

11. Franchise taxes, if any, provided the title company issuing a policy of title insurance to the purchaser will insure that such taxes cannot be collected from the Unit.

In the opinion of counsel to the Sponsor, none of the foregoing exceptions to title will materially adversely affect the proposed uses of the property as set forth in this Plan. Copies of the Agreements, Declaration, Easements, Covenants and Restrictions herein set forth are available for inspection by Purchasers and their Attorneys at the office of the Sponsor.

#### PURCHASE AGREEMENT AND PAYMENTS

When a prospective Purchaser has decided to purchase a Unit, a Purchase Agreement in the form annexed hereto as Exhibit E will be executed by such Purchaser. When accepted in writing by the Sponsor, subject to the Sponsor's rights to abandon this Offering Plan, as set forth on pages 11 and 12 herein. Sponsor shall have 30 days within which to accept or reject such Purchase Agreement.

Upon signing the Purchase Agreement, the Purchaser shall make a down payment towards the total price of such Unit in an amount not greater than 10% of the purchase price.

Upon the closing of title, the Purchaser will be required to pay the balance of the cash portion of the price of his Unit and upon payment thereof and execution and delivery of Purchaser's mortgage, if any, Purchaser will receive a Bargain and Sale Deed without Covenants Against Grantor's Acts in the form annexed as Exhibit F.

The Purchase Agreement will provide that the Purchaser is purchasing his Unit without relying upon any warranties or representations as to its size, dimensions or other physical characteristics or as to financial data or estimated income tax deductions, except as specifically represented in the Declaration, By-Laws, Offering Plan, Plans and Specifications, printed floor plans and model Units, if any. It will also incorporate the Offering Plan by reference. Any inconsistency between the Purchase Agreement and this Offering Plan shall be resolved in favor of the Offering Plan.

If after the effective date of this Plan as hereinbefore described, title to a Unit has not been conveyed to a Purchaser within six (6) months after the closing date set forth in his Purchase Agreement (except where such failure is due to the default of Purchaser) or any adjourned date which has been agreed upon by both Sponsor and Purchaser (except where such failure is due to the default of Purchaser), then the Purchaser shall have the right to cancel his Purchase Agreement upon written notice given to the Sponsor and upon such cancellation the Sponsor shall return any monies paid under the terms of the Purchase Agreement, without interest. (See, "Trust Funds.")

All brokerage commissions, if any, on the sale by the Sponsor will be paid by the Sponsor. No other broker is being employed for the sale of Units.

#### APPLICATION FOR NONBINDING UNIT RESERVATION

If a prospective Purchaser wishes to reserve a Unit pending his review of the Condominium Documents, he may do so for a period of five (5) days by executing an Application for Nonbinding Unit Reservation and depositing the sum of \$50.00 with Sponsor. At this time each Purchaser shall receive a copy of the Offering Plan. A Purchase Agreement should not be executed until at least forty-eight (48) hours after Purchaser receives said Offering Plan, and if executed prior thereto shall be null and void. The reservation deposit shall be refundable if the Purchaser shall demand the return thereof by delivering or mailing said demand to Sponsor and returning therewith the Offering Plan in good order. The reservation deposit may be refundable without demand at any time after five (5) days after the date of said Application for Nonbinding Unit Reservation. Said reservation deposit shall be held by Sponsor in trust unless returned or applied as aforesaid.

#### TRUST FUNDS

The Sponsor will hold the monies received by it directly or through its agents or employees in trust until actually employed in connection with the consummation of the transaction as herein described, including the construction of the Unit. In the event that insufficient funds are raised through the offering or otherwise to effectuate the contemplated transaction, or in the event that Sponsor is unable for any reason to perform in accordance with the terms of the Purchase Agreement, or in the event that the Purchase

Agreement has been conditioned upon the availability of a mortgage loan and said loan has not been obtained by the Purchaser, then such monies will be fully returned to the Purchaser, without interest.

The Sponsor has appointed Gottlieb Schiff Ticktin Fabricant & Sternklar, P.C., 555 Fifth Avenue, New York, New York 10017, as agent to hold the monies paid by Purchasers. Gottlieb Schiff Ticktin Fabricant & Sternklar, P.C. will receive the money paid by the Purchaser at the time of the execution of the Purchase Agreement and any further purchase money which may come into the hands of the Sponsor prior to the closing of title to the Units for which such monies were deposited and will hold the same in a special non-interest bearing account at Citibank, N.A., Madison Avenue and 42nd Street, New York, New York. Until such time as this Offering Plan shall be declared effective all such monies, except for such contract deposits that are required to be returned to the Purchaser as a result of a termination and cancellation of such Purchaser's Purchase Agreement, shall be retained in said special account.

