5850
1C	1003	N.W.Corner	1047.2	4 1/2	Stair, Elevator, Corridor, Lobby	2.5822
1D	1004	N. Side	931.9	3 1/2	Stair, Elevator, Corridor, Lobby	2.1207
1E	1005	N.E.Corner	1059.1	3 1/2	Stair, Elevator, Corridor, Lobby	2.2801
1F	1006	E. Side	1004.4	3 1/2	Stair, Elevator, Corridor, Lobby	2.1730
Supt. Apt.		S.E.Corner	1359.5	4 1/2	Stair, Elevator, Corridor, Lobby	
2A	1007	S. Side	902.4	3 1/2	Stair, Elevator, Corridor, Fire Stair	2.2169
2B	1008	S.W.Corner	1164.1	4 1/2	Stair, Elevator, Corridor	2.7444
2C	1009	N.W.Corner	1047.2	4 1/2	Stair, Elevator, Corridor	2.6922
2D	1010	N. Side	931.9	3 1/2	Stair, Elevator, Corridor	2.2169
2E	1011	N.E.Corner	1059.1	3 1/2	Stair, Elevator, Corridor	2.3762
2F	1012	E. Side	1004.4	3 1/2	Stair, Elevator, Corridor	2.2691
2G	1013	S.E.Corner	1387.8	4 1/2	Stair, Elevator, Corridor, Fire Stair	2.9559

* - Number of rooms is based upon the zoning definition.

DESCRIPTION OF UNITS

"THE ELBERTSON CONDOMINIUM"
79-15 35TH AVENUE

Unit esignation Apt. No.)	Tax Lot No.	Location	Approx. Area In Sq. Ft.	Number of Rooms*	Common Elements to Which Unit has Immediate Access	Percentage of Interest in the Common Elements
3A	1014	S. Side	902.4	3 1/2	Stair, Elevator, Corridor, Fire Stair	2.2169
3B	1015	S.W.Corner	1164.1	4 1/2	Stair, Elevator, Corridor	2.7444
3C	1016	N.W.Corner	1047.2	4 1/2	Stair, Elevator, Corridor	2.6922
3D	1017	N. Side	931.9	3 1/2	Stair, Elevator, Corridor	2.2169
3E	1018	N.E.Corner	1059.1	3 1/2	Stair, Elevator, Corridor	2.3762
3F	1019	E. Side	1004.4	3 1/2	Stair, Elevator, Corridor	2.2691
3G	1020	S,E.Corner	1387.8	4 1/2	Stair, Elevator, Corridor, Fire Stair	2.9559
4A	1021	S. Side	902.4	3 1/2	Stair, Elevator, Corridor, Fire Stair	2.2169
4B	1022	S.W.Corner	1164.1	4 1/2	Stair, Elevator, Corridor	2.7444
4C	1023	N.W.Corner	1047.2	4 1/2	Stair, Elevator, Corridor	2.6922
4D	1024	N. Side	931.9	3 1/2	Stair, Elevator, Corridor	2.2169
4E	1025	N.E.Corner	1059.1	3 1/2	Stair, Elevator, Corridor	2.3762
4F	1026	E. Side	1004.4	3 1/2	Stair, Elevator, Corridor	2.2691
4G	1027	S.E.Corner	1387.8	4 1/2	Stair, Elevator, Corridor, Fire Stair	2.9559

* - Number of rooms is based upon the zoning definition.

DESCRIPTION OF UNITS

"THE ELBERTSON CONDOMINIUM"

79-15 35TH AVENUE

Unit Designation (Apt. No.)	Tax Lot No.	Location	Approx. Area In Sq. Ft.	Number of Rooms*	Common Elements to Which Unit has Immediate Access	Percentage of Interest in the Common Elements
5A	1028	S. Side	902.4	3 1/2	Stair, Elevator, Corridor, Fire Stair	2.2169
5B	1029	S.W.Corner	1164.1	4 1/2	Stair, Elevator, Corridor	2.7444
5C	1030	N.W.Corner	1047.2	4 1/2	Stair, Elevator, Corridor	2.6922
5D	1031	N. Side	931.9	3 1/2	Stair, Elevator, Corridor	2.2169
5E	1032	N.E.Corner	1059.1	3 1/2	Stair, Elevator, Corridor	2.3762
5F	1033	E. Side	1004.4	3 1/2	Stair, Elevator, Corridor	2.2691
5G	1034	S.E.Corner	1387.8	4 1/2	Stair, Elevator, Corridor, Fire Stair	2.5995
6A	1035	S. Side	902.4	3 1/2	Stair, Elevator, Corridor, Fire Stair	2.2169
6B	1036	S.W.Corner	1164.1	4 1/2	Stair, Elevator, Corridor	2.7444
6C	1037	N.W.Corner	1047.2	4 1/2	Stair, Elevator, Corridor	2.6922
6D	1038	N. Side	931.9	3 1/2	Stair, Elevator, Corridor	2.2169
6E	1039	N.E.Corner	1059.1	3 1/2	Stair, Elevator, Corridor	2.3762
6F	1040	E. Side	1004.4	3 1/2	Stair, Elevator, Corridor	2.2691
6G	1041	S.E.Corner	1387.8	4 1/2	Stair, Elevator, Corridor, Fire Stair	2.9559

* - Number of rooms is based upon the zoning definition.

EXHIBIT C TO THE DECLARATION OF

THE ELBERTSON CONDOMINIUM

DEFINITIONS

(1) **"Applicable Rent Laws"** shall mean (i) the Rent, Eviction and Rehabilitation Regulations of the New York City Department of Housing Preservation and Development, (ii) the Rent Stabilization Law of 1969, (iii) the Code adopted pursuant thereto, (iv) the Emergency Tenant Protection Act of 1974, and (v) General Business Law, Section 352-eeee to the extent that any or all of the same shall apply to the Property.

(2) **"Appurtenant Interest"** shall mean, with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

(3) **"Building"** shall mean the building situated on the Land and known as THE ELBERTSON CONDOMINIUM.

(4) **"By-Laws"** shall mean the by-laws of the Condominium, which are annexed as Exhibit D to the Declaration, as the same may be amended from time to time pursuant to the terms thereof.

(5) **"Common Elements"** shall mean those certain portions of the Land and the Building (other than the Units), as well as those Facilities therein, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in Article 7 of the Declaration.

(6) **"Common Charges"** shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), to meet the Common Expenses.

(7) **"Common Expenses"** shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s): (iii) the purchase, lease, or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit

whose owner has elected to sell, lease, transfer, or convey the same or that is to be sold at a foreclosure or other sale; and (iv) generally, the conduct of the affairs of the Condominium.

(8) "**Common Interest**" shall mean the undivided percentage interest of each Unit in the Common Elements.

(9) "**Condominium**" shall mean THE ELBERTSON CONDOMINIUM which was established pursuant to the terms of the Declaration and is to be governed pursuant to the terms of the By-Laws.

(10) "**Condominium Act**" shall mean Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.

(11) "**Condominium Board**" shall mean the governing body of the Condominium, whose members shall be selected pursuant to the terms of Articles 2 and 4 of the By-Laws.

(12) "**Condominium Documents**" shall mean the Declaration, the By-Laws and the Rules and Regulations.

(13) "**Declaration**" shall mean the declaration executed by Sponsor for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof.

(14) "**Facilities**" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, draperies, shades, window coverings, wallpaper, wall coverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

(15) "**Family Members**" shall mean the spouse, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law and grandparents of a Unit Owner who reside in such Unit Owner's Unit.

(16) **"First Closing"** shall mean the first date upon which title to a Unit is conveyed to a purchaser pursuant to the terms of the Plan.

(17) **"Floor Plans"** shall mean the floor plans of the Units certified by MICHAEL LYNN & ASSOCIATES P.C., and filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

(18) **"Initial Control Period"** shall mean the period ending on the earlier of: (i) the closing of title with purchasers under the Plan to Units having more than fifty percent of the aggregate Common Interests appertaining to all Units or (ii) five years after the First Closing.

(19) **"Institutional Lender"** shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, or mortgage trust or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

(20) **"Institutional Mortgage"** shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Sponsor or its designee or an Institutional Lender.

(21) **"Insurance Trustee"** shall mean a bank or a trust company, in either event having both an office in the City of New York and a capital surplus and undivided profits of $500,000,000.00 or more, from time to time appointed to serve as such by the Condominium Board.

(22) **"Land"** shall mean all that certain tract, plot, piece and parcel of land situate, lying and being in the County of Queens, City and State of New York, as more particularly described in Exhibit A to the Declaration.

(23) **"Law"** shall mean the laws and ordinances of any or all of the Federal, New York State, New York City, Queens County, and Borough of Queens governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

(24) **"Managing Agent"** shall mean a Person employed by the Condominium Board pursuant to paragraph (C) Section 2.6 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium Board shall delegate, subject to the limitations contained in paragraph (D) of Section 2.6 of the By-Laws.

(25) **"Majority of Unit Owners"** shall mean those Units Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 4.8 of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

(26) **"Mortgage Representatives"** shall mean the representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of paragraph (B) of Section 8.6 of the By-Laws.

(27) **"Permitted First Mortgage"** shall mean a Permitted Mortgage that is a first mortgage lien against a Unit.

(28) **"Permitted First Mortgagee"** shall mean any holder of a Permitted First Mortgage.

(29) **"Permitted Mortgage"** shall mean any mortgage covering one or more Units that is placed thereon in compliance with the terms contained in Article 8 of the By-Laws.

(30) **"Permitted Mortgagee"** shall mean any holder of a Permitted Mortgage at the time in question.

(31) **"Person"** shall mean any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

(32) **"Plan"** shall mean that certain offering plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York.

(33) **"Property"** shall mean the Land, the Building, all other improvements erected or to be erected on the Land, all easements, rights and appurtenances pertaining thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

(34) **"Register's Office"** shall mean the Queens County office of the Register of the City of New York.

(35) **"Rules and Regulations"** shall mean the rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

(36) **"Selling Agent"** shall mean any Person employed by Sponsor or its designee in connection with the sale, renting, management, operation and/or promotion of the Unsold Units.

(37) **"Special Assessments"** shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with paragraph (C) of Section 6.1 of the By-Laws.

(38) **"Sponsor"** shall mean Aaron Ziegelman and William K. Langfan, c/o Haberman & Narotsky, 14 East 60th Street, New York, New York 10022.

(39) **"Unit"** shall mean any of the 41 "Units", as such term is defined in the Condominium Act, located on the first floor through the sixth floor of the Building, which units are more particularly described in Article 6 of, and Exhibit B to, the Declaration and in the Floor Plans.

(40) **"Unit Owner"** shall mean any Person who holds fee title, of record, to one or more Units at the time in question.

(41) **"Unsold Units"** shall mean any Unit owned by Sponsor or its designee at the time in question.

DOCUMENT NUMBER 5

EXHIBIT D TO THE DECLARATION OF

THE ELBERTSON CONDOMINIUM

BY-LAWS

BY-LAWS

OF

THE ELBERTSON CONDOMINIUM

Borough of Queens, County of Queens, City and State of New York

_____, 19___

HABERMAN & NAROTSKY
14 East 60th Street
New York, New York 10022

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BY-LAWS

OF

THE ELBERTSON CONDOMINIUM

ARTICLE 1

GENERAL

Section 1.1 **Purpose.** The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which lies in Section 8, Block 1266, Lot 33 on the Tax Map of the Borough of Queens, County of Queens, City and State of New York; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part.

Section 1.2 **Definitions.** All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3 **Applicability of By-Laws.** These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4 **Application of By-Laws.** All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

Section 1.5 **Principal Office of the Condominium.** The principal office of the Condominium shall be located either at the Property or at such other place in the Borough of Queens reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

BOARD OF MANAGERS

Section 2.1 **General.** As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-Laws.

Secton 2.2 **Status of the Condominium Board.** Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 **Principal Office of the Condominium Board.** The principal office of the Condominium Board shall be located either at the Property or at such other place in the Borough of Queens reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 **Powers and Duties of The Condominium Board.** (A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith: (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel;

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a residential condominium;

(iii) to maintain complete and accurate books and records with respect to the finances and the operation of the Condominium, including, without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property; (b) detailed books of account of the Condominium Board; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (d) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(iv) to prepare and adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same;

(v) to determine the amount and establish the means and methods of payment of, and to collect, the Common Charges and Special Assessments from the Unit Owners;

(vi) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of at least two-thirds of the members of the Condominium Board shall be required for the borrowing of any sum in excess of $25,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) the affirmative consent of at least two-thirds, both in number and in aggregate Common Interests, of all Unit Owners shall be required for the borrowing of any sum in excess of $50,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (d) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interest of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the

said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements;

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof;

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners; (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property;

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;

(xii) to obtain and keep in force fidelity bonds, in amounts deemed appropriate by the Condominium Board, but in no event less than $100,000.00, for: (a) all members of the Condominium Board; (b) all officers and employees of the Condominium; and (c) the Managing Agent, and the premiums on all such fidelity bonds shall constitute a part of the Common Expenses;

(xiii) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xvi) to sell, lease, mortgage and otherwise deal with Units acquired by, and to sublease Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the votes appurtenant to any such Unit;

(xvii) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same;

(xviii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and by-laws;

(xx) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a residential condominium;

(xxi) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate;

(xxii) to prepare, execute, ackowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the same; and

(xxiii) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5 **Certain Limitations on the Powers of The Condominium Board.** (A) Notwithstanding anything to the contrary contained in these By-Laws, so long as Sponsor or its designee or both shall continue to collectively own Units representing 25% or more in number or in aggregate Common Interests but in no event later than the fifth anniversary of the date of the First Closing, the Condominium Board may not do any of the following without Sponsor's or such designee's prior written consent:

(i) make any addition, alteration, or improvement to the Common Elements or to any Unit, unless the same shall be required by law or is necessary for the health or safety of the residents of the Building;

(ii) assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency, or surplus fund in excess of 5% in the aggregate of the estimated Common Expenses for any year of operation;

(iii) increase the number or change the type of employees from that described in the "FOOTNOTES TO BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION" set forth in the Plan;

(iv) enter into any service or maintenance contracts for work not covered in the schedule referred to in subparagraph (iii) hereinabove; or

(v) borrow money on behalf of the Condominium;

(B) Notwithstanding anything to the contrary contained in these By-Laws, the Condominium Board shall not take any of the following actions unless 75% of all members thereof shall approve the same in writing or by vote at a duly constituted meeting called for such purpose:

(i) increase the number, or change the type, of employees from those hired at the time of recording the Declaration;

(ii) provide for new or additional services from those being provided at the time of recording the Declaration;

(iii) impose any Common Charge or Special Assessment for the purpose of making any capital or major improvement, alteration or addition to the Common Elements or to any Unit, unless required by Law or is necessary for the health or safety of residents of the Building (nothing contained herein shall restrict the right and obligation of the Condominium Board to maintain and repair the Common Elements); or

(iv) establish any reserves, including, without limitation, a reserve for contingencies, repairs, improvements, or replacements, other than a twelve-month reserve for contingencies not exceeding five percent of the budgeted operating expenses for the ensuing twelve months of operation (nothing contained herein shall restrict the right of the Condominium Board to assess Unit Owners from time to time for any budget deficiency).

