

OFFERING PLAN FOR
WASHINGTON'S HEAD QUARTERS
TOWNHOUSES CONDOMINIUM

FRONTING ON BROADWAY
IN THE VILLAGE OF DOBBS FERRY
TOWN OF GREENBURG
WESTCHESTER COUNTY, NEW YORK.

AMOUNT OF OFFERING: \$2,426,000.00 (20 Units)

SPONSOR AND SELLING AGENT: F & G PROPERTIES CORP.
152 Broadway
Dobbs Ferry, New York 10522

Date of Plan: ~~January 27, 1978~~ Feb 12, 1979

This Offering Plan May Not Be Used After August 27, 1977,
unless extended.

THE PRICES FOR THESE CONDOMINIUM INTERESTS MAY BE
CHANGED SO THAT PURCHASERS MAY PAY DIFFERENT PRICES
FOR SIMILAR INTERESTS. THE EFFECT OF THIS IS SET FORTH
ON PAGE 10.

THE PRICES FOR THESE CONDOMINIUM INTERESTS MAY
NOT BE INCREASED EXCEPT BY A DULY FILED AMENDMENT.

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK DOES
NOT PASS ON THE MERITS OF THIS OR ANY OFFERING.

OFFERING PLAN FOR
WASHINGTON'S HEAD QUARTERS
TOWNHOUSES CONDOMINIUM

INTRODUCTION

F & G Properties Corp., a New York Corporation, (the Sponsor) presents herewith its Offering Plan (the Plan) for the establishment of Condominium ownership of the land fronting on Broadway in the Village of Dobbs Ferry, Town of Greenburgh, Westchester County, New York and the buildings to be constructed thereon (the Buildings). The land, buildings and appurtenances are hereinafter sometimes referred to as the Property and/or the Condominium. The Sponsor intends to erect and sell twenty (20) Units herein described and as set forth on the Site Plan (Exhibit A) at page hereof in accordance with the schedule of sales prices (Exhibit B) beginning at page 37. THE SALES PRICES HAVE BEEN SET BY THE SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY ANY GOVERNMENTAL AGENCY.

A tennis court has already been installed on the Property by the Sponsor and the Sponsor intends to construct a swimming pool on the Property and a sauna, changing room and bathroom in the existing accessory building by December 31, 1977. In the event that all 20 units are sold, the Sponsor will, and may before said 20 units are sold, enclose the swimming pool for year-round use by June 30, 1978.

From and after the Effective Date of this Offering Plan, as herein provided, Sponsor shall, by Declaration of Condominium recorded in the Westchester County Clerk's office, submit the Property to Article 9-B of the Real Property Law of the State of New York. The proposed Declaration is set forth commencing on page 72 of this Plan.

FEATURES OF CONDOMINIUM OWNERSHIP

The Sponsor hereby offers for sale twenty (20) Condominium Units in the Buildings to be constructed on the land, all of which are intended to be sold as Condominium Units in accordance with this Plan.

A Condominium Unit Owner owns his Unit similarly in many respects to the ownership of a one-family home. He owns his Unit outright and is entitled to the exclusive possession thereof, and will also own an undivided fee interest in common with all other Unit Owners, of all parts of the Property other than the Units themselves, including the land upon which the Units are built, the lawns and parking areas, (hereinafter called common elements). As a unit owner, he will have the right to vote annually for the Board of Managers which will conduct the affairs of the condominium and supervise the operation of the Property and will be required to pay common charges proportionate to his respective interest in the common elements for the operation and maintenance of the condominium property as the Board of Managers may determine. Certain common elements, hereinafter more particularly described, have been designated as limited common elements and the Unit Owner has

access to such limited common element shall have the exclusive use thereof.

He will be taxed separately for Real Estate tax purposes and may obtain his own mortgage loan on his unit and pay directly to the mortgage lender the interest and amortization on his mortgage. His unit will not be affected by any other unit owner's obligation for the other owners mortgage or real estate taxes.

A Unit Owner can sell or lease his Unit to any one, without restriction or limitation, subject only, in this case, to a right of first refusal by the Board of Managers of the Condominium at the same price the Owner has been offered which is hereinafter described on page 26.

A Unit Owner is privileged to decorate the interior of his Unit in any way that he desires and is obligated to pay the cost of his own interior decoration.

In the opinion of counsel, which opinion is set forth in full at page 52 of this Plan, he, like a home owner, may deduct from his income for income tax purposes his real estate taxes and the interest paid on his mortgage.

The Board of Managers of the Property will assess against each Unit Owner, in proportion to his respective interest in the common elements, charges (hereinafter called common charges) for the maintenance of the common elements and for the operating costs of the Property (hereinafter called common expenses).