The amounts paid by Purchaser shall continue to be the money of the Purchaser and shall be held in accordance with the provisions of Section 352(h) of the General Business Law of the State of New York.

If the Purchaser fails to take title because of his default under the Purchase Agreement, the Sponsor may (but shall not be obligated to) elect to cancel the same and if, within ten (10) days after written notice to the Purchaser, any default is not remedied, the monies held by the agent not to exceed the down payment of not greater than 10% of the purchase price plus the cost of optional items and extras selected by the Purchaser shall be paid over to the Sponsor as and for liquidated damages, any additional monies held by the agent shall be returned to the Purchaser and thereafter the Purchase Agreement shall become null and void.

#### CLOSING OF TITLE TO UNITS

The closing of title to each Unit will take place only after or concurrently with the following events:

1. The Declaration, By-Laws, Floor Plans and architectural authority certification required by Section 339-p of Article 9-B of the Real Property Law of the State of New York shall be recorded or filed as required by law; said Declaration and By-Laws shall be recorded and floor plans filed prior to conveyance of title to the first unit;
2. The issuance of a temporary or permanent Certificate of Occupancy for the Building or the Unit under contract;
3. Release of the Unit from the lien of all mortgages except the Purchaser's mortgage, if any, described on pages 12-13;
4. The issuance of a title insurance certificate by Chicago Title Insurance Company which agrees to insure fee title to the Unit to the Purchaser, free and clear of all liens and encumbrances except those set forth on pages 19 through 21, and Purchaser's Mortgage, if Purchaser has requested title insurance;
5. Assignment of all applicable warranties to the Board of Managers and delivery to the Purchaser of all applicable warranties on kitchen appliances, heating, hot water heater and air conditioning equipment in his Unit as herein provided.
6. The closing of the Purchaser's mortgage loan, if any;
7. The delivery to the Purchaser of a copy of the separate tax bill for the Unit, if previously issued by the taxing authority.

#### CLOSING COSTS, EXPENSES AND ADJUSTMENTS

The estimated closing costs, expenses and adjustments to be borne by each Purchaser of a Unit will be as follows:

a. (1) Fee title insurance, if ordered from the Chicago Title Insurance Company, will cost \$464.00 up to \$100,000.00 plus \$2.60 per \$1,000.00 of the purchase price or fraction thereof in excess of \$100,000.00 if Purchaser does not receive the benefit of a simultaneous rate for fee title insurance and mortgage title insurance.

(2) If the Purchaser receives the benefit of a simultaneous rate as the result of fee title insurance being issued simultaneously with a mortgage policy and the Unit is insured by the Chicago Title Insurance Company, the cost will be the premium for the mortgage policy at the full applicable mortgage rate as set forth herein and the premium for fee title insurance shall be at one-third of the basic rate up to the amount of the mortgage insurance, plus \$22.00, plus \$3.97 per \$1,000.00 or fraction thereof on the excess up to \$50,000.00 and \$3.23 per \$1,000 or fraction thereof on the excess over \$50,000.00 up to

\$100,000.00

b. Recording fee for recording the deed of approximately \$8.50.

c. If a mortgage loan is obtained, Purchaser shall be required to pay the following costs and fees at or prior to closing:

1. Mortgage title policy the rates for which are presently \$103.00 up to a mortgage of \$25,000.00 plus \$1.38 per \$1,000.00 or fraction thereof over \$25,000.00

2. Mortgage tax which is currently three-fourths of one percent ( $3/4$  of 1%) of the amount of the mortgage taken by Purchaser less \$25.00.

3. Recording mortgage approximately \$20.00

4. Any additional costs imposed by the particular Lender for appraisal fee, inspection fee and attorney's fees.

Purchaser shall also pay to the Sponsor for the closing a sum equal to the partial mortgage tax credit pursuant to Section 339-aa (2) of the Real Property Law of the State of New York to reimburse the Sponsor for the mortgage recording tax previously paid by the Sponsor in connection with the construction loan mortgage and the balance of the mortgage tax computed as above set forth shall be delivered to the title company for payment in connection with the recording of the Purchaser's mortgage. The Purchaser shall also reimburse to Sponsor at the closing any other of the aforementioned expenses advanced by Sponsor on behalf of Purchaser.

e. The fees and expenses of Purchaser's own attorney, if any. IT IS ADVISABLE THAT EACH PURCHASER CONSULT AN ATTORNEY IN CONNECTION WITH THE PURCHASE OF A UNIT.

f. Purchaser's prorata share of the Condominium's insurance policy hereinafter more particularly described, the premiums for which will have been prepaid by the Sponsor for the first year.