Section 2.6 **Exercise and Delegation of Powers and Duties.** (A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations contained in paragraph (D) of this Section 2.6 and such additional exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6. The Executive Committee and each other committee shall consist of three or more members of the Condominium Board, at least one of whom shall be a member designated by Sponsor for so long as Sponsor shall have the right to designate or elect one or more members of the Condominium Board.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation to be established by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in

subparagraphs (ii), (iv), (v), (vi), (vii), (x), (xiii), (xiv), (xv), (xvi), (xvii), (xix), (xx) and (xxi) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in Subsection (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7. **Number, Election and Qualification of Members.** Until the first annual meeting of the Unit Owners held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of three individuals to be designated from time to time by Sponsor. From and after the first annual meeting of the Unit Owners, the Condominium Board shall consist of nine individuals to be elected by the Unit Owners pursuant to the terms of Section 4.9 hereof. Except for members designated or elected by Sponsor or its designee pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all members of the Condominium Board shall be either: (i) individual Unit Owners; (ii) individual Permitted Mortgagees; (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees; or (iv) adult Family Members of any of the foregoing. However, no Unit Owner may be elected to serve on the Condominium Board if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such election.

Section 2.8. **Term of Office of Members.** The term of office of the three members of the Condominium Board designated by Sponsor prior to the first annual meeting of the Unit Owners shall expire when the nine individuals to be elected at such meeting are so elected and qualified. The term of office of each of the nine individuals elected and qualified at the first annual meeting of the Unit Owners shall be fixed at such meeting as follows: (i) as to three of such members, at a term of office of three years; (ii) as to three of such members, at a term of office of two years; and (iii) as to three of such members, at a term of office of one year. With respect to the foregoing, those members receiving the highest number of votes shall serve for the longest terms of office, but any members elected by Sponsor or its designee pursuant to the terms of Section 4.9 hereof shall serve for the shortest terms of office. At each annual meeting of the Unit Owners subsequent to the first such meeting, three members of the Condominium Board shall be elected pursuant to the terms of Section 4.9 hereof to serve a term of office fixed at three years. Notwithstanding anything to the contrary contained in this Section 2.8, however, each member of the Condominium Board shall serve until his or her successor shall be elected and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Condominium Board may serve.

Section 2.9 **Removal and Resignation of Members.** (A) Any member of the Condominium Board who was elected thereto either by the Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, or who was designated as such or elected by Sponsor or its designee, pursuant to the terms of Section 2.7, 2.10 or 4.9 hereof, may be removed from office, with or without cause, by a

vote of a Majority of Unit Owners. Any member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat.

(B) Any member of the Condominium Board may resign his or her membership at any time by giving written notice thereof to the Condominium Board and, with respect to members of the Condominium Board designated as such or elected by Sponsor or its designee, to Sponsor or such designee. In addition, any member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned his or her membership effective as of the date upon which such qualification shall cease.

Section 2.10 **Vacancies.** (A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was elected thereto by the Unit Owners shall be filled by an individual who is qualified to be a member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of a majority of the members of the Condominium Board then in office. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereafter shall be effective to fill such vacancy even if the number of members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was designated as such or elected by Sponsor or its designee shall be filled by an individual designated by Sponsor or such designee.

(C) Each member of the Condominium Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a member of the Condominium Board for the remainder of the term of the member he or she replaced and until his or her successor shall be selected and qualified at the appropriate annual meeting of the Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 **Organizational Meeting of the Condominium Board.** The first meeting of the Condominium Board following each annual meeting of the Unit Owners shall be held within ten days of such annual meeting, at such time and place in the Borough of Queens as shall be both fixed informally by a majority of the members of the Condominium Board and designated in a written notice given to all members thereof by personal delivery, mail, or telegram not later than five business days prior to such date.

Section 2.12 **Regular Meetings of the Condominium Board.** Regular meetings of the Condominium Board may be held at such time and place in the Borough of Queens as shall be determined from time to time by a majority of the members thereof, provided that at least four such meetings shall be held during each fiscal year. Written notice of all regular meetings of the

Condominium Board shall be given to each member thereof by personal delivery, mail, or telegram at least five business days prior to the day named for such meeting.

Section 2.13 **Special Meetings of the Condominium Board.** The President may call a special meeting of the Condominium Board whenever he or she deems the same to be necessary or desirable. However, the President shall call such a meeting upon the written request of three or more members of the Condominium Board. Written notice of all special meetings shall be given to each member thereof by personal delivery, mail, or telegram at least five business days prior to the day named for such meeting, which notice shall state the time, place (in the Borough of Queens) and purpose of the meeting.

Section 2.14 **Waiver of Notice of Meetings.** Any member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Condominium Board at any meeting thereof shall constitute a waiver by him or her of notice of the time and place thereof. If all of the members of the Condominium Board are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.15 **Quorum of the Condominium Board.** For purposes of all meetings of the Condominium Board, a majority of the members thereof shall constitute a quorum for the transaction of business. In connection therewith, one or more members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the members of the Condominium Board in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.16 **Conduct of Meetings.** The President shall preside at all meetings of the Condominium Board, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Condominium Board, shall govern the conduct of the meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act.

Section 2.17 **Decisions by the Condominium Board.** Except as otherwise expressly provided in the Declaration or these By-Laws, the vote of a majority of the members of the Condominium Board present at a meeting thereof at which a quorum is present shall constitute the decision of the Condominium Board. Alternatively, any decision that is required or permitted

to be made by the Condominium Board may be made without a meeting thereof if all of the members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.18 **Compensation of Members.** No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19 **Common or Interested Members of the Condominium Board.** Each member of the Condominium Board shall perform his or her duties, and shall exercise his or her powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Law, no contract or other transaction between the Condominium Board and either (i) any of its members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such member was counted for such purpose, provided, however, that either:

(x) the fact thereof is disclosed to, or known by, the Condominium Board or a majority of the members thereof or noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Condominium Board, less the number of such members;

(y) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall authorize, approve, or ratify such contract or transaction; or

(z) the contract or transaction is commercially reasonable to the Condominium Board at the time that the same is authorized, approved, ratified, executed, or otherwise consummated.

Any such member of the Condominium Board may be counted in determining the presence of a quorum of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction, but no such member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 **Liability of the Condominium Board.** (A) The members of the Condominium Board shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member of the Condominium Board shall be liable thereto for his or her own bad faith or

willful misconduct. In connection therewith, members of the Condominium Board designated as such by Sponsor shall not be deemed either to be in bad faith or to have committed willful misconduct by reason of any self-dealing in connection with any contract made, or other transaction entered into, between the Condominium Board and Sponsor or its agents, provided that any compensation paid, or to be paid, to Sponsor or its agents in connection with any such contract or transaction is disclosed in the Plan or an amendment thereto or is at competitive rates for goods sold or services rendered in the Borough of Queens.

(B) Every contract made, and other document executed, by or on behalf of the Condominium Board, any committee thereof, or the Managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of the officers of the Condominium and the Unit Owners pursuant to the terms of Sections 3.10 and 4.12 hereof, respectively) that the same is made or executed by or on behalf of the Condominium Board, such committee, or the Managing Agent solely as agent for the Unit Owners and that the members of the Condominium Board or such committee or the Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(C) Neither the Condominium Board nor any member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(D) The Unit Owners shall jointly and severally indemnify and hold each member of the Condominium Board harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such member.

ARTICLE 3

OFFICERS

Section 3.1 **General.** The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All

agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2 **President.** The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "**BCL**"), including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as he or she may decide, in his or her discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 **Vice President.** The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon him or her from time to time by the Condominium Board or by the President.

Section 3.4 **Secretary.** The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5 **Treasurer.** The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 **Election, Term of Office and Qualifications of Officers.** Each of the officers of the Condominium Board shall be elected annually by a majority vote of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. At least two (2) officers shall be elected from amongst the members of the Condominium Board who are Unit Owners. The other officers of the Condominium, however, need not be Unit Owners or members of the Condominium Board and need not have any interest in the Condominium.

Section 3.7 **Removal and Resignation of Officers.** Any officer of the Condominium may be removed from office with or without cause, by an affirmative vote of a majority of the members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President or the Vice President of the Condominium shall cease to be a member of the Condominium Board during his or her term of office, such officer shall be deemed to have resigned his or her office effective upon the date upon which his or her membership shall cease.

Section 3.8 **Vacancies.** Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9 **Compensation of Officers.** No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 **Liability of the Officers of the Condominium.** (A) The officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each officer of the Condominium shall be liable thereto for his or her own bad faith or willful misconduct. In addition, every contract made, and other document executed, by one or more officers or other Persons on behalf of the Condominium shall expressly state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the Unit Owners pursuant to the terms of Sections 2.20 and 4.12 hereof, respectively) that the same is made or executed by such officers or Persons on behalf of the Condominium solely as agent for the Unit Owners and that such officers or Persons shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(B) None of the officers of the Condominium shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by any such officer on behalf of the Condominium or to be paid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(C) The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, an officer of the Condominium, except, however,

to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such officer.

ARTICLE 4

UNIT OWNERS

Section 4.1 **Annual Meetings of the Unit Owners.** The first annual meeting of the Unit Owners shall be held approximately four months after the First Closing, at which meeting the incumbent three-member Condominium Board shall resign and a successor nine-member Condominium Board shall be elected by the Unit Owners, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held on or about the second Tuesday in January of each year, unless such date shall occur on a legal holiday, in which event the meeting will be held on or about the succeeding business day. At each such subsequent meeting, the Unit Owners shall elect successors to the three members of the Condominium Board whose term of office expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

Section 4.2 **Special Meetings of the Unit Owners.** The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than 25% of the Common Interests of all Unit Owners. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3 **Place of Meetings.** Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough of Queens as may be designated by the Condominium Board.

Section 4.4 **Notice of Meetings.** (A) The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, or telegram not later than five business days prior to the day fixed for the meeting; however, the mailing of such notice to any Unit Owner, addressed to his or her address at the Property, at least ten days prior to the day fixed for the meeting shall be conclusively deemed the giving of notice to such Unit Owner of such meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than ten days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be mailed to all Unit Owners at least thirty days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 **Quorum of the Unit Owners.** Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Unit Owners owning Units to which 50% or more of the aggregate Common Interests appertain shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

Section 4.6 **Conduct of Meetings.** The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 **Order of Business.** The order of business at all annual meetings of the Unit Owners shall be as follows:

(i) Roll call;

(ii) Proof of notice of meeting;

(iii) Reading of the minutes of the preceding meeting (unless waived);

(iv) Reports of officers of the Condominium;

(v) Reports of members of the Condominium Board;

(vi) Reports of committees;

(vii) Election of inspectors of election (when so required);

(viii) Election of members of the Condominium Board (when so required);

(ix) Unfinished business; and

(x) New business.

Section 4.8 **Voting.** (A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one vote at all meetings of the Unit Owners for each .0001% of Common Interest attributable to his or her Unit(s).

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium Board or such designee. The Common Interests of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two or more Persons own a Unit, they shall designate one Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under one ballot without division, and the concurrence of all Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owner(s) of any Unit may designate any Person to act as a proxy on his or her behalf. The designation of any such proxy shall be made in a writing both signed and dated by the designor and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such a designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting. Except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of six months after the date thereof.

(E) Except when otherwise required by law or otherwise provided in the Declaration or in these By-Laws, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

Section 4.9 **Election of Members of the Condominium Board.** (A) When voting for members of the Condominium Board, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one vote for each .0001% of Common Interest attributable to his or her Unit(s) per member to be elected. However, nothing contained herein shall be deemed to permit any Unit Owner to cumulate the votes attributable to the ownership of any one Unit in favor of any one or more members to be elected. In addition, the terms of paragraphs (B), (C) and (D) of Section 4.8 hereof shall apply to all elections of members of the Condominium Board.

(B) All elections of members of the Condominium Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Unit(s) owned by the voting Unit Owner; (iii) the amount of the Common Interest(s) appurtenant to such Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall be discounted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election.

(C) Subject to the terms of paragraph (D) of this Section 4.9, all elections of members of the Condominium Board shall be determined by plurality vote.

(D) Not more than five members of the Condominium Board shall serve by reason of the votes cast by Sponsor or its designee at any election held during the Initial Control Period, and not more than three members of the Condominium Board shall serve by reason of the votes cast by Sponsor or its designee at any election held after the expiration of the Initial Control Period. However, Sponsor or its designee shall have the right to elect the following minimum number of members of the Condominium Board: (a) three members, for so long as the Common Interests attributable to any Units owned by Sponsor or its designee equals, in the aggregate, 35% or more of the Common Interests of all Units; (b) two members, for so long as the Common Interests attributable to any Units owned by Sponsor or its designee equals, in the aggregate, less than 35% but more than 15% of the Common Interests of all Units; and (c) one member, for so long as the Common Interests attributable to any Units owned by Sponsor or its designee equals, in the aggregate, less than 15% but more than 5% of the Common Interests of all Units.

Section 4.10 **Action Without a Meeting.** Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient (both

in absolute number and in aggregate Common Interests) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with a true copy of the resolution to which they relate.

Section 4.11 **Title to Units.** Title to any Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate, but not as owners in severalty.

Section 4.12 **Contractual Liability of Unit Owners.** Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the officers of the Condominium pursuant to the terms of Section 2.20 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and (ii) such Unit Owner's interest in his or her Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 **Maintenance and Repairs.** (A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary;

(i) in or to any Unit and all portions thereof (including, but not limited to, the interior walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and their frames, sills and sashes, all doors (entrance and terrace or patio, if any) and their frames and saddles, exposed plumbing, gas and heating fixtures shall be performed by the owner of such Unit at such Unit Owner's cost and expense; and

(ii) in or to the Common Elements shall be performed by the Condominium Board as a Common Expense.

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect or need for repairs for which the Condominium Board is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall not unreasonably

disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, however, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the owner of such Unit at such Unit Owner's sole cost and expense. In addition, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, is necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium Board as a Common Expense, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Commmon Elements resulting from such Unit Owner's failure to maintain, repair, or replace his or her Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any terrace, patio, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of terraces, patios, windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his or her Unit.

Section 5.2 **Alterations, Additions, Improvements, or Repairs in and to Units.** (A) Subject to the terms of paragraph (B) of this Section 5.2, no Unit Owner shall make any structural alteration, addition, improvement, or repair in or to his or her Unit without the prior written approval of the Condominium Board. In the event, however, that the Condominium Board shall fail to answer any written, reasonably detailed request for such approval within thirty days after such request is received, such failure to respond shall constitute the Condominium Board's consent thereto. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Unit Owner to procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made, including, without

limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Secton 5.2, however, Sponsor or its designee shall have the right, pursuant to the terms of Article 12 of the Declaration, to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Unit, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Unsold Units, all without the approval of the Condominium Board.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit, provided that, with respect to all such work of a structural nature (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s)) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialman, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s) shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

Secton 5.3 **Alterations, Additions, or Improvements to the Common Elements.** Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a Common Expense. Notwithstanding the foregoing, however, whenever the cost and expense of any such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $25,000.00 in the aggregate in any calendar year, such proposed alterations, additions, or improvements shall not be made unless first approved by the Unit Owners (including Sponsor or its designee, if Sponsor or such designee then owns any Unit) owning a majority of the Common Interests at a duly constituted meeting of the Unit Owners and by the Mortgage Representatives, if any. Except

as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing $25,000.00 or less in the aggregate in any calendar year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives.