Each Unit Owner will pay for all electricity which he consumes within his own Unit, the charges for which will be separately metered. An electric meter will be placed at the front of each Unit. In addition each Unit Owner will pay for all oil consumed by the oil burner which heats his unit and the hot water heater which heats his water as billed directly to the Unit Owner by the company from which he orders his fuel. Estimates of the cost of electricity and oil are set forth at page 40. Water will be supplied to each Unit, and will be paid for by the Board of Managers as a common expense. A budget containing the estimated expenses for the first year of condominium operations (Exhibit D) can be found at page 50.

Unit Owner will be responsible for the cost of interior and exterior maintenance and repair of his unit. Each unit owner will be responsible for obtaining his own liability insurance for occurrences within his unit as well as for casualty insurance to cover losses to his personal possessions within his unit. A more detailed description of the rights and obligations of the unit owner is contained in the Declaration (page 72) and By-Laws (page 83) of the Condominium attached hereto.

The By-Laws which shall govern at the operation of the Condominium are set forth beginning at page 83.

A detailed description of the Property, including the Buildings and Units, (Exhibit C), which should be carefully reviewed by prospective Purchasers is set forth on page 42.

THIS OFFERING PLAN, THE EXHIBITS HERETO AND THE DOCUMENTS REFERRED TO HEREIN ARE ALL IMPORTANT. IT IS SUGGESTED THAT YOU CONSULT YOUR OWN ATTORNEY OR FINANCIAL ADVISOR AND PROVIDE HIM WITH A COPY OF THIS PLAN BEFORE AGREEING TO PURCHASE.

DESCRIPTION OF PROPERTY AND SURROUNDING AREA

The Property has an area of approximately 2.8 acres and is located on Broadway in the Village of Dobbs Ferry, Town of Greenburgh, Westchester County, New York. The Condominium will bear the name "Washington's Head Quarters Townhouses".

The Property was rezoned by unanimous vote of the Board of Trustees of the Village of Dobbs Ferry on March 11, 1976 to Apartment-1 (A-1) and also on March 11, 1976 a variance was granted which permits the construction of not more than eighteen (18) attached townhouses and two (2) detached units.

Transit Facilities:

The Condominium is located 3 1/2 miles from Tappan Zee Exits of the New York State Thruway and the Cross Westchester Expressway.

The Ardley Exit to the New York State Thruway is two and one-half (2 1/2) miles from the project site, and the Sawkill River Parkway is one and a half (1 1/2) miles away.

The Liberty Coach Company provides hourly service north and south on Broadway picking up and discharging passengers within five hundred (500) feet from the main entrance to the project.

The Penn Central Railroad, Hudson Division, serving Dobbs Ferry on a scheduled basis with both express and local trains, is within one quarter (1/4) of a mile of the project.

Schools:

Public schools are located within two (2) miles from the Condominium. The Springhurst Elementary School (K-4) is within two (2) miles from the Condominium and the Middle and High School (5-12) is one and two-tenths (1.2) miles from the Condominium.

The Montessori School (for ages 3 to 4), is within two (2) miles from the project site; the Immaculate Conception School (Elementary) is about 1.8 miles from the project; the Sacred Heart School is about 1.2 miles from the project; and the Hackley School (Elementary and Secondary) is six (6) miles from the project.

Mercy College is one and two-tenths (1.2) miles from the Condominium and Mary Mount College is seven (7) miles away.

The Sponsor however makes no representation that children of the unit owners will be able to attend any private school or college.

Houses of Worship:

The following Houses of Worship are all within one and one-half (1 1/2) miles of the Condominiums

- Christian Science Church
- Grace Episcopal Church
- Our Lady of Pompeii
- Religious Society of Friends
- Greenburgh Hebrew Center
- South Presbyterian Church

Temple Beth Shalom
Zion Episcopal Church
Sacred Heart Church

Shopping:

The Village of Dobbs Ferry provides a full range of consumer services and a number of small service type shops within one-half (1/2) mile from the Property. Major shopping areas with branches of New York department stores are located in White Plains which is approximately eight (8) miles from the project.

Entertainment Facilities:

Theatres are located in Dobbs Ferry, Hastings on Hudson and White Plains. On the estate of the late Duchess of Talleyrand, in Lyndhurst, now a National Historical Landmark, concerts and other entertainment are presented in the mansion and on the grounds. The Dobbs Ferry Boat Club and Marina is less than one-half (1/2) miles from the Condominium and the Tarrytown Boat Club and Marina is also nearby. The Ardsley Country Club is two (2) miles from the property, and the facilities at the private club include an eighteen hole golf course, swimming pool, tennis courts and curling rinks. The Sponsor however makes no representation that unit owners will be able to obtain membership in any of the foregoing private clubs.

