

NINTH AMENDMENT TO OFFERING PLAN

A Plan for Condominium Ownership of the
Premises at
100-110 Theodore Fremd Avenue
Rye, New York 10580

SPONSOR: J & M Associates
2500 Westchester Avenue
Purchase, New York 10577

SELLING AGENT: Ridgewood Management Corp.
2500 Westchester Avenue
Purchase, New York 10577

DATED: June 23, 1993

This Amendment Modifies and Supplements the terms of the original Offering Plan dated November 27, 1987 as amended by the First Amendment dated May 10, 1988, the Second Amendment dated June 29, 1988, the Third Amendment dated November 21, 1988, the Fourth Amendment dated May 22, 1990, the Fifth Amendment dated May 29, 1990, the Sixth Amendment dated July 9, 1990, the Seventh Amendment dated May 12, 1992, the Eighth Amendment dated April 9, 1993 and this Ninth Amendment.

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NINTH AMENDMENT TO OFFERING PLAN

RYEVIEW CONDOMINIUM

100-110 Theodore Fremd Avenue
Rye, New York 10580

This Amendment modifies and supplements the terms of the Offering Plan dated November 27, 1987 as amended by the First Amendment dated May 10, 1988, the Second Amendment dated June 29, 1988, the Third Amendment dated November 21, 1988, the Fourth Amendment dated May 22, 1990, the Fifth Amendment dated May 29, 1990, the Sixth Amendment dated July 9, 1990, the Seventh Amendment dated May 12, 1992 and the Eighth Amendment dated April 9, 1993 and should be read in conjunction with said Offering Plan.

1. Offer to Bona Fide Tenants in Occupancy

(a) The Purchase Price for bona fide tenants in occupancy as of the presentation of this Amendment shall be as set forth in Schedule A attached hereto for a period of ninety (90) days from the presentation of this Amendment.

(b) The Sponsor expressly reserves the right at all times to negotiate the Purchase Price and so long as it does not constitute a discriminatory inducement, the Sponsor may enter into an agreement with an individual purchaser to sell such individual a Unit or Units at a price lower than as set forth in Schedule A without prior notice and without amendment to the Plan.

(c) A bona fide tenant in occupancy who wishes to purchase their Unit at the amended Purchase Price should execute two copies of the Purchase Agreement attached hereto as Exhibit B and deliver the signed Agreement together with the downpayment of \$1,000. payable to "Cassin Cassin & Joseph Escrow Account" to the Sponsor's attorneys, Cassin Cassin & Joseph, 300 East 42nd Street New York, New York 10017 prior to the expiration of 90 days.

2. No Material Changes

Except as set forth in the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment, the Seventh Amendment, the Eighth Amendment and this Ninth Amendment to the Plan, there have been no material changes in the Plan.

3. Incorporation of Plan

The Plan, as modified and supplemented hereby, and in the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Amendments to the Plan, is incorporated herein by reference with the same effect as if set forth at length. All provisions in this Ninth Amendment shall have the same meaning as ascribed thereto in the Plan.

Dated: June 23, 1993
Purchase, New York

SPONSOR

J & M ASSOCIATES

SCHEDULE A

Building "A"

<u>Unit</u>	<u>Purchase Price</u>
1D	55,000.00
1H	110,000.00
2D	55,000.00
2E	55,000.00
2F	100,000.00
2G	110,000.00

Building "B"

1B	95,000.00
1C	98,000.00
2C	95,000.00
Garage	2,500.00

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EIGHTH AMENDMENT TO OFFERING PLAN

A Plan for Condominium Ownership of the
Premises at
100-110 Theodore Fremd Avenue
Rye, New York 10580

SPONSOR: J & M Associates
2500 Westchester Avenue
Purchase, New York 10577

SELLING AGENT: Ridgewood Management Corp.
2500 Westchester Avenue
Purchase, New York 10577

DATED: April 9, 1993

This Amendment Modifies and Supplements the terms of the original Offering Plan dated November 27, 1987 as amended by the First Amendment dated May 10, 1988, the Second Amendment dated June 29, 1988, the Third Amendment dated November 21, 1988, the Fourth Amendment dated May 22, 1990, the Fifth Amendment dated May 29, 1990, the Sixth Amendment dated July 9, 1990, the Seventh Amendment dated May 12, 1992 and this Eighth Amendment.

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EIGHTH AMENDMENT TO OFFERING PLAN

RYEVIEW CONDOMINIUM

100-110 Theodore Fremd Avenue
Rye, New York 10580

This Amendment modifies and supplements the terms of the Offering Plan dated November 27, 1987 as amended by the First Amendment dated May 10, 1988, the Second Amendment dated June 29, 1988, the Third Amendment dated November 21, 1988, the Fourth Amendment dated May 22, 1990, the Fifth Amendment dated May 29, 1990, the Sixth Amendment dated July 9, 1990 and the Seventh Amendment dated May 12, 1992 and should be read in conjunction with said Offering Plan.

1. Financial Disclosure

a) Attached hereto as Exhibit 1 is a Schedule of the unsold apartments held by the Sponsor which schedule sets forth the maintenance charges paid by the Sponsor monthly as well as the rental received by the Sponsor from tenants in the unsold apartments. The total maintenance payable by the Sponsor is \$1,509.45 and the total rental income received is \$5,995.00 and thus there is a monthly surplus of \$4,485.55.

b) The Sponsor has no financial obligations under the offering plan, other than the payment of maintenance charges, which will come due within twelve (12) months from the date of this Amendment.

c) The Unsold Units held by the Sponsor are not subject to any financing or mortgage commitment.

d) The monthly payments of maintenance set forth in subparagraph (a) above is funded by rental income and projected sales of Unsold Units and if such sales are not made, the Sponsor utilizes the equity in the partnership or calls upon its principals to make capital contributions to the Sponsor in order to meet its financial obligations.

e) The Sponsor is current on all financial obligations under the Plan including, but not limited to, maintenance charges, Reserve Fund and any other obligations under the Plan.

f) Attached hereto as Exhibit 2 is a list of all other buildings in which a principal of the Sponsor, either individually or as a partner of a principal of a Sponsor, owns more than ten (10%) percent of the unsold shares or units in such building. The Sponsor of the other cooperatives or condominiums

is not delinquent on any of its financial obligations with respect to its projects except as set forth in Exhibit 2. Offering plans are on file with the Department of Law with respect to the other projects and are available for public inspection.

g) The Sponsor relinquished control of the Board of Managers of the Condominium in 1988 and at the annual election of Managers, one Sponsor designee is elected to the Board.

3. Financial Statements

Attached hereto as Exhibit 3 is the certified Financial Statements for the fiscal year commencing January 1, 1992 and ending December 31, 1992.

3. No Material Changes

Except as set forth in the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment, the Seventh Amendment and this Eighth Amendment to the Plan, there have been no material changes in the Plan.

4. Incorporation of Plan

The Plan, as modified and supplemented hereby, and in the First, Second, Third, Fourth, Fifth, Sixth and Seventh Amendments to the Plan, is incorporated herein by reference with the same effect as if set forth at length. All provisions in this Eighth Amendment shall have the same meaning as ascribed thereto in the Plan.

Dated: April 9, 1993
Purchase, New York

SPONSOR

J & M ASSOCIATES

EXHIBIT 1
UNSOLD UNITS

<u>APT.</u>	<u>RENT</u>	<u>MAINT.</u>	<u>1992 TAXES</u>
A1D	\$550.00	\$155.31	\$149.69
A2D	800.00	155.31	149.69
A2E	715.00	155.31	149.69
A2F	700.00	210.09	201.05
A2G	790.00	217.00	208.39
B1B	775.00	208.49	195.18
B1C	800.00	205.83	196.65
B2C	<u>865.00</u>	<u>202.11</u>	<u>195.18</u>
	\$5,995.00	1,509.45	1,445.52

Exhibit 2

Joseph M. Cassin:

Tappan Manour Condominium
320-330 S. Broadway
Tarrytown, New York

Michael Grean:

- * Carolyn Court
- * Melissa Court

* The Sponsor is not current on its financial obligations in connection with these two projects. The Sponsor is engaged in ongoing discussions with the cooperative corporations.

* In accordance with the Twelfth Amendment to the Offering Plan, the Sponsor of this project filed for reorganization pursuant to Title 11 U.S.C., Chapter 11 of the Federal Bankruptcy Code. The Sponsor is not current on its financial obligations with respect to its financing.

Mel Savitz
Certified Public Accountant
280 North Central Avenue-Suite 140
Hartsdale, New York 10530
(914) 948-8183

To the Board of Managers and Members
Ryevew Condominium

I have audited the accompanying balance sheets of Ryevew Condominium as of December 31, 1992 and 1991, and the related statements of revenues, expenses and members' equity, and cash flows for the years then ended.

These financial statements are the responsibility of the association's management. My responsibility is to express an opinion on these statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed in Note 4, the association has not estimated the remaining lives of the components of the common property and current estimates of costs of major repairs and replacements that may be required in the future.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ryevew Condominium as of December 31, 1992 and 1991, and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

Dated: February 2, 1993



Mel Savitz

RYEVIEW CONDOMINIUM
BALANCE SHEETS
AS OF DECEMBER 31,

ASSETS

Assets	<u>1992</u>	<u>1991</u>
Cash-operating	\$ 906	\$ 4,743
Cash-short term investments	31,621	37,581
Accounts receivable	3,564	1,349
Prepaid expenses	<u>2,000</u>	<u>700</u>
TOTAL ASSETS	\$ <u>38,091</u>	\$ <u>44,373</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities

Accounts payable	\$ 3,124	\$ 2,659
Security deposits	<u>-</u>	<u>250</u>
Total Liabilities	3,124	2,909
Members' Equity	<u>34,967</u>	<u>41,464</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ <u>38,091</u>	\$ <u>44,373</u>

The accompanying notes are an integral part of the financial statements

RYEVIEW CONDOMINIUM
 STATEMENTS OF REVENUES, EXPENSES AND MEMBERS' EQUITY
 FOR THE YEARS ENDED DECEMBER 31,

	<u>1992</u>	<u>1991</u>
REVENUES		
Common charges	\$ 63,837	\$ 63,837
Interest	1,172	1,912
Other	<u>1,668</u>	<u>1,029</u>
Total Revenues	<u>66,677</u>	<u>66,778</u>
EXPENSES		
Repairs and maintenance	16,919	18,673
Major repairs and replacements	13,389	-
Fuel	10,587	12,174
Management fees	8,025	8,025
Professional	6,750	5,718
Insurance	5,360	5,197
Water	5,281	5,938
Gas and Electric	4,888	4,822
Office and sundry	1,616	1,842
Telephone	798	833
Taxes (note 2)	<u>429</u>	<u>709</u>
Total Expenses	<u>74,042</u>	<u>63,931</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(7,365)	2,847
Members' Equity-beginning of year	41,464	38,617
Members' contributions	<u>868</u>	<u>-</u>
MEMBERS' EQUITY-END OF YEAR	\$ <u><u>34,967</u></u>	\$ <u><u>41,464</u></u>

The accompanying notes are an integral part of the financial statements

RYEVIEW CONDOMINIUM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>1992</u>	<u>1991</u>
Cash flows from operating activities:		
Cash received from common charges	\$ 61,622	\$ 62,925
Other cash receipts	1,668	1,029
Interest income	1,172	1,912
Cash paid to suppliers	(61,738)	(64,041)
Cash paid for major improvements	<u>(13,389)</u>	<u>-</u>
Net cash provided by operating activities	(10,665)	1,825
Net cash provided by financing activities:		
Members' contributions	<u>868</u>	<u>-</u>
Net (decrease) increase in cash	(9,797)	1,825
Cash at beginning of year	<u>42,324</u>	<u>40,499</u>
Cash at end of year	\$ <u>32,527</u>	\$ <u>42,324</u>
Reconciliation of excess (deficiency) of revenues over expenses <u>to net cash provided by operating activities</u>		
Excess (deficiency) of revenues over expenses	\$ (7,365)	\$ 2,847
Adjustments to reconcile excess (deficiency) to net cash provided by operating activities:		
(Increase) in receivables	(2,215)	(912)
(Increase) decrease in prepaid expenses	(1,300)	2,000
Increase (decrease) in liabilities	<u>215</u>	<u>(2,110)</u>
Net cash provided by operating activities	\$ <u>(10,665)</u>	\$ <u>1,825</u>

The accompanying notes are an integral part of the financial statements

RYEVIEW CONDOMINIUM
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1992 AND 1991

NOTE 1- ORGANIZATION

Ryevview condominium is an unincorporated association formed August 1, 1988 to maintain the common elements of the property.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

Real property and common areas, and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the association.

Income Taxes

The condominium can elect to be taxed as a corporation or as a homeowners association. The election is made each year. For the current year the association has elected the former. The State taxes are based on federal taxable income.

NOTE 3- CASH-SHORT TERM INVESTMENTS

The transactions in the money market accounts were as follows:

Balance - January 1, 1991	\$ 35,704
Plus: Interest income - 1991	<u>1,877</u>
Balance December 31, 1991	37,581
Plus: Interest income - 1992	1,172
Members' contributions	868
Less: To operating account	<u>(8,000)</u>
Balance December 31, 1992	<u>\$ 31,621</u>

Continued.....

RYEVIEW CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1992 AND 1991

NOTE 4- FUTURE MAJOR REPAIRS AND REPLACEMENTS

The association's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The roofs were recently upgraded and the board feels that the current reserve fund will cover any near term requirements. If additional funds are needed the association can borrow or increase assessments.

SEVENTH AMENDMENT TO OFFERING PLAN
A PLAN TO CONVERT TO CONDOMINIUM OWNERSHIP
PREMISES AT
100-110 THEODORE FREMD AVENUE
RYE, NEW YORK 10580

SPONSOR: J & M ASSOCIATES
2900 Westchester Avenue
Purchase, New York 10577

SELLING AGENT: RIDGEWOOD MANAGEMENT CORP.
2900 Westchester Avenue
Purchase, New York 10577

DATE: May 12, 1992

This Amendment modifies and supplements the Offering Plan to convert to Condominium Ownership the premises at 100-110 Theodore Fremd Avenue, Rye, New York 10580 dated November 27, 1987 (the "Plan"), as modified by the First Amendment dated May 10, 1988, the Second Amendment dated June 29, 1988, the Third Amendment dated November 21, 1988, the Fourth Amendment dated May 22, 1990, the Fifth Amendment dated May 29, 1990, the Sixth Amendment dated July 9, 1990, and this Seventh Amendment.

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RYEVIEW CONDOMINIUM

100-110 Theodore Fremd Avenue
Rye, New York 10580

This Amendment modifies and supplements the Offering Plan to convert to Condominium Ownership the premises at 100-110 Theodore Fremd Avenue, Rye, New York 10580 dated November 27, 1987 (the "Plan"), as modified by the First Amendment dated May 10, 1988, the Second Amendment dated June 29, 1988, the Third Amendment dated November 21, 1988, the Fourth Amendment dated May 22, 1990, the Fifth Amendment dated May 29, 1990, the Sixth Amendment dated July 9, 1990, and this Seventh Amendment.

1. New Escrow and Trust Fund Regulations

The disclosure contained in this Amendment replaces and supercedes the former section of the Plan dealing with the placing of downpayments in escrow. As of April 27, 1992, all new downpayments taken will be held in escrow in an account in conformity with the disclosure contained in this Amendment.

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e (2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

Any provisions of any contract or agreement, whether oral or in writing, by which a purchaser or subscriber purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provisions in the offering plan or in a purchase or subscription agreement. A purchaser must also submit a completed executed "Request for Taxpayer Identification Number and Certification Form" known as the "W-9 Form" along with the downpayment check. A copy of the W-9 Form is annexed as Exhibit 1. If the W-9 Form is not submitted with the Purchase Agreement, the Sponsor or Escrow Agent may return the downpayment check. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All deposits, downpayments, or advances made by purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five business days after the agreement is signed

by all necessary parties, in a segregated special escrow account of Carol M. Joseph, Esq., the Escrow Agent, whose address is 300 East 42nd Street, New York, New York 10017 and whose telephone number is (212) 972-6161. The signatories on this account authorized to withdraw funds are the partners of this firm, to wit:

Carol M. Joseph, 300 East 42nd Street, New York, NY 10017

The name of the account is Carol M. Joseph Attorney Trust Account F/B/O (Name of Purchaser) at Republic National Bank of New York, 452 Fifth Avenue, New York, New York 10016. This bank is covered by Federal Bank Deposit Insurance to a maximum of \$100,000 per individual deposit. IF AN INDIVIDUAL MAKES A DOWNPAYMENT ON EXCESS OF \$100,000 FOR THE PURCHASE OF A UNIT, IT IS A SPECIAL RISK OF THIS OFFER THAT SUCH DEPOSIT WILL NOT BE FEDERALLY INSURED IN EXCESS OF \$100,000.

The account will be interest-bearing and, unless the purchaser defaults, interest will be credited to the purchaser at closing. The interest rate to be earned will be the prevailing rate for these accounts which currently is approximately four (4%) percent. Interest will begin to accrue within five business days of tender of the downpayment.

All instruments shall be made payable to or endorsed to the order of Carol M. Joseph as escrow agent f/b/o (name of purchaser).

Within ten business days after tender of the deposit submitted with the purchase or subscription agreement, the Escrow Agent will notify the purchaser or subscriber that such funds have been deposited into the escrow account and will provide the account number and the initial interest rate. If the purchaser or subscriber does not receive notice of such deposit within fifteen business days after tender of the deposit, the purchaser or subscriber may cancel the purchase and rescind so long as the right to rescind is exercised within ninety days after tender of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the purchaser or subscriber in conformity with the Attorney General's regulations. The deposit of the downpayment check does not constitute an acceptance of the purchase or subscription agreement by the Sponsor or Escrow Agent and the check will so state.

Since all contracts are contingent upon the Plan's becoming effective, under no circumstances shall Sponsor apply for release of the escrowed funds of a defaulting purchaser until after consummation of the Plan.

The Escrow Agent will hold funds in escrow until otherwise directed in:

- (i) a writing signed by both Sponsor and purchaser or subscriber; or
- (ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
- (iii) a judgment or order of a court of competent jurisdiction.
- (iv) If there are no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to the Sponsor until the Escrow Agent has given the purchaser written notice of not fewer than ten business days. Thereafter, the funds may be paid to the Sponsor unless the purchaser or subscriber has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the Escrow Agent in accordance with such provisions.

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

- (i) a purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan; or
- (ii) all purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

Purchasers, subscribers, and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the downpayment and any interest thereon. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is attached hereto as Exhibit 2. The party applying for a determination must send all other parties a copy of the application.

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

Attached to this Amendment as Exhibit 3 is a copy of the escrow agreement which incorporates the terms of the Attorney

General's regulations.

The Escrow Agent will maintain all records concerning the escrow account for seven years after the release of funds.

2. Financial Statement

Attached hereto as Exhibit 4 are the audited financial statements for the year ending December 31, 1991.