Section 5.4 **Insurance.** (A) If the same shall be obtainable, the Condominium Board shall obtain, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interest of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear. Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof;

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may apear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either cancelled or substantially modified except upon at least ten days' prior written notice to all of the insureds, including all Permitted Mortgagees.

Duplicate originals or certificates of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be sent to all Unit Owners and Permitted Mortgagees at least ten days prior to the expiration of the then current policies.

(B) The Condominium Board shall also obtain and maintain, to the extent practicable:

(i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insureds (a) the Condominium Board and each member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the

Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his or her own Unit);

(ii) rent insurance;

(iii) workmen's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance;

(v) water damage level liability insurance;

(vi) elevator liability and collision insurance; and

(vii) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than eighty percent of the full replacement cost of the Building, exclusive of excavation and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source (and, until the first regular meeting of the first nine-member Condominium Board elected by the Unit Owners, such coverage shall be at least in the amount of $1,000,000.00);

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than $1,000,000.00 in the aggregate until the first regular meeting of the first nine-member Condominium Board elected by the Unit Owners; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The

Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Baord pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-Laws, shall be borne by the Condominium Board as a Common Expense.

(E) Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing the insurance maintained by the Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 5.5 **Casualty or Condemnation.** (A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "**Casualty Loss**") or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "**Taking**"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be $100,000.00 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed $100,000.00 in the aggregate. In either instance, all such monies actually received (hereinafter referred to as the "**Trust Funds**") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, or any portion thereof, is taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he or she may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration (hereinafter referred to as the "**Work**") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed, to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the

balance of the Common Elements. In addition, each Unit Owner whose Unit, or any portion thereof, shall be the subject of all or part of any Work shall have the right, subject to the terms of Section 5.2 hereof, to supervise any redecorating of his or her Unit.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Secton 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remains unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, free of any claim of any lienor (including, without limitation, any Permitted Mortgagee).

(D) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of all Unit Owners (including Sponsor or its designee, if Sponsor or such designee shall then own any Units), both in number and in aggregate Common Interest, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

(E) In the event that the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered useable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Condominium Board with respect to such Unit.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit after such Taking bears to the total floor area of such Unit prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

(G) As used in this Section 5.5, the terms:

(i) "**prompt repair or restoration**" shall mean that the Work is to be commenced not more than either: (a) sixty days after the date upon which the Insurance Trustee notifies the Condominium Board and the Unit Owners that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) ninety days after the date upon which the Insurance Trustee notifies the Condominium Board and the Unit Owners that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust Funds are payable to the Condominium Board pursuant to the terms of paragraph (A) of this Section 5.5, sixty days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) "**promptly resolve**" shall mean that a resolution shall be duly made not more than sixty days after the date upon which the Condominium Board or the Insurance Trustee, as the case may be, notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6 **Use of The Property.** (A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7 **Use of the Units.** (A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7.

(B) Subject to the terms of paragraphs (C) and (D) of this Section 5.7, each Unit shall be used only as a residence, and not more than one family may occupy a Unit at any one time. A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners and employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by the Family Members and guests of any of the foregoing (and nothing herein

contained shall be deemed to prohibit the exclusive occupancy of any Unit by such Family members or guests). Notwithstanding the foregoing, the Condominium Board may, in its sole discretion, permit Persons other than those set forth above to occupy a Unit. In no event, however, shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a guest permitted under this paragraph (B)) may be accommodated therein.

(C) The Condominium Board may, in its sole discretion, consent to the use of a Unit as a professional or business office or for any purpose other than that set forth in paragraph (B) hereof, provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such Unit. Any such consent shall be in writing and shall be personal to such Unit Owner. Any lessee of, or successor in title to, such Unit Owner shall be required to obtain the prior written consent of the Condominium Board before using such Unit for any purpose other than that set forth in paragraph (B) hereof.

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(i) grant permission for the use of any Unsold Unit as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such Unsold Unit; and

(ii) use any one or more Unsold Units as model units and offices for the sale, promotion, rental, management and operation of the Unsold Units or for any other purposes, subject only to compliance with Law.

Section 5.8 **Use of the Common Elements.** (A) Subject to the terms of paragraph (B) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilites) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Elements (except for those areas designated as storage areas) without the prior written consent of the Condominium Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesmen to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

(B) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor or its designee for so long as there are any Unsold Units. Sponsor or

its designee shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor or such designee, on or about any portion of the Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of the Building or adjacent to the main entrance thereof; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan and the Condominium Documents. In no event, however, shall Sponsor or such designee be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

Section 5.9 **Rights of Access.** (A) Subject to the rights of existing tenants and other occupants of Unsold Units, each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to the superintendent and/or to any other Person authorized by any of the foregoing a right of access to his or her Unit for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions originating in his or her Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements located within his or her Unit or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to his or her Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than one day's advance notice and only in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In cases of emergency, however, such

rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to his or her Unit and the Condominium Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations as set forth in the Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit in such a manner as will unreasonably interfere with the use of such Unit for its permitted purposes.

Section 5.10 **Modification of the Rules and Regulations.** The Condominium Board shall have the right to amend, modify, add to or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of a Majority of Unit Owners. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulations shall be furnished to all Unit Owners not less than thirty days prior to the effective date thereof.

Section 5.11 **Real Estate Taxes, Water Charges and Sewer Rents.** Water for the Building shall be supplied by the City of New York. Unless and until real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes, charges and rents as a Common Expense. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes, water charges and sewer rents) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit.

Section 5.12 **Steam and Fuel Oil.** The charges for steam and fuel oil consumed or used in the Building (including in the Units) shall be paid by the Condominium Board as a Common Expense.

Section 5.13 **Gas and Electricity.** Gas and electricity shall be supplied to each Unit through a separate meter for such Unit, and each Unit Owner shall be required to pay all charges for gas and electricity consumed or used in his or her Unit directly to the utility company servicing the Building as and when billed therefor. However, the Condominium Board shall have the right, exercisable in its sole discretion, to require that gas and electricity be supplied to the Condominium through one or more common meters. In such an event, the cost thereof shall be borne by each Unit Owner based upon the consumption or usage of gas and electricity in his or her Unit, as determined by submetering, survey, or any other reasonable method prescribed by the Condominium Board and permitted by Law, and shall be payable either to the Condominium Board or to the utility company servicing the Building, as directed by the Condominium Board.

Section 5.14 **Utilities Serving the Common Elements.** The cost and expense of water, steam, electricity and gas serving or benefiting any Common Element shall be (i) considered part of the expense of maintaining such Common Elements, (ii) determined by the Board and (iii) charged to the Unit Owners as a Common Expense.

Section 5.15 **Vault Charges.** All license fees, and all periodic taxes and charges, for vaults or other protrusions beyond the building line shall be paid by the Condominium Board as a Common Expense.

Section 5.16 **Compliance with the Applicable Rent Laws.** The Condominium Board shall operate the Property at the same level of services as those supplied on the date of recording the Declaration in accordance with the Applicable Rent Laws, except for those services that are the obligation of Sponsor or its designee to provide to the Unsold Units pursuant to the terms of the Declaration or these By-Laws. The Condominium Board shall not impose any charge or fee upon the tenants or occupants of the Unsold Units for using the Common Elements or on account of any services provided to such tenants or occupants unless permitted by the Applicable Rent Laws, and any such permitted charge or fee shall be increased from time to time only to the extent allowed under the Applicable Rent Laws. Except for those services and obligations to be provided or performed by the Condominium Board as set forth in the Declaration and in these By-laws, Sponsor shall provide and perform all other services and obligations required by Law to be furnished to tenants and occupants of Unsold Units (including, without limitation, painting the interior of Unsold Units).

Section 5.17 **Records and Audits.** (A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

(B) Within (4) four months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a Common Expense.

ARTICLE 6

COMMON CHARGES

Section 6.1 **Determination of Common Expenses and Fixing of Common Charges.** (A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt and budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners pro-rata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them and, not later than ten days next preceding the date upon which the first installment of newly determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees. The Condominium Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. Notwithstanding the foregoing, however, the Condominium Board shall not reduce the Common Charges payable during any year occurring within the Initial Control Period solely as a result of either reducing the number of employees of the Condominium below the number employed for the Property on the date of recording the Declaration, or eliminating or reducing any service or reducing the insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of the members of the Condominium Board elected by Unit Owners other than Sponsor or its designee.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the convenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments shall be levied against all Unit Owners in proportion to their respective Common Interests and may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however that the Condominium Board shall give

each Unit Owner not less than fifteen days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.4 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners, and shall be collected on behalf of the Unit Owners by the Condominium Board and applied against the Common Expenses for the year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the Common Expenses for the next succeeding year(s) of operation, and no Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Common Interests. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, however, in no event shall any rent, profit, or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings, or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

Section 6.2 **Payment of Common Charges.** (A) All Unit Owners (including Sponsor or its designee with respect to Unsold Units for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit.

(B) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against his or her Unit subsequent to a sale, transfer, or other conveyance by him or her of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to his or her acquisition thereof, except that, to the extent permitted by Law, a Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure

sale held with respect to a Permitted First Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by the Permitted First Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted First Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure. Any unpaid Common Charges and Special Assessments that are not collected from such defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(C) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey his or her Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit. However, in no event shall Sponsor or its designee be permitted to convey any Unsold Unit to the Condominium Board and thereby exempt itself from Common Charges and any Special Assessments attributable to such Unit thereafter accruing unless the aggregate Common Interests then appertaining to the Unsold Units constitutes 15% or less of the total Common Interests then appertaining to all Units, at least five years shall have elapsed from the date of the First Closing and, at the time of conveyance, Sponsor or such designee shall pay to the Condominium Board an amount equal to the product of the then current monthly Common Charges for the Unsold Unit(s) being conveyed multiplied by 24.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his or her Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof. Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the terms of Sections 5.1, 5.2 or 5.3 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3 **Statement of Common Charges.** The Condominium Board shall promptly provide a written statement of all unpaid Common Charges

due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 6.4 **Default in Payment of Common Charges.** (A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remains unpaid for more than thirty days after the due date for the payment thereof. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 399-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 399-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectable by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay interest thereon at the highest rate chargeable to individuals pursuant to Law, to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner shall be required to pay a reasonable rental for the use of his or her Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

ARTICLE 7

SELLING AND LEASING OF UNITS

Section 7.1 **General.** Subject to the terms of Section 7.5 hereof, no Unit Owner may sell or lease his or her Unit except in compliance with the applicable provisions of this Article 7. Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or leasing Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized leasing) in the name of the said Unit Owner as the owner or landlord, as the case may be. The said Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Section 7.2 **Right of First Refusal.** (A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Unit together with its Appurtenant Interests and any lease of a Unit (hereinafter collectively referred to as a "**Sale or Lease Agreement**") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS, IF ANY, OF THE BOARD OF MANAGERS OF THE ELBERTSON CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE SAID CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED". Promptly after any such contract of sale or lease shall be fully executed, the Unit Owner executing the same (hereinafter referred to as the "**Offeree Unit Owner**") shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the contract of sale or the lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant (hereinafter referred to as the "**Outside Offeror**").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell his or her Unit, together with its Appurtenant Interests, or to lease his or her Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, upon the same terms and conditions as are contained in such Sale or Lease Agreement, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further informaton with respect to the Outside Offeror and the Sale or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than fifteen business days in the event of a proposed sale and ten business days in the event of a proposed lease after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Unit together with its Appurtenant Interests or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Unit Owners upon the same terms and conditions as were contained in the Sale or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any Unit without the prior approval of a Majority of Unit Owners.

Section 7.3 **Acceptance of Offer.** (A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Unit together with its Appurtenant Interests, to lease such Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale or Lease Agreement, at the office of the attorneys for the Condominium within 45 days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Unit provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale or Lease Agreement, the Condominium Board may purchase the Unit and assume or take title thereto subject to such mortgage or mortgages, as the case may be. At the closing of title, the Offeree Unit Owner shall convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Unit Owners, by deed in the form required by Section 399-O of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale notwithstanding any terms of the Sale or Lease Agreement to the contrary. Real estate taxes (including water charges and sewer rent, if separately assessed), mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the closing date, notwithstanding any terms of the Sale or Lease Agreement to the contrary.

Thereafter, such Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit and the entire Property, as herein provided.

(C) In the event that such Unit is to be leased by the Condominium Board or its designee on behalf of all Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Sale or Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Sale or Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 **Failure to Accept Offer.** (A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within sixty days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale or Lease Agreement within such sixty-day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 7.2, 7.3 and 7.4 hereof.

(B) Any deed of a Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

(C) Each lease of a Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified or extended without the prior written consent of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign his or her interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board in each instance; and

(iii) the Condominium Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 **Termination of, and Exceptions to, the Right of First Refusal.** (A) A certificate executed and ackowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish, without charge, such certificate upon written request to any Unit Owner in respect to whom the provisions of Section 7.2 hereof have, in fact been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of a certificate that has been duly executed, acknowledged and issued by the Condominium Board or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Sections 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease, or conveyance of a Unit, together with its Appurtenant Interests, by:

(i) the Unit Owner thereof to any of his or her adult Family Members, to any combination of the same, or to a trust for the benefit of any of them or, in the case of a Unit Owner that is not an individual, to any entity or individual that owns more than fifty percent of the legal and beneficial interest of such Unit Owner or to any entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty percent of the legal and beneficial interest thereof;

(ii) Sponsor or its designee, with respect to the Unsold Units;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; or

(v) any Permitted Mortgagee or his or her nominee, who has acquired title to any Unit at any foreclosure sale of his or her Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction,

provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, all of the terms and conditions of this Article 7.

Section 7.6 **No Severance of Ownership.** No Unit Owner shall execute any deed or other instrument conveying title to his or her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 **Payment of Common Charges.** No Unit Owner shall be permitted to convey or lease his or her Unit unless he or she shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

Section 7.8 **Power of Attorney.** At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of his or her title insurance company (or, if no such representative is present, to Sponsor or its designee, or, if Sponsor or its designee is not then the owner of any Unsold Unit, to the Condominium Board) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

Section 7.9 **Gifts and Devises, Etc.** Any Unit Owner shall be free to convey or transfer his or her Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, the provisions of this Article 7.

Section 7.10 **Notice To Non-Purchasing Tenant Of Sale Of Unit.** Within thirty (30) days after acquiring title to a Unit occupied by a non-purchasing tenant, the new Unit Owner shall give notice of the sale to the non-purchasing tenant. Such notice shall set forth the name and address of the Unit Owner and the date on which the new Unit Owner acquired title to the Unit.

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1 **General.** Each Unit Owner shall have the right to mortgage his or her Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his or her Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of his or her mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering his or her Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units".

Section 8.2 **Restrictions on Mortgaging.** (A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate his or her Unit unless and until he or she shall have paid in full to the Condominium Board all unpaid Common Charges and special assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to his or her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

(C) Any mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions thereto as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association, or other institutional or non-institutional lender to make the mortgage loan or take an assignment thereof.