Hospitals:

The Dobbs Ferry Hospital, built in 1952, has thirty-nine (39) beds and an emergency ward. It has applied for permission to erect a new building.

The Phelps Memorial Hospital, located in North Tarrytown, was built in 1956. It has had three major additions including an intensive care cardiac center; there are two hundred thirty-four (234) beds and a complete emergency center. A diagnostic center is currently under construction.

Ambulance Service:

The Dobbs Ferry Volunteer Ambulance provides service to all citizens of the community, and the Irvington and

The Town Volunteer Ambulance serves the area on a
rotative basis.

Police and Fire Departments:

The Dobbs Ferry Police and the Dobbs Ferry Volunteer
Fire Department are located within a half (1/2) mile of
the Condominium and serve the village. Unit owners will
receive the same services from them as are provided all
residents of the village. The Hastings on Hudson and
Livingston Fire Departments assist the Dobbs Ferry Fire
Department as needed. A New York State Police Station
is located at the Tappan Zee Bridge, four miles from
the project and services the entire area.

UNITS AND COMMON ELEMENTS

The Sponsor intends to construct a total of twenty (20)
Units. The Units will consist of 18 Townhouse Units (two
and one-half stories each) and two detached Units. The
Townhouse will contain two and three bedroom Units and
the two detached Units will be according to plans to be
drawn. See Exhibit C for a more detailed description
of the Units including all equipment supplied by the
Sponsor which is included in the purchase price.

Certain common elements including some of the parking
spaces and some yards and the second floor of the accessory
building have been designated as limited common elements
as described herein. A Unit Owner whose unit has access
to or the designated use of a limited common element shall
have the exclusive use thereof. A Unit Owner who shall have
a designated parking space shall have the exclusive use
thereof. Control of the parking areas and the rules and
regulations pertaining thereto shall be the responsibility
of the Board of Managers.

Each Unit shall have the exclusive right to use the rear
yard, front yard or side yard to which such Unit has direct
access as shown on the shaded area on Exhibit A and such
yard shall be the approximate size indicated on said Exhibit A.

A master antenna will be installed in each block of
units with appropriate outlets within each unit. There
shall be no charge for the use of this master antenna
system.

Mr. Ferdinand Gottlieb, one of the principal share-
holders, officers and directors of Sponsor, intends to
purchase Unit #1, as shown on the Site Plan (Exhibit A),
which shall contain a detached residence of approximately
three thousand four hundred fifty-six (3,456) square feet
constructed according to plans to be prepared and agreed
upon between Ferdinand Gottlieb and the Sponsor.

Construction plans have not yet been submitted with respect to Unit #1 and until such plans have been submitted, Sponsor will not sell said Unit #1 to any party other than Ferdinand Gottlieb or P.K. Fung.

Mr. P.K. Fung, one of the principal shareholders, officers and directors of Sponsor, intends to purchase Unit #2, as shown on the Site Plan (Exhibit A), which shall contain a detached residence of approximately three thousand six hundred and sixteen (3,616) square feet constructed according to construction plans prepared by Ferdinand Gottlieb, architect and filed with the Village of Dobbs Ferry.

Each Unit Owner having the exclusive use of yard designated in the shaded area on the plans adjacent to his Unit shall be responsible for the proper upkeep and maintenance of his yards as determined by the Board of Managers. However, the regular mowing of the grass and caring for trees, bushes and shrubs in these yards except for the yards of Units #1 and #2, shall be a common expense and shall be taken care of by those regularly employed by the Condominium. The regular mowing of the grass and caring for trees, bushes and shrubs in the yards of Units #1 and #2 shall not be a common expense and shall not be taken care of as part of the employment duties of those regularly employed by the Condominium.

The Units and the buildings containing them will be built substantially in accordance with the plans prepared by Ferdinand Gottlieb, Architect, P.C., and specifications on file in the office of the Sponsor and will conform to all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof including those governing zoning and construction, and the Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules, regulations and other governmental requirements pertaining thereto. If there is a variation between the plans and specifications and the applicable rules, regulations, laws and other requirements including those governing zoning and construction, said applicable rules, regulations, laws and other requirements of governmental authorities having jurisdiction shall govern and control over the plans and specifications and the plans and specifications shall be amended accordingly if required by the Building Department of the Village of Dobbs Ferry. Before the closing of title to a Unit, a temporary or permanent Certificate of Occupancy will be issued for the building and/or Unit. Sponsor will, at its sole cost and expense, within one year thereafter provide a permanent Certificate of Occupancy for the building and/or Unit.