3. Financial Disclosure

a) Attached hereto as Exhibit 5 is a Schedule of the unsold apartments held by the Sponsor which schedule sets forth the maintenance charges paid by the Sponsor monthly as well as the rental received by the Sponsor from tenants in the unsold apartments. The total maintenance payable by the Sponsor is \$1,726.45 and the total rental income received is \$5,875.00 and thus there is a monthly surplus of \$4,148.55. However, the Sponsor also pays real estate taxes on the unsold apartments which on a monthly basis equals \$1,653.91.

b) The Sponsor has no financial obligations under the offering plan, other than the payment of maintenance charges, which will come due within twelve (12) months from the date of this Amendment.

c) The Unsold Units held by the Sponsor are not subject to any financing or mortgage commitment.

d) The monthly payments of maintenance set forth in subparagraph (a) above is funded by rental income and projected sales of Unsold Units and if such sales are not made, the Sponsor utilizes the equity in the partnership or calls upon its principals to make capital contributions to the Sponsor in order to meet its financial obligations.

e) The Sponsor is current on all financial obligations under the Plan including, but not limited to, maintenance charges, Reserve Fund and any other obligations under the Plan.

f) Attached hereto as Exhibit 6 is a list of all other buildings in which a principal of the Sponsor, either individually or as a partner of a principal of a Sponsor, owns more than ten (10%) percent of the unsold shares or units in such building. The Sponsor of the other cooperatives or condominiums is not delinquent on any of its financial obligations with respect to its projects except as set forth in Exhibit 6. Offering plans are on file with the Department of Law with respect to the other projects and are available for public inspection.

g) The Sponsor relinquished control of the Board of Managers of the Condominium in 1988 and at the annual election of Managers, one Sponsor designee is elected to the Board.

4. Disclosure of New Law

General Business Law ("GBL") Section 352-e(2-d), a copy of which is attached to this amendment as Exhibit 7, became law on July 23, 1991. It applies to all cooperative and condominium conversion plans except those where all shares or units have been sold. The law is intended to provide financial protection for a cooperative corporation or condominium association if a sponsor or investor fails to make monthly payments for its units.

In compliance with this new statute, the sponsor and/or holders of unsold shares on behalf of all offerors represent that:

a) In the event payment of maintenance, common charges, assessments or late fees by a Sponsor or other investor who does not occupy the unit is more than thirty days late, rental payments from the tenant shall become directly payable to the condominium association. When the non-occupying owner resumes payment of maintenance and common charges on a current basis, non-purchasing tenants will be notified within three business days of such payments becoming current and their rental payments will once again be payable to the non-occupying owner.

b) The offeror will provide each non-purchasing tenant with irrevocable notice of the provisions contained in GBL Section 352-e(2-d).

c) Any rights existing under any laws are not limited by this statutory requirement.

d) Payment by the non-purchasing tenant to the condominium association done pursuant to GBL Section 352-e(2-d) relieves the non-purchasing tenant from the obligation to pay that rent to the non-occupying owner.

e) These requirements apply to the Sponsor, its successors or assigns and all purchasers who are owners of occupied units or shares allocated to occupied units.

5. Incorporation of the Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length. All provisions of the Plan which are inconsistent with the Amendment shall remain in effect.

6. No Other Material Changes

Except as stated above, there are no material changes in the Plan.

Dated: New York, New York
May 12, 1992

SPONSOR
J & M ASSOCIATES

Doc. 14163

Form **W-9**

(Rev. July 1984)
Department of the Treasury
Internal Revenue Service

Payer's Request for Taxpayer Identification Number and Certification

Give This Form
to the Payer,
Middleman, Broker,
or Barter Exchange

Please print or type

Name as shown on account (If joint account, list first and circle the name of the person or entity whose number you enter in Part I below)

Address

City, State, and ZIP code

List account number(s)
here

Part I Taxpayer Identification Number—For All Accounts

Enter your taxpayer identification number in the appropriate box. For most individuals, this is your social security number. If you do not have a number, see *How to Obtain a TIN*.

Note: If the account is in more than one name, see the chart on page 2 for guidelines on which number to give the payer.

Social security number

OR

Employer identification number

Part II For Payees Exempt From Backup Withholding (See Instructions)

Certification.—Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and
- (2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.

Certification Instructions.—You must cross out item (2) above if you have been notified by IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by IRS that you were subject to backup withholding you received another notification from IRS that you are no longer subject to backup withholding, do not cross out item (2). (Also see *Certification under Specific Instructions*.)

Please Sign Here Signature

Date

Instructions

(Section references are to the Internal Revenue Code.)

Purpose of Form

Complete this form and give it to the payer of interest, dividends, and certain other payments (including broker and barter exchange transactions) so that you will not be subject to the 20% backup withholding that became effective January 1, 1984.

Use this form to report and certify your taxpayer identification number (TIN) to the payer to certify that you are not subject to backup withholding because of underreporting interest and dividends on your tax return, and to claim exemption from backup withholding if you are an exempt payee.

If you do not complete this form properly and return it to the payer, the payer may be required to withhold 20% of payments made to you.

Note: If a payer gives you a form other than a W-9 to request your TIN, you must use the payer's form.

What is Backup Withholding

The Interest and Dividend Tax Compliance Act of 1983 requires payers to withhold and pay to IRS 20% of payments of interest, dividends, and certain other payments under certain conditions. This is called "backup withholding." If you give the payer your correct TIN, certify your TIN when required, and report all your taxable interest and dividends on your tax return, your payments will not be subject to backup withholding.

Payments you receive will be subject to backup withholding if:

- (1) You do not furnish your TIN to the payer, or
- (2) IRS notifies the payer that you furnished an incorrect TIN, or
- (3) You are notified by IRS that you are subject to backup withholding because you failed to report all your interest and dividends on your tax return (for interest and dividend accounts, only), or
- (4) You fail to certify to the payer that you are not subject to backup withholding under (3) above (for interest and dividend accounts opened after 1983 only); or
- (5) You fail to certify your TIN. This applies only to interest, dividend, broker, or barter exchange accounts opened after 1983, or broker accounts considered inactive in 1983.

For other payments, you are subject to backup withholding only if (1) or (2) above applies.

Certain payees and payments are exempt from backup withholding and information reporting. See *Payees and Payments Exempt from Backup Withholding*, on this page, and *Exempt Payees and Payments under Specific Instructions*, on page 2, if you are an exempt payee.

How to Obtain a TIN

If you do not have a TIN, you should apply for one immediately. To apply for the number obtain Form SS-5, *Application for a Social Security Number Card* (for individuals); or Form SS-4, *Application for Employer Identification Number* (for businesses and all other entities), at your local office of the Social Security Administration or the Internal Revenue Service. Complete and file the appropriate form according to its instructions.

If you do not have a TIN, write "Applied For" in the space for the TIN in Part I, sign and date the form, and give it to the payer. You will then have 60 days to obtain a TIN and furnish it to the payer. During the 60-day period, the payments you receive will not be subject to the 20% backup withholding. However, if the payer does not receive your TIN from you within 60 days, backup withholding will begin and continue until you furnish your TIN to the payer.

Note: Writing "Applied For" on the form means that you have already applied for a TIN, OR that you intend to apply for one in the near future.

As soon as you receive your TIN, complete another Form W-9, include your new TIN, sign and date the form, and give it to the payer.

Payees and Payments Exempt from Backup Withholding

The following lists payees that are exempt from backup withholding and information reporting. For interest and dividends, all listed payees are exempt. For broker transactions, payees listed in (1) through (13), and a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt. Payments subject to reporting under sections 6041 and 6041A are generally exempt from backup withholding only if paid to payees described in items (1) through (6), except that a corporation that provides medical and health care services or bills and collects payments for such services is not exempt from backup withholding or information reporting. Only payees described in items (2) through (6) are exempt from backup withholding for barter exchange transactions, patronage dividends, and payments by certain fishing boat operators.

APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWNPAYMENTS

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: _____
Address of Building or
Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name _____
of Applicant

2. Address _____
of Applicant

3. Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____

4. This is an application for
 return of downpayment.
 forfeiture of downpayment.
 other: _____

5. The project is a conversion of occupied premises.
 newly constructed or rehabilitated.
 vacant (as is).

6. The project is structured as
[] a cooperative.
[] a condominium.
[] a homeowners association.
[] a timeshare.
[] other: _____

7. Name and Address
of Sponsor: _____

8. Name and Address
of Escrow Agent: _____

9. If downpayments are maintained in an escrow account:
(a) Name of account _____
(b) Name and address
of bank _____
(c) Account number (if known) _____
(d) Initial interest rate (if known) _____

10. If downpayments have been secured by bonds:
(a) Name and address of
bond issuer or surety: _____

(b) Copy of bond included in this application. (DO NOT
SEND ORIGINAL BOND.) If not included, explain:

11. If downpayments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit: _____

(b) Date of expiration of the letter of credit, if known: _____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan
 has been declared effective. Approximate date: _____

has not been declared effective.

(c) If effective, the plan

has closed or the first unit has closed.
Approximate date: _____

has not closed.

don't know.

(d) Downpayments are secured by

escrow account.

bonds.

letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons: _____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____

Date: _____

Name (Printed): _____

Telephone: (Home) _____

(Business) _____

Mailing Address: _____

ESCROW AGREEMENT

AGREEMENT made this _____ day of _____, 19____, between J & M Associates ("SPONSOR") as sponsor of the offering plan and Carol M. Joseph ("ESCROW AGENT") as escrow agent.

WHEREAS, J & M Associates is the sponsor of an offering plan to convert to cooperative/condominium ownership the premises located at 100-110 Theodore Fremd Avenue Rye, New York which premises are known as Ryevlew Condominium; and

WHEREAS, Carol M. Joseph is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers and subscribers, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with Republic National Bank of New York at its depository bank branch located at 452 Fifth Avenue New York, New York address. The account number is to be designated by bank for each purchaser

1.2 The name of the account is Carol M. Joseph Escrow Account. F/B/O (name of purchaser) (a separate interest bearing account)

1.3 ESCROW AGENT is the sole signatory on the account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the offering plan.

1.5 The escrow account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All

instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to the order of Carol M. Joseph as escrow agent for Ryevlew Condominium offering plan. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement, ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3. RELEASE OF FUNDS.

- 3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.
- 3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or (d) until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds. Escrow Agent shall be entitled to rely upon any judgment, certificate, demand or other writing delivered to it hereunder without being required to determine the authenticity or the

correctness of any facts stated therein, the propriety or validity thereof, or the jurisdiction of the Court issuing any such judgment. ESCROW AGENT may act in reliance upon any instrument or signature believed to be genuine or duly authorized, and advice of counsel in reference to matter or matters connected therewith.

3.3 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified ESCROW AGENT in accordance with such provisions.

3.4 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after

an amendment abandoning the plan is accepted for filing by the Department of Law.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT's performance of its fiduciary duties and compliance with the Attorney General's regulations.

6.3 The ESCROW AGENT shall not be liable for any error in judgment or for any act done or step taken or omitted in good faith, or for any mistake of fact or law, except for ESCROW AGENT'S own gross negligence or willful misconduct. Upon release of the funds pursuant to the terms of the regulations of the Department of Law, the ESCROW AGENT shall be fully released from all liability and obligations with respect to the funds.

6.4 Sponsor acknowledges that the ESCROW AGENT is acting solely as a stakeholder at the Sponsor's request and for their convenience, that Escrow Agent shall not be deemed to be the agent of either of the parties, and that ESCROW AGENT shall not be liable to the Sponsor for any act or omission on its part unless taken or suffered in bad faith, in willful disregard of this Agreement or involving gross negligence. Sponsor shall indemnify and hold ESCROW AGENT harmless from and against all costs, claims and expenses, including reasonable attorney' fees, incurred in connection with the performance of escrow agent's duties hereunder, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith, in willful disregard of this Agreement or involving gross negligence on the part of ESCROW AGENT. This indemnity shall survive Closing.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is cancelled, by either:

- (a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with

the Department of Law providing for a successor
ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8. SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon SPONSOR AND ESCROW AGENT and their successors and assigns.

9. GOVERNING LAW.

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that ESCROW AGENT's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance. SPONSOR shall reimburse the ESCROW AGENT for all disbursements and compensation shall be paid to the ESCROW AGENT at its standard hourly rates for the maintenance and operation of the required escrow account by the SPONSOR.

11. SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be

affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

The undersigned consents to the inclusion of a copy of the executed Escrow Agreement in a duly filed amendment to the offering plan.

ESCROW AGENT

Carol M. Joseph

SPONSOR

J & M ASSOCIATES

By: _____
Print Name and Title

Mel Savitz
Certified Public Accountant
280 North Central Avenue-Suite 140
Hartsdale, New York 10530
(914) 948-8183

To the Board of Managers
Ryevue Condominium

I have audited the accompanying balance sheets of Ryevue Condominium as of December 31, 1991 and 1990, and the related statements of revenues, expenses and members' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ryevue Condominium as of December 31, 1991 and 1990 and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

Dated: February 1, 1992



Mel Savitz

RYEVIEW CONDOMINIUM
BALANCE SHEETS
AS OF DECEMBER 31,

ASSETS

	<u>1991</u>	<u>1990</u>
Assets		
Cash in bank	\$ 4,743	\$ 4,795
Cash-short term investments	37,581	35,704
Accounts receivable	1,349	437
Prepaid expenses	<u>700</u>	<u>2,700</u>
TOTAL ASSETS	\$ <u>44,373</u>	\$ <u>43,636</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities		
Accounts payable	\$ 2,659	\$ 5,019
Security deposits	<u>250</u>	<u>-</u>
Total Liabilities	2,909	5,019
Members' Equity	<u>41,464</u>	<u>38,617</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ <u>44,373</u>	\$ <u>43,636</u>

The accompanying notes are an integral part of the financial statements.

RYEVIEW CONDOMINIUM
 STATEMENT OF REVENUES, EXPENSES AND MEMBERS' EQUITY
 FOR THE YEARS ENDED DECEMBER 31,

	<u>1991</u>	<u>1990</u>
REVENUES		
Common charges	\$ 63,837	\$ 63,837
Interest	1,912	5,607
Other	<u>1,029</u>	<u>556</u>
Total Revenues	<u>66,778</u>	<u>70,000</u>
EXPENSES		
Repairs and maintenance	18,673	21,046
Fuel	12,174	13,667
Management fees	8,025	7,675
Water	5,938	6,233
Professional	5,718	1,730
Insurance	5,197	6,193
Gas and Electric	4,822	4,392
Office and sundry	1,842	2,744
Telephone	833	1,075
Taxes (note 2)	<u>709</u>	<u>625</u>
Total Expenses	<u>63,931</u>	<u>65,380</u>
EXCESS OF REVENUES OVER EXPENSES	2,847	4,620
Members' Equity-beginning of year	38,617	147,936
Prior period adjustments (note 5)	<u>-</u>	<u>(113,939)</u>
MEMBERS' EQUITY-END OF YEAR	<u>\$ 41,464</u>	<u>\$ 38,617</u>

The accompanying notes are an integral part of the financial statements

RYEVIEW CONDOMINIUM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>1991</u>	<u>1990</u>
Cash flows from operating activities:		
Cash received from common charges	\$ 62,925	\$ 66,191
Other cash receipts	1,029	556
Interest income	1,912	5,607
Cash paid to suppliers	(64,041)	(68,124)
Cash paid for major improvements	<u>-</u>	<u>(90,418)</u>
Net cash provided by operating activities	<u>1,825</u>	<u>(86,188)</u>
Net increase (decrease) in cash	1,825	(86,188)
Cash at beginning of year	<u>40,499</u>	<u>126,687</u>
Cash at end of year	\$ <u><u>42,324</u></u>	\$ <u><u>40,499</u></u>

Reconciliation of excess of revenues over expenses
to net cash provided by operating activities

Excess of revenues over expenses	\$ 2,847	\$ 4,620
Adjustments to reconcile net income to net cash provided by operating activities:		
(Increase) decrease in receivables	(912)	2,354
Decrease in prepaid expenses	2,000	1,393
Decrease in liabilities	(2,110)	(4,137)
Major capital improvements (note 5)	<u>-</u>	<u>(90,418)</u>
Net cash provided by operating activities	\$ <u><u>1,825</u></u>	\$ <u><u>(86,188)</u></u>

The accompanying notes are an integral part of the financial statements

RYEVIEW CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1991 AND 1990

NOTE 1- ORGANIZATION

Ryevew condominium is an unincorporated association formed August 1, 1988 to maintain the common elements of the property.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

Real property and common areas, and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the association.

Income Taxes

The condominium can elect to be taxed as a corporation or as a homeowners association. The election is made each year. For the current year the association has elected the former. The State taxes are based on federal taxable income.

NOTE 3- CASH-SHORT TERM INVESTMENTS

The transactions in the money market accounts were as follows:

Balance - January 1, 1990		\$ 119,975
Less: Expenditures		
Landscaping	\$ 54,012	
Retaining wall	6,950	
Alarm system	6,535	
Other improvements	14,262	
Transfer to operating	<u>8,119</u>	(89,878)
Plus: Interest income		<u>5,607</u>
Balance - December 31, 1990		35,704
Plus: Interest income - 1991		<u>1,877</u>
		<u>\$ 37,581</u>

Continued...

RYEVIEW CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1991 AND 1990

NOTE 4- FUTURE MAJOR REPAIRS AND REPLACEMENTS

The association's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The roofs were recently upgraded and the board feels that the current reserve fund will cover any near term requirements. If additional funds are needed the association can borrow or increase assessments.

NOTE 5- PRIOR PERIOD ADJUSTMENTS

Effective January 1, 1990, the association adopted the accounting principles prescribed by the most recent AICPA guidelines. As a result of this change, the association no longer capitalizes major repairs and replacements. The adjustment results from writing off these expenses, along with the related depreciation expense.

EXHIBIT 5
UNSOLD UNITS

<u>APT.</u>	<u>RENT</u>	<u>MAINT.</u>	<u>TAXES</u>
A1D	\$550.00	\$155.31	\$149.69
A1D	---	217.00	208.39
A2D	800.00	155.31	149.69
A2E	700.00	155.31	149.69
A2F	700.00	210.09	201.05
A2G	775.00	217.00	208.39
B1B	750.00	208.49	195.18
B1C	750.00	205.83	196.65
B2C	<u>850.00</u>	<u>202.11</u>	<u>195.18</u>
	\$5,875.00	1,726.45	1,653.91

Joseph M. Cassin:

Tappan Manour Condominium
320-330 S. Broadway
Tarrytown, New York

Michael Grean:

The Estates at Rye Woods
Carolyn Court
Melissa Court
* The Gables at Rye

* In accordance with the Twelfth Amendment to the Offering Plan, the Sponsor of this project filed for reorganization pursuant to Title 11 U.S.C., Chapter 11 of the Federal Bankruptcy Code. The Sponsor is not current on its financial obligations with respect to its financing.

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SIXTH AMENDMENT TO OFFERING PLAN

A Plan for Condominium Ownership of the
Premises at
100-110 Theodore Fremd Avenue
Rye, New York 10580

SPONSOR: J & M Associates
11 Elm Place
Rye, New York 10580

SELLING AGENT: Ridgewood Management Corp.
11 Elm Place
Rye, New York 10580

DATED: July 9 , 1990

This Amendment Modifies and Supplements the terms of the original Offering Plan dated November 27, 1987 as amended by the First Amendment dated May 10, 1988, the Second Amendment dated June 29, 1988, the Third Amendment dated November 21, 1988, the Fourth Amendment dated May 22, 1990 the Fifth Amendment dated May 29, 1990 and this Sixth Amendment.

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SIXTH AMENDMENT TO OFFERING PLAN

RYEVIEW CONDOMINIUM

100-110 Theodore Fremd Avenue
Rye, New York 10580

This Amendment modifies and supplements the terms of the Offering Plan dated November 27, 1987 as amended by the First Amendment dated May 10, 1988, the Second Amendment dated June 29, 1988, the Third Amendment dated November 21, 1988, the Fourth Amendment dated May 22, 1990 and the Fifth Amendment dated May 29, 1990 and should be read in conjunction with said Offering Plan.