Section 8.3 **Notice of Unpaid Common Charges and Default.** Whenever requested in writing by a Permitted Mortgagee, the Condominium Board shall promptly report to such Permitted Mortgagee any default by his or her mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to his or her Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by his or her mortgagor under the Condominium Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board

shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.4 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 **Performance by Permitted Mortgagees.** Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his or her Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 **Examination of Books.** Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8.6 **Consent of Mortgagees; Designation of Mortgage Representatives.** (A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his or her mortgagor. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-Laws, the decision of a majority of the Mortgage Representatives, if any, designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than three Mortgage Representatives by giving written notice thereof to the Condominium Board, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Condominium Board. Unless otherwise required by Law, no holders of mortgages encumbering Units other than Permitted Mortgagees who hold Institutional Mortgages shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-Laws.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 **Self Help.** If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, including, without limitation, any breach of his or her obligation to paint, decorate, maintain, repair, or replace his or her Unit pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within five days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2 **Abatement and Enjoinment.** (A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, the Condominium Board shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any rights, easements, privileges, or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 **Remedies Cumulative.** The remedies specifically granted to the Condominium Board or to Sponsor or its designee in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor or such designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 **Costs and Expenses.** All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or

default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1 **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 City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within ten days after his or her selection or appointment.

Section 10.2 **Variation by Agreement.** The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitaiton, 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 10.3 **Binding Effect.** The decision in any arbitration conducted pursuant to the terms of Sections 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 4.1 hereof shall be non-binding.

Section 10.4 **Costs and Expenses.** (A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by

the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitaton, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE 11

NOTICES

Section 11.1 **General.** All notices required or desired to be given hereunder shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section 1.5 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than Sponsor or its designee, to such Unit Owner at his or her address at the Property;

(iii) if to Sponsor or its designee, to Sponsor or such designee, c/o Haberman & Narotsky, 14 East 60th Street, New York, New York 10022;

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

(v) if to a non-purchasing tenant, to such non-purchasing tenant at his or her address at the Property.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when deposited in a United States Postal Service depository located in the State of New York enclosed in a sealed, postage prepaid wrapper, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United State Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2 **Waiver of Service of Notice.** Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1 General. (A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments (hereinafter referred to as "**Special Amendments**") affecting or in favor of Sponsor or its designee, any Unsold Unit(s), and/or any Permitted Mortgagee, any provision of these By-Laws may be amended, modified, added to, or deleted by the affirmative vote of not less than 66 2/3% in number and aggregate Common Interests of all Unit Owners either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage of Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-Laws with respect to Special Amendments:

(i) the Common Interest appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (F) of Section 5.5 hereof;

(ii) no amendment, modification, addition, or deletion agreed to pursuant to the terms of paragraph (A) hereof shall be effective without the prior written consent of the Mortgage Representatives, if any, provided, however, that no such consent shall be unreasonably withheld or delayed; and

(iii) the terms of Section 5.7 hereof may not be amended, modified, added to, or deleted unless (in addition to the consent, if required, of the Mortgage Representatives as provided above) not less than eighty percent in number and in aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

Section 12.2 **Special Amendments.** (A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-laws, may be effected by Sponsor or its designee without the consent of the Condominium Board or the Unit Owners shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor or such designee as attorney-in-fact of both the Condominium Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or such designee, certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or such designee pursuant to the terms of the Declaration and/or these By-Laws, in which Certification there shall be set forth the Article and/or Section of the Declaration or these By-Laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor or its designee, any Unsold Unit, or the holder of any present or future mortgage, pledge, lien or security agreement covering any Unsold Unit unless and until Sponsor, such designee, and/or such holder (as the case may be) shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) of Section 6.2, subparagraph (iv) or (v) of paragraph (B) of Section 7.5, or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 **General.** Any Person that is subject to the terms of these By-laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for therein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 **Failure to Deliver or Act.** (A) If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after

request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If the Condominium Board, any Unit Owner, or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that the Condominium Board, such Unit Owner, or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor, then Sponsor is hereby authorized, as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person.

ARTICLE 14

MISCELLANEOUS

Section 14.1 **Inspection of Documents.** Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 14.2 **Waiver.** No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.3 **Conflicts.** In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 **Severability.** If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5 **Successors and Assigns.** The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall

be binding upon, any successor or assignee of Sponsor or, with the consent of Sponsor, any transferee of all of the then Unsold Units.

Section 14.6 **Gender.** A reference in these By-Laws to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Secton 14.7 **Captions.** The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

Addendum to the By-Laws of

THE ELBERTSON CONDOMINIUM

RULES AND REGULATIONS

OF

THE ELBERTSON CONDOMINIUM

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units.

2. No velocipedes, bicycles, scooters, or similar vehicles shall be taken into or from the Building through the main entrance or shall be allowed in any of the elevators of the Building other than the elevator designated by the Condominium Board or the Managing Agent for such purpose, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

3. All service and delivery persons will be required to use the service entrance or such other entrance of the Building designated by the Condominium Board. In addition, all servants, messengers and tradespeople visiting the Building shall use the elevator designated by the Condominium Board or the Managing Agent for the purposes of ingress and egress, and shall not use any of the other elevators for any purpose, provided, however, that nurses in the employ of Unit Owners or their Family Members, guests, tenants, subtenants, licensees, or invitees may use any of the other elevators when accompanying said Unit Owners, Family Members, guests, subtenants, licensees or invitees.

4. Trunks and heavy baggage shall be taken in or out of the Building only by the elevator designated by the Condominium Board or the Managing Agent for that purpose and only through the service entrance.

5. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

6. The storage rooms of the Building shall be used by all Unit Owners, in common, only for the storage of trunks, bags, suitcases and packing cases, all of which shall be empty, and for the storage of such other articles as the Condominium Board, in its sole discretion, may determine. Supervision, management and control of the storing in and removal of a Unit Owner's property from the storage rooms is vested in the Condominium Board. The use of the storage rooms shall be at the sole risk of the Unit Owner or other person using the same, and the Condominium Board, its agents, or the Managing Agent shall

not be liable for any injury to person, loss by theft or otherwise, or damage to property, whether due to the negligence of the Condominium Board, its agents, the Managing Agent, or otherwise.

7. The laundry and drying apparatus in the laundry room of the Building shall be used in such manner and at such times as the Condominium Board or the Managing Agent may direct. No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a Unit or shall be dried or aired on any open terrace or patio.

8. No refuse from the Units shall be sent to the cellar of the Building, except at such times and in such manner as the Condominium Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, window, or open terraces or patios, or placed upon the window sills, of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

9. There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, stairways, or fire towers of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Condominium Board.

10. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage, recreation, or service purposes in the Building.

11. Nothing shall be done or be kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his or her Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his or her Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

12. There shall be no barbecuing in the Units, or in the Common Elements, except for those areas (if any) specifically designated for barbecuing by the Condominium Board.

13. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to eminate from his or her Unit or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal

or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such constructon or repair work is necessitated by an emergency.

14. No bird, reptile, or animal shall be permitted, raised, bred, kept, or harbored in the Building unless, in each instance, the same shall have been expressly permitted in writing by the Condominium Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Condominium Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal be permitted in any public elevator of the Building, other than the elevator designated by the Condominium Board or the Managing Agent for that purpose, or in any of the public portions of the building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, patios, terraces, or other public portions of the building, or on the sidewalk or street adjacent to the Building.

15. No Unit Owner shall install any plantings on any terrace or patio, without the prior written approval of the Condominium Board. Plantings shall be contained in boxes of wood, lined with metal or other material impervious to dampness and standing on supports at least two inches from the terrace or patio surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace or patio, but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

16. No group tour or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit, without the consent of the Condominium Board or the Managing Agent in each instance. In the event that any Unit shall be used for home out-patient purposes in conformance with the Declaration and the By-Laws, no patients, clients or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

17. Unless expressly authorized by the Condominium Board in each instance, not less than eighty percent of the floor area of each Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

18. No window guards or other window decorations shall be used in or about any Unit, except such as shall be required by law or shall have been approved in writing by the Condominium Board or the Managing Agent, which

approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property be colored or painted.

19. No ventilator or air conditioning device shall be installed in any Unit without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

20. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale", "For Lease", or "For Rent" signs) shall be inscribed or exposed on or at any window or other parts of the Building, except such as are permitted pursuant to the terms of the Declaration and/or the By-Laws or shall have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Unit without similar approval.

21. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

22. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

23. Each Unit Owner shall keep his or her Unit in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

24. The agents of the Condominium Board or the Managing Agent and any contractor or workman authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

25. The Condominium Board or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry there is necessary or permissible under these Rules and Regulations

or under the By-Laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

26. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by his or her agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 25 above) be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

27. Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever enter upon, or attempt to enter upon, the roof of the Building.

28. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

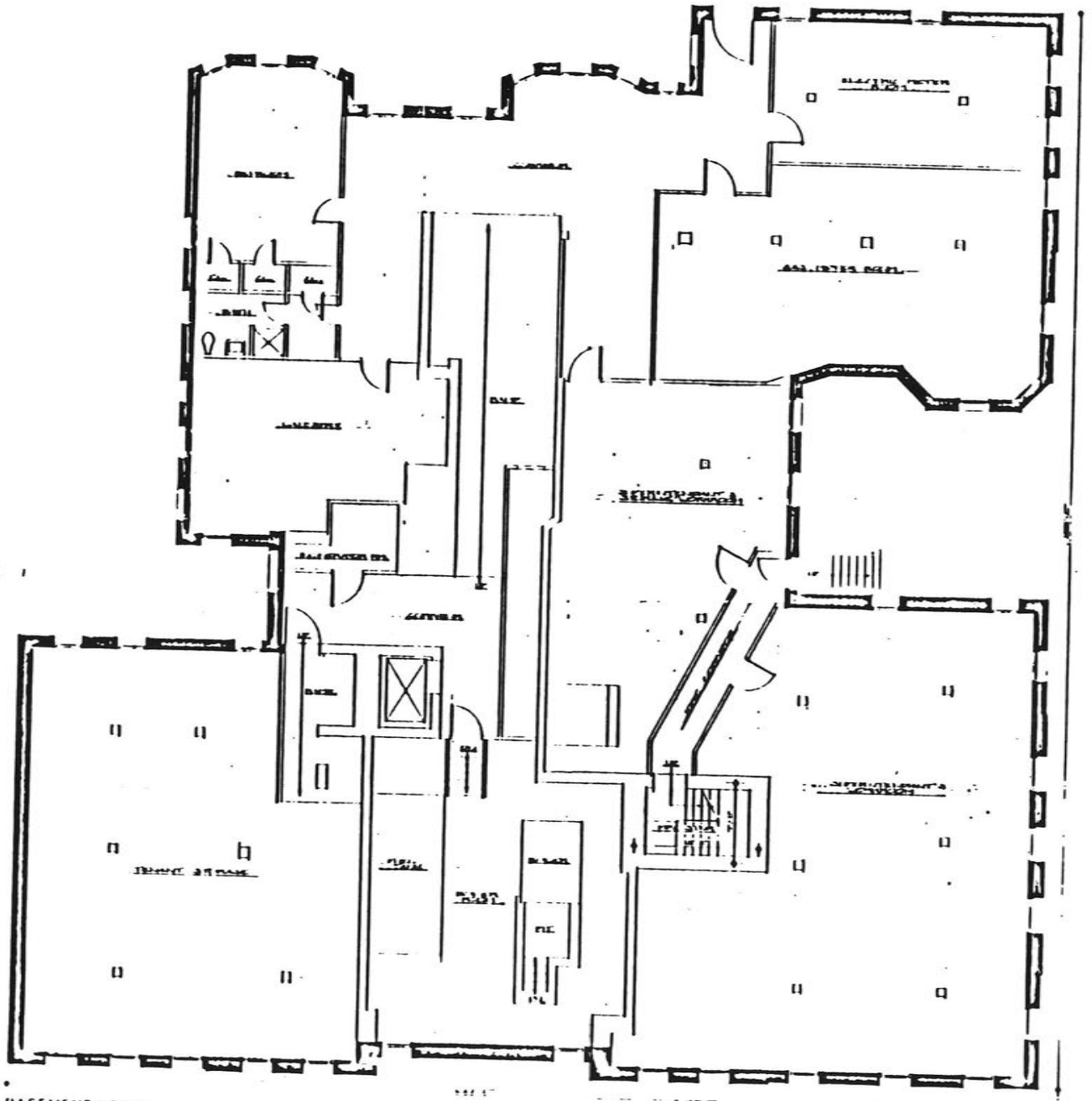
29. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing agent, be conditional in nature.

30. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board or to the Managing Agent.

DOCUMENT NUMBER 6

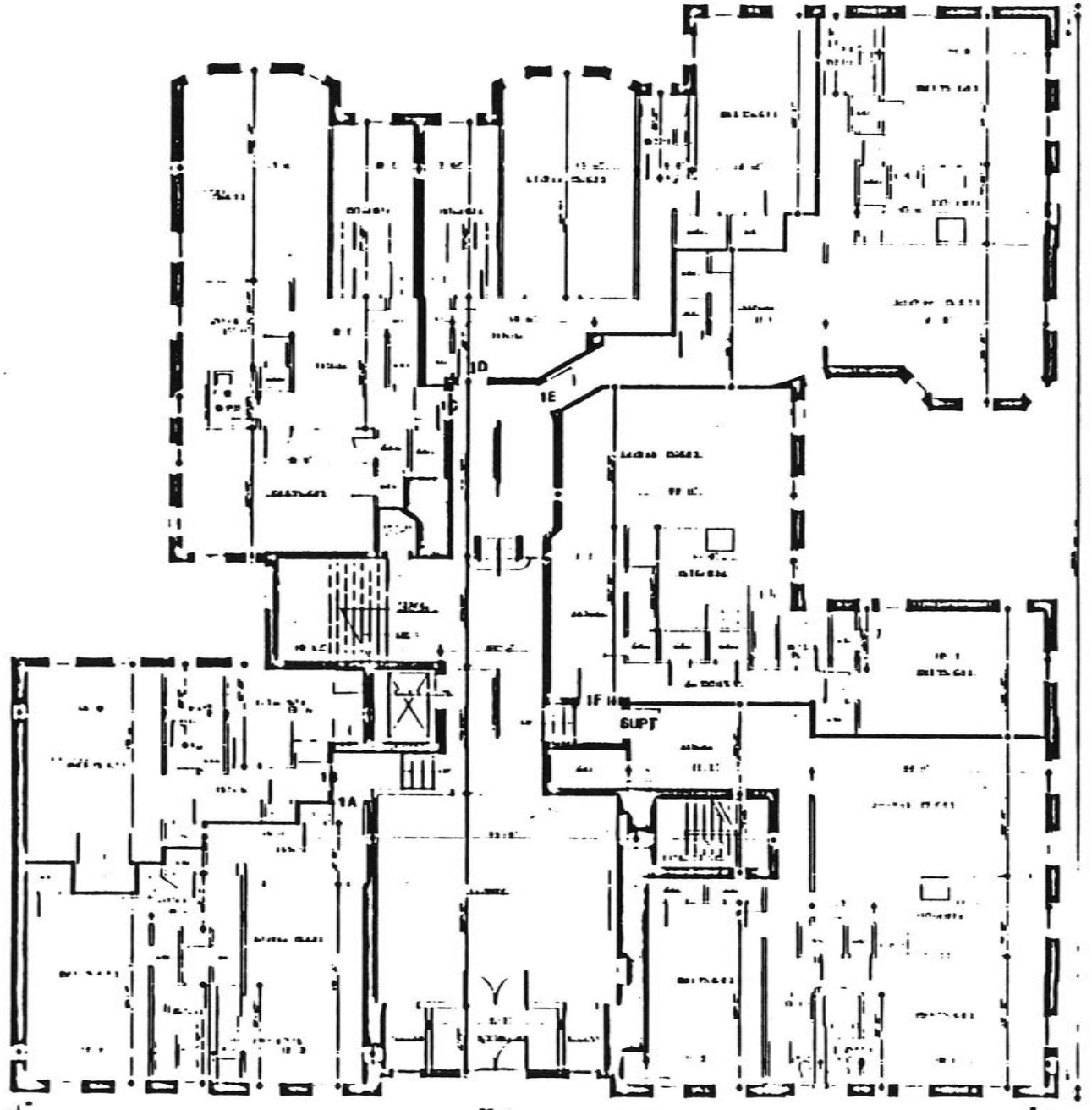
FLOOR PLANS OF TYPICAL UNITS

The following floor plans constitute only approximations of the dimensions and layouts of typical Units. Each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical conditions.