At the closing of title real estate taxes will be adjusted as of the closing date based upon the last bill rendered for such taxes. Common charges assessed during the month in

which the closes shall also be adjusted as of the closing date. The amount of such common charges to be assessed against each Unit will be fixed by the Board of Managers.

If the Purchaser has obtained a commitment for a mortgage loan to finance the purchase of his Unit, the mortgage may provide that the mortgagor shall deposit monthly with the mortgagee one-twelfth (1/12) of the estimated real estate taxes to be assessed against his Unit. The Purchaser may also be required to deposit with the mortgagee a portion of the annual real estate taxes assessed against his Unit for the forthcoming tax period.

In addition to regular monthly maintenance charges, at the discretion of the Board of Managers the Purchaser of a Unit will be required to deposit \$100 with the Board of Managers to create a capital equipment purchase fund, the purpose of which shall be to purchase lawn and snow removal equipment, tools and additional recreational equipment. If any of the foregoing items are supplied by the Sponsor, the Sponsor shall be reimbursed for the actual cost of such items out of this fund. The Sponsor shall deposit \$100 with the Board of Managers which shall be held in an escrow account and turned over by the Board of Managers controlled by the Sponsor to the first Board of Managers elected at the first annual meeting. Thereafter, the disposition of such escrow fund and the balance, if any, of the capital equipment purchase fund, shall be determined by the Board of Managers.

#### SALE OR LEASE OF UNITS BY UNIT OWNERS

With the exception of sale or lease of Units by the Sponsor or a mortgagee acquiring title in foreclosure, each Unit Owner shall be free to sell or lease his Unit, except that he must first give to the Board of Managers, on behalf of all other Unit Owners, an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered to the proposed purchaser or lessee, as more specifically provided in Article VII of the By-Laws of the Condominium. Any such sale or lease shall be substantially in the form recommended by the Real Estate Board of New York, Inc. for apartments, except as otherwise provided in the By-Laws. A Unit Owner may transfer, sell or lease his Unit to his spouse or to any of his children or his parent or parents or to his brothers or sisters, or to any one or more of them, without first

offering to sell or lease such Unit to the Board of Managers. In addition, a Unit Owner is free to devise his Unit by will, or to have it pass by intestacy without any restriction.

Notwithstanding the foregoing, the Sponsor, or a mortgagee acquiring title to a Unit in foreclosure, shall have the right to sell or lease Units owned by the Sponsor or such mortgagee without any requirement that the same be offered to the Board of Managers prior to such sale or lease as required pursuant to the aforementioned Article and Section of the By-Laws.

The Sponsor hereby reserves the right to rent a Unit to the purchaser of said Unit if the Purchaser so desires prior to the conveyance of title. In addition Sponsor also reserves the right to rent Units to non-purchasers. Purchasers of previously leased Units shall be notified by the Sponsor if the Unit being purchased has been previously occupied, and the condition the Unit shall be in at the time of closing, either "as is" or restored as nearly as possible to its original condition or otherwise. Every sale or lease of a Unit must include a similar sale or lease of such Unit's undivided interest in the common elements.

#### MORTGAGING OF UNITS BY UNIT OWNERS

Each Unit Owner is free to mortgage his Unit provided that the Unit Owner notifies the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers. Prior to or simultaneously with the closing of any such mortgage, the Unit Owner must satisfy all arrearages for unpaid common charges and discharge any liens therefor. If a Unit Owner wishes to sell his Unit, he may take back a purchase money mortgage.

#### ESTIMATED COMMON CHARGES

The Board of Managers shall at least once each year prepare a new budget for the Condominium and may change the budget for the Condominium each month. Copies of such budget shall be furnished to the Unit Owners and, if required, to their mortgagees. The common charges to be paid by each Unit Owner in accordance with his Unit's proportionate interest in the common elements shall be based upon such budget. Annexed hereto as Exhibit B is the proposed budget for the first full year of Condominium operation.

It is anticipated that an employee of the Condominium will be responsible for snow removal and landscape maintenance utilizing the equipment owned by the Condominium.

Each of the financial estimates appearing in the Exhibits to this Plan have been prepared by the Sponsor. The proposed budget has been reviewed for the purpose of determining the adequacy of the estimates contained therein. See the Letter of Adequacy set forth at page 34 hereof.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against his Unit subsequent to a permissible transfer by him of such Unit, or subsequent to a conveyance of such Unit by him without consideration to the Board of Managers on behalf of all Unit Owners, in accordance with the provisions of the Declaration and By-Laws, providing his Unit is free and clear of all liens and encumbrances other than a permissible first mortgage and a statutory lien for common charges.