1. Financial Statements

Attached hereto are the certified financial statements for the year ended December 31, 1989.

2. No Material Changes

Except as set forth in the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment and this Sixth Amendment to the Plan, there have been no material changes in the Plan.

3. Incorporation of Plan

The Plan, as modified and supplemented hereby, and in the First, Second, Third, Fourth and Fifth Amendments to the Plan, is incorporated herein by reference with the same effect as if set forth at length. All provisions in this Sixth Amendment shall have the same meaning as ascribed thereto in the Plan.

Dated: July 9 , 1990
Rye, New York

SPONSOR

J & M ASSOCIATES

TAUB & BARBER, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

1890 PALMER AVENUE

LARCHMONT, NEW YORK 10538

914 834-0743

MILTON M. TAUB, CPA
ROBERT J. BARBER, CPA

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

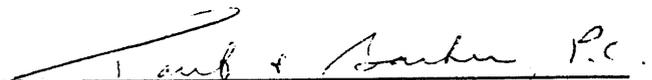
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

To the Owners of
Ryevew Condominium Association
Rye, New York

We have examined the accompanying balance sheet of Ryevew Condominium Association as at December 31, 1989 and the related revenue and expenses of the association for the year ended December 31, 1989. 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.

In our opinion, the aforementioned financial statements present fairly the financial position of Ryevew Condominium Association as at December 31, 1989 and the results of operations for the year ended December 31, 1989, in conformity with generally accepted accounting principles.

Very truly yours,


CERTIFIED PUBLIC ACCOUNTANTS

Larchmont, New York
May 25, 1990

RYEVIEW CONDOMINIUM ASSOCIATION
BALANCE SHEET
DECEMBER 31, 1989

ASSETS

	<u>OPERATING FUND</u>	<u>RESERVE FOR REPLACEMENT FUND</u>	<u>TOTAL ALL FUNDS</u>
<u>CURRENT ASSETS</u>			
Cash	\$ 24,766	\$101,921	\$126,687
Maintenance Fees Receivable	2,791		2,791
Prepaid Expenses	352		352
Unexpired Insurance	<u>3,741</u>		<u>3,741</u>
 TOTAL CURRENT ASSETS	 <u>31,650</u>	 <u>101,921</u>	 <u>133,571</u>
 <u>FIXED ASSETS</u>			
Capital Improvements		25,833	25,833
Less: Accumulated Depreciation		<u>(2,312)</u>	<u>(2,312)</u>
 NET FIXED ASSETS	 <u>0</u>	 <u>23,521</u>	 <u>23,521</u>
 <u>OTHER ASSETS</u>			
Deposits	<u>455</u>		<u>455</u>
 TOTAL ASSETS	 <u>\$ 32,105</u>	 <u>\$125,442</u>	 <u>\$157,547</u>

LIABILITIES AND FUND BALANCES

<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 3,605	\$	\$ 3,605
Accrued Expenses	<u>6,006</u>		<u>6,006</u>
 TOTAL CURRENT LIABILITIES	 <u>9,611</u>	 <u>0</u>	 <u>9,611</u>
 <u>FUND BALANCES</u>	 <u>22,494</u>	 <u>125,442</u>	 <u>147,936</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 32,105</u>	 <u>\$125,442</u>	 <u>\$157,547</u>

The accompanying notes to financial statements are an integral part of these statements.

RYEVIEW CONDOMINIUM ASSOCIATION
STATEMENT OF REVENUES, EXPENSES & CHANGES
IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1989

	<u>OPERATING FUND</u>	<u>RESERVE FOR REPLACEMENT FUND</u>	<u>TOTAL ALL FUNDS</u>
REVENUES			
Maintenance Fees	\$ 66,396		\$ 66,396
Interest Income		\$ 5,978	5,978
TOTAL REVENUES	<u>66,396</u>	<u>5,978</u>	<u>72,374</u>
OPERATING EXPENSES			
Repairs & Maint.	12,672	3,858	16,530
Insurance	6,093		6,093
Professional Fees	8,251		8,251
Bank Charges	175		175
Janitorial Services	7,475		7,475
Exterminating	502		502
Management Fees	9,167		9,167
Misc. Expenses	630		630
Office Expense	472		472
Supplies	937		937
Heat, Light & Power	15,174		15,174
Water	4,093		4,093
License & Permits	150		150
Interest	235		235
Income Taxes	1,815		1,815
Depreciation		<u>2,312</u>	<u>2,312</u>
TOTAL OPERATING EXPENSES	<u>67,841</u>	<u>6,170</u>	<u>74,011</u>
Excess of Revenue over Expenses (Deficit)	(1,445)	(192)	(1,637)
Add: Capital Contributions	404	50,000	50,404
Fund Balance - Beginning of Year	<u>23,535</u>	<u>75,634</u>	<u>99,169</u>
Fund Balance - End of Year	<u>\$ 22,494</u>	<u>\$125,442</u>	<u>\$147,936</u>

The accompanying notes to financial statements are an integral part of these statements.

RYEVIEW CONDOMINIUM ASSOCIATION
NOTES TO FINANCIAL STATEMENT

ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
ORGANIZATION

Ryevew Condominium Association (Association) is a non-profit New York Corporation organized August 1, 1988. The Association was formed to provide maintenance, preservation and control of common areas and to promote health, safety and welfare for all residents. The value of common areas is not reflected in the financial statements, as title to these is vested in the individual homeowners on an undivided basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FUND ACCOUNTING

The assets, liabilities and fund balances of the Association are reported in two fund groups as follows:

Operating Fund, designated by the Board to reflect all activities required for on-going maintenance of common areas.

Reserve for Replacement, a Board designated account which includes amounts for anticipated future capital expenditures.

Since the Association was not in operation for the entire year of 1988, comparative financial statements were not prepared.

BASIS OF ACCOUNTING

The association uses the accrual basis of accounting. All association maintenance fees are recognized as earned when assessed and expenditures are recognized when incurred.

MAINTENANCE FEES RECEIVABLE

Since any past due or delinquent fees may be secured by a lien on the homeowner's condominium unit with the power of foreclosure, no allowance for uncollectible fees is considered necessary.

INCOME TAXES

Under Section 528 of the Internal Revenue Code, the Association has the choice of being taxed as a "C" Corporation or as a homeowners' association. The election is made on a year by year basis. For 1989, the Association has elected to be taxed as a homeowners' association.

Continued.....

INCOME TAXES (Cont'd)

During 1989, New York State revised its tax laws to be in conformity with the Internal Revenue Service; therefore, the Association will be taxed as if it were a corporation.

ASSOCIATION RESERVES

At the beginning of 1989, the Fund had a \$75,634 Cash Balance; whereas at the end of the year it had a \$104,203 Cash Balance. A summary of the transactions are as follows:

Balance - January 1, 1989		\$ 75,634
Add: Contributions		
	B2A	5,000
	Sponsor	45,000
Interest Income		<u>8,260</u>
		133,894
Less: Expenditures		
A&D Roofing - New Roof	\$ 15,700	
Freddy's Paint World	8,758	
R.J. Smith - Architects	2,088	
J. Silvester - Repairs	1,375	
A. Bournazos - Survey	<u>1,770</u>	<u>29,691</u>
Balance - December 31, 1989		<u>\$104,203</u>

FIFTH AMENDMENT TO OFFERING PLAN

A Plan for Condominium Ownership of the
Premises at
100-110 Theodore Fremd Avenue
Rye, New York 10580

SPONSOR: J & M Associates
11 Elm Place
Rye, New York 10580

SELLING AGENT: Ridgewood Management Corp.
11 Elm Place
Rye, New York 10580

DATED: May 29, 1990

This Amendment Modifies and Supplements the terms of the original Offering Plan dated November 27, 1987 as amended by the First Amendment dated May 10, 1988, the Second Amendment dated June 29, 1988, the Third Amendment dated November 21, 1988, the Fourth Amendment dated May 22, 1990 and this Fifth Amendment.

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FIFTH AMENDMENT TO OFFERING PLAN

RYEVIEW CONDOMINIUM

100-110 Theodore Fremd Avenue
Rye, New York 10580

This Amendment modifies and supplements the terms of the Offering Plan dated November 27, 1987 as amended by the First Amendment dated May 10, 1988, the Second Amendment dated June 29, 1988, the Third Amendment dated November 21, 1988 and the Fourth Amendment dated May 22, 1990 and should be read in conjunction with said Offering Plan.

1. Financial Disclosure

a) Attached hereto as Exhibit 1 is a Schedule of the unsold apartments held by the Sponsor which schedule sets forth the maintenance charges paid by the Sponsor monthly as well as the rental received by the Sponsor from tenants in the unsold apartments. The total maintenance payable by the Sponsor is \$1,943.45 and the total rental income received is \$7,465.00 and thus there is a monthly surplus of \$5,521.55.

b) The Sponsor has no financial obligations under the offering plan, other than the payment of maintenance charges, which will come due within twelve (12) months from the date of this Amendment.

c) The Unsold Units held by the Sponsor are not subject to any financing or mortgage commitment.

d) The monthly payments of maintenance set forth in subparagraph (a) above is funded by rental income and projected sales of Unsold Units and if such sales are not made, the Sponsor utilizes the equity in the partnership or calls upon its principals to make capital contributions to the Sponsor in order to meet its financial obligations.

e) The Sponsor is current on all financial obligations under the Plan including, but not limited to, maintenance charges, Reserve Fund and any other obligations under the Plan.

f) Attached hereto as Exhibit 2 is a list of all other buildings in which a principal of the Sponsor, either individually or as a partner of a principal of a Sponsor, owns more than ten (10%) percent of the unsold shares or units in such building. The Sponsor of the other cooperatives or condominiums is not delinquent on any of its financial obligations with respect to its projects except as set forth in Exhibit 2. Offering plans are on file with the Department of Law with respect to the other projects and are available for public inspection.

g) The Sponsor relinquished control of the Board of Managers of the Condominium in 1988 and at the annual election of Managers, one Sponsor designee is elected to the Board.

2. No Material Changes

Except as set forth in the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and this Fifth Amendment to the Plan, there have been no material changes in the Plan.

3. Incorporation of Plan

The Plan, as modified and supplemented hereby, and in the First, Second, Third and Fourth Amendments to the Plan, is incorporated herein by reference with the same effect as if set forth at length. All provisions in this Fifth Amendment shall have the same meaning as ascribed thereto in the Plan.

Dated: May 29, 1990
Rye, New York

SPONSOR

J & M ASSOCIATES

Exhibit 1

CHATSWORTH GARDENS

<u>Apartment</u>	<u>Rent</u>	<u>Common Charges</u>
1D	\$ 303.36	\$ 178.94
1H	638.66	436.91
2G	308.25	313.74
2H	972.71	654.51
4B	647.64	321.27
4G	578.05	792.14
5H	1,199.80	792.14
6B	739.34	328.79
7G	<u>514.90</u>	<u>333.65</u>
	\$5,902.71	\$4,152.09

Exhibit 2

Joseph M. Cassin:

Tappan Manour Condominium
320-330 S. Broadway
Tarrytown, New York

Chatsworth Gardens
14 N. Chatsworth Avenue
Larchmont, New York

Michael Grean:

The Estates at Rye Woods
Carolyn Court
Melissa Court
* The Gables at Rye

* In accordance with the Twelfth Amendment to the Offering Plan, the Sponsor of this project filed for reorganization pursuant to Title 11 U.S.C., Chapter 11 of the Federal Bankruptcy Code. The Sponsor is not current on its financial obligations with respect to its financing.

FOURTH AMENDMENT TO OFFERING PLAN

A Plan for Condominium Ownership of the
Premises at
100-110 Theodore Fremd Avenue
Rye, New York 10580

SPONSOR: J & M Associates
11 Elm Place
Rye, New York 10580

SELLING AGENT: Ridgewood Management Corp.
11 Elm Place
Rye, New York 10580

DATED: May 22, 1990

This Amendment Modifies and Supplements the terms of the original Offering Plan dated November 27, 1987 as amended by the First Amendment dated May 10, 1988, the Second Amendment dated June 29, 1988, the Third Amendment dated November 21, 1988 and this Fourth Amendment.

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FOURTH AMENDMENT TO OFFERING PLAN

RYEVIEW CONDOMINIUM

100-110 Theodore Fremd Avenue
Rye, New York 10580

This Amendment modifies and supplements the terms of the Offering Plan dated November 27, 1987 as amended by the First Amendment dated May 10, 1988, the Second Amendment dated June 29, 1988 and the Third Amendment dated November 21, 1988 and should be read in conjunction with said Offering Plan.

1. Board of Managers

The first meeting of Unit Owners was held November 29, 1988 at which time control of the Board of Managers was transferred to resident Unit Owners. A five (5) member Board of Managers was elected as follows:

Tina Novak, President
Terrence Guerriere, Vice President
Raymond Doyle, Treasurer
Laure Dubus
Joseph M. Cassin (Sponsor)

2. Unsold Units

Attached hereto as Exhibit 1 is a list of the Unsold Units which the Sponsor currently owns.

3. Financial Statement

The 1988 certified financial statement of operation is attached hereto as Exhibit 2.

4. Laundry Machines

There is currently a dispute between the Sponsor and the Condominium Board of Managers regarding the ownership of the laundry machines located at the property. The Sponsor contends that the machines are personal property belonging to it and the Board contends that the machines belong to the Condominium. There are laundry facilities available within walking distance from the Property. The resolution of the dispute will be disclosed in a duly filed Amendment to the Plan.

5. No Material Changes

Except as set forth in the First Amendment, the Second Amendment, the Third Amendment and this Fourth Amendment to the Plan, there have been no material changes in the Plan.

6. Incorporation of Plan

The Plan, as modified and supplemented hereby, and in the First, Second and Third Amendments to the Plan, is incorporated herein by reference with the same effect as if set forth at length. All provisions in this Fourth Amendment shall have the same meaning as ascribed thereto in the Plan.

Dated: May 22, 1990
Rye, New York

SPONSOR

J & M ASSOCIATES

Exhibit 1

A1A
A1D
A1H
A2D
A2E
A2F
A2G
B1B
B1C
B2C

TAUB & BARBER, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

1890 PALMER AVENUE

LARCHMONT, NEW YORK 10538

914 834-0743

MILTON M. TAUB, CPA
ROBERT J. BARBER, CPA

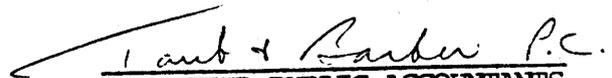
MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

To the Owners of
Ryevew Condominium
Rye, New York

We have examined the accompanying balance sheet of Ryevew Condominium as at December 31, 1988 and the related revenue and expenses of the association for the period August 1, 1988 to December 31, 1988. 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.

In our opinion, the aforementioned financial statements present fairly the financial position of Ryevew Condominium as at December 31, 1988 and the results of operations for the period August 1, 1988 to December 31, 1988, in conformity with generally accepted accounting principles.


TAUB & BARBER P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Larchmont, New York
September 22, 1989

RYEVIEW CONDOMINIUMS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
FOR THE PERIOD 8/1/88 - 12/31/88

	<u>Operating Fund</u>	<u>Reserve for Replacement Fund</u>	<u>Total all Funds</u>
REVENUES			
Maintenance Fees	\$ 26,599		\$ 26,599
Interest Income		\$ 640	640
Total Revenues	<u>26,599</u>	<u>640</u>	<u>27,239</u>
OPERATING EXPENSES			
Heat, Light and Power	9,343		9,343
Repairs and Maintenance	2,272		2,272
Outside Labor	1,337		1,337
Insurance	2,525		2,525
Management Fees	3,333		3,333
Exterminating	201		201
Miscellaneous	239	6	245
Taxes	162		162
Total Operating Expenses	<u>19,412</u>	<u>6</u>	<u>19,418</u>
Excess of revenues over expenses	7,187	634	7,821
FUND BALANCES, beginning of year	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
FUND BALANCES, end of year	<u>\$ 7,187</u>	<u>\$ 634</u>	<u>\$ 7,821</u>

The accompanying notes to financial statements are an integral part of these statements.

RYEVIEW CONDOMINIUM ASSOCIATION
Notes to Financial Statements

ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Ryevew Condominium Association (Association) is a non-profit New York Corporation organized August 1, 1988. The Association was formed to provide maintenance, preservation and control of common areas and to promote health, safety and welfare for all residents. The value of common areas is not reflected in the financial statements, as title to these is vested in the individual home owners on an undivided basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FUND ACCOUNTING

The assets, liabilities and fund balances of the Association are reported in two fund groups as follows:

Operating fund, designated by the board to reflect all activities required for on-going maintenance of common areas.

Reserve for replacement, a board designated account which includes amounts for anticipated future capital expenditures.

BASIS OF ACCOUNTING

The association uses the accrual basis of accounting. All association maintenance fees are recognized as earned when assessed and expenditures are recognized when incurred.

MAINTENANCE FEES RECEIVABLE

Since any past due or delinquent fees may be secured by a lien on the home-owner's condominium unit with the power of foreclosure, no allowance for uncollectible fees is considered necessary.

INCOME TAXES

Under Section 528 of the Internal Revenue Code, the Association has the choice of being taxed as a "C" corporation or as a homeowners association. The election is made on a year by year basis. For 1988, the Association has elected to be taxed as a Homeowners Association.

THIRD AMENDMENT TO OFFERING PLAN

A Plan for Condominium Ownership of the
Premises at
100-110 Theodore Fremd Avenue
Rye, New York 10580

SPONSOR: J & M Associates
11 Elm Place
Rye, New York 10580

SELLING AGENT: Ridgewood Management Corp.
11 Elm Place
Rye, New York 10580

DATED: November 21 , 1988

This Amendment Modifies and Supplements the terms of the original Offering Plan dated November 27, 1987 as amended by the First Amendment dated May 10, 1988, the Second Amendment dated June 29, 1988, and this Third Amendment.

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THIRD AMENDMENT TO OFFERING PLAN

RYEVIEW CONDOMINIUM

100-110 Theodore Fremd Avenue
Rye, New York 10580

This Amendment modifies and supplements the terms of the Offering Plan dated November 27, 1987 as amended by the First Amendment dated May 10, 1988 and the Second Amendment dated June 29, 1988 and should be read in conjunction with said Offering Plan.

1. The Closing

The Ryeview Condominium was established in accordance with the terms of the Declaration dated July 22, 1988 and recorded August 12, 1988 in the offices of the Clerk of Westchester County, Liber 9264, page 131.

Of the twenty-six (26) apartment units offered for sale under the Plan, Purchase Agreements were in effect and have closed for fifteen (15) units in the building.

2. Net Closing Adjustments

In accordance with the First Amendment to the Plan, the Sponsor made a \$10,000 contribution to the Working Capital Fund. No adjustments were deducted from this Fund. Net closing adjustments were in favor of the Sponsor in the amount of \$3,071.05 and are being paid pursuant to a non-interest bearing promissory note. Said amount will be paid in twelve (12) equal monthly installments commencing September 1, 1988.

3. Reserve Fund

Pursuant to the First Amendment to the Plan, \$50,000 of the Reserve Fund was to be funded upon the Closing of ten (10) units, with an additional contribution of \$5,000 for each additional unit that closes. As of November 1, 1988, fifteen (15) units have closed and Sponsor has thus far made a \$75,000 contribution to the Reserve Fund. As each subsequent unit is closed, Sponsor will contribute an additional \$5,000 per unit until the total contribution of \$125,000 has been contributed. The Reserve Fund is being maintained in an account at Citytrust in Danbury, Connecticut.