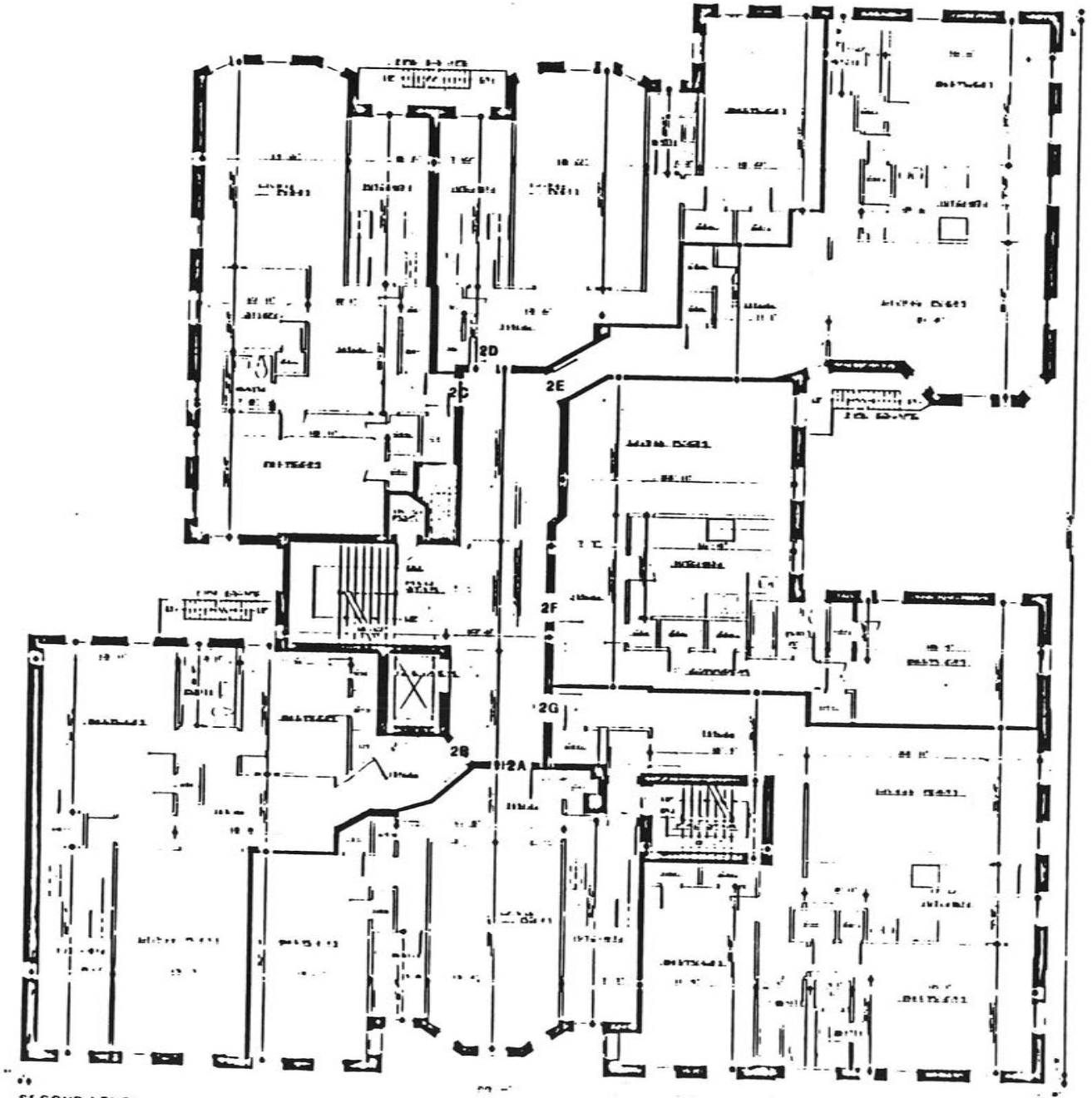
BASEMENT LEVEL

GRAPHIC SCALE



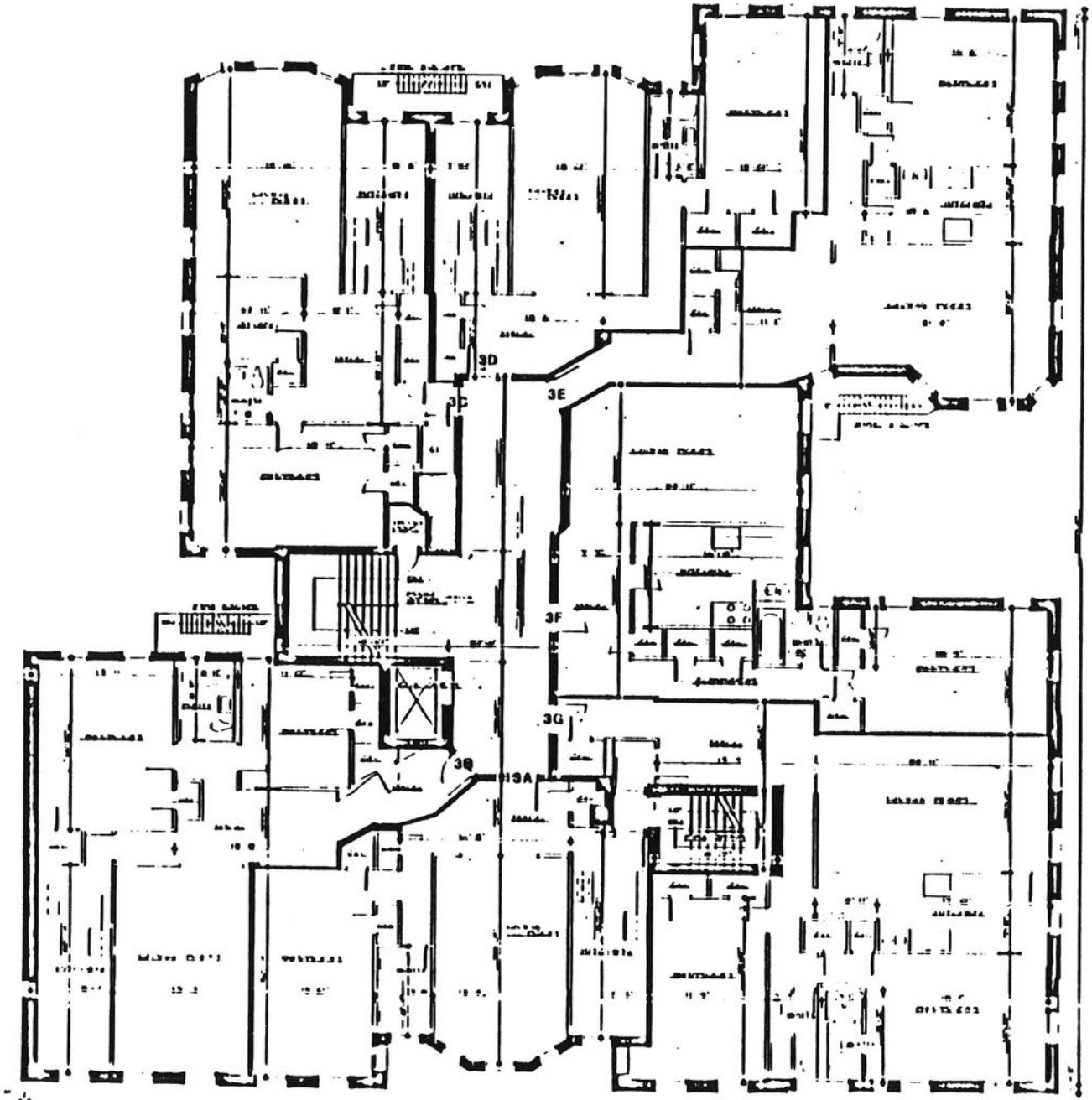
FIRST LEVEL

GRAPHIC SCALE



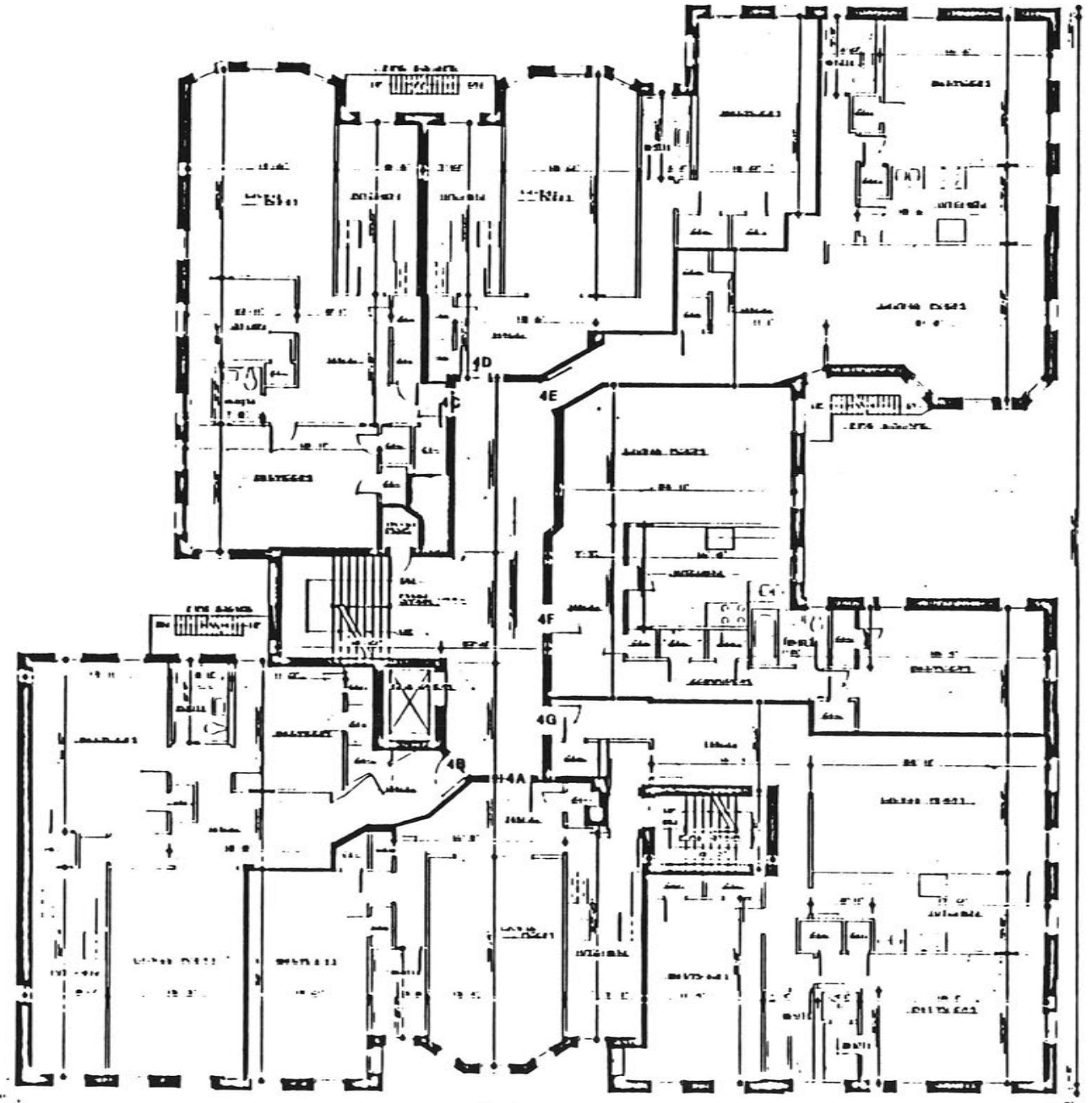
SECOND LEVEL

GRAPHIC SCALE



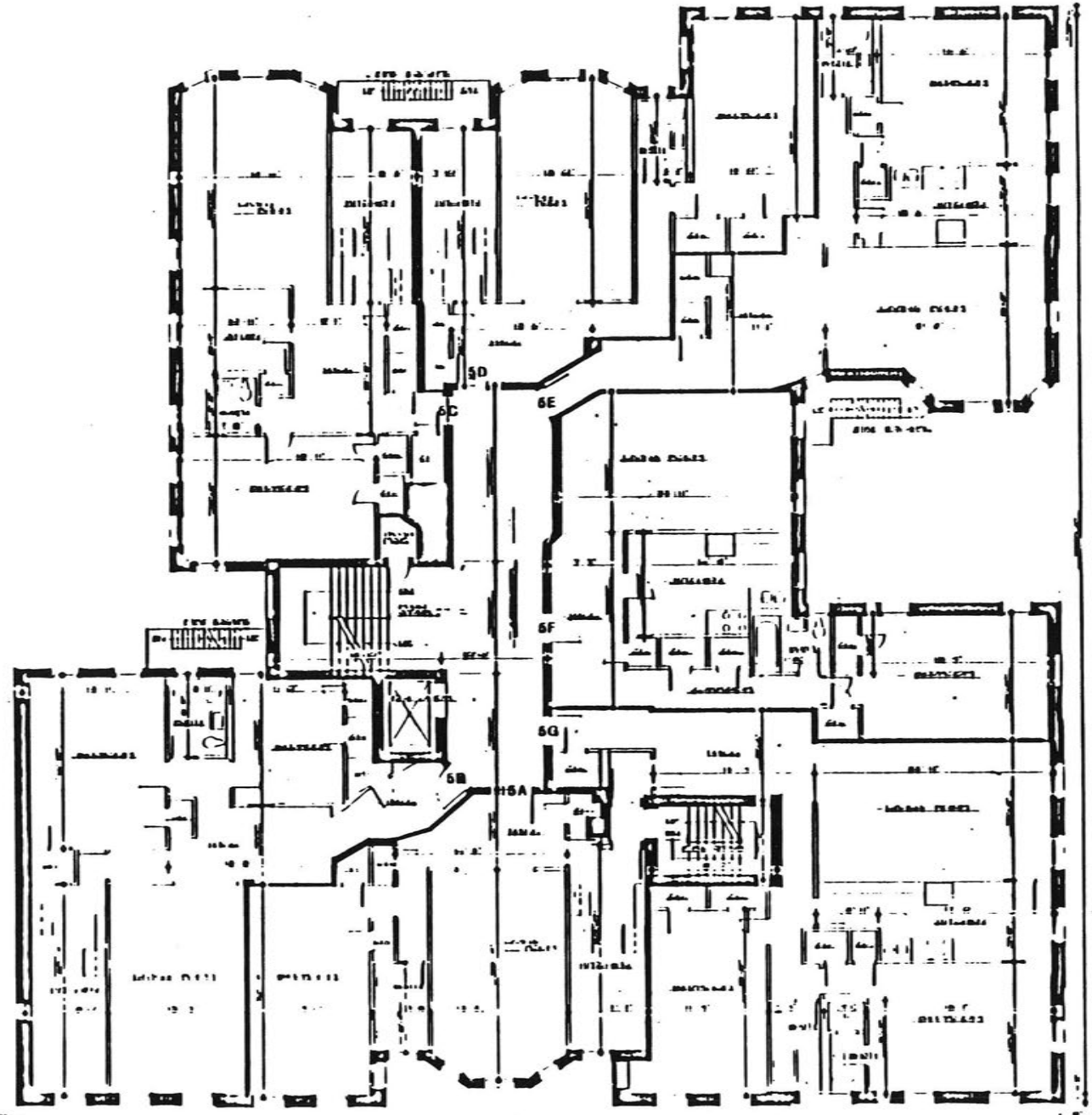
THIRD LEVEL

GRAPHIC SCALE



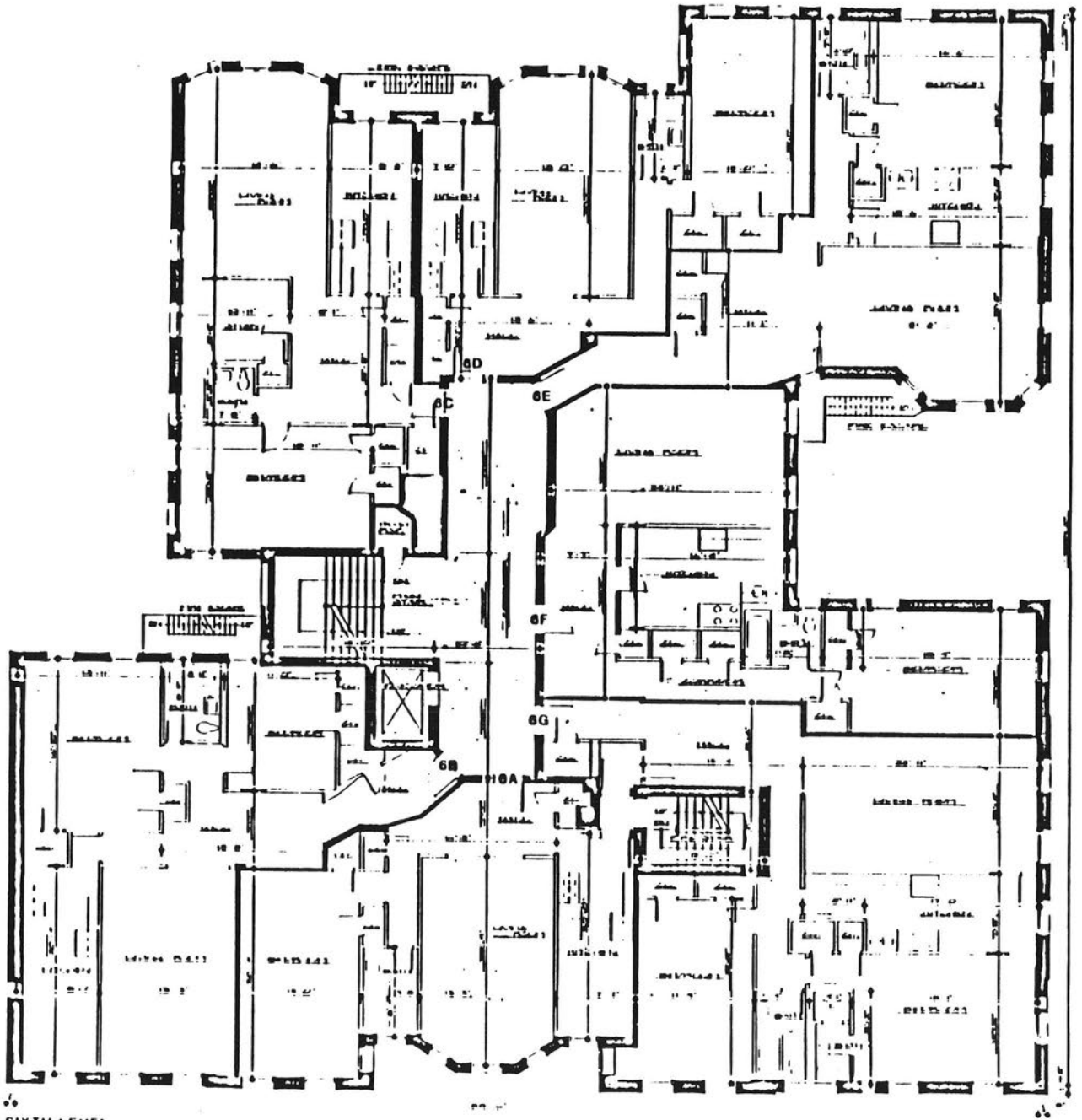
FOURTH LEVEL

GRAPHIC SCALE



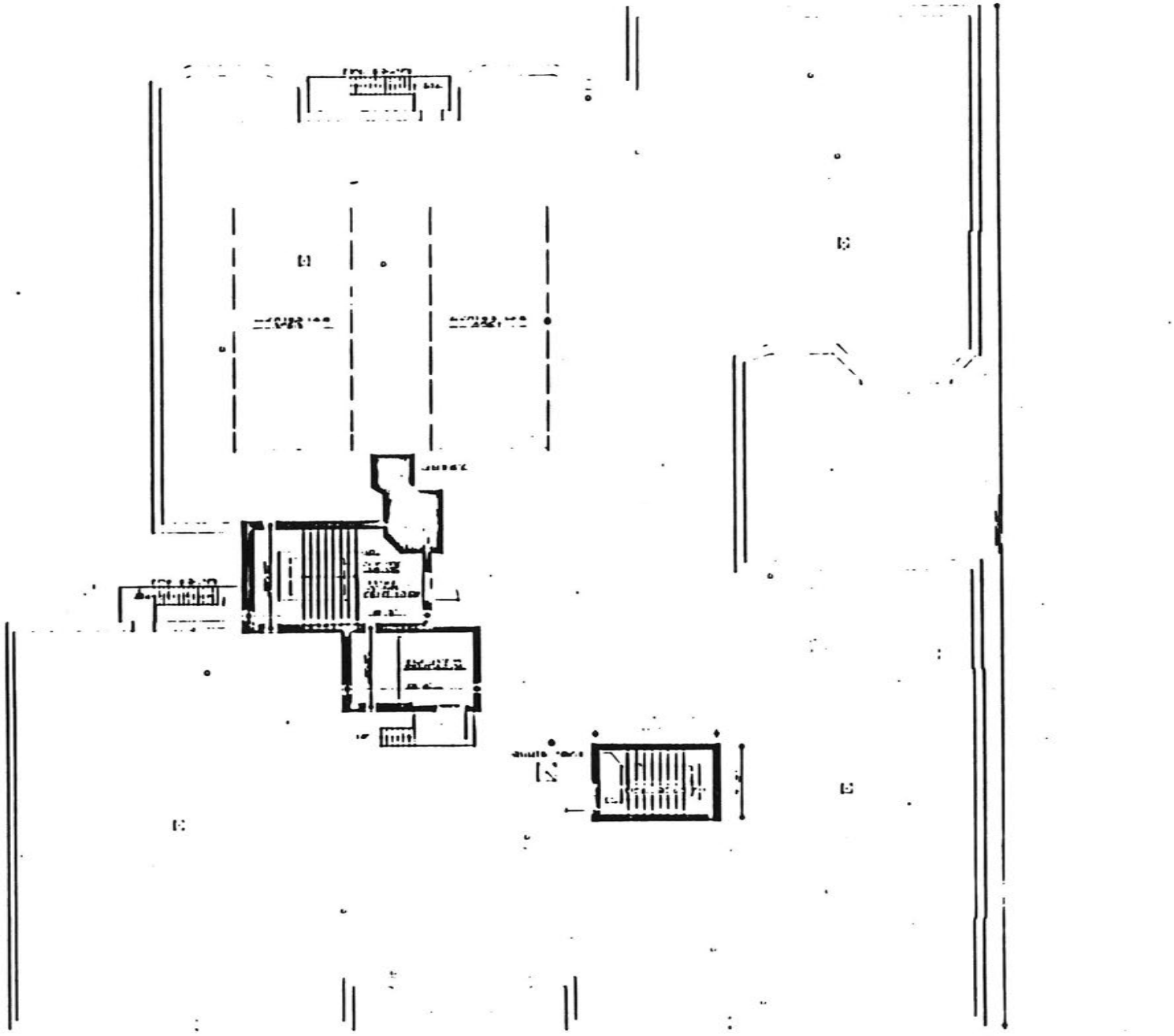
FIFTH LEVEL

GRAPHIC SCALE



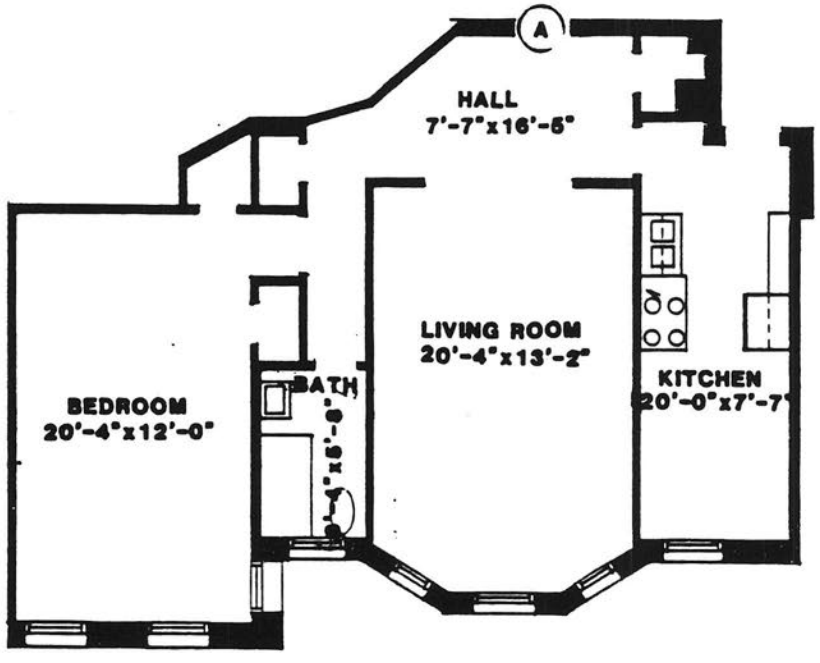
SIXTH LEVEL

GRAPHIC SCALE

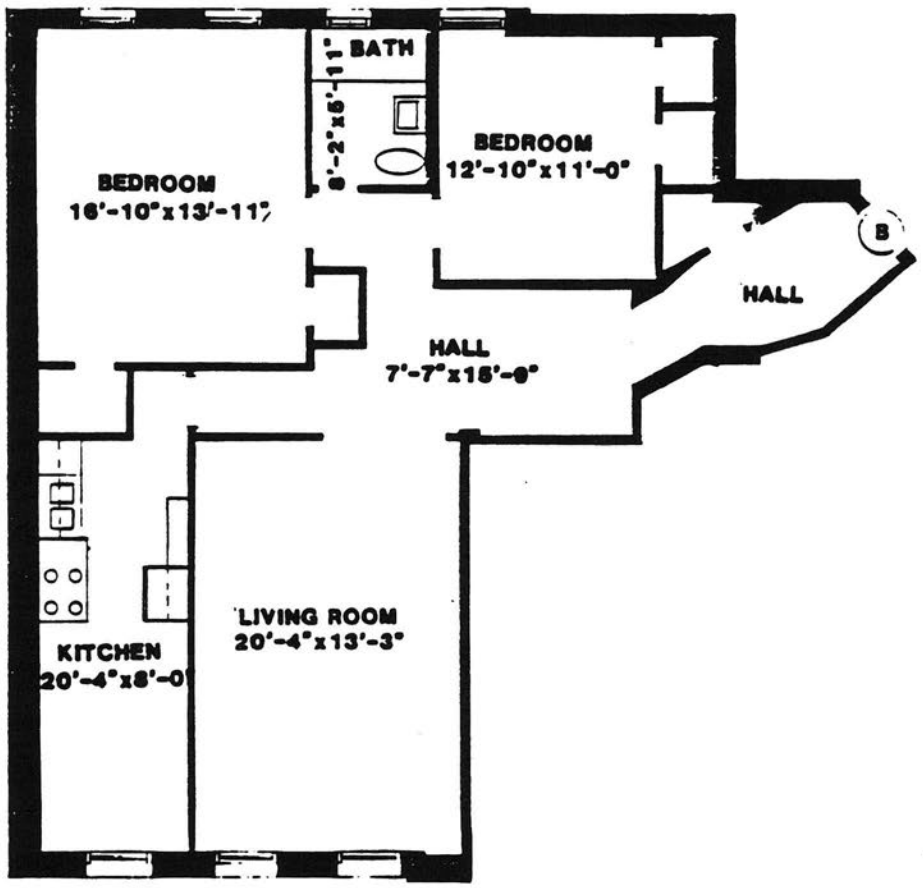