Generally speaking, the Unit consists of:

a. The area enclosed by the exterior walls of the Building and the line of center of any common masonry wall dividing the Unit from other Units and by the outside surface of the roof of the Unit and by the bottom of the concrete slab of the first floor.

b. All of the building fixtures and installations within the boundaries set forth in a. above including but not limited to:

- i. The circuit breakers in the Unit, the outlets, switches, lights or appliances served and all of the wiring within the Unit.
- ii. The entire air conditioning and hot water heating and heating system for the Unit.
- iii. The doors and windows of the Unit.
- iv. The plumbing system within a Unit.

The common elements consist of the entire Property, including all parts of the Building and improvements thereon other than the Units and will include without limitation the following:

- a. The land on which the Buildings are erected;
- b. All land, lawns, gardens, walks, roads, drives and parking, driveway and other improved or unimproved areas not within the Units or otherwise designated as limited common elements;
- c. All installations outside the Units for services such as power, light, water.
- d. All sewer pipes and drainage pipes which are outside the Units;
- e. All yards, which shall be limited common elements and each Unit Owner whose Unit has sole access to the yard shall have the exclusive use thereof; certain parking spaces which are designated limited common elements and the Unit Owner who shall be the designee thereof shall have the exclusive use of such parking space;
- f. All existing recreation and public room facilities. The second floor of the existing accessory building is designated as a limited common area with exclusive rights to the owners of Units 1 & 2 as described herein;

g. All other apparatus and installations existing in the Buildings for common use or necessary or convenient to the existence, maintenance or safety of the Buildings.

The percentage of interest in the common elements for each Unit shall be as determined by the Sponsor as of the date of recording of the Declaration.

A tennis court has already been installed on the Property. The tennis court area is 120 feet x 60 feet. The court specifications are 3 inches crushed stone plus 2 inches of binder base (N.Y. 4S) plus 1 1/2 inches of smooth-surfaced asphalt (c-11 mix.) Entire area is enclosed with 10 foot chain link fence. There will be a swimming pool approximately 18 feet by 38 feet constructed on the Property and a sauna, changing room and bathroom constructed in the existing accessory building, all at the sole cost and expense of the Sponsor by December 31, 1977. In addition, the Sponsor will, if all 20 units are sold, or may, at its option, if a lesser number of units are sold, enclose the swimming pool for year-round, indoor use, the cost of maintaining it, such as oil and electricity, which are part of the common charges may be substantially increased. The existing pool sub-structure was excavated and removed. If enclosed, the new pool building will consist of 12 inch by 24 inch footings with 8 inch masonry foundation walls with 4 inch block and 4 inch brick veneer above and the superstructure above the pool itself will be a transparent tempered glass and aluminum system functioning on a spacing of 10'-4" between aluminum I beams which bear on pilasters in the 8 inch masonry wall below. The pool itself will be reinforced concrete in construction. Building permit No. 1966 was issued on October 18, 1976.

The existing accessory building is a two-story frame structure with brick veneer on one face. The first floor of the existing accessory building is a common area and presently contains a workshop area and a garage area for the maintenance equipment, pool equipment and supplies and a sauna, changing room and bathroom will be installed for use in connection with the pool. The second floor of the existing accessory building shall be a limited common area reserved for the exclusive use of the owners of Units #1 and #2 and may be used for professional or personal use or for the office of the managing agent if said agent is owned by the principals of the Sponsor. Until such times as the owners of Units #1 and #2 shall surrender their exclusive use of the second floor of the accessory building, they should maintain and repair the interior of said second floor of the accessory building and will pay all insurance costs allocable to said second floor.

A tennis court has been built on the Property as shown on the Plans and this tennis court, which is part of the common area, will be available for the use of Unit Owners subject to the rules and regulations of the Board of Managers.

CHANGE IN LAYOUT, PRICE OF UNITS
AND SUBSTITUTION OF MATERIALS

In order to meet the possible varying demand for size and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, the Sponsor reserves the right to change the size, number and location of the buildings and other improvements, to change the price (including the terms of sale and manner of payment of the purchase price), to change the layout of, or number of rooms in, any Unit including dividing the second bedroom of the Carlton into two bedrooms and to change the size and/or number of Units by subdividing one or more Units into separate Units or combining separate Units into one or more Units. In addition, the Sponsor reserves the right to reapportion among the Units affected by any such change, subdivision, combination or alteration, their appurtenant interests in the common elements. No such change shall be made by Sponsor with respect to any Unit for which a Purchase Agreement has been accepted and is not then in default, unless the purchaser consents thereto.