4. Board of Managers

The first meeting of Unit Owners will be held within thirty (30) days of the Presentation Date of this Amendment for the purpose of electing a five (5) member Board of Managers. All Unit Owners will be notified in writing of the exact date, time and location of such meeting.

5. Incorporation of Plan

The Plan, as modified and supplemented hereby, and in the First and Second Amendments to the Plan, is incorporated herein by reference with the same effect as if set forth at length. All provisions in this Third Amendment shall have the same meaning as ascribed thereto in the Plan.

6. No Material Changes

Except as set forth in the First Amendment, the Second Amendment, and this Third Amendment to the Plan, there have been no material changes in the Plan.

Dated: November 21, 1988
Rye, New York

SPONSOR

J & M ASSOCIATES

SECOND AMENDMENT TO OFFERING PLAN

A Plan for Condominium Ownership of the
Premises at
100-110 Theodore Fremd Avenue
Rye, New York 10580

SPONSOR: J & M Associates
11 Elm Place
Rye, New York 10580

SELLING AGENT: Ridgewood Management Corp.
11 Elm Place
Rye, New York 10580

DATED: June 29 , 1988

This Amendment Modifies and Supplements the terms of
the original Offering Plan dated November 27, 1987 as amended by
the First Amendment dated May 10, 1988.

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SECOND AMENDMENT TO OFFERING PLAN

RYEVIEW CONDOMINIUM

100-110 Theodore Fremd Avenue
Rye, New York 10580

This Amendment modifies and supplements the terms of the Offering Plan dated November 27, 1987 as amended by the First Amendment dated May 10, 1988 and should be read in conjunction with said Offering Plan.

1. Declaration of Effectiveness

In accordance with the terms of the Plan, as amended, the Plan was declared effective as of June 17, 1988 by written notice of such declaration of effectiveness distributed to all tenants and purchasers by the Selling Agent on said date. A copy of such notice, is annexed hereto as Exhibit 1.

There are a total of twenty-six (26) apartment units offered for sale under the Plan. Purchase Agreements have been executed and delivered to the Selling Agent for fifty-three (53%) percent (14 units) of all residential dwelling units in the building. Annexed hereto as Exhibits 2 and 3 respectively are the affidavit of Sponsor in support of the declaration of effectiveness and a list of purchasers counted in meeting the requirements of effectiveness.

2. Closing Date

Closing dates to convey title to units for which Purchase Agreements have been executed have not yet been scheduled. The first closing will be held within one hundred eighty (180) days from the date hereof, unless adjourned by Sponsor; but in no event sooner than thirty (30) days from the date hereof. At such time as closing dates have been scheduled, all purchasers will be notified in writing of the date, time and place of the closing for his or her unit.

3. Financial Statement

Attached hereto as Exhibit 4 is the statement of operations for the period ending December 31, 1987.

4. Incorporation of Plan

The Plan, as modified and supplemented hereby, and in the First Amendment to the Plan, is incorporated herein by reference with the same effect as if set forth at length. All provisions in this Second Amendment shall have the same meaning as ascribed thereto in the Plan.

5. No Material Changes

Except as set forth in the First Amendment and this Second Amendment to the Plan, there have been no material changes in the Plan.

Dated: June 29, 1988
Rye, New York

SPONSOR

J & M ASSOCIATES

EXHIBIT 2

AFFIDAVIT OF SPONSOR

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

Joseph M. Cassin, being duly sworn, deposes and says:

1. I am a principal of J & M Associates, the Sponsor of the Condominium Offering Plan for the premises at 100-110 Theodore Fremd Avenue, Rye, New York, (the "Plan") and I am authorized to make the following statements.

2. The Plan was accepted for filing by the Department of Law on December 4, 1987 and presented to the tenants in occupancy on December 19, 1987.

3. The Sponsor hereby represents that all of the purchasers who are counted for the purpose of declaring the Plan effective are either tenants in occupancy or bona fide purchasers who represent that they have purchased for their personal occupancy, and that to the knowledge of the Sponsor, none of the purchasers are purchasing as an accommodation to, or for the account or benefit of Sponsor, and have duly executed Purchase Agreements and have paid the full downpayment as required in the Plan.

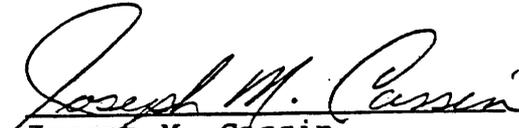
4. Set forth in Exhibit 3, annexed hereto and made part hereof, is a list of the names of purchasers who are being counted for the purpose of declaring the Plan effective, the apartment purchased, and the date of each Purchase Agreement.

5. The Sponsor hereby represents that no purchaser who is counted for the purpose of declaring the Plan effective is the Sponsor, a principal of the Sponsor, or related by blood, marriage, or adoption to, or is an employee, limited partner or business associate of the Sponsor or the Selling Agent.

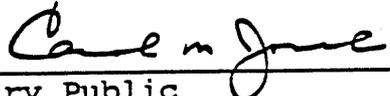
6. The Sponsor has been advised that no tenants have executed a purported "no buy" pledge.

7. No Purchase Agreements used for the purpose of declaring the Plan effective were assigned or transferred unless in accordance with the Plan.

8. The Sponsor hereby represents that purchasers who are counted for the purpose of declaring the Plan effective signed Purchase Agreements without fraud or duress and with no discriminatory inducement.


Joseph M. Cassin
J & M Associates

Sworn to before me this 20th day
of June, 1988.



Notary Public

CAROL M. JOSEPH
Notary Public, State of New York
No. 31 4827435
Qualified in New York County
Term Expires Jan 31, 1989

EXHIBIT 3

LIST OF PURCHASERS

<u>Unit No.</u>	<u>Purchaser(s) Name</u>	<u>Purchase Date</u>
<u>Building A</u>		
1-B	Michael J. Finnegan	6/15/88
1-C	Drewry F. Wofford III and Doreen A. Wofford	6/08/88
1-F	James M. Whittemore and Richard F. Whittemore	5/27/88
2-A	Christine A. Novak	6/10/88
2-B	Lawrence J. Bieniek	6/04/88
2-C	Thomas O'Connor	4/12/88
2-H	George C. Hopwood	3/09/88
<u>Building B</u>		
1-A	Laure Dubus	5/20/88
1-B	James T. Howard III	6/13/88
1-D	Steven A. Singer	6/15/88
2-A	Michael Sweeney	4/12/88
2-B	Raymond Doyle	5/25/88
2-D	G. Gary Mantell and Ivy Lynn Mantell	6/04/88
Patio A	Terence P. Guerriere	6/10/88
<u>Garage</u>		
1	James T. Howard III	6/13/88
2	Steven A. Singer	6/15/88
3	Raymond Doyle	5/25/88
4	James M. Whittemore and Richard F. Whittemore	5/27/88
5	Anthony Loconte and Elizabeth Blaney	5/20/88

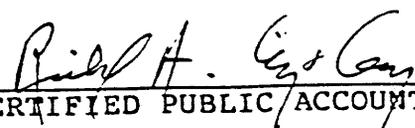


To the Owners of
100-110 Theodore Fremd Avenue
New York, New York

We have examined the statement of income and operating expenses (exclusive of depreciation and interest) of the building located at 100-110 Theodore Fremd Avenue, Rye, New York, for the year ended December 31, 1987. 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 accompanying statement was prepared for inclusion in an offering plan for the conversion to cooperative ownership of the building located at 100-110 Theodore Fremd Avenue, Rye, New York.

In our opinion, the aforementioned financial statement presents fairly the income and operating expenses (exclusive of depreciation and interest) of the building located at 100-110 Theodore Fremd Avenue, Rye, New York, for the year ended December 31, 1987, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.


CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
February 26, 1988

STATEMENT OF INCOME AND OPERATING EXPENSES
 (EXCLUSIVE OF DEPRECIATION AND INTEREST) OF THE BUILDING
 LOCATED AT 100-110 THEODORE FREMD AVENUE, RYE, NEW YORK

FOR THE YEAR ENDED DECEMBER 31, 1987

Income:	
Apartment rentals	\$244,090
Garage rentals.	2,280
	246,370
Operating expenses:	
Real estate taxes	27,341
Water and sewer taxes	4,654
Heat.	12,414
Electricity	5,599
Insurance	5,721
Supplies.	2,288
Exterminating	2,432
Repairs and maintenance	9,641
Management fees (Note 2).	6,240
Accounting fees	1,803
Office expense and miscellaneous.	264
	78,397
INCOME FROM OPERATIONS (EXCLUSIVE OF DEPRECIATION AND INTEREST)	\$167,973 =====

The accompanying notes to statement of income and
operating expenses are an integral part hereof.

THE BUILDING LOCATED AT
100-110 THEODORE FREMD AVENUE, RYE, NEW YORK

NOTES TO STATEMENT OF INCOME AND OPERATING EXPENSES

(NOTE 1) - Accounting Policy:

The accompanying statement of income and operating expenses does not reflect any charge for depreciation and interest expense.

(NOTE 2) - Management Fees:

Management fees are based on an oral agreement.

FIRST AMENDMENT TO OFFERING PLAN
A Plan for Condominium Ownership of the
Premises at

100-110 Theodore Fremd Avenue
Rye, New York 10580

SPONSOR: J & M Associates
11 Elm Place
Rye, New York 10580

SELLING AGENT: Ridgewood Management Corp.
11 Elm Place
Rye, New York 10580

DATED: May 10 , 1988

This Amendment Modifies and Supplements the terms of
the original Offering Plan dated November 27, 1987.

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

THIS IS AN EVICTION PLAN. SEE PAGE 21. NON-PURCHASING TENANTS OTHER THAN ELIGIBLE SENIOR CITIZENS AND ELIGIBLE DISABLED PERSONS WILL BE EVICTED.

A PLAN FOR CONDOMINIUM OWNERSHIP
OF
PREMISES KNOWN AS

RYEVIEW CONDOMINIUM

100-110 Theodore Fremd Avenue
Rye, New York 10580

Total Purchase Price (26 Units—5 Garages)	
Non-Tenant Purchasers	\$4,788,900
Tenant Purchasers	\$3,421,500
Working Capital Fund*	\$ 10,000
Reserve Fund*	\$ 20,000

*Subject to certain closing adjustments and/or depletion—see section of the Plan entitled "Sponsor Reserve and Working Capital Fund."

SPONSOR:
J&M ASSOCIATES
11 Elm Place
Rye, New York 10580

SELLING AGENT:
RIDGEWOOD MANAGEMENT CORP.
300 East 42nd Street
New York, New York 10017

Approximate date of first offering: November 27, 1987.

This offering plan shall not be used after November 26, 1988 unless extended by amendment.

SEE PAGE V FOR SPECIAL RISKS TO PURCHASERS

THIS OFFERING PLAN IS THE ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS AND GARAGE SPACES. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM 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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PARTS I AND II OF THIS DOCUMENT TOGETHER CONSTITUTE THE ENTIRE OFFERING PLAN ("THE PLAN"). ALL THE DOCUMENTS REFERRED TO IN THIS PLAN ARE IMPORTANT AND SHOULD BE READ CAREFULLY BY PROSPECTIVE PURCHASERS.

SPECIAL RISK FACTORS

Time of the Essence

The balance of the purchase price will be due no earlier than a date which is at least thirty (30) days after the date this Plan is declared effective. Purchaser will be given written notice of the closing date at least fifteen (15) days in advance of the closing of title to his Unit. TIME IS OF THE ESSENCE. Failure to make payment of the balance due at the time when a purchaser is called upon to make such payment may result in loss of the down payment (not to exceed ten (10%) percent of the Purchase Price) and cancellation of the Purchase Agreement.

Working Capital and Reserve Fund:

No representation is made that the Working Capital and Reserve Fund will be adequate to cover current or future expenses, including repairs or replacements, and if additional funds are required over and above the Working Capital and Reserve Fund, it may be necessary to increase Common Charges. See "Sponsor Reserve and Working Capital Fund" for full discussion.

CERTAIN DEFINITIONS

For convenience of presentation, general definitions of certain of the terms used in Part I of the Plan are set forth below.

"Appurtenant Interests" refers to the interest of a Residential Unit Owner in (a) the Common Elements, (b) any Units acquired by the Condominium Board or its designee on behalf of all Unit Owners, or any proceeds of the sale or lease thereof and (c) any other assets of the Condominium.

"By-Laws" refers to the By-Laws governing the operations of the Condominium, the form of which is set forth as Document 6 in Part II of the Plan.

"Closing" refers to the time, place and procedure by which fee title to a Unit is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.

"Closing Date" refers to the date on which Closing occurs.

"Common Charges" refers to the charges allocated and assessed by the Board of Managers to the Unit Owners to meet the Common Expenses.

"Common Elements" refers to the General Common Elements and consists of all parts of the Property other than the Units.

"Common Expenses" refers to costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements.

"Common Interest" refers to the undivided interest percentage of each Unit in the Common Elements.

"Condominium" refers to the Property, which, when converted to the condominium form of ownership in accordance with the provisions of the Plan, will be known as Ryevue Condominium.

"Condominium Act" refers to the New York Condominium Act, as amended from time to time, presently found in the New York Real Property Law Article 9-B.

"Board of Managers" refers to the elected Board of Managers of the Condominium which is the governing body.

"Declaration" refers to the instrument creating the Condominium, as the same may be amended from time to time, the form of which is set forth as Document Number 5 in Part II of the Plan.

"Department of Law" refers to the New York State Department of Law.

"Down Payment" refers to the money a person desiring to purchase a Unit must deliver to Sponsor at the time such person delivers his executed Purchase Agreement to Sponsor.

"Effective Date" refers to the date the Plan is declared effective by Sponsor in accordance with the terms of the Plan.

"Exclusive Purchase Period" refers to the first ninety (90) days after the date the Plan is presented.

"First Unit Closing" refers to the date upon which title to a Unit is first conveyed to a Purchaser under this Plan.

"Institutional Lender" refers to (a) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust or (b) a federal, state, municipal, teachers' or union employee, welfare, pension or retirement fund or system.

"Land" refers to the Property, other than the Building and the appurtenances thereto.

"Law" refers to the laws and ordinances of the United States, and New York State, the rules, regulations, orders and directions of any or all 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.

"Offeree" refers to (a) Purchasers who have executed and delivered Purchase Agreements for Units and are not in default thereunder, (b) Unit Owners, and (c) any other person or entity who, pursuant to law, is an offeree of the Plan.

"Permitted Mortgage" refers to any mortgage of a Unit(s) permitted to be placed thereon pursuant to the provisions of the By-Laws.

"Plan" refers to this offering plan for the conversion of the Property to condominium ownership, as the same may be amended from time to time.

"Presentation Date", "Date of Presentation", "presentation", "presented" and related words refer to the date by which this Plan, or any amendment hereto, has been personally delivered, or the date which is five (5) days after the date of mailing, to all tenants of Units in the Building following acceptance of this Plan for filing by the Department of Law.

"Property" refers to the Land, the Building and the appurtenances thereto.

"Purchaser" refers to a person(s) or entity(ies) named in a Purchase Agreement which has been duly executed by such person(s) or entity(ies) and accepted by Sponsor.

"Purchase Agreement" refers to the agreement to purchase a Unit pursuant to the Plan, the form of which is set forth as Document Number 1 in Part II of the Plan.

"Recognized Lender" refers to a commercial bank, savings bank, savings and loan association or insurance company doing business in the State of New York.

"Residential Unit" or "Unit" refers to any of the twenty-six (26) residential apartments or five (5) garage spaces in the Building being offered for sale under this Plan and designated as such in the Declaration, together with its appurtenant Common Interest.

"Rules and Regulations" refers to the rules and regulations made in accordance with the By-Laws.

"Special Assessments" refers to the charges allocated and assessed by the Board of Managers to the Unit Owners, prorata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws).

"Sponsor" refers to J & M Associates having an office at 11 Elm Place, Rye, New York.

"Tenant" refers to a bona fide tenant in occupancy on the date the Plan is accepted for filing.

"Unit Owners" or "Residential Unit Owners" refers to, collectively, the owners of the Units.

"Unsold Residential Units" or "Unsold Units" refers to any Units at the time owned by Sponsor or its designee(s). Sponsor's designees may include purchasers purchasing for investment.

DISABLED PERSON ELECTION FORM

NAME: _____

ADDRESS: _____ APT. # _____

I elect not to purchase my apartment under the offeri plan for conversion of the building to a cooperative or condominium.

I certify that:

1. I am a tenant of the apartment listed above.
2. I have an impairment which results from anatomical, physiological or psychological conditions (other than an addiction to alcohol, gambling, or any controlled substance) which (1) is demcnstrable by medically acceptable clinical and laboratory diagnostic techniques, (2) is expected to be permanent, and (3) prevents me from engaging in any substantial gainful employment.

I understand that this disabled person election does not preclude me from purchasing my apartment at a later date.

The above statements are true to the best of my knowledge and understanding.

SIGNED: _____

Sworn to/affirmed before
me this _____ day of
_____, 198____.

NOTARY PUBLIC

Receipt acknowledged, and copy given to tenant.

Sponsor/agent: _____ Date: _____.

INSTRUCTIONS FOR COMPLETING DISABLED PERSON ELECTION FORM

State law provides that tenants who are "ELIGIBLE DISABLED PERSONS" cannot be evicted because they did not purchase their apartments.

TO QUALIFY AS AN "ELIGIBLE DISABLED PERSON,"

(1) You must be a tenant, (2) you must have a disability as defined on the reverse side of this form, and (3) you must complete this form and return it to the sponsor within 60 days.

Who Is Considered A Tenant?

A tenant for purposes of this form is a person who has signed a lease, the husband or wife of a person who has signed a lease, or anyone else legally and permanently living in the apartment.

This Form Must Be Returned To The Sponsor

If you were disabled when you first received the offering plan, you must complete and return this form to the sponsor not more than 60 days later. However, if your disability first occurred after you received the offering plan, then this election may be made up to 60 days after the disability first occurred (unless after the first 60 days but before your election the sponsor has accepted a written agreement to purchase your apartment from a "bona fide" purchaser).

Return the form either by delivering it to the sponsor or the sponsor's selling agent at the location specified in the plan or by mailing it by certified or registered mail, return receipt requested, to the sponsor or selling agent at the address specified in the plan.

WARNING: FAILURE TO RETURN THIS FORM
WITHIN 60 DAYS COULD ULTIMATELY
RESULT IN YOUR BEING EVICTED!

-Be sure to sign the form before a Notary Public-

THE SPONSOR MAY DISPUTE YOUR ELIGIBILITY

The law allows the sponsor to dispute your eligibility as an "eligible disabled person." In order to do so, the sponsor must apply to the Department of Law for an eligibility determination within 30 days after the sponsor receives your election form. In case of a dispute, the Department of Law has 30 days to determine your eligibility. If your eligibility is disputed, you will be notified by the Department of Law and give the opportunity to defend your eligibility.

/SEE INSTRUCTION SHEET ON REVERSE BEFORE COMPLETING THIS FORM/

SENIOR CITIZEN ELECTION FORM*

NAME: _____

ADDRESS: _____ APT. # _____

I elect not to purchase my apartment under the offering plan for conversion of the building to a cooperative or condominium.

I certify that:

1. I am a tenant of the apartment listed above.
2. I was 62 years of age or older on the date the Department of Law accepted the offering plan for filing.

I understand that this senior citizen election does not preclude me from purchasing my apartment at a later date.

The above statements are true to the best of my knowledge and understanding.

SIGNED: _____

Sworn to/affirmed before
me this _____ day of
_____, 198____.