#### LIENS FOR NONPAYMENT OF COMMON CHARGES

Under the provisions of Section 339 of the Real Property Law of the State of New York, the Board of Managers, on behalf of the Unit Owners, shall have a lien on each Unit for unpaid common charges assessed against such Unit by the Board of Managers. Such lien, however, shall be subordinate to liens for taxes on the Units and any sums unpaid on a first mortgage of record on such Unit. Any lien for unpaid common charges against a Unit shall be effective from and after the filing of a notice thereof in the Office of the County Clerk of Westchester County, Division of Land Records, and until all sums secured thereby with the interest thereon shall have been fully paid or until six (6) years from the date of filing (unless the foreclosure of such lien is started within such six (6) year period), whichever shall be sooner. Such lien may be foreclosed by a suit brought in the name of the Board of Managers, acting on behalf of the Unit Owners, in like manner as a mortgage of real property.

#### INCOME TAX OPINIONS

The Sponsor has been advised by Gottlieb Schieff Ticktin Fabricant & Sternklar, P.C. that each Unit Owner will be entitled under present law to deduct for Federal and New York State income tax purposes the real estate taxes assessed against his Unit and paid by him, and the amount paid by him on account of interest on any mortgage indebtedness covering his Unit.

In addition, the Sponsor has been advised by counsel and believes that persons who become Unit Owners and who are veterans of the United States Armed Forces may be entitled to Veterans' Exemptions covering part of the real estate taxes otherwise assessed to their respective Units. The final assessed valuation of the project and the Units will not be determined by the local taxing authorities until completion of the project.

Each Unit Owner's proportionate share of the net income received by the Board of Managers including net income, if any, from the sale or leasing of Units owned by the Board of Managers or its designee on behalf of all Unit Owners (or from similar sources), will either be includable by the individual Unit Owners as taxable income for Federal and New York State income tax purposes or the Condominium itself may be taxed thereon. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional common charge.

The opinion of Gottlieb Schiff Ticktin Fabricant & Sternklar, P.C., Attorneys, with respect to the deductibility for Federal and New York State income tax purposes of any real estate taxes paid by a Unit Owner and the amount of interest on any mortgage indebtedness covering his Unit paid by him is set forth at page 52 hereof. Exhibit B on pages 38 to 39 contains an estimate of the amount of real estate taxes and mortgage interest which a Unit Owner will be entitled to deduct for Federal and New York State income tax purposes. Such estimates were prepared by the Sponsor and are an aggregate of the estimated monthly real estate taxes to be assessed against each Unit and paid by the Unit Owner and the interest portion of each monthly mortgage payment based on the maximum mortgage loan available for each Unit for a term of 30 years and bearing interest at 8 1/2% per annum, the maximum legal rate in effect in the State of New York.

No warranties or representations are made that either the United States Treasury Department or the New York State Department of Taxation and Finance will allow or continue to allow the aforementioned deduction for real estate taxes and/or mortgage interest to Unit Owners. The Sponsor and Gottlieb Schiff Ticktin Fabricant & Sternklar, P.C. Attorneys, shall in no event be liable if for any reason it shall be held that the Unit Owners are not entitled to such income tax deductions for real estate taxes and/or mortgage interest, or to a Veteran's Exemption, as aforesaid.

## EASEMENTS

Each Unit Owner shall have an easement in common with the Owners of other Units to use all pipes, ducts, cables, wires, conduits, public utility lines or other common elements located in the common areas serving his Unit. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by his Unit on any adjoining Unit or on any common element, now existing or arising as a result of construction of the Buildings, or which may come into existence hereafter as a result of the Buildings settling or shifting, or as a result of restoration of the Buildings or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Buildings stand. The Board of Managers, through the manager, managing agent, or their employees shall have a right of access to each Unit to inspect and make repairs to the Unit to prevent damage to the common elements or any other Unit.