Purchasers of Units affected by any of the foregoing changes or alterations may pay more or less than other purchasers under this Plan for similar Units, but this shall not affect any prior or subsequent sale of Units not the subject of such change or alteration. Once the Declaration is recorded, no change may be made in the percentage of interest in the common elements of the Units, unless the Declaration is amended and such amendment is duly recorded.

Notwithstanding the right to change prices herein reserved, no prices may be increased except by a duly filed amendment.

THE SPONSOR ALSO RESERVES THE RIGHT TO SUBSTITUTE FOR ANY OF THE MATERIALS SPECIFIED IN EXHIBIT C, MATERIALS OF SUBSTANTIALLY SIMILAR OR BETTER QUALITY. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan and in the architectural plans on file, but, due to unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment of substantially similar or better quality for any of those set forth in Exhibit C or otherwise in this Plan.

RECORDATION, INSPECTION AND
DELIVERY OF DOCUMENTS

The Declaration and the By-Laws will be recorded in the office of the County Clerk of Westchester County, Division of Land Records, prior to the conveyance of title to the first Unit. In addition, a set of blue

plans of the Buildings showing the layout, location and approximate dimensions of the Units and the Unit designations, certified by the Board of Assessors of the Town of Greenburgh as conforming to the official tax lot number for each such unit and an Architect's statement required by Section 339-g of Article 9-B of the Real Property Law of the State of New York certifying that the plans fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, will be recorded in said County Clerk's office.

Pursuant to Section 352-a(9) of the General Business Law, copies of this Offering Plan and all Exhibits or documents referred to herein are and will be kept on file at the office of the Sponsor for six years for examination by any person who has purchased a Condominium interest offered by this Plan or otherwise has participated in this offering.

Copies of the specifications and of the architect's plans are also on file in the office of the Sponsor and will be available for examination by any prospective purchaser.

EFFECTIVE DATE OF THIS OFFERING PLAN

This Offering Plan will become effective at Sponsor's option, but in no event prior to the date upon which there are valid and binding Purchase Agreements for seven (7) in number of the Units to be included in this Condominium. The Sponsor, must, however, declare this Plan effective at such time as Sponsor shall have entered into valid and binding Purchase Agreements for 75% in number of the Units to be included in this Condominium. For the purpose of this Offering Plan, a Purchase Agreement shall be valid and binding if executed by both purchaser and Sponsor and the necessary mortgage applications shall have been approved for those purchasers whose Purchase Agreements are subject to such approval. When this Plan is effective, all purchasers will be promptly notified. This plan will be declared effective by an amendment duly filed with the Attorney General of the State of New York.

This Offering Plan may be abandoned by the Sponsor at any time prior to being declared effective. However, if this Plan is not declared effective within 24 months following its presentation to the public, then at the expiration of such 24 months this plan shall be deemed abandoned. If the Plan is abandoned, all purchasers will

be promptly notified, and all monies paid by them under their respective Purchase Agreements will be promptly returned to them without interest.

After this Plan shall be declared effective and prior to the conveyance of title to the first Unit, the Declaration and By-Laws shall be recorded and the Floor Plans filed as hereinbefore set forth.

EXPENSES PRIOR TO EFFECTIVE DATE OF CONDOMINIUM

The Sponsor will bear all costs and expenses incurred in connection with the creation of the Condominium and the sale of Units, including, but not limited to, selling expenses and commissions upon the sale of Units, advertising and printing expenses, architect's fees, organization costs, engineering and appraisal, whether incurred prior or subsequent to the effective date of the Condominium. At the time of the conveyance of the first Unit there will be no unencumbered liens on any of the property comprising the Condominium except (1) unpaid installments of real estate taxes which, although a lien against the Property, are not yet due (these taxes on the Unit being conveyed will be adjusted between Purchaser and Sponsor at the closing), (2) a first mortgage placed by the Sponsor subject to the Declaration and By-Laws of the Condominium when mortgage shall be released as to each Unit at the time of closing of title thereto and (3) such other liens and encumbrances described on pages and hereof.

PURCHASERS' MORTGAGES

The Sponsor does not have a commitment from a bank or other institution to grant mortgage loans to purchasers of Units. Sponsor has discussed a commitment with a number of banks and such a commitment may be obtained before a purchaser contracts to purchase a Unit. Any purchaser of a Unit shall have the right to go to a bank or other party of his choosing to apply for a mortgage loan. In the event that the Purchase Agreement is conditioned upon the purchaser obtaining such a mortgage commitment and no such mortgage commitment is obtained then purchaser shall have the right to cancel the Purchase Agreement in accordance with the provisions of said Purchase Agreement. It is anticipated that mortgages of this type will bear interest at the rate of 8-1/2% per annum and have terms up to 30 years provided the purchaser meets the requirements of the lender.