NOTARY PUBLIC

Receipt acknowledged and copy given to tenant.

Sponsor/agent: _____ Date: _____

*For use in New York City, and municipalities in New York State which have adopted GBL §352-e(2a).

FORM SH-1 (Rev. 7/83)

INSTRUCTIONS FOR COMPLETING SENIOR CITIZEN ELECTION FORM

State law provides that tenants who are "eligible senior citizens" cannot be evicted because they did not purchase their apartments.

TO QUALIFY AS AN "ELIGIBLE SENIOR CITIZEN,"

(1) you must be a tenant, (2) you must have been 62 years of age or older on the date the Department of Law "accepted the offering plan for filing," and (3) you must complete this election form and return it to the sponsor within 60 days of the date you first received the offering plan.

Who Is Considered A Tenant?

A tenant for purposes of this form is a person who has signed a lease, the husband or wife of a person who has signed lease, or anyone else legally and permanently living in the apartment.

Date Offering Plan Was Accepted For Filing

The approximate date the Department of Law "accepted the offering plan for filing" is printed on the front cover of the offering plan. You must have been 62 years of age or older on the filing date to qualify.

Return This Form Within 60 Days

You must complete and return this form within 60 days of the date you first received the offering plan. Return the form either by delivering it to the sponsor or the sponsor's selling agent at the location specified in the plan, or by mailing it by certified or registered mail, return receipt requested, to the sponsor or selling agent at the address specified in the plan.

WARNING: FAILURE TO RETURN THIS FORM
WITHIN 60 DAYS COULD ULTIMATELY
RESULT IN YOUR BEING EVICTED!

-Be sure to sign the form before a Notary Public-

THE SPONSOR MAY DISPUTE YOUR ELIGIBILITY

The law allows the sponsor to dispute your eligibility as an "eligible senior citizen." In order to do so, the sponsor must apply to the Department of Law for an eligibility determination within 30 days after the sponsor receives your election form. In case of a dispute, the Department of Law has 30 days to determine your eligibility. If your eligibility is disputed, you will be notified by the Department of Law and given the opportunity to defend your eligibility.

OFFERING PLAN
FOR
RYEVIEW CONDOMINIUM
PART I

INTRODUCTION

The Offering Plan

J & M Associates with offices at 11 Elm Place, Rye, New York (referred to as the "Sponsor") presents herewith an Offering Plan (the "Plan") to set forth all the material terms to convert to condominium ownership the land, buildings and appurtenances thereto located at 100-110 Theodore Fremd Avenue, Rye, New York 10580. The land and buildings hereinafter sometimes referred to as the "Property", were acquired by the Sponsor in December, 1985.

The Plan may be amended from time to time when an amendment is filed with the New York State Department of Law. All such amendments will be served on purchasers and tenants by either personal delivery or regular or certified mail.

The Plan is presented in two parts which together constitute the entire Offering. Part I sets forth a general description of the conversion and the Condominium. Part II^{*} contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is an engineer's report describing the present condition of the Property. All of these documents are important and should be carefully read by prospective purchasers of Units under the Plan. Prospective purchasers are advised to review the Plan with their own attorneys or other competent advisors before agreeing to purchase a Unit.

The Sponsor has elected to present the Plan in compliance with the requirements of that part of Section 352-eee of the General Business Law of the State of New York ("GBL") governing eviction plans and conversion of residential apartments to condominium ownership. Accordingly, under existing law, a bona fide tenant in occupancy of an apartment (other than an eligible senior citizen or disabled person) will have the right to remain in occupancy of his or her apartment, even if it is sold to a tenant residing in another Unit or to a non-tenant, for a period of three (3) years from the date the Plan is declared effective, as long as such non-purchasing bona fide tenant (other than an eligible senior citizen or disabled person) is not in default of his or her obligations under his or her lease or tenancy. In the event, however, that a tenant in occupancy of a Unit is not a bona fide tenant, that tenant may not have the right to continue in occupancy of the Residential Unit following the expiration of his or her lease. Present bona fide tenants in

occupancy are under no obligation to purchase their Units. See "General Rights of Existing Tenants" for a full discussion.

The Sponsor may declare the Plan effective when Purchase Agreements have been executed and delivered by and are in effect with respect to, the units of 51% of the bona fide tenants in occupancy of all Units on the date the Plan is accepted for filing by the New York State Department of Law, excluding for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons and at least 35% of all bona fide tenants in occupancy of all Units in all buildings at the time the Plan is declared effective, including eligible senior citizens and disabled persons. Therefore, Sponsor may own a number of Unsold Units and will be obligated to pay the Common Charges for all these Unsold Units. See "Effective Date of Plan", "Closing of Title" and "Obligations of Sponsor" for a full discussion.

The Condominium

The Condominium will be known as Ryeview Condominium. It will be organized to comply with and be subject to Article 9-B of the Real Property Law of the State of New York, as amended ("Condominium Act").

The ownership of a condominium unit is similar in many respects to the ownership of a private home. Each Unit Owner owns title to his Unit, is entitled to exclusive possession and is privileged to mortgage his Unit or not, as he sees fit, and in such amount, as he chooses. He may obtain a first mortgage from a bank, trust company, insurance company, savings and loan association, pension fund or other lender acceptable to Sponsor. Each Unit is separate and not subject to a mortgage on other Units.

A Unit Owner may sell or lease his Unit to anyone without restriction or limitation. He will be solely responsible for the maintenance of his Unit and he may decorate the interior of his Unit in any way that he desires, subject to compliance with the Declaration and By-Laws (and the Rules and Regulations adopted in accordance therewith), and will be solely responsible for the cost of maintenance and interior repairs to his Unit after Closing. Each Unit will be taxed as a separate tax lot for real estate tax purposes, and Unit Owners will be not be responsible for the payment of, nor will his Unit be subjected to, any lien arising from the non-payment of taxes on other Units. In the opinion of Cassin, Cassin & Joseph, counsel to Sponsor, under present income tax laws a Unit owner, substantially like a home owner, may deduct from his income, for Federal and New York State income tax purposes, his real estate taxes and the interest paid on any mortgage placed upon his Unit. See "Counsel's Tax Opinion" for a full discussion.

In addition, a Unit Owner also owns, in common with the owners of all other Units, an undivided interest in all parts of the Property other than the Units ("Common Elements"). As a Unit Owner, he will have the right to use the Common Elements and to vote annually for the election of the members of the Board of Managers, who will supervise the property and manage the affairs of the Condominium.

The Board of Managers will assess against every Unit Owner, in proportion of his interest in the Common Elements, charges for the maintenance of the Common Elements and for the operating costs of the Property ("Common Expenses") See Schedules A and B. Each Unit Owner will pay for all electricity which he consumes within his own Unit, the charges for which will be separately metered.

Water charges will be paid for by the Board of Managers as a Common Expense, together with the cost of repairs, replacements and improvements of the Common Elements, and oil for heating of all the buildings. On the other hand, repairs, replacements, improvements and decorations to individual Units will be under the control and at the expense of the Unit Owner.

THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT AN ATTORNEY BEFORE SIGNING AN AGREEMENT TO PURCHASE A CONDOMINIUM.

Offering of Units for Sale

Sponsor hereby offers twenty-six (26) residential apartments and five (5) garage spaces for sale under the Plan (collectively called "Units"). Garage spaces are only offered for sale to purchasers of residential apartments. Each tenant and/or purchaser is entitled to an outdoor parking space and thus tenants who currently occupy an indoor space will be required to vacate such space upon expiration of the lease term. As set forth above, the Plan is offered as an Eviction Plan. Sponsor intends to continue an active sales program with respect to all Units that are available for occupancy.* The initial purchase prices

*Sponsor reserves the right to exclude any of the Units from the offering under the Plan and retain them for its own account, other than those Units occupied by bona fide tenants who elect to purchase during the first ninety (90) days after the Plan is presented. Any or all of those excluded Units may be used by Sponsor for any lawful purpose, including without limitation, the leasing or renting of all or any of those excluded Units for such rents and on such terms and conditions as Sponsor and any tenant may agree upon, provided that such rents, terms and conditions are in accordance with the applicable rent laws. Any retained Units may be subsequently sold without prior amendment to the Plan, unless required by law or regulation.

and estimated Common Charges for each of the aforementioned apartments and garage spaces are listed in Schedule A.

THE PURCHASE PRICES OF THE UNITS HAVE BEEN SET BY THE SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY ANY GOVERNMENTAL AGENCY.

During the first ninety (90) days following the date this Plan is presented ("Exclusive Purchase Period"), each bona fide tenant in occupancy on the date this Plan is accepted for filing shall have the exclusive right to purchase his Unit at the reduced tenant purchase price set forth in Schedule A. The total cash payment payable by bona fide tenants in occupancy at the time of presentation of this Plan may not be increased during the Exclusive Purchase Period. Upon expiration of the exclusive ninety (90) day period, bona fide tenants will no longer have the exclusive right to purchase their respective Units at the reduced tenant purchase price which shall be deemed increased to the non-tenant purchase price. The right of each bona fide tenant to purchase the Unit at the reduced purchase price is assignable or transferable but such assignment is subject to the provisions of the Plan. See "Assignment of Purchase Agreements".

The submission of an application or a Purchase Agreement for a Unit to Sponsor by a prospective Purchaser does not mean that Sponsor has approved the prospective Purchaser for the purchase of the specific Unit. Sponsor shall not be obligated to sell a Unit to any prospective Purchaser until an original counterpart of the Purchase Agreement signed by Sponsor is returned to the prospective Purchaser. Sponsor has the right to reject any prospective Purchaser (other than an existing bona fide tenant who is not in default under his lease and who signed and delivered a Purchase Agreement during the Exclusive Purchase Period) without cause or explanation, provided that the rejection is not based upon sex, race, creed, color, national origin, ancestry or other ground proscribed by law.

The estimated Common Charges for each Unit for the first year of operation of the Property as a condominium are set forth in Schedule A. Audited statements of operating income and expenses before depreciation, interest and amortization of mortgage expenses during a period which the Property was operated as a rental property, are set forth in Schedule C. When the financial statements for the most recent year become available, if necessary the Plan will be amended to include such statements.

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes (which upon closing will be separately assessed against his Unit), interest and amortization payments on any mortgage covering his Unit, personal liability and property insurance pertaining to his Unit, and charges for electricity and gas consumed in his Unit. Schedule A sets forth estimates of the amount of real estate taxes which will be payable with respect to each Unit

during the first year of operation of the Property as a Condominium. See Footnotes to Schedule A for a full discussion.

DESCRIPTION OF THE PROPERTY

The Property consists of 2 two-story brick buildings with full basements containing a total of twenty-six (26) residential apartments. The parcel also contains a one-story garage structure with space for five (5) cars. These garages are also offered for sale as they become available. There is presently outside parking for 33 cars. One outside space will accompany each Unit. Indoor spaces are offered for sale to purchasers of residential apartments on a first-come, first-served basis. Purchasers of garage spaces shall be required to submit a Garage Parking Election Form attached to the Purchase Agreement to the Selling Agent by Certified Mail, Return Receipt Requested and the post office mailing date will determine which Purchaser is first in time to submit such Election Form.

The Unit

The Units consist of the area enclosed horizontally by the unexposed faces of the plaster/sheetrock at the exterior walls of the building and the unexposed face of the plaster/sheetrock at the Unit side of the plaster/sheetrock dividing the Units from other Units including the plaster/sheetrock. Vertically the Unit consists of the space between the underside of the finished floor, including the finished floor (rugs, tile and wood as the case may be) and the lower face of the plaster/sheetrock ceiling, doors and windows which open from a Unit shall be deemed part of the Unit.

The Common Elements

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 limitations the following:

- (a) The land on which the building is erected, together with all easements, rights and privileges appurtenant thereto.
- (b) All foundations, columns, girders, beams, supports, those portions of the exterior wall beyond the outside face of the sheetrock, all basement and crawl space, those portions of the walls and partitions dividing Units located between the unexposed faces of both sheetrock walls enclosing the Units, those portions of the ceilings from the lower face of the sheetrock to the lower face of the finished floor of the Unit above, but not including the lower face of the ceilings of the top floors above the lower face of the sheetrock, roofs and basements not within the Unit;

- (c) All land, lawns, gardens, community facilities, and outdoor parking, driveway and other improved and unimproved areas not within the Unit;
- (d) All central and appurtenant installations and facilities outside the Units for services such as power, light, telephone and water;
- (e) All sewer pipes;
- (f) All other apparatus and installations now existing or hereafter constructed in the buildings for common use or necessary or convenient to the existence, safety or maintenance of the Property.

LOCATION AND AREA INFORMATION

The Property is located in the City of Rye, County of Westchester. It fronts on Theodore Fremd Avenue and is approximately one quarter mile from the Purchase Street downtown area and one half mile from the railroad station.

The City has its own police and fire departments. Public schools are under the Rye School District. Road maintenance, sanitation and water are furnished through the town. City taxes are assessed and collected to pay for these services. The Property is zoned for multi-family residential occupancy.

SCHEDULE A
RYEVIEU CONDOMINIUM
2/1/88 - 1/31/89

BLDG "A"	NO. OF ROOMS	NO. OF BATHS	(1) % INT. COMMON ELEMENTS	(2) TENANT PRICE	(3) NON-TENANT PRICE	(4) EST. MON. COMMON CHARGES	(5) EST. MON. RE TAXES	EST. ANNUAL RE TAXES	EST. TOT. MONTHLY EXPENDITURES	EST. TOT. ANNUAL EXPENDITURES
Patio A	2 BR	2 Bath	.0438	150,000	210,000	251.94	106.08	1,272.96	358.02	4,296.24
Patio B	2 BR	2 Bath	.0438	150,000	210,000	251.94	106.08	1,272.96	358.02	4,296.24
1-A	1 BR	1 Bath	.0408	139,500	195,300	234.68	98.82	1,185.84	333.50	4,002.00
1-B	1 BR	1 Bath	.0408	139,500	195,300	234.68	98.82	1,185.84	333.50	4,002.00
1-C	1 BR	1 Bath	.0395	135,000	189,000	227.20	95.67	1,148.04	322.87	3,874.44
1-D	Studio	1 Bath	.0292	100,000	140,000	167.96	70.72	848.64	238.68	2,864.16
1-E	Studio	1 Bath	.0292	100,000	140,000	167.96	70.72	848.64	238.68	2,864.16
1-F	1 BR	1 Bath	.0395	135,000	189,000	227.20	95.67	1,148.04	322.87	3,874.44
1-G	1 BR	1 Bath	.0408	139,500	195,300	234.68	98.82	1,185.84	333.50	4,002.00
1-H	1 BR	1 Bath	.0408	139,500	195,300	234.68	98.82	1,185.84	333.50	4,002.00
2-A	1 BR	1 Bath	.0408	139,500	195,300	234.68	98.82	1,185.84	333.50	4,002.00
2-B	1 BR	1 Bath	.0408	139,500	195,300	234.68	98.82	1,185.84	333.50	4,002.00
2-C	1 BR	1 Bath	.0395	135,000	189,000	227.20	95.67	1,148.04	322.87	3,874.44
2-D	Studio	1 Bath	.0292	100,000	140,000	167.96	70.72	848.64	238.68	2,864.16
2-E	Studio	1 Bath	.0292	100,000	140,000	167.96	70.72	848.64	238.68	2,864.16
2-F	1 BR	1 Bath	.0395	135,000	189,000	227.20	95.67	1,148.04	322.87	3,874.44
2-G	1 BR	1 Bath	.0408	139,500	195,300	234.68	98.82	1,185.84	333.50	4,002.00
2-H	1 BR	1 Bath	.0408	139,500	195,300	234.68	98.82	1,185.84	333.50	4,002.00
BLDG "B"										
1-A	1 BR	1 Bath	.0380	130,000	182,000	218.58	92.04	1,104.48	310.62	3,727.44
1-B	1 BR	1 Bath	.0380	130,000	182,000	218.58	92.04	1,104.48	310.62	3,727.44
1-C	1 BR	1 Bath	.0387	132,500	185,500	222.60	93.73	1,124.76	316.33	3,795.96
1-D	1 BR	1 Bath	.0387	132,500	185,500	222.60	93.73	1,124.76	316.33	3,795.96
2-A	1 BR	1 Bath	.0380	130,000	182,000	218.58	92.04	1,104.48	310.62	3,727.44

SCHEDULE A
(Continued)
RYEVIEW CONDOMINIUM
2/1/88 - 1/31/89

BLDG "A"	NO. OF ROOMS	NO. OF BATHS	(1) % INT. COMMON ELEMENTS	(2) TENANT PRICE	(3) NON-TENANT PRICE	(4) EST. MON. COMMON CHARGES	(5) EST. MON. RE TAXES	EST. ANNUAL RE TAXES	EST. TOT. MONTHLY EXPENDITURES	EST. TOT. ANNUAL EXPENDITURES
2-B	1 BR	1 Bath	.0380	130,000	182,000	218.58	92.04	1,104.48	310.62	3,727.44
2-C	1 BR	1 Bath	.0380	130,000	182,000	218.58	92.04	1,104.48	310.62	3,727.44
2-D	1 BR	1 Bath	.0380	130,000	182,000	218.58	92.04	1,104.48	310.62	3,727.44
<u>GARAGE</u>										
1			.0012	4,100	5,500	6.90	2.91	34.92	9.81	117.72
2			.0012	4,100	5,500	6.90	2.91	34.92	9.81	117.72
3			.0012	4,100	5,500	6.90	2.91	34.92	9.81	117.72
4			.0012	4,100	5,500	6.90	2.91	34.92	9.81	117.72
5			.0012	4,100	5,500	6.90	2.91	34.92	9.81	117.72
TOTALS:				100%	\$3,421,500	\$4,788,900	\$5,753.14	\$29,070.36	\$8,175.67	\$98,108.04

NOTES TO SCHEDULE A

(1) The percentage interest of each Unit in the Common Elements is based upon space, the location of the Unit and the additional factors of value relative to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. These allocations are made pursuant to the terms of the Condominium Act.

(2) The terms and conditions pursuant to which the reduced purchase price set forth in this column are offered are more particularly described in "Exclusive Right of Tenants to Purchase."

(3) The prices in this column are for Purchasers other than bona fide tenants in occupancy and for bonafide tenants in occupancy upon the expiration of the Exclusive Purchase Period. See "Exclusive Right of Tenants to Purchase" for full discussion.

Purchase prices to bona fide tenants are subject to change. All publicly advertised changes in purchase prices, general changes in purchase prices and all across the board increases in purchase prices may only be made by a duly filed amendment to the Plan. See "Changes in Price and Units." There can be no increase in the prices offered to bona fide tenants during the Exclusive Purchase Period and any extension thereof.

In addition to the payment of the Purchase Price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of Closing, such as legal fees, title insurance premiums and recording charges. If Purchaser obtains a mortgage loan, Purchaser will also be responsible for the payment of additional closing costs and expenses relating to such loan. Finally, the apportionment of certain charges relating to the Unit at the time of the closing of title will be reflected as adjustments to the Purchase Price. See "Closing Costs, Expenses and Adjustments" on page 41 for full discussion.

(4) The figures are based on the Estimated Income and Expenses for the First Year of Condominium Operation (2/1/88 - 1/31/89) set forth in Schedule B. In addition to these estimated payments, each Unit Owner will be responsible for mortgage payments under a loan or loans, if any, obtained by him to finance the purchase of his Unit, the cost of electricity and gas supplied to his Unit, which will be separately metered and will be payable directly to the utility company, real estate and other taxes with respect to his Unit, personal liability and property insurance pertaining to his Unit, and the cost of interior repairs and decorations to his Unit. It should be noted that as costs rise due to inflation or other factors, maintenance charges will increase.