ROOF LEVEL

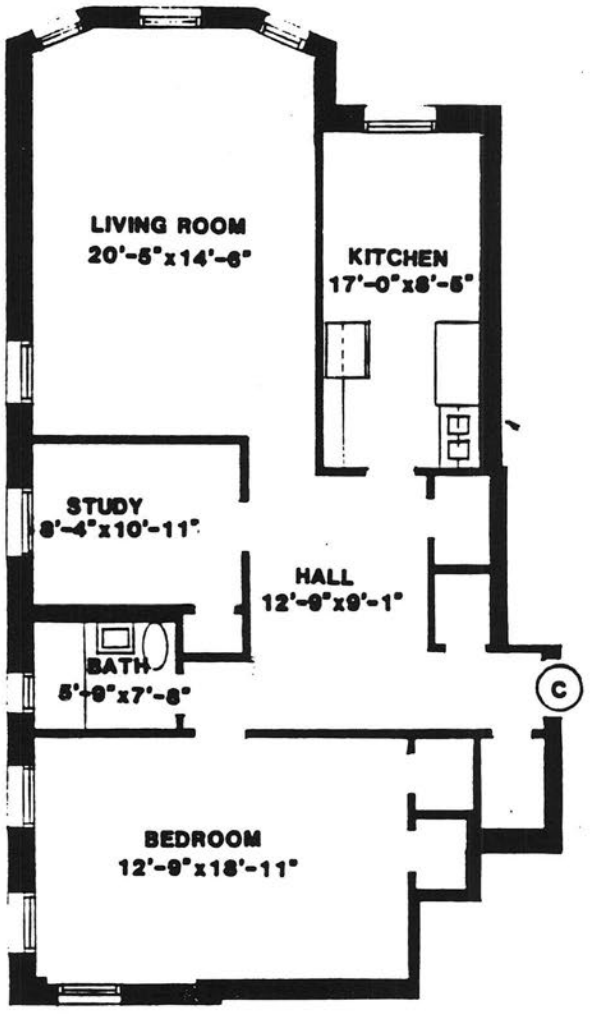
GRAPHIC SCALE



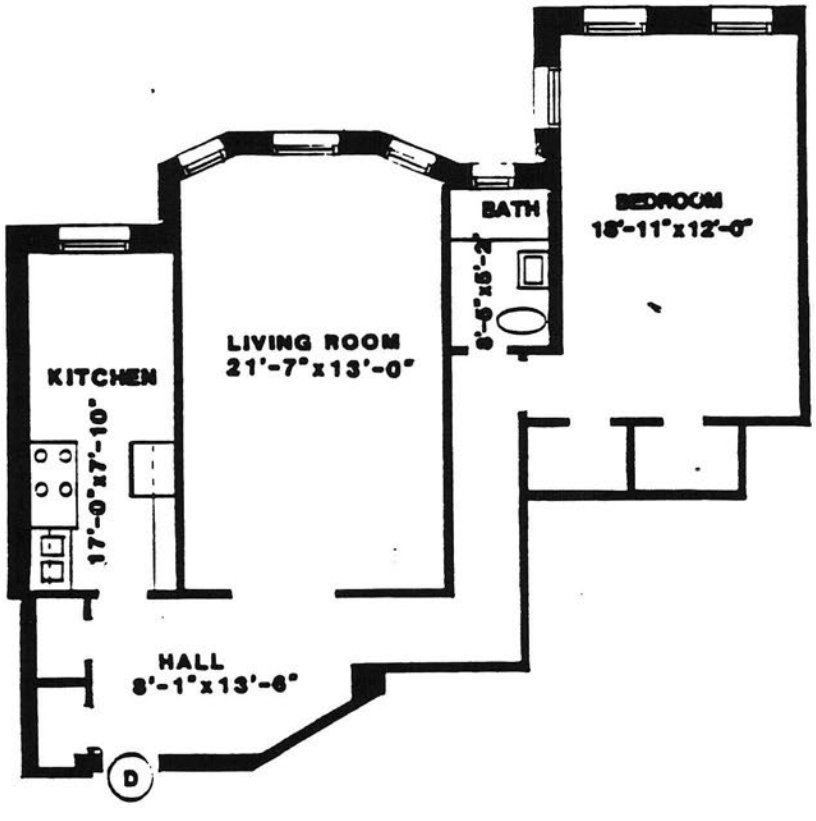
TYPICAL "A" APT. 2nd THRU 6th FLOOR



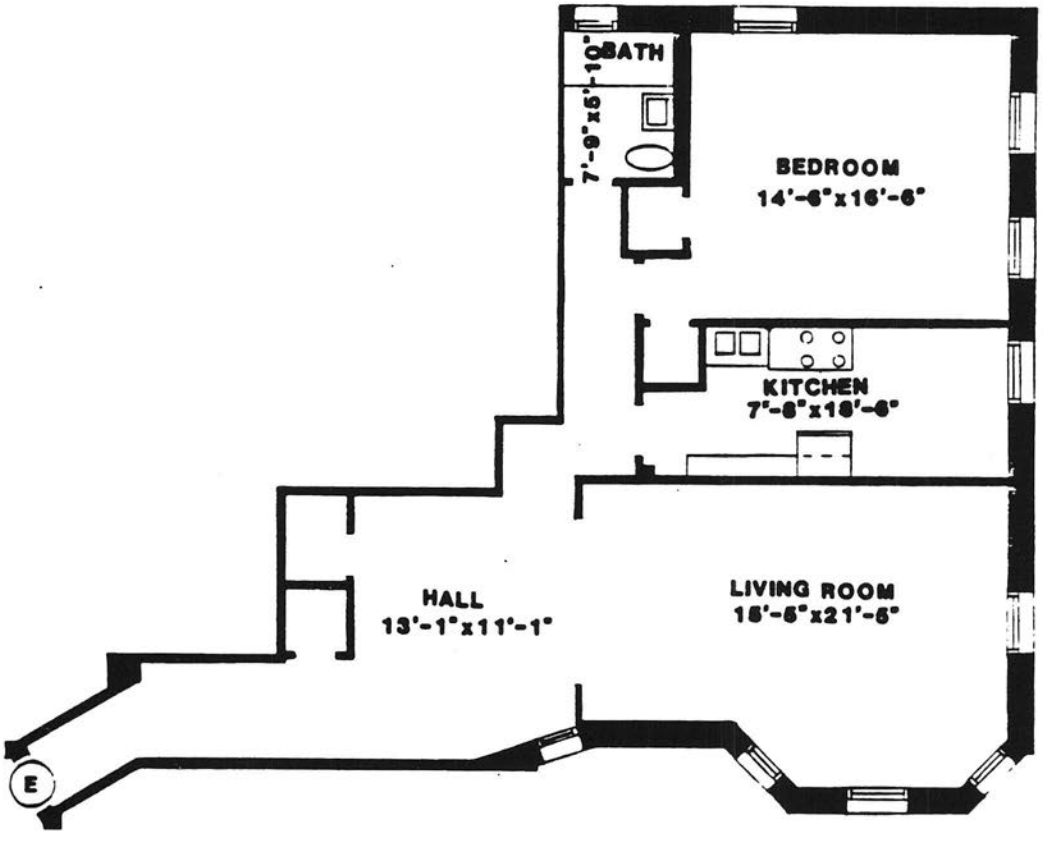
TYPICALL "B" APT. 2nd THRU 6th FLOOR



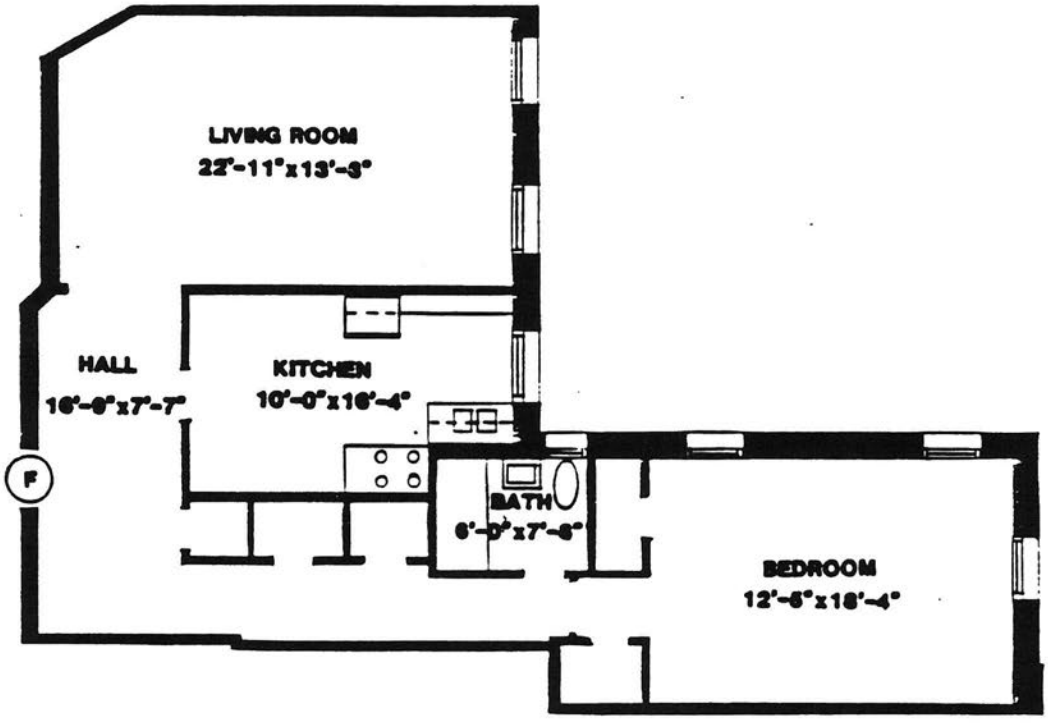
TYPICAL "C" APT. 1st THRU 6th FLOOR



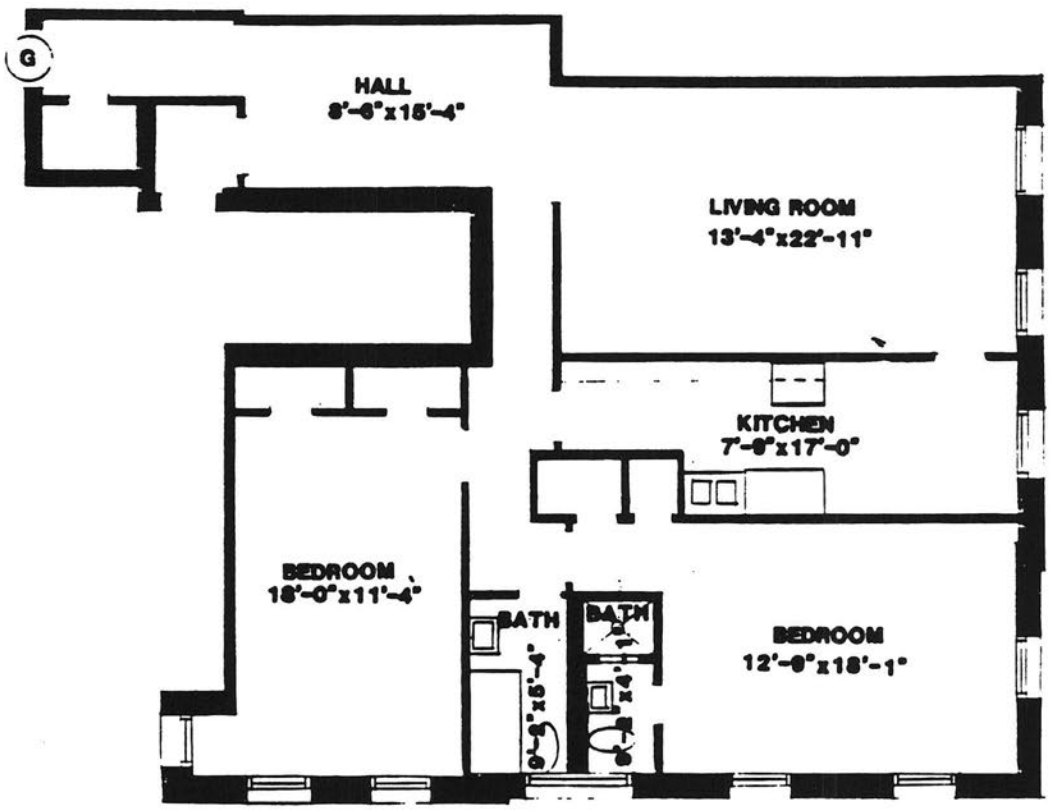
TYPICAL "D" APT. 1st THRU 6th FLOOR



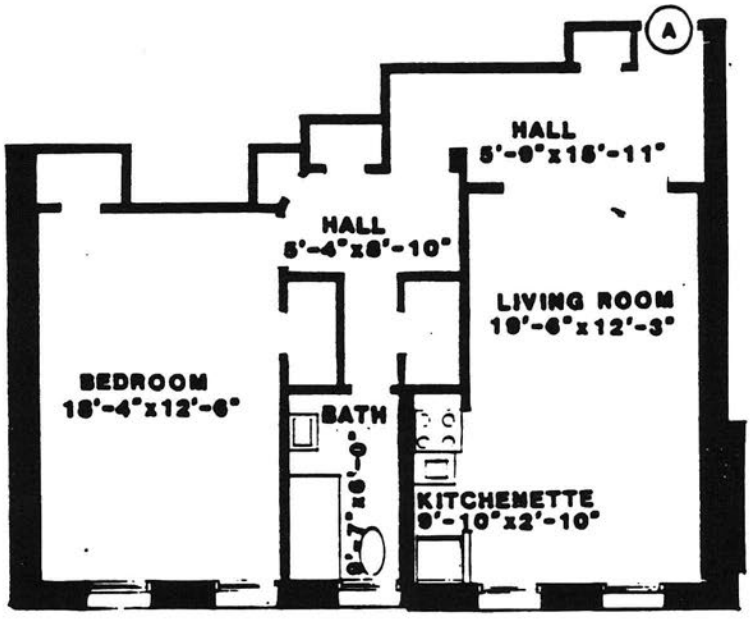
TYPICAL "E" APT. 1st THRU 6th FLOOR



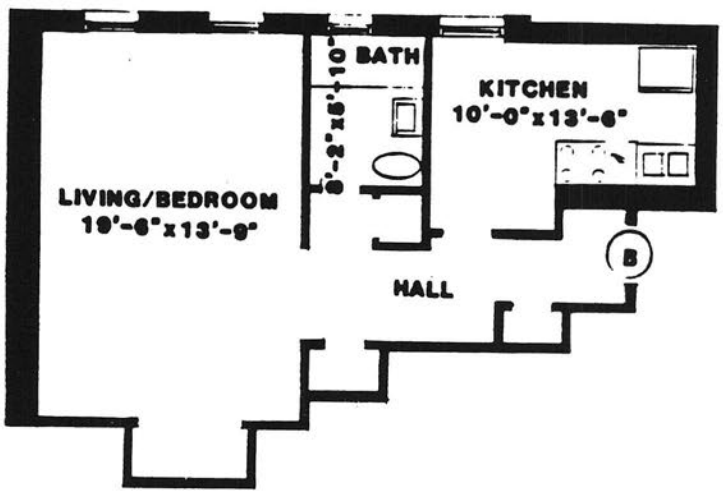