It is anticipated that if a mortgage loan is obtained it will be payable in equal consecutive monthly installments, in amounts which if paid during each calendar

month during the term of the loan will liquidate the loan and interest as stated above. Each monthly installment would be applied first to interest on the principal amount of the loan outstanding from time to time at the rates therein specified and the balance will be applied to the reduction of the principal.

In the event Purchaser is unable to obtain mortgage financing elsewhere, the Sponsor shall have the right but not the obligation to grant or arrange a purchase money mortgage loan by itself or others to the Purchaser. Any purchase money mortgage loan granted by Sponsor shall bear interest at a rate not to exceed 8-1/2% per annum. Each initial mortgage loan will close simultaneously with the closing of title to the Unit and the proceeds thereof will be applied on account of the purchase price of the Unit.

If a Purchaser has not received a commitment for a mortgage loan from the lender of Purchaser's choice as hereinabove provided, within thirty (30) days from the date of the Purchase Agreement then, unless within thirty (30) days from the date of notification by Purchaser of such refusal Sponsor shall obtain or grant a mortgage commitment upon substantially the same terms, said Purchase Agreement may be terminated by either party and all payments required, without interest.

OBLIGATIONS OF SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. The ability of the Sponsor to perform its obligations will depend upon its financial condition at the time it is called upon to perform. No representation can be made that it will be financially able to perform any such obligations.

The Sponsor will deliver to the Board of Managers, at the time of conveyance of the first Unit, an undertaking obligating Sponsor to perform the following obligations:

1. The Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction of the Units and common elements for work performed and fixtures, material and equipment supplied or installed in the construction of the Condominium.

2. The Sponsor will diligently, expeditiously and at its own cost, complete the construction of the Condominium substantially in accordance with the plans and specifications described herein. If any work still remains to be done to complete the building stage of the Condominium, including the Units and Common Elements, Sponsor, at its own cost and expense, will perform or cause all such work to be performed and will supply or cause all such work to be supplied and will pay therefor and will discharge all mechanics' liens which may be filed as a result of the construction of the Units or Common Elements.

3. If a permanent Certificate of Occupancy on the Building or the Unit shall not have been issued at the time of closing any Unit, the Sponsor will duly and diligently secure such permanent Certificate of Occupancy and will, at its sole cost and expense, do and perform or cause to be performed all work and will supply or cause to be supplied all material necessary therefor and will provide said permanent Certificate of Occupancy within one year after closing.

4. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred, or in connection with the sale of all of the Units held or owned by the Sponsor and will pay, except as otherwise provided herein, all selling expenses, including, but not limited to, advertising and printing costs, architect's fees, organization costs, brokerage commissions and engineers' fees and costs.

5. At such time as the Unit Owners are required to begin to pay the common charges allocable to their Unit, the Sponsor will pay all common charges, taxes and other expenses allocable to any Units owned by the Sponsor, whether built or unbuilt, so long as Sponsor shall continue to own the same.

6. The Sponsor, after the conveyance of title to all of the Units, or two years after conveyance of title to the

first Unit, or one (1) year after the conveyance of title to 51% in number of the Units, whichever shall first occur, or at such earlier time as Sponsor deems to be in the best interests of the parties, shall notify all Unit Owners that the first annual meeting of the Unit Owners shall be held within 30 days thereafter, and that at such meeting the persons designated by Sponsor shall resign as members of the Board of Managers and all Unit Owners, including the Sponsor (as long as it remains an Owner of Units), shall elect a new Board of Managers in accordance with the By-Laws. However, after such first annual meeting of unit owners, the Sponsor shall not have voting control of the Board of Managers. Sponsor's designees on the Board of Managers shall be obligated to enforce the "Obligations of Sponsor" until such time as they resign from the Board.

7. The Sponsor will pay the indebtedness secured by any building loan mortgage and will comply with all of the other terms and provisions of such mortgage, the note which it secures and the building loan agreement pursuant to which said note and mortgage were executed until such time as the closing of title to each Unit. Prior to or simultaneously with the closing of title to each Unit, the Unit to which title is being conveyed and its appurtenant interest in the common elements shall be released from the lien of said building loan mortgage. In addition, before closing of title to the first Unit, all liens affecting the project shall be paid, bonded or satisfied or the Units being conveyed and their appurtenant common interest shall be released therefrom by partial release duly recorded.