(5) The estimated monthly real estate tax figures are based upon the assumption that the assessed valuation of the Property shall remain in the total amount of \$109,050.00 and on the further assumption that tax rates shall increase by approximately twelve (12%) percent. However, there is no assurance, and Sponsor makes no representation, that the said assessed valuation of the Property shall be in the total amount of \$109,050.00 on future assessment rolls, or that the tax rates will be as projected herein. Real estate taxes may be taken as a tax deduction when filing a tax return with the Internal Revenue Service. See "Counsel's Tax Opinion" for full discussion.

Real Property Law Section 339-y provides, among other things, with respect to condominiums, that each Unit and its Common Interest shall be deemed to be a parcel and shall be subject to separate assessment and taxation. However, in no event shall the aggregate of the assessment of the Units plus their Common Interests exceed the total valuation of the Property were the Property assessed as a parcel. Until such time as each Unit and its Common Interest receives a separate assessment, the Board of Managers shall pay all real estate taxes for the Property and shall allocate the cost thereof among all the Unit Owners in proportion to the Common Interest in each Unit.

The property is designated: Sheet 146.06, Block 2, Lot 29. The assessed valuation has been:

Assessed Value

Land	37,750
Improvements	<u>71,300</u>
Total	\$109,050

The property is taxed by the City of Rye. Rates per \$1,000 assessed value and actual amounts billed are reflected below:

<u>Type</u>	<u>Fiscal</u>	<u>1985</u>		<u>1986</u>	
		<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
County and Sewer	1/1	50.71	\$ 5,529.92	58.195	\$ 6,346.16
School	7/1	123.36	13,452.40	131.31	14,319.36
City	1/1	47.11	<u>5,137.34</u>	48.47	<u>5,285.65</u>
TOTALS			\$24,119.66		\$25,951.17

Percentage Increase 7.60%

An increase of 12% to \$29,065 is projected in Schedule A.

CHANGES IN PRICES AND UNITS

Changes in Unit Price

The prices for Units are listed in Schedule A. These prices have been set by the Sponsor and are not subject to approval by a governmental agency. The estimated Common Charges and the estimated real estate taxes for each Unit for the first year of operation of the Property as a Condominium are also set forth in Schedule A.

The Sponsor reserves the right, except with respect to bona fide tenants in occupancy during the initial ninety (90) day Exclusive Purchase Period, to change the amount of the Purchase Price as shown in Schedule A, and to change the terms of the sale and the manner of payment for a Unit. The Plan must be amended to reflect (i) a general price change affecting a line or lines of Units (as opposed to an isolated price change) or (ii) price to be advertised, or (iii) an increase in price to an individual purchaser.

Following the ninety (90) day Exclusive Purchase Period, the prices are negotiable and as long as it does not constitute a discriminatory inducement, the Sponsor may enter into an agreement with an individual purchaser to sell one or more Units at prices lower than those set forth in Schedule A without prior notice and without amendment to the Plan.

IF THE PLAN IS AMENDED PRIOR TO THE FIRST CLOSING OF TITLE AND THE AMENDED TERMS ARE MORE FAVORABLE THAN PREVIOUSLY OFFERED, BONA FIDE TENANTS WILL AUTOMATICALLY BE AFFORDED THE BENEFIT OF THE MORE FAVORABLE TERMS.

Change of Size and Layout of Units

In order to meet the particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right to change the size and interior layout of apartment Units by the combination of two or more Units for which Purchase Agreements have not been executed by a Purchaser or with respect to which a Purchaser is in default. Sponsor further reserves the right to divide any such Units into two or more Units. The combination or division made by the Sponsor may result in a varied number of total Units than described in this Offering Plan but the Declaration and all amendments thereto shall reflect the resulting number of Units. No change will be made in the size or number of Units, their respective percentage interest in the Common Elements, or in the size or quantity of the Common Elements, without amendment to the Plan and the Declaration.

Once the Declaration is recorded, no change may be made in the number of Units or in the 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 described above,

or otherwise, nor may the Common Interest of any Unit be changed, unless the Declaration is amended and the amendment duly recorded. To the extent permitted by law, however, the Common Interest appurtenant to any Unit shall in no event be changed solely as a result of an owner or owners of any two or more Units, which Units are the only Units serviced or benefited by any Common Elements adjacent to such Units, using that portion of the Common Elements as if it were a part of the Units. As more particularly provided in the Declaration Sponsor or its designee or the owner of an Unsold Unit will have the right itself to so amend the Declaration, to the extent required. Unless an affected purchaser consents, no material change will be made in unit size, layout, or percentage of common interest if a purchase agreement has been executed and delivered to the Sponsor for that Unit and the purchaser is not in default.

Notwithstanding anything to the contrary, no material change will be made in the size or quality of Common Elements unless Purchasers not in default under their Purchase Agreements, receive a right to rescind for a period of fifteen (15) days after they are given written notice of such change. If a Purchaser elects to rescind, his downpayment will be returned promptly by the Sponsor.

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SCHEDULE B
ESTIMATED INCOME AND EXPENSES FOR THE
FIRST YEAR OF OPERATION AS A CONDOMINIUM
2/1/88 - 1/31/89

ESTIMATED INCOME:

Common Charges	\$69,024	
TOTAL INCOME	<u>\$69,024</u>	(1)

ESTIMATED EXPENSES:

Heat and Hot Water	\$16,071	(2)
Utilities (Electric and Gas)	5,095	(3)
Water	4,111	(4)
Payroll and Benefits	5,400	(5)
Repairs, Maintenance & Supplies	8,000	(6)
Insurance	7,860	(7)
Management	18,000	(8)
Legal and Accounting	1,200	(9)
Contingency Reserve - 5%	<u>3,287</u>	(10)
TOTAL ESTIMATED EXPENSES	<u>\$69,024</u>	

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NOTES TO SCHEDULE B

(1) Total Income (\$69,024) - The total income is exclusive of any interest income that may be earned by the condominium from investment of the Reserve and Working Capital Funds. It is expected that all or part of these funds will be expended during the first or subsequent years of condominium operation. Accordingly, such interest income cannot be precisely determined and has not been included in the estimated receipts for the first year of operation.

(2) Heat and Hot Water (Budget \$16,071) - Heat and hot water for the complex is provided by two boilers and burners equipped to burn #2 oil. Current usage and cost for the most recent three (3) years has been:

<u>Period</u>	<u>Gallons</u>	<u>Total Cost</u>
1984	15,728	\$18,165
1985	14,156	15,933
1986	13,941	11,229

The budgeted figure is based upon projected consumption of approximately 15,453 gallons at \$1.04 per gallon or \$16,071 which represents a ten (10%) percent increase over the average quantity of fuel purchased for the prior two (2) years. The price per gallon is that mandated by the New York State Attorney General's Office July, 1986 guidelines.

(3) Utilities (Budget \$5,095) - Apartments are individually metered for electric and cooking gas consumption which is paid for by the occupant. The budget provides for lighting of interior and exterior common areas including laundry room dryers. The usage and cost for the most recent three (3) years was as follows:

	<u>(Elec)Kwhrs</u>	<u>Amount</u>	<u>(Gas)CCF</u>	<u>Amount</u>
1984	18,323	\$3,453	190	\$293
1985	16,585	3,049	122	222
1986	19,910	3,752	168	324

The budget provides for a 25% increase over the combined 1986 dollar amount.

(4) Water (Budget \$4,111) - The budget for water is based upon actual costs billed. Water charges for the most recent three (3) year period were:

<u>Period</u>	<u>Cost</u>
1984	\$3,028
1985	3,414
1986	4,769

This estimate of water and sewer rents for the first year of condominium operation includes a provision for approximately ten (10%) percent above the average paid for the previous three (3) years or \$4,111.

(5) Payroll and Benefits (Budget \$5,400) - The staff shall consist of one non-resident part-time superintendent who will be paid \$450 per month. The budgeted figure contemplates this employment during the first year of condominium operation. The projected salary of the employee meets the state minimum wage laws. There are no fringe benefits provided to the non-resident superintendent.

(6) Repair, Maintenance & Supplies (Budget \$8,000) - Estimated expenses are based on normal maintenance and repairs of exterior and interior common areas, and includes supplies consisting of cleaning materials, lubricants, hooks, bulbs for replacement in public fixtures, general and hardware supplies, periodic painting of public halls and common areas, and the general upkeep and maintenance of the Building. The budget figure of \$8,000 is allocated as follows:

Landscaping	\$3,000
Painting	2,000
Roof	1,500
Boiler	750
Miscellaneous	750

The unit owner is responsible for repairs and maintenance for the apartment owned including appliances.

(7) Insurance (Budget (\$7,860)) - The following insurance coverage will be provided through Martin Insurance Agency, Rye, New York:

\$1,250,000	All Risk on buildings at full replacement (\$1,000 deductible);
\$1,000,000	Broad Form Comprehensive General Liability including Directors and Officers Liability and Errors and Omissions for the Board of Managers and Managing Agent;
\$1,000,000	Umbrella Liability;
\$ 250,000	Loss of Rents;
\$1,250,000	Steam Boiler; and Worker's Compensation and Disability as required by law.

This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units, nor does it include coverage of personal property of Unit Owners. Therefore, each Unit Owner should consider the desirability of obtaining insurance, at his or her own cost, covering among other items (i) fire and casualty losses to the contents of the Unit and any replacements, additions, upgraded fixtures and improvements therein, (ii) personal property, and (iii) liability for personal injury as a result of occurrences within the Unit.

(8) Management (Budget \$18,000) - Management is to be performed by Ridgewood Management Corp. under a two-year contract at an initial rate of \$ 1,500 per month or \$18,000 per year. The Agreement will be automatically renewed from year to year unless terminated on sixty (60) days prior written notice. See subsection entitled "Management Agreement." The managing agent is a corporation whose sole shareholder is Joseph M. Cassin, who is also a principal of the Sponsor of this Plan. The fee contemplated is average for the current market.

(9) Legal and Accounting (Budget \$1,200) - A substantial portion of the budget item will be used for auditing fees in connection with preparation of the condominium Federal and State income tax returns. A small allowance is provided for miscellaneous legal services in the event the Board of Managers decides to engage an attorney.

(10) Contingency Reserve (Budget \$3,287) - The reserve for contingencies is intended to provide for unforeseen increases in operating costs, or other purposes, as determined from time to time by the Board of Managers. This reserve is separate and distinct from the Reserve and Working Capital Funds. The projected operating budget does not include any interest income that may be reserved on the Reserve Fund nor does it make any provision for net closing adjustments that may be due to Sponsor.

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S&P

CERTIFIED PUBLIC ACCOUNTANTS

SCHMIDT & PISCITELL 140 East 45th Street, New York, New York 10017 (212) 986-4300

The Partners
J & M Associates

We have examined the statement of operations of 100-110 Theodore Fremd Avenue, Rye, New York for the period from January 1, 1986 to November 30, 1986 and for the year ended December 31, 1985. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statement presents fairly the results of operations of 100 Theodore Fremd Avenue for the period from January 1, 1986 to November 30, 1986 and for the year ended December 31, 1985 in conformity with generally accepted accounting principles.



December 19, 1986

100-110 THEODORE FREMD AVENUE
RYE, NEW YORK

STATEMENT OF OPERATIONS

FROM JANUARY 1, 1986 to NOVEMBER 30, 1986 AND
YEAR ENDED DECEMBER 31, 1985

	1986 ----	1985 ----
Revenues		
Rentals	\$ 212,520	\$ 203,288
Other	40	48
	----- 212,560	----- 203,76
Expenses		
Salaries		12,18
Payroll taxes		1,81
Insurance	6,971	9,81
Real estate taxes	23,377	23,62
Water and sewer charges	4,127	3,46
Electricity and gas	4,239	4,53
Fuel	13,048	15,85
Commissions		1,20
Management services	2,031	35
Repairs and maintenance		
Building	5,591	25,23
Appliance replacement	3,513	2,61
Painting	2,418	8,21
Grounds	1,059	79
General	345	1,94
Advertising	176	3,52
Professional fees	553	2,46
Supplies	1,219	1,33
Miscellaneous		69
	----- 68,967	----- 119,67
Income before interest, depreciation and amortization	\$ 143,593	\$ 84,09
	-----	-----

The accompanying notes are an integral part
of this financial statement

SPECIAL RIGHTS OF ELIGIBLE SENIOR CITIZENS
AND ELIGIBLE DISABLED PERSONS

Pursuant to GBL Section 352-eee, in the event the Property is converted to condominium ownership, eviction proceedings will not be commenced against non-purchasing tenants who are sixty-two (62) years of age or older on the date the Plan is declared effective, or Disabled Persons who meet certain statutory eligibility requirements discussed below, or the spouses of such eligible Senior Citizens and Disabled Persons.

Although there is no statutory requirement, the Sponsor advises and requests that each tenant who believes he will become an eligible Senior Citizen within twelve (12) months from the date the Plan is filed, file the election form as set forth in the beginning of the Plan. The failure to return the form shall not diminish any rights granted to Senior Citizens by law. A Senior Citizen may, of course, purchase his apartment at any time even if an election form has not been previously submitted.

In accordance with GBL Section 352-eee the term "Eligible Disabled Persons" shall mean a non-purchasing tenant or the spouse of a non-purchasing tenant who:

(a) has an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the filing date; and

(b) has elected not to purchase his Unit within sixty (60) days from the filing date by completing the Disabled Person election form in the front of the Plan, having it notarized and personally delivering it to the named Selling Agent at 11 Third Street, Rye, New York 10580 by mailing it certified or registered mail, return receipt requested to the named Selling Agent at the above address. If the disability first occurs after the Plan has been accepted for filing, then the aforementioned election may be made within sixty (60) days following the onset of such disability unless the Sponsor has accepted a written Purchase Agreement from a bona fide Purchaser during the period subsequent to sixty (60) days following the filing date but prior to such election.

An election not to purchase shall not preclude an Eligible Disabled Person from subsequently purchasing his Unit. The Eligible Disabled Person may rescind the election at any time.

The protections given to Senior Citizens and Eligible Disabled Persons under GBL Section 352-eee include the following:

(a) No eviction proceeding will be commenced at any time against either non-purchasing tenants who are sixty-two (62) years of age or older on the date the Plan is declared effective or Eligible Disabled Persons who have elected not to purchase, or their spouses, except that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the Unit, refusal of reasonable access to the owner or a similar breach of his obligations to the owner of his Unit. This restriction will apply notwithstanding the fact that the owner seeks the dwelling Unit for the use and occupancy of himself or his family.

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

(c) The rentals of Eligible Senior Citizens and Eligible Disabled Persons who reside in dwelling units not subject to government regulations as to rentals and continued occupancy and Eligible Senior Citizens and Eligible Disabled Persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Plan has become effective, shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. ▲

(d) The rights granted under the Plan to Eligible Senior Citizens and Eligible Disabled Persons may not be abrogated or reduced regardless of any expiration of or amendment to GBL Section 352-eee.

(e) Each Purchaser, including a Purchaser of Units occupied by an Eligible Senior Citizen or an Eligible Disabled Person shall be bound by the provisions of the GBL and the representations of the Sponsor stated in the Plan. Each Purchaser will be required to represent in writing to the Board of Managers at the time of acquisition that the purchase is subject to all the rights of the Eligible Senior Citizen or Eligible Disabled Person occupying the apartment and that the Purchaser, his successors and assigns shall continue to be bound as long as such occupancy continues.

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

The determination by the Department of Law is the sole method of resolving such a dispute and may only be reviewed by a proceeding under Article 78 of the New York Civil Practice Law

and Rules which proceeding must be commenced within thirty (30) days after the determination becomes final.

EXCLUSIVE RIGHT OF TENANTS TO PURCHASE

All bona fide tenants in occupancy on the date that the Plan is accepted for filing will have the exclusive right to purchase their Unit for ninety (90) days commencing on the date the Plan is presented. This Exclusive Purchase Period may be extended by amendment if the Sponsor so wishes. Any bona fide tenants with the right to renew a lease on the date the Plan is accepted for filing, has the right to purchase his Unit as a tenant and subject to the Tenant Price set forth in Schedule A during the Exclusive Purchase Period.

During the Exclusive Purchase Period, a tenant's apartment may not be shown to a third party unless the tenant has, in writing, waived the right to purchase nor will a Purchase Agreement be executed for such apartment by an outside purchaser.

For a period of six months, after the expiration of the Exclusive Purchase Period, each tenant will be notified if his apartment is being sold under an executed Purchase Agreement and the tenant will have fifteen (15) days from the mailing of a copy of the executed Purchase Agreement sent by registered mail, to purchase his apartment under the same terms and conditions as are contained in the executed Purchase Agreement to purchase.

This offering is made subject to the Eviction provisions of the General Business Law. In the event the GBL or any provision thereof is declared invalid or expires, the Sponsor reserves the right to continue this offering without complying with said Law, effective as of the initial date of this offering.

Those tenants who do not elect to purchase, shall not be subject to unconscionable rent increases beyond ordinary rentals for comparable apartments and said increases shall be in accordance with any existing rent regulations in effect. There are no rental regulations in effect in the City of Rye. Non-purchasing tenants shall not be subject to harassment and shall be entitled to all services and facilities required by law on a non-discriminatory basis provided by the same Managing Agent who manages all the Units in the Building. The Sponsor guarantees that the Managing Agent shall provide those services that are required by law to all tenants on a non-discriminatory basis.

Definitions:

For the purposes of determining those tenants entitled to the above mentioned exclusive purchase right, a bona fide tenant in occupancy shall be defined as:

(1) A tenant in occupancy on the date the Plan is accepted for filing;

(2) A tenant in occupancy with the right to renew a lease on the date the Plan is accepted for filing;

(3) A tenant who has the right to continued occupancy on the date the Plan is accepted for filing.

Furthermore, 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 Unit or the Unit is not the tenant's primary residence.

A bona fide sublessee in occupancy on the date the Plan is accepted for filing also has the right to purchase during the exclusive period if he: (i) sublets from a non-bona fide tenant, or (ii) has obtained written permission to purchase his Unit from a bona fide tenant of record. This right shall not be construed to deprive an owner of any legal remedy for illegal occupancy.

Non-purchasing tenants will be notified of changes in ownership of Units they occupy. Such notification will be made by written notice, delivered personally or mailed by regular mail, by the Board of Managers addressed to the tenant at the subject apartment, within thirty (30) days after such change in ownership has become effective.

Parking

The Sponsor hereby offers to Purchasers of units the right to purchase garage parking spaces. Use of all parking spaces on the Property is not subject to rental regulation. Upon closing of the first unit, tenants who currently lease garage parking spaces (whether or not such tenants purchase their respective apartments) shall continue to be entitled to lease such parking spaces until the expiration of their then existing lease, excluding any renewals thereof, at which time they will be required to vacate said spaces. As spaces become available, they will be offered for sale on a first-come, first-served basis to tenants who have purchased their units and who have completed and submitted the Garage Parking Election Form attached to the Purchase Agreement. All tenants, whether or not they purchase their unit, will be entitled to an outdoor space.

General Rights of Existing Tenants

In accordance with Section 352-eee of the General Business Law, the Sponsor states as follows:

THIS PLAN IS BEING PRESENTED AS AN EVICTION PLAN. Therefore, it may not be declared effective until written agreements to purchase under the Plan have been executed and delivered by at least fifty-one (51%) percent of bona fide tenants in occupancy of all dwelling Units in the buildings on the date the Plan was accepted for filing by the Attorney General (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons); and at least thirty-five (35%) percent of the bona fide tenants in occupancy of all dwelling units in the building on the date the Plan was accepted for filing by the Attorney General (including for the purposes of determining the number of bona fide tenants in occupancy on such date eligible senior citizens and eligible disabled persons).