TYPICAL "F" APT. 2nd THRU 6th FLOOR



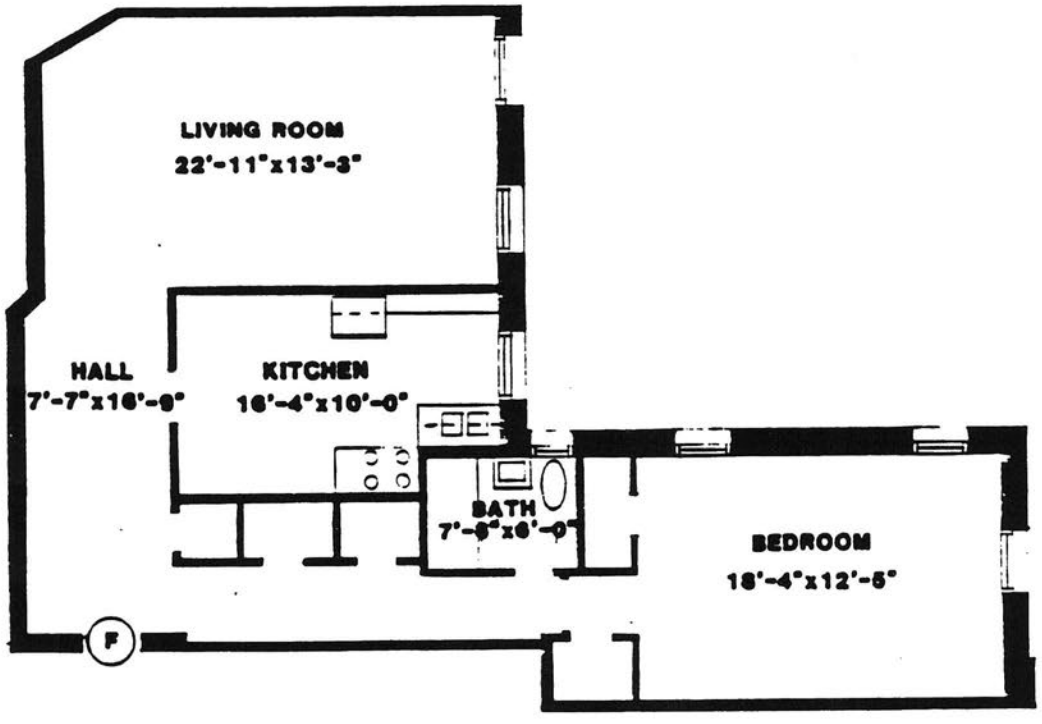
TYPICAL "G" APT. 2nd THRU 6th FLOOR



"A" APT. 1st FLOOR



"B" APT. 1st FLOOR



"F" APT. 1ST FLOOR

DOCUMENT NUMBER 7

CONDOMINIUM UNIT DEED

THIS INDENTURE, made the _____ day of _____, 19___, by and between AARON ZIEGELMAN and WILLIAM K. LANGFAN, both having an office at 200 West 57th Street, New York, New York 10019, (hereinafter referred to as the "**Grantor**") and _____, residing at _____ (hereinafter referred to as the "**Grantee**").