8. The Sponsor will promptly correct any defects in the construction of the Building and the Units therein, or in the installation or operation of any mechanical equipment therein, due to improper workmanship or materials substantially at variance with the plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to his Unit within one (1) year from the closing of title to such Unit or by the Board of Managers as to the common elements within one (1) year after the first annual meeting of the Unit Owners. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications. Sponsor makes no warranties as to kitchen appliances, air conditioning units, washers, dryers, hot water heaters, air-conditioning, or heating equipment except that it will assign to the Purchaser the manufacturer's warranties thereon as set forth in Exhibit C to the extent same are assignable.

After completion of construction and prior to the first annual meeting of the Unit Owners, the Sponsor shall

provide "As Built" plans to the Board of Managers. Said plans shall contain the certification of Sponsor's architect or professional engineer that to the best of his knowledge the buildings were built substantially in accordance with the plans as amended on file with the Building Department of the Village of Dobbs Ferry.

Notwithstanding the above obligation of Sponsor to correct defects in the construction of the Buildings and Units, Sponsor assumes no responsibility and shall not be liable to repair or replace any of the following: (1) nail pops and ridging of sheet rock walls or ceilings, (2) doors sticking due to weather, (3) door warpage of less than 1/2", (4) bath tile grouting, (5) slight separation in joints of kitchen floor tile, (6) checking of exterior fascia and trim, (7) normal settlement and deflection or any consequential damage resulting therefrom, (8) normal plumbing and heating noises, (9) the partial or total death of any trees, shrubs, bushes, ground cover, grass or other landscape improvements. Each purchaser shall carefully inspect his Unit prior to title closing. After the conveyance of title to a Unit or the completion of the common elements, as the case may be, the Sponsor shall not be responsible for paint touch ups, a repair of dented or scratched appliances, repair of chips, scratches, marks, breaks or other blemishes in windows, sliding glass doors, mirrors, screens, electric fixtures and globes, brick pavers, sinks, tubs, basins, kitchen cabinets and counter tops, vanity tops and cabinets, medicine cabinets, ceramic tile floor and base, marble saddles, resilient floor tile, woodwork and doors; nor shall Sponsor be responsible for replacement of fluorescent light ballasts and filters.

It is anticipated that minor cracks will appear in ^{Set} exposed poured-in-place concrete, and the Sponsor will not repair or replace concrete exhibiting such cracks.

The Sponsor makes no other representations or warranties except as provided herein and none should be implied nor will any survive delivery of the deed.

9. The Sponsor will cause the architect to make periodic inspections at various stages of construction to determine that the buildings and improvements are being built substantially in accordance with the architectural plans and specifications. The inspections reports shall be available for review by prospective purchasers. See the description of the architect as set forth on page 21 herein.

10. Until (1) 11 months after the first annual meeting of the Unit Owners, or (2) 11 months after the closing of title to the last Unit, whichever is sooner, provided that the project is completed or (3) the abandonment of the Condominium Plan, the Sponsor will not voluntarily assign, transfer or sell its interest in the real property which is the subject of this offering, except in accordance with this Offering Plan, and the principals will not voluntarily reduce by more than 49 percent their ownership or their voting rights of the Sponsor. Further, during such period the principals of the Sponsor shall not voluntarily liquidate the Sponsor or make any distribution of the assets of the Sponsor except for the payment of any expenses (including salaries, fees and other expenses) and repayment or reduction of the obligations of the Sponsor or any corporate nominee of the Sponsor pertaining directly or indirectly to this offering.

However, the Sponsor may be liquidated at any time after completion of the project and may distribute any of its assets at any time thereafter whenever such distribution does not pertain to this offering, or may distribute assets other than in liquidation if the principals of the Sponsor deliver to the Board of Managers a bond from a surety company licensed to do business in New York, set aside cash in a special bank account and deliver notice of the existence of such bank account to the Board of Managers or deliver a letter of credit to the Board of Managers for the purpose of securing the obligations of the Sponsor, which bank account or bond or letter of credit shall be in the amount of \$50,000.00 and which bond or letter of credit shall run for a term ending 11 months after the closing of title to the last Unit or 11 months after the transfer of control of the Board of Managers to the Unit Owners, whichever is sooner, and in the case of liquidation, 30 days notice of intention to liquidate is given to all Unit Owners.

This paragraph shall in no way be deemed as a limitation of any of the Sponsor's obligations or any of the rights and remedies of the Unit Owners pursuant to Law.