The Plan must be pursuant to an offering, made in good faith without fraud and without discriminatory repurchase agreements or other discriminatory inducements.

At any time before it is declared effective, the Sponsor expressly reserves its right to provide, by duly filed amendment, that this Plan shall become a "Non-Eviction Plan" (as defined in GBL 352-eee). If the Plan is amended to provide that it shall be a Non-Eviction Plan, any person who has agreed to purchase under the Plan prior to such amendment shall have a period of thirty (30) days after receiving written notice of such amendment to revoke his agreement to purchase under the Plan.

In the event the Plan is declared effective as an Eviction Plan, and title closes pursuant to the terms of this Plan, as it may be amended, no eviction proceedings will be commenced against any non-purchasing tenants until (1) the expiration date of the non-purchasing tenant's current lease or rental agreement or (2) the date which is three (3) years after the date on which the Plan is declared effective, whichever date is later; provided that no eviction proceedings will be commenced at any time against non-purchasing tenants who are eligible senior citizens or eligible disabled persons as defined in GBL Section 352-eee or their spouses (See Section entitled "Special Rights of Eligible Senior Citizens and Eligible Disabled Persons").

In addition, the rentals of any such non-purchasing tenants who reside in Units not subject to government regulation shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. Notwithstanding the foregoing, eviction proceedings may be commenced for nonpayment of rent, illegal use or occupancy of the premises, refusal of access to the owner or a similar breach by the non-purchasing tenant of his obligations to the landlord. Complaints regarding unconscionable rent increases may

The Sponsor will not permit the assignment or transfer of Purchase Agreements by tenants in occupancy. See section entitled "Assignment of Purchase Agreements".

If the Plan is amended prior to the first closing of title to a Unit, and the amended terms are more favorable than previously offered, bona fide tenants in occupancy on the presentation date will automatically be afforded the benefit of the more favorable terms.

RIGHTS AND OBLIGATIONS OF NON-TENANT PURCHASERS

If a Purchaser acquires ownership of a Unit occupied by another, then on the Closing Date, the Purchaser will become the landlord of the occupant and the latter will become the Purchaser's tenant.

A Purchaser of a Unit occupied by a tenant will purchase subject to the terms and conditions of the existing lease or tenancy from and after the closing of title to his Unit. Copies of all leases in effect at the date of presentation of the Plan are on file at the Selling Agent's office for examination by prospective Purchasers. All leases may be inspected by potential purchasers and should be inspected to ascertain the purchaser's obligations under the lease. It is also recommended that the Purchaser consult with his own attorney regarding his obligation to any tenant or occupant under any existing lease or occupancy pursuant to any applicable law.

A Purchaser of an occupied Unit will be entitled to collect and retain all rents payable by the tenant occupying his Unit. In addition, the purchaser of a Unit subject to an existing 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 by the Sponsor, the purchaser will be required to execute, notarize and deliver to Sponsor an agreement acknowledging the amount received and indemnifying the Sponsor against all claims and liability in connection therewith.

If a Purchaser acquires ownership of a Unit occupied by another, such Purchaser will be required to pay the Common Charges and expenses for such Unit to the Board of Managers whether or not such Common Charges and expenses are greater or less than the rents received from the non-purchasing tenant.

In addition, the Purchaser will have the further obligation to repair, replace and maintain the plumbing fixtures, refrigerator, range, lighting fixtures and any other equipment contained in the Unit and to paint the Unit as provided in the lease or under any applicable law.

To insure proper performance of these obligations, the By-Laws of the Condominium provide that the non-tenant Purchaser shall irrevocably appoint the Managing Agent for the Condominium as his agent to provide for the account of and at the expense of the non-tenant Purchaser all services required to be furnished or performed under the non-purchasing tenant's lease or under applicable law.

The non-tenant Purchaser shall deposit with the Managing Agent at the closing of title, an amount not less than two (2) months' maintenance charges. These funds will be used for working capital to furnish the services required and upon notice by the Managing Agent, the non-purchasing tenant shall deposit, within thirty (30) days sufficient funds to maintain this balance. The Declaration of Condominium and the By-Laws provide that the failure of a Unit owner to replenish the funds in a timely manner shall result in the Board of Managers, on behalf of the Unit owners, having a lien against the Unit. Interest, if any, shall be the property of the Unit Owner.

Under 352-eee an Owner of a Unit occupied by a non-purchasing tenant may commence an action to recover possession of the Unit on the grounds that he seeks the Unit for the use and occupancy of himself or a member of his immediate family.

However, a Purchaser of a Unit is prohibited from evidencing or attempting to evict a non-purchasing tenant in occupancy of his Unit if such tenant in occupancy is either:

1. 62 years of age or older on the date the Plan is declared effective; or
2. an Eligible Disabled Person, as that term is defined in GBL Section 352-eee; or
3. the spouse of either an Eligible Senior Citizen or Eligible Disabled Person.

In all other cases, no eviction proceedings can be commenced for a period ending on the later of (a) three (3) years from the date the Plan is declared effective; or (b) the expiration or termination of an existing lease or tenancy.

No representation or warranty is made as to the length of time which may elapse 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 or obtaining possession of the Unit), will be borne entirely by the Purchaser.

IT IS RECOMMENDED THAT EVERY NON-TENANT PURCHASER CONSULT AN ATTORNEY IN ORDER TO BECOME FULLY APPRISED OF THE EFFECT OF ANY RENT LAWS ON HIS RIGHTS AS A PURCHASER AND HIS OBLIGATIONS TO ANY EXISTING TENANT OR OCCUPANT.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute in triplicate a Purchase Agreement in the form set forth as Document 1 in Part II of the Plan and the Transferee Affidavit required by Article 31-B of the Tax Law. 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 legal or financial representative before being executed. Non-tenant Purchasers will also be required to complete and sign an application that will be used by Sponsor to determine the qualifications and creditworthiness of the prospective Purchaser.

The prospective Purchaser should deliver three (3) copies of the executed Purchase Agreement and application (if applicable) and two (2) Transferee Affidavits together with his good unendorsed personal check for an amount equal to ten (10%) percent of the Purchase Price (the "Down Payment") made payable to "Ryevew Special Account", to the Selling Agent at 300 East 42nd Street, New York, New York 10017 for submission to the Sponsor. Bona fide tenants will be entitled to pay only One[^] Thousand (\$1,000.00) Dollars towards the purchase price for the Down Payment upon the signing of the Purchase Agreement for a residential apartment and Five Hundred (\$500.00) Dollars towards the purchase price of a garage unit.

All checks delivered in payment of the Down Payment shall be subject to collection and if any such check is returned for insufficient funds, or any other reason, Sponsor shall have the right, among other things, to deem the Purchase Agreement cancelled and of no further force and effect.

The Sponsor has appointed Carol M. Joseph, Esq. as Escrow Agent to hold monies paid by purchaser in trust in a special account at Bank of New York, Rye Ridge Shopping Center, Rye Ridge, New York entitled "Ryevew Special Account" until such time as the closing of title to a Unit takes place. 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 or if the Plan is abandoned, shall be retained in said special account, in accordance with Section 352-h and 352-e (2) (b) of the New York General Business Law.

After the Plan is declared effective, Sponsor will give each purchaser not less than fifteen (15) days prior written notice of the date, time, and place for the transfer of title to his Unit. Upon Closing, the balance of the Purchase Price will

be due and payable. The balance will be paid by Purchaser's unendorsed certified check or by an official check drawn on or by a member of the New York Clearing House Association directly to the order of the Sponsor or as otherwise directed by Sponsor, and will be delivered to Sponsor. After title closing to a particular Unit takes place, all monies in the special account pertaining to that Unit, shall be released only by the signature of the Escrow Agent to or for the benefit of the Sponsor. It is not the intent of the Escrow Agent to place deposits in an interest-bearing account. It shall be an event of default if purchaser fails to close title on the designated date or otherwise fails to perform any obligations under his Purchase Agreement.

In the event of any default by a Purchaser under his Purchase Agreement (the obligations of the Purchaser thereunder being of the essence of said Agreement) and Purchaser does not cure such default within thirty (30) days after Sponsor or the Selling Agent gives written notice to the Purchaser of such default, Sponsor may, at its option, either (i) cancel such Purchase Agreement and retain the downpayment, made by the Purchaser as liquidated damages (but not greater than ten (10%) percent of the Purchase Price), in which event all rights, obligations and liabilities of Sponsor and the Purchaser shall wholly cease and terminate or (ii) bring an action against the Purchaser for specific performance. Sponsor shall have the remedies set forth in the preceding sentence and the additional right to approve a request from the Purchaser to adjourn the closing of title to such Unit. In the event Sponsor elects not to cancel the Purchase Agreement as a result of the failure of the Purchaser to close on the date specified by Sponsor, or if Sponsor approves Purchaser's request to adjourn the closing date, then (a) Purchaser shall pay Sponsor interest equal to the prime rate of Citibank, N.A. at the time of the original designated closing date, on the total purchase price less the amount of any monies theretofore paid on account therefor, computed from the original closing date until the transaction is actually closed and (b) all apportionments between Sponsor and Purchaser shall be made as of the original closing date. Purchaser shall reimburse Sponsor for any additional costs incurred by Sponsor as a result of Purchaser's delay.

Purchase Agreements, other than those executed by bona fide tenants in occupancy during the ninety (90) day Exclusive Purchase Period, will not be binding on Sponsor until approved and executed by it and Sponsor will have 30 days after the delivery by the Purchaser of an executed Purchase Agreement and the downpayment, within which to accept or reject such Purchase Agreement. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Purchaser, subject to any limitations and requirements imposed by law. If a Purchase Agreement is not accepted by Sponsor within the aforesaid 30-day period, the Purchase Agreement shall be deemed to have been rejected and cancelled and all sums theretofore deposited thereunder shall be

promptly returned to the Purchaser. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to the Plan and without the consent of the Board, to refuse to approve and execute (i) a Purchase Agreement for any Unit, except as prohibited by law, and (ii) a Purchase Agreement or Purchase Agreements, as the case may be, for more than one Unit to any one person or entity.

A purchaser who fails to obtain financing if it is requested, shall receive a full refund of his deposit if he has fulfilled all the requirements contained in the Purchase Agreement. Said refund shall be made within fifteen (15) days after notice to Selling Agent. Should Purchaser's financing commitment lapse for reasons other than Purchaser's negligence, Purchaser may rescind without penalty. In addition, should a substantial amendment be filed, prior to a closing, the prospective purchaser may rescind without penalty within thirty (30) days of the filing.

Assignment of Purchase Agreements

Any Purchase Agreement which has been accepted by the Sponsor may be assigned or transferred by the purchaser to a member of his or her immediate family without the consent of the Sponsor, provided that (i) the requirements set forth below are strictly observed and (ii) no default, or event which, with the passage of time or the giving of notice, or both, would constitute default, on the part of the purchaser has occurred thereunder. "Immediate family" shall be defined as parent, child, sibling or grandparent. All purchasers will have such a right to assign or transfer their respective Purchase Agreements on a non-discriminatory basis. However, the Down Payment shall be increased from \$1,000 (or \$500 for garage spaces) to the ten (10%) percent of the Purchase Price at the time of assignment.

To effect the assignment or transfer of a Purchase Agreement, the purchaser will be required to submit the following items to the Sponsor or the Selling Agent no later than thirty (30) days prior to the Closing Date:

(a) an Assignment and Assumption of Purchase Agreement, in the form set forth in Part II of the Plan, duly executed and acknowledged by both the purchaser and his or her assignee, annexed to which shall be a photocopy of the Purchase Agreement countersigned by the Sponsor, a copy of the Down Payment check and a new check representing the additional Down Payment required;

(b) if the assignment or transfer is made prior to the declaration of effectiveness of the Plan, an affidavit duly executed by the assignee, in the form set forth in Part II of the Plan, stating (i) that the assignee was not procured by the Sponsor or the Selling Agent, (ii) that the assignee intends that he, or that a specified member of his or her immediate family, will personally occupy the apartment, and (iii) if he states that

he intends that a member of his or her immediate family will personally occupy the apartment, the name of such person and the relationship to the purchaser;

(c) if the Transferee Questionnaire or any other documentation relating to the N.Y.S. Gains Tax has theretofore been executed by the purchaser and delivered to the Sponsor or the Selling Agent, a substitute Transferee Questionnaire or other required document, duly executed and acknowledged by the assignee; and

(d) a check payable to Cassin, Cassin & Joseph, in the amount of \$250, for their services in connection with the processing of the assignment or transfer.

This right of assignment is applicable only to bona fide tenants in occupancy and does not apply to non-tenants, bona fide tenants in occupancy who do not purchase within the Exclusive Purchase Period or an Assignee of a bona fide tenant in occupancy.

Anything herein to the contrary notwithstanding, if any requirement set forth above is not observed strictly in accordance with its terms, the purported assignment or transfer shall be void and of no force or effect, and the Purchase Agreement shall remain in effect and fully enforceable against the subscriber in accordance with its terms.

Purchaser's Mortgage

The Purchase Agreement is conditioned upon the Purchaser obtaining a written loan commitment from a recognized lender in an amount not to exceed ninety (90%) percent of the Tenant Purchase Price and eighty (80%) percent of the Non-Tenant Purchase Price for non-tenant Purchasers. The Purchaser agrees to furnish to the lender such information and data pertaining to Purchaser's financial condition as may be required by the lender within ten (10) days after the request therefor. In the event that within thirty (30) days from the date of the Purchase Agreement, an acceptable lender shall fail to approve Purchaser's credit, and written notice of such disapproval has been provided to the Sponsor within five (5) days after the expiration of said thirty (30) day period, the Purchase Agreement may be declared null and void by either party and neither party shall have any liability to the other thereunder except that the Escrow Agent shall return to the Purchaser the deposit paid on the execution of the Purchase Agreement, with interest, if any, in accordance with the terms set forth in the Plan. Notwithstanding the foregoing, if failure on the part of the lender to approve Purchaser's credit results from Purchaser's failure to furnish the information and data required or to promptly and diligently make application for a loan, such failure shall be a default by Purchaser under the terms of the Purchase Agreement and Sponsor may (i) send notice to Purchaser of Sponsor's intention to cancel

the Purchase Agreement, or (ii) extend the 30-day period hereinbefore set forth by the number of days that Purchaser was late in making the application or providing the requested information and data.

Many commercial banks, savings banks and other financial institutions will finance the purchase of condominium units. The availability and cost of such financing is dependent upon economic conditions, varying lending policies among the institutions and the qualifications of the Purchaser. A prospective Purchaser is encouraged to explore all available sources of financing, if required, since the terms and cost may vary among the alternatives.

Sponsor, the Condominium and the Selling Agent are not obligated to obtain or provide financing on behalf of any Purchaser and are not acting as agent for any lender which may give financing for the purchase of any Unit. Consequently, each person who desires to finance the purchase of a Unit is solely responsible to obtain a commitment for such financing in his favor from the lender of his choice.

Persons interested in obtaining institutional financing for the purchase of their condominium Unit should communicate directly with the lender of their preference.

NO REPRESENTATION OR WARRANTY IS MADE THAT BANK FINANCING WILL BE AVAILABLE TO ANYONE WHO PURCHASES A CONDOMINIUM UNIT UNDER THE PLAN OR AS TO THE AMOUNT, TERMS, COSTS AND CONDITIONS UPON WHICH FINANCING IS AVAILABLE.

INTERIM LEASES

The Sponsor reserves the right freely and without restriction to lease or rent apartments in the building that are vacant on the date of the presentation of the Plan or which become vacant thereafter to Purchasers or Non-Purchasers at any time both before and after the First Unit Closing. However, once a Purchase Agreement is signed for a vacant Unit and as long as the Purchase Agreement is in effect, the apartment may only be leased to the Purchaser of such Unit.

The lease is referred to as an Interim Lease. Such lease will be for such rent not exceeding the maximum rent legally collectible, and upon such other terms as may be mutually agreed upon.

It shall be a default under the Interim Lease if the Purchaser-tenant thereunder fails to comply with all the Purchaser's obligations under the Purchase Agreement. A default in the terms and conditions of the Interim Lease will also be a default under the Purchase Agreement. In the event of Purchaser's uncured default under either the Interim Lease or the Purchase Agreement, Sponsor, at Sponsor's sole option, may elect

to terminate the Interim Lease and to cancel the Purchase Agreement, and the Purchaser-tenant must vacate the premises within thirty (30) days after such notification by Sponsor. Notwithstanding the foregoing, before Sponsor can cancel the Purchase Agreement either (i) Sponsor must obtain an order of eviction or other judgment or order from a court of competent jurisdiction against the Purchaser-tenant, or (ii) the Purchaser-tenant must have vacated the Unit or surrendered or agreed to surrender possession thereof to Sponsor voluntarily.

In the event the Purchaser fails or refuses to vacate and surrender possession of the Unit within such thirty (30) day period, then all sums paid in connection with the Purchase Agreement, as well as the security deposit given pursuant to the Interim Lease, but not exceeding ten (10%) percent of the Purchase Price for the Unit, may be retained by Sponsor as liquidated damages.

In addition, Sponsor shall have the right to apply any monies held as security deposit under the Interim Lease or in trust under the Purchase Agreement, to effectuate any repairs to the Unit caused by Purchaser-tenant, or his guests or invitees.

Rent due under an Interim Lease shall be adjusted as of the closing date between Sponsor and the Purchaser-tenant. No rent paid under an Interim Lease will be applied toward the Purchase Price of any Unit.

In the event that the Plan is abandoned, the Interim Lessee shall be entitled to remain as a tenant entitled to all of the rights under the applicable law or shall have the right to terminate the lease upon ninety (90) days' written notice. If an Interim Lessee rescinds his Purchase Agreement pursuant to the terms of the Plan, then the Interim Lessee shall vacate the apartment within sixty (60) days from the time of such rescission.

EFFECTIVE DATE OF PLAN

The closing to any condominium unit will not take place until the Plan is declared effective. The Plan may be declared effective, at Sponsor's option, at any time after Purchase Agreements have been executed and are in effect with respect to fifty-one (51%) percent of the bona fide tenants in occupancy of all Units in the Buildings on the date the Plan is accepted for filing by the New York State Department of Law, (excluding for the purposes of determining the number of bona fide tenants in occupancy on such date, Eligible Senior Citizens and Eligible Disabled Persons) and at least thirty-five (35%) percent of all bona fide tenants in occupancy of all Units in all Buildings at the time the Plan is declared effective, (including Eligible Senior Citizens and Disabled Persons). In calculating the required percentage, only one purchase agreement per dwelling unit will be counted and in the event a tenant leases or occupies

more than one dwelling unit, only one purchase agreement from that tenant will be counted. In establishing a base for computing the required percentages necessary for effectiveness, all dwelling units in the building or group of buildings shall be included, except:

- (i) For purposes of both the fifty-one (51%) percent calculation and the thirty-five (35%) percent calculation, those that were both vacant and not under lease on the date the offering plan or prospectus was accepted for filing by the Department of Law, and
- (ii) For purposes of the fifty-one (51%) percent calculation, dwelling units of eligible senior citizens who have returned completed election forms prior to the plan being declared effective, non-purchasing eligible senior citizens for whom the sponsor has submitted evidence of eligibility satisfactory to the Department of Law, and eligible disabled persons who have not subsequently purchased unless the sponsor has disputed such election in which case the affected dwelling unit will remain in the base until such time as a final determination is made that the election is sustained.