W I T N E S S E T H :

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

The Condominium Unit (hereinafter referred to as the the "**Unit**") known as Unit No. ____ in the building (hereinafter referred to as the "**Building**") known as THE ELBERTSON CONDOMINIUM and by the street number 79-15 35th Avenue, Jackson Heights, New York, Borough of Queens, County of Queens, City and State of New York, said Unit being designated and described as Unit No. ____ in a certain declaration dated _____, 19__, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "**Condominium Act**"), establishing a plan for condominium ownership of the Building and the land (hereinafter referred to as the "**Land**") upon which the Building is situate (which Land is more particularly described in Exhibit A annexed hereto and by this reference made a part hereof), which declaration was recorded in the Queens County office of the Register of The City of New York on _____, 19__, in Reel _____, page _____ (and has been amended as set forth on Exhibit B annexed hereto and by this reference made a part hereof)[1] (which declaration and amendments thereto are hereinafter collectively referred to as the "**Declaration**"). This Unit is also designated as Tax Lot _____ in Block 1266 of Section 8 of the Borough of Queens on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of the Building, certified by MICHAEL LYNN & ASSOCIATES P.C., Architects, on _____, 19___, and filed with the Real Property Assessment Department of The City of New York on _____, 19___, as Condominium Plan No. _____ and also filed in the City Register's Office on _____, 19___, as Condominium Plan No. _____;

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1. Delete if inapplicable

Together with an undivided _____% interest in the **Common Elements** (as such term is defined in the Declaration);

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

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaraton and the By-Laws of THE ELBERTSON CONDOMINIUM, as the same may be amended from time to time (hereinafter referred to as the **"By-Laws"**), all of which shall constitute the covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

Subject also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are hereinafter collectively referred to as the **"Property"**).

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

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

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

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

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

The within premises are improved by a one-family residential condominium unit, only.

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

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

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

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this indenture as of the day and year first above written.

AARON ZIEGELMAN

WILLIAM K. LANGFAN

Grantee

Grantee

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

On the _____ day of _____, 19____, before me personally came AARON ZIEGELMAN and WILLIAM K. LANGFAN, to me known and known to me to be the individuals described in and who executed the foregoing instrument; and acknowledged to me that they executed the same.

_____
Notary Public

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

On the _____ day of _____, 19____, before me personally came _____, to me known and known to me to be the individuals described in and who executed the foregoing instrument; and acknowledged to me that (s)he, they executed the same.

_____
Notary Public

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

On the _____ day of _____, 19____, before me personally came _____, to me known, who being by me duly sworn did depose and say that (s)he resides at No. _____, that (s)he is the _____ of _____, the corporation described in and which executed the foregoing instrument; that (s)he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation; and that (s)he signed (his)(her) name thereto by like order.

_____
Notary Public

EXHIBIT A TO CONDOMINIUM UNIT DEED DATED _____, 19___, BY AND BETWEEN AARON ZIEGELMAN AND WILLIAM K. LANGFAN, as Grantor and _____, as Grantee

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Second Ward, Borough and County of Queens, City and State of New York, more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of 35th Avenue (formerly Fillmore Avenue) with the westerly side of 80th Street (formerly 23rd Street);

RUNNING THENCE northerly along the westerly side of 80th Street, 115 feet;

RUNNING THENCE westerly at right angles to the westerly side of 80th Street, 100 feet;

RUNNING THENCE southerly parallel with the westerly side of 80th Street, 115 feet to the northerly side of 35th Avenue;

RUNNING THENCE easterly along the northerly side of 35th Avenue, 100 feet to the point or place of **BEGINNING.**

SAID premises being known as 79-15 35th Avenue, Jackson Heights, New York.

DOCUMENT NUMBER 8

EXHIBIT E TO THE DECLARATION OF THE ELBERTSON CONDOMINIUM

UNIT OWNER'S POWER OF ATTORNEY

Any terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a plan for condominium ownership of the premises known both as THE ELBERTSON CONDOMINIUM and by the street number 79-15 35th Avenue, Jackson Heights, New York, under Article 9-B of the Real Property Law of the State of New York, dated _____, 19___, and recorded in the Queens County office of the Register of The City of New York on _____, 19___, in Reel _____, at page _____ (hereinafter referred to as "**Declaration**"), or (b) in the By-Laws of THE ELBERTSON CONDOMINIUM (hereinafter referred to as the "**By-Laws**") attached to, and recorded together with, the Declaration, shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned _____, residing at _____, the owner of the Condominium Unit (hereinafter referred to as the "**Undersigned's Unit**") known as Unit No. _____ in THE ELBERTSON CONDOMINIUM, said Unit being designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot _____, in Block 1266 of Section 8 of the Borough of Queens on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans, (does)(do)[1] hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with the Unit Owner's respective Common Interests, subject to the provisions of the By-Laws then in effect, (1) (a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects to surrender the same pursuant to the terms of paragraph (C) of Section 6.2 of the By-Laws, (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this paragraph) at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in said premises

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1. delete inapplicable parenthetical

that the undersigned could do if the undersigned were personally present and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning, resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned (does)(do)[2] hereby irrevocably nominate, constitute and appoint Sponsor as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws and the Rules and Regulations of the said Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interest of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Article 12 of the Declaration or (2) shall be required by (a) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as the Sponsor or its designees shall cease to own any Unit in THE ELBERTSON CONDOMINIUM.

IN WITNESS WHEREOF, the undersigned (have)(has) executed this Unit Owner's Power of Attorney as of the _____ day of _____, 19___.

_____

(SEAL)

_____

_____

2. delete inapplicable parenthetical

ACKNOWLEDGMENT

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

On the _____ day of _____, 19___, before me personally came _____, to me known and known to me to be the individuals described in and who executed the foregoing instrument; and acknowledged to me that (s)he, they executed the same.

_____
Notary Public

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

On the _____ day of _____, 19___, before me personally came _____, to me known and known to me to be the individuals described in and who executed the foregoing instrument; and acknowledged to me that (s)he, they executed the same.

_____
Notary Public

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

On the _____ day of _____, 19___, before me personally came _____, to me known, who being by me duly sworn did depose and say that (s)he resides at No. _____, that (s)he is the _____ of _____, the corporation described in and which executed the foregoing instrument; that (s)he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation; and that (s)he signed (his)(her) name thereto by like order.

_____
Notary Public

DOCUMENT NUMBER 9

EXCERPTS FROM GENERAL BUSINESS LAW SECTION 352-eeee

Conversions to cooperative or condominium ownership in the City of New York

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 residental 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 hve 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.

(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.

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 statng 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 than 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.

(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 developmnt 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 bevond 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 statemnt in a prominent place accessible to all tenants in each building covered by the plan.

(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 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 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 sellling 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.

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 dweling 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.

DOCUMENT NUMBER 10

EXCERPTS FROM TITLE YYYY OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK

§ YYYY51-1.0 Application. The provisions of this title shall apply to conversions from rental to cooperative or condominium status of a building or a group of buildings or developments for which a plan must be filed with the state department of law pursuant to section three hundred fifty-two-eeee of the general business law.

§ YYYY51-2.0 Definitions — As used in this title 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 structure replacement to the building; provided, however, that replacements made to cure code violations of record shall not be included.

d. "Offeror" — the offeror, his nominees, assignees and successors in interest.

§ YYYY51-3.0 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, replacement 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 offerer at the time the plan is declared effective, provided, however, that if such amount is less that 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 5 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 30 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 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 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.

§ YYYY51-4.0 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 YYYY51-3.0.

§ YYYY51-5.0 Posting of violations. — The offeror, not later than the thirtieth day following the acceptance of a plan for filing by the state department of law pursuant to section three hundred fifty-two-eeee of the general business law and until the closing of the conversion pursuant to such plan, shall post and maintain in a prominent place, accessible to all tenants in each building covered by the plan, a listing of all violations of record against such buildings as determined by the department of buildings and the department of housing preservation and development. All newly issued violations shall be posted within forty-eight hours of their issuance and maintained as described above. The offeror may satisfy the requirements of this section by designating an agent on the premises with whom such listng shall be made available for inspection by the tenants.

§ YYYY51-6.0 Report on condition of premises. — Where pursuant to law or regulations of the state attorney general, an offeror is required to file a report with the state department of law describing the condition of the physical aspects of the premises to be converted and the surrounding neighborhood a copy of such report shall be submitted simultaneously to the commissioner of buildings.

§ YYYYY51-7.0 No waiver of rights. — Any provision purporting to waive the provisions of this title in any contract to purchase or agreement between an offeror and the cooperative corporation or the condominium board of managers pursuant to a conversion plan shall be void as against public policy.

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO SECTION 19.1(o)(2) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED.

New York State Department of Law
Two World Trade Center
New York, New York 10047

Attention: Real Estate Financing Bureau

Re:

79-15 35th Avenue
Jackson Heights, New York
Name and Address of Property

The undersigned, certify as follows:

We are the Sponsor and the principals* of Sponsor of the offering to convert the subject property to condominium ownership.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 19 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 making this certification. We jointly and severally certify that the offering plan does, and that all documents submitted hereafter by us which amend or supplement the offering plan will:

(1) set forth the detailed terms of the transaction and be complete, current and accurate;

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* "Principals" means all individual sponsors; all general partners of sponsors that are partnerships; all officers, directors and shareholders of a corporate sponsor that are actively involved in the planning and consummation of the offering; and all other individuals who both own an interest in or control sponsor and actively participate in the planning and consummation of the offering, regardless of the form of organization of sponsor.

(2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(3) not omit any material fact;

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

(5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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

(7) not contain any representation or statement which is false, where we: (i) knew the truth; (ii) with reasonable effort could have known the truth; (iii) made no reasonable effort to ascertain the truth, or (iv) did not have knowledge concerning the representations 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.

AARON ZIEGELMAN

WILLIAM K. LANGFAN

Sworn to before me this
28th day of March, 1985

Notary Public

ALAN HABERMAN
NOTARY PUBLIC State of New York
No. 52-6715820
Qualified in Suffolk County
Commission Expires March 30, 1985

MLA BRODSKY
MICHAEL LYNN & ASSOCIATES P.C.
ARCHITECTS • ENGINEERS
PLANNERS • INTERIOR DESIGNERS

300 PARK AVENUE SOUTH • NEW YORK, N.Y. 10010 • (212) 477-1900
TELEX: 66395 BHA

MICHAEL LYNN, AIA
GEORGE EMERY, AIA

CERTIFICATION OF SPONSOR'S ENGINEER
PURSUANT TO SECTION 19.1(03) OF THE
REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A,
AS AMENDED

New York State Department of Law
Two World Trade Center
New York, New York 10047

Att: Real Estate Financing Bureau

Re: 79-15 35th Avenue
Jackson Heights, New York

Job No.: 67417

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 visually inspected the property and prepared the Report dated March 13, 1984 which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We understand that we are responsible for complying with Article 23-A of the General Business Law, the New York Condominium Act and the regulations promulgated by the Attorney General in 13 N.Y.C.R.R. Part 19 insofar as they are applicable to this Report.

We have 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 this certification. We certify that the Report and all documents prepared by us disclose all the material facts which were then discernable from a visual inspection of the property. This certification is made for the benefit of all parties to whom this offer is made. We certify that the Report based on 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) affords potential investors, purchasers and participants an adequate basis upon which to found their judgement 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 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 representations or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that 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.

Michael Lynn & Associates P.C.

BY: _____
President

Sworn to before me this
15th day of March, 1984

_____
Notary Public

LANA CA[illegible] York
No[illegible] County
Qual[illegible]
Commission [illegible]as M[illegible] 30, 1985

MLA
BRODSKY

212-247-1900

J. H. Taylor

730 Fifth Avenue
New York, N.Y. 10019

CERTIFICATION BY SPONSOR'S EXPERT
PURSUANT TO SEC. 19.4 (d)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A
AS AMENDED

October 31, 1984

New York State Department of Law
Two World Trade Center
48th Floor
New York, New York 10047

Attention: Real Estate Financing Bureau

Re: 79-15 35th Avenue
Jackson Heights, New York

The undersigned certifies as follows:

The Sponsor of the condominium offering plan to convert 79-15 35th Avenue, Jackson Heights, New York, to condominium ownership has retained our firm to prepare "Schedule B--Budget for First Year of Condominium Operation" (the "Schedule") containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes management, sales and rentals of residential and commercial properties since 1912. We currently manage over 60 cooperative buildings in Manhattan and Queens in addition to rental properties. We have been active in the sale of cooperative apartments for the past twelve years. We are licensed as a real estate broker in New York State.

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 19, insofar as they are applicable to Schedule B.

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

J. H. Taylor

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

We certify that the Schedule:

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

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

(iii) does not omit any material fact;

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

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

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

(vii) does not contain any representation or statement which is false, where 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 representations or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under the 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.

J. H. TAYLOR MANAGEMENT CORPORATION

By _____

Sworn to before me this
31st day of October, 1984

Ruth McCoy

RUTH McCOY
NOTARY PUBLIC, State of New York
NO. 60-4762002
Qualified in Westchester County
Commission Expires March 30, 1986