### GENERAL INFORMATION CONCERNING THE SPONSOR

F & G Properties Corp., is a New York corporation. The principal officers and directors of the Sponsor are the following:

P. K. Fung, President, Treasurer and Director  
Ferdinand Gottlieb, Vice President, Secretary & Director  
Flora Sie Fung, Director  
Bernice Gottlieb, Director

Mr. Ferdinand Gottlieb is a licensed architect with twenty-two years experience as an architect and has been involved as an owner, consultant and manager of real estate since 1954. Mr. Gottlieb has been the architect and had design and construction supervision of many projects since 1954 including an office building for JAMRO CORP. at 645 Island Avenue, Ramsey, New Jersey in 1975, the alteration and conversion of 715 Fifth Avenue, New York, New York and construction of Two West 56th Street in connection therewith for the Rizzoli Corporation from 1968 to 1970, the alterations and additions to the New York School for Nursery Years (now Horace Mann) at 55 East 90th Street, New York, New York in 1969, the installation of offices on the 36th floor for Casa di Risparmio di Firenze, Genoa, etc. at 375 Park Avenue, New York, New York in 1975 and 1976, and the construction of an office and warehouse building for the Pirelli Tire Corp. in Oakland, New Jersey in 1972 and 1973. In addition, Mr. Gottlieb has been the architect and had design and construction supervision of the construction of over 40 private residences and brownstone alterations. Mr. Gottlieb is the architect and builder of a 60-unit townhouse development (not a condominium or cooperative) presently under construction at 1400A South Gessner, Houston, Texas.

Mr. P. K. Fung is an engineer with a Bachelor of Science degree from the Massachusetts Institute of Technology and a Doctor of Philosophy Degree from Iowa State University.

#### THE ATTORNEYS FOR THE SPONSOR

The Sponsor has retained the law firm of Gottlieb Schiff Ticktin Fabricant & Sternklar, P.C., 555 Fifth Avenue, New York, New York, who drafted the Declaration, the By-Laws, this Plan, the form of purchase agreement, the form of deed and all other documents necessary in connection with the formation of the Condominium, and who are advising the Sponsor in connection with all legal matters incidental thereto.

#### ARCHITECT

Ferdinand Gottlieb Architects, P.C. (the Architect) has been retained as architect for the project. The principal of the Architect, Ferdinand Gottlieb, is also one of the principals of the Sponsor and one of the principals of Flober Construction Corp. which has contracted with the Sponsor to construct the Condominium. Ferdinand Gottlieb may therefore profit from the Condominium in his capacity as principal of the Architect or as principal of the Sponsor or as general contractor.

#### TERMINATION OF CONDOMINIUM

The Condominium shall continue (unless terminated by casualty loss or by condemnation) until such time as the Property shall be withdrawn from the provisions of Article 9B of the Real Property Law of the State of New York as a result of the vote so to do of at least 80% in number and in common interest of the Unit Owners at which time the Property shall be subject to an action for partition by any Unit Owner or any lienor, as if owned in common, in which event the net proceeds of the sale resulting therefrom shall be divided among all Unit Owners in proportion to their respective interests in the common elements, after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner, to the payment of any liens on his Unit, in the order of the priority of such liens. Sponsor shall not vote its interest to terminate the Condominium unless 80% of Unit Owners other than the Sponsor so vote.

#### GENERAL

A. Each Unit Owner shall be required to comply with and abide by the Declaration, the By-Laws and the Rules and

Regulations of the Condominium made in accordance therewith and to pay the common charges levied by the Board of Managers. Such obligations shall be enforceable by the Board of Managers by foreclosure of the statutory lien against the Unit for the amount of any such unpaid common charges or by suit to collect the same, by action for damages, by injunction or by other appropriate relief. Failure to comply with the Declaration, By-Laws, and Rules and Regulations of the Condominium issued thereunder or to pay the common charges levied by the Board of Managers may be an Event of Default under the terms of Purchasers' Mortgages.

B. There are no lawsuits or other legal proceedings pending which could materially affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof.

C. The Sponsor will erect the Buildings with an intention of and expects to make a profit from the sale of the Units to be contained therein. Because of the many contingent factors, it is not presently possible to estimate such profit.

D. The Declaration and By-Laws of the Condominium are made a part of this Offering Plan as Exhibits G & H hereof.

E. Annexed to the By-Laws are the Rules and Regulations of the Condominium which shall apply until amended by the Board of Managers.

F. This Plan contains an accurate summary of the pertinent provisions of certain of the documents referred to herein and copies of all of such documents are on file with the Sponsor for inspection purposes. Any information, data, or representation not referred to in this Plan and not contained in the various documents mentioned herein, must not be relied upon. This Plan does not intentionally omit any material fact or contain any untrue statement of a material fact. No person has been authorized by the Sponsor to make any representation which is not expressly contained herein.

G. It is hereby represented that neither the Sponsor, the Condominium, the Board of Managers nor the sales agent will refuse to sell or offer, or will otherwise discriminate against any person or persons by reason of their race, religion, sex, color or place of national origin in the

sale, transfer, or lease of Units described in this Plan.

This Plan may not be changed or modified orally.

Dated: New York, New York

January 27, 1976

F & G Properties Corp.  
Sponsor