Each of the obligations of the Sponsor contained in this section shall be enforceable by any Unit Owner as to his Unit or by the Board of Managers on behalf of the Unit Owners as to common elements. The Sponsor has no obligation to make any repair to the Units or common elements except as set forth in this Plan.

11. The Sponsor will obtain an electrical certificate of compliance from the New York Board of Fire Underwriters.

The representations contained in paragraphs 1 through 11 of this section shall survive delivery of the deed to any Purchaser of a Unit.

CONTROL OF MANAGEMENT BY SPONSOR

Title to all unsold Units will remain with the Sponsor until such Units shall thereafter be sold by the Sponsor. (Such sale does not require the approval of or a first offer to the Board of Managers.)

The Sponsor, as owner of unsold Units, will have control of the Board of Managers until the transfer of title to all Units, or until one year after the closing of title to 51% in number of the Units, whichever shall first occur, but in no event for more than two (2) years after the closing of title to the first unit. The Sponsor may transfer control of the Board of Managers at an earlier time if Sponsor deems it to be in the best interest of the parties. During this period of control Sponsor shall choose all or a majority of the members of the Board of Managers. The Sponsor, during this indeterminate period, thus will have control of maintenance, facilities and services to be provided and will determine the common charges to be paid by all Unit Owners, which will include the Sponsor, and the enforcement of the Sponsor's obligations. During this period of control by the Sponsor, the Sponsor's obligation, as set forth in this Offering Plan, will be enforced by the Sponsor and its Designees on the Board of Managers. The common charges during this period will not accrue reserves. After the closing of title to all units, two years from the conveyance of title to the first unit or one year from the closing of title to more than 51% in number of the Units, whichever shall first occur, the Sponsor shall notify all Unit Owners thereof, and the first annual meeting of Unit Owners shall be held within 30 days thereafter. At such meeting, the persons designated by Sponsor shall resign as members of the Board of Managers, and all Unit Owners shall elect a new Board of Managers. The owners of each Unit shall be entitled to cast one vote for each .01% of interest in the common elements attributable to the Unit or Units owned by him on all matters put to a vote at all meetings of Unit Owners. The presence, in person or by proxy, of a majority in interest of Unit Owners shall constitute a quorum at all meetings of Unit Owners and unless otherwise provided, the vote of a majority in interest of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners. If Units are owned by more than one person, the persons owning said Unit shall agree among themselves and cast the votes for their Unit as a block.

SALE OF UNITS

The Units, when sold by the Sponsor, will be sold in fee simple to purchasers who may be individuals, partnerships, corporations or fiduciaries. The sale of the Units will be made at the respective sales prices set forth in Exhibit B annexed hereto (as such prices may be changed by Sponsor as set forth on page 9) and will include the respective undivided interests in the common elements. Good and marketable title to the Units and their appurtenant interests in the common elements will be conveyed by the Sponsor by Bargain and Sale Deed without Covenants against Grantor's Acts and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law, subject to the following:

1. State of facts shown on a survey made by Ward Carpentry Engineers Inc., 76 Mamaroneck Avenue, White Plains, N.Y. dated May 17, 1971.

2. Any additional state of facts which an accurate survey would show since May 17, 1971 providing such additional facts do not render title unmarketable.

3. Zoning and building ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the contemplated structures.

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

5. Easements contained in Liber 70 cp206, Liber 639 cp273, repeated in Liber 636 cp341 and Liber 2126 cp393. The aforementioned easements provide for water, spring and pipe rights and sewer rights of adjoining owners under and through the premises. Water and sewer services are being provided by governmental or private companies and the foregoing easements are not presently being utilized and it is not anticipated that they will be used in the future.

6. The Declaration, By-Laws, Maps and Floor Plans to be recorded in the Office of the County Clerk of Westchester County, Division of Land Records, as the same may be amended from time to time, provided that the title insurance company insures that a valid condominium has been created.

7. Any state of facts which an accurate survey of that Unit would show, provided same does not render title unmarketable.

8. Easements in favor of adjoining Units and in favor of the common elements for the continuance of all encroachments of such adjoining Units or common elements on the Unit, existing as a result of construction of the Buildings, or which may come into existence as a result of settling or shifting of the Buildings, or as a result of repair or restoration of the Buildings or of any adjoining Unit or of the common elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the common elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Buildings shall stand.

9. Easements in favor of the Units to use the pipes, wires, ducts, conduits, cables, public utilities located in the common elements and serving such Units.

10. Exclusive rights in favor of any Unit having access to a yard and/or patio directly from the interior of such Unit, for the exclusive use of such yard and/or patio. The second floor of the existing accessory building is designated as a limited common area with exclusive rights to the owners of Units 1 & 2 as described herein.