In computing the percentages necessary for effectiveness, the following purchase agreements may be included:

- (i) Purchase agreements by bona fide tenants in occupancy on the filing date for his or her dwelling unit;
- (ii) Purchase agreements by bona fide tenants in occupancy on the filing date for dwelling units which are both vacant and not under lease;
- (iii) Purchase agreements by bona fide tenants in occupancy on the filing date for a dwelling unit of another bona fide tenant if the other tenant has purchased the first tenant's dwelling unit or a vacant dwelling unit;
- (iv) Purchase agreements by the bona fide tenant of record on the filing date or by a subtenant who has the right to purchase;
- (v) Purchase agreements for dwelling units leased to a corporation, partnership, trust, estate or other entity subscribed to by an individual approved by said corporation, partnership, trust, estate or other entity.

When Purchase Agreements have been executed and accepted for the sale of eighty (80%) percent of the Units offered under this Plan and the prerequisites to the declaration of effectiveness required by Section 352-eee of the General Business Law as set forth above have been met, the Sponsor must declare the Plan effective.

The Plan will be declared effective by amendment to the Plan or by written notice to all bona fide tenants and Purchasers served by personal delivery or regular mail. If the Plan is declared effective by notice, an amendment to the Plan will be duly filed within five (5) business days thereafter. The First Unit Closing will not occur until after such amendment has been accepted for filing by the Department of Law.

In the event the Plan is withdrawn or abandoned, all Down Payments will be returned to the Purchasers within fifteen (15) days thereafter, except the Down Payment of any Purchaser who is then in default under his Purchase Agreement beyond any applicable grace period or whose Purchase Agreement has been cancelled due to his default. In that event, the Down Payment (and the cost of any work performed by or on behalf of Sponsor at the request of Purchaser), will be retained by Sponsor as liquidated damages.

Any amounts retained by the Sponsor as and for liquidated damages will not exceed ten (10%) percent of the purchase price plus the cost of any additional work which may have been requested by the Purchaser. Upon the return or retention of the Down Payment, the Purchase Agreement will be deemed cancelled and of no further force or effect and Sponsor will have no further obligation or liability to Purchaser under the Plan or the Purchase Agreement.

Sponsor will fix dates for closing title to all Units, as to which Purchase Agreements are outstanding, in accordance with the provisions of the respective Purchase Agreements. Prior to the first closing of title, the Declaration and By-Laws shall be recorded and the Floor Plans filed in the Westchester County Clerk's Office.

The Plan will be abandoned unless it is declared effective within twelve (12) months from the date of acceptance for filing by the Department of Law and in the event of such abandonment, no new Plan for conversion of such Buildings shall be submitted for at least fifteen (15) months after such abandonment. Prior to the date on which the Plan is declared effective, the Plan may, at the option of Sponsor, be withdrawn in the event of (a) the existence of one or more defects in title, violations of record or work orders of insurers affecting any one or more Units, that cannot be removed for 1/2 of 1% of the total selling price in the aggregate (including counsel fees and expenses), as reasonably estimated by Sponsor; (b) any damage to or destruction of all or part of the Buildings by fire or other casualty that is

not fully covered by the insurance proceeds received by Sponsor (excluding any deductible), unless the Sponsor elects to repair; or (c) a taking of all or part of the Property in condemnation proceedings or by eminent domain. In no event, however, will Sponsor be obligated to engage in litigation (or expend monies with respect to title defects, violations or work orders of insurers except to the extent of 1/2 of 1% of the total selling price, in the aggregate) to remove or cure any title defects and violations except those title defects, violations, work orders, or determinations of an authority or regulatory association which exist on the date the Plan is presented and are known to the Sponsor or are a matter of public record. Sponsor shall not have any responsibility, however, to remove or cure any title defects or violations that result from the acts or omissions of any tenants of the Buildings or are the responsibility of any tenants of the Buildings to cure.

CLOSING OF TITLE

After this Plan is declared effective, Sponsor will, from time to time, fix one or more dates for closing title to the Units for which Purchase Agreements are in effect. The First Unit Closing will be held no later than one hundred eighty (180) days after the Plan is declared effective, unless adjourned.

The closing of title is the time when the Sponsor will convey title to the Condominium Unit to the Purchaser by delivering to the Purchaser a Bargain and Sale Deed with Covenants Against Grantor's Acts in the form set forth in Part II of this Plan, in exchange for the payment of the Purchase Price.

All purchasers will be notified, in writing, at least fifteen (15) days in advance of the time, date and place of closing for the transfer of title to his Unit.

The risk of loss to the Unit by fire or other casualty until the closing of title is assumed by Sponsor (unless and until a non-tenant Purchaser has taken possession of the Unit, at which time the risk of loss shall be assumed by such non-tenant Purchaser), but without any obligation or liability upon Sponsor to repair or restore the Unit, except that if Sponsor elects to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect and Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price. In that event, Sponsor shall be entitled to a reasonable period of time in which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board of Managers and other Unit Owners, belong entirely to Sponsor and if those proceeds are paid to Purchaser, Purchaser shall promptly, upon receipt thereof, turn them over to Sponsor.

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 By-Laws, the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited hereunder, together with accrued interest, if any, less the cost of any work performed in the Unit by or on behalf of Sponsor at the request of Purchaser, and, upon that payment, neither Purchaser or Sponsor shall have any liability or obligation under the Purchase Agreement and the Plan, except that if Purchaser is then in default under said Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages but in no event greater than ten (10%) percent of the Purchase Price. Title to each Unit and its appurtenant interest in the common elements will be conveyed at closing free of all liens, encumbrances and title exceptions other than those described in this Plan and the proposed Unit deed. Such exceptions are set forth below.

Prerequisites to Closing Title

The closing to any condominium Unit will take place only after or concurrently with the following events:

1. The Plan being declared effective by the Sponsor and the filing of an amendment to the Plan which is accepted for filing by the Department of Law.
2. The recording or filing, as required by law, of the Declaration, By-Laws and Floor Plans;
3. The recording of a release or satisfaction of the liens of any existing mortgage which affects the Unit to be closed and its appurtenant undivided Common Interest as required by law;
4. Written notice of the closing was given to the Purchaser, together with notice as to the date when the Purchaser will commence being obligated for the payment of his Common Charges.
5. Delivery by the Sponsor to the Purchaser of a Bargain and Sale Deed with Covenants Against Grantor's Acts in the form set forth in Part II of this Plan and subject to the following:
 - (a) The terms, conditions, covenants and provisions of the Declaration of Condominium and By-Laws.
 - (b) State of facts shown on a survey of the Land and Buildings, provided such state of facts would not render title unmarketable.

- (c) Zoning regulations and ordinances and any amendments thereto, provided that neither the Building nor its present use nor its use as contemplated pursuant to this Plan are prohibited thereby.
- (d) Consents by the Sponsor or any former owner of the Property for the erection of any structure on, under or above any street or streets on which the Property may abut.
- (e) Revocability of license for vault space, if any.
- (f) Easements in favor of the owners of the other Units to use the pipes, wires, conduits, public utility lines and other Common Elements, including those located in the Unit itself or elsewhere on the Property serving such other Units in accordance with present use and present available facilities and easements of necessity in favor of the other Units and/or the Common Elements.
- (g) Easements for the continuance of encroachments on the Unit and on the Common Elements by other Units or portions of the Common Elements then existing by reason of the construction of the Building or thereafter occurring by reason of the repair and/or restoration by the Board of Managers of the Building or such other Units or such Common Elements after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of any alterations or repair to the Common Elements made by or with consent of the the Board of Managers, so that any such encroachments may remain as long as the Building stands.
- (h) New York State Franchise Taxes of any corporation in the chain of title, provided that a reputable title insurance company (which is a member of the New York Board of Title Underwriters) is willing to insure that such taxes will not be collected by foreclosure of the lien relating thereto from the Property.
- (i) Current real estate taxes not yet due and payable which shall be apportioned between the Sponsor and the Purchaser.

- (j) Water charges (but the Sponsor shall be obligated to pay all such charges through the date preceding the first closing of title to an apartment Unit).
- (k) Sewer, water, electric, plumbing, heating, gas, telephone and other utility easements and consents, if any, then or thereafter recorded, including but not limited to the right to maintain and operate lines, wires, cables, pipes, conduits, poles and distribution boxes in, over, under and upon the Property.
- (l) Judgments, liens or encumbrances against the Sponsor or any prior owner of the Property provided that such lien or encumbrance will be released against the Unit and its Common Elements by a partial release duly recorded.
- (m) Covenants contained in the Declaration and recorded in the Westchester County Clerk's Office.

Counsel to the Sponsor has advised that in its opinion none of the exceptions to title hereinbefore set forth is of a nature which should materially affect the use, enjoyment, lease or sale of any Unit as a Condominium Unit. The documents concerning these exceptions will be available to purchasers or their attorneys for examination at the Selling Agent's Office.

The purchaser's obligation for payment of the Common Charges and expenses applicable to his Unit will begin to accrue on the date on which the deed is delivered to him.

- 6. If the Purchaser has requested title insurance, the issuance to Purchaser (at Purchaser's expense) of a binder for title insurance from a reputable title insurance company, (which is a member of the New York Board of Title Underwriters) insuring that the Purchaser has good and marketable fee title to the Unit free and clear of all liens and encumbrances except any mortgage which the Purchaser executes as part of the purchase of the Unit and that the condominium has been validly created pursuant to Article 9B of the Real Property Law of the State of New York, as amended.
- 7. The execution by the Purchaser of an instrument in the form as set forth in Part II of this Plan, designating the Board of Managers as his

attorney-in-fact, coupled with an interest, for the purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Units acquired by the Board of Managers in accordance with any provisions of the By-Laws.

Closing Costs, Expenses and Adjustments*

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

1. If a Purchaser elects to obtain fee title insurance from Westchester Abstract Corp., 2 Lyon Place, White Plains, New York 10601, or a title insurance company selected by Purchaser, the Purchaser will pay the premium therefor which will vary depending on the purchase price of the Unit.

The Purchaser may receive the benefit of a simultaneous rate as the result of fee title insurance being issued simultaneously with mortgage title insurance.

2. All recording fees in connection with the sale and purchase of the Unit.

3. If a Purchase Money Mortgage loan is obtained by the Purchaser from a Lender, the Purchaser will be responsible for the payment of all mortgage recording tax (any mortgage tax credit received pursuant to Section 339-ee of the New York Real Property Law will inure to the benefit of the Sponsor) and closing costs and expenses (which closing costs may include lender's counsel fees, recording charges, and mortgage title insurance) in connection therewith in amounts determined by the Lender.

4. Each Purchaser will be responsible for the fees and expenses of his own attorney, if any.

5. The Purchaser will be required to pay to the Board of Managers Common Charges allocable to his Unit monthly, in advance, commencing with the closing date. The amount of the Common Charges to be assessed against each Unit will be fixed by the Board of Managers. It is estimated that the Common Charges for the first year of operation will not exceed the respective amounts as set forth in Schedule A of this Plan, but such amounts may vary upward to the extent that the cost of services can increase and/or the Board of Managers wishes to provide increased services.

6. Insurance on the interior of a Unit or the contents thereof is not included as part of the Common Charges.

*See also the section entitled "Purchaser Reserve for Working Capital Contingencies."

Purchasers desiring such insurance may purchase same at their own expense.

7. The Purchaser will pay the cost of the New York State Deed tax stamps to be affixed to the deed which is currently at the rate of \$4.00 per \$1,000.00 Purchase Price. This obligation is generally paid by the seller of real property, but by this Plan is imposed on the Purchaser.

8. If the Purchaser deals with any broker in connection with the purchase of his Unit other than the Selling Agent or any broker engaged in writing by Sponsor, the Purchaser will be required to pay the commission of that broker unless the Sponsor specifically agrees otherwise to do so in writing.

9. Closings shall take place at the offices of Cassin, Cassin & Joseph, 11 Elm Place, Rye, New York. A fee of Three Hundred (\$300.00) Dollars to Sponsor's attorney will be paid by Purchaser for services rendered in connection with the preparation and review of all closing documents and as an attendance fee with respect to such closing. If closing shall be required to take place other than in the offices of Cassin, Cassin & Joseph, an additional fee of \$150.00 shall be incurred with respect to attendance at such closing. No legal services will be rendered to Purchaser by Sponsor's counsel and Purchaser is advised to obtain his own attorney.

As an illustration, if a Purchaser buys a unit for \$100,000 and obtained a mortgage for \$75,000 at 10% per annum and the closing occurred on the 15th of the month, the following illustrates the estimated closing costs exclusive of adjustments with the Sponsor:

Title:	Fee Insurance	\$299.00
	Mortgage Insurance	249.00
	Recordings	75.00
	Mortgage Tax	537.50
	Deed Stamps	400.00
Mortgage Fees:	Short Interest	308.00
	Tax Escrows	400.00 - 600.00
	Bank Attorney	350.00 - 600.00

In addition, if the Purchaser obtains the services of an attorney to handle the closing, the Purchaser will be responsible for said attorney's fee.

At Closing, adjustments will be made between Sponsor and each Purchaser with respect to (a) any real estate taxes and assessments, including without limitation, water charges, if separately assessed on the basis of the period for which assessed, (b) Common Charges for the month in which title closes and (c) accrued rent and any other charges pursuant to any lease

covering the Purchaser's Unit. In the event that a Unit has not been separately assessed for the then current fiscal year at the time of closing of title, the apportionment of real estate taxes shall be based on the assessment of the Property and the Common Interest appurtenant to the Unit.

However, if units have not been separately assessed, the Sponsor shall place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes, which will be levied against the parcel for the six month period following the first unit closing. The Board of Managers will pay the taxes from the escrow account when taxes are due and will be entitled to reimbursement from the unit owners, until such units are separately assessed.

Each Purchaser will be given a reasonable opportunity to examine his Unit prior to the closing of title and is urged to make a careful inspection.

The Security Deposit held by the Sponsor, with interest, if any, of a tenant who purchases will be refunded to him after the closing title. The security deposit of a Non-Purchasing Tenant will be transferred, after the closing of title, to the owner of the occupied Unit who will hold said deposit in accordance with the GOL.

The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by each prospective Purchaser and his counsel.

From and after the closing of title to each Unit, the Purchaser will become obligated for the payment of Common Charges, real estate taxes and assessments, including without limitation, water charges if separately assessed, and all other expenses with respect to his Unit whether or not Purchaser has taken possession of the Unit.

There can be no assurance that the Unit Owner will be able to sell his Unit for the Purchase Price paid or be able to lease his Unit, since this will be determined by market conditions in the future. Sponsor and its designee as owner of Unsold Units reserve the right to offer Units for sale or lease at prices or rents which may be less than prices or rents at which any other Unit Owner may offer his Unit for sale or lease. So long as Unsold Units are available, the resale price or rental value of other Units may be limited by prices or rents of Unsold Units.

OBLIGATIONS OF SPONSOR

1. 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 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, attorneys' fees, organization costs, brokerage commissions and engineers' fees and costs.

2. The Sponsor will pay or cause to be paid all Common Charges declared by the Board of Managers, taxes and other expenses assessed to any Units owned by the Sponsor, so long as Sponsor shall continue to own the same, and will convey title to same, free and clear of all liens except a first mortgage, if any, to be placed upon the Unit at the time of its initial conveyance. Sponsor has the financial resources necessary to meet its obligations with respect to Unsold Units. Sponsor will cure any existing violations prior to the initial closing. If this cannot be accomplished, the Sponsor will escrow funds to cure any outstanding violations based upon a cost estimate submitted by a licensed engineer or architect. Sponsor is obligated to defend any suits or proceedings arising out of its acts or omissions and indemnifies the Board of Managers and the Unit owner against any liability which may arise as a result of such acts or omissions.

3. Immediately following the first Unit Closing, Sponsor will assign to the Board of Managers and the Board of Managers will assume on behalf of all Unit Owners, all assignable service and maintenance contracts and agreements relating to the Property. The Condominium will indemnify Sponsor against all claims and liability thereunder that relate to matters and events occurring on or after the date of the first Unit Closing. However, all representations and obligations under the Plan and obligations pursuant to the GBL which are to be performed subsequent to the closing, shall survive delivery of the deed.

4. The Sponsor shall cause to be held the first meeting of the Board of Managers within ninety (90) days of the closing of the initial 51% or more of the Units. At that time the Board as it then exists shall resign and a new Board elected. The Sponsor shall not have voting control of the Board for more than two (2) years or upon the sale of 51% of the units, whichever is sooner.

5. Until eleven (11) months after the transfer of control of the Board of Managers to the Unit Owners, or eleven (11) months after the closing of title to the last Unit, whichever is sooner, provided that the project is completed, 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 the Plan.

However, the Sponsor may be liquidated at any time and may distribute any of its assets at any time whenever such distribution does not pertain to this offer or any distributed assets other than in liquidation provided that the Sponsor's principals shall be responsible for the Common Charges, real

estate taxes and any other expenses attributed to the Units owned by the Sponsor.

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

6. During the time that the Sponsor is in control of the Board of Managers, the Sponsor shall direct the Managing Agent to keep records of the actions of the Board or other governing group of the condominium regime and of meetings of such group or of owners of condominium interests, and of financial records and books of account receipts and expenditures, an account for each condominium interest which shall contain the amount of each assessment of Common Charges thereon, dates when due, the amounts paid thereon, and the balance due, copies of the Declaration of Condominium ownership, (or other legal instrument submitting the Property to condominium ownership), rules and regulations and floor plans of apartments or other subdivisions, and whether such will be held available for inspection by owners of condominium interests and other agents. The Sponsor shall guarantee that the duties of the Managing Agent are performed without discrimination to any tenant. The Property will be maintained in substantially the same condition and manner as on the date of presentation.

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 except those contained in Paragraph 1 through 6 above and any other representation made in the Plan plus those representations set forth in Section 23A of the General Business Law and any other under any local laws or regulations.

The Sponsor will deliver at the initial closing, a binder covering fire and liability insurance.

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.

UNSOLD APARTMENT UNITS

Title to each Unsold Unit shall be held by the Sponsor or a financially responsible designee until it is sold and a deed delivered to the Purchaser. From and after the date of the first closing of title to an Apartment Unit, the Sponsor shall be responsible for and will pay the Common Charges and expenses assessed against each Unsold Apartment Unit until sold to a bona fide Purchaser for value. If the Sponsor fails to pay Common Charges and expenses, the Board of Managers will have the same

rights and remedies against it as against any other defaulting Unit Owner.

Purchasers should be aware that Sponsor has the continuing right to lease Unsold Units and therefore these Units may be indefinitely occupied by tenants whose interest in the Property is more transitory than that of Owners of Condominium Units.

Sponsor will have the right to sell his Unit without restriction as to price (so that he may retain the entire proceeds from the sale) if prior to or simultaneously with the closing he satisfies any arrears in the payment of Common Charges and expenses.

Sponsor has the right to mortgage Unsold Units without restriction provided that the mortgage shall be substantially in the form of the New York statutory form of mortgage (except for such variations as may be necessary in order to permit a particular lending institution to make the loan).

The Board of Managers shall not prevent nor unreasonably impede or interfere with the sale or leasing of any Unsold Unit. Prospective purchasers of Unsold Units and sales personnel shall be given access to the public areas of the Property, including without limitation, lobbies and hallways, for purposes of ingress and egress, without being subject to any charge or fee therefor. No discriminatory charge or fee may be imposed on any Owner of an Unsold Unit.

Sponsor shall have the right to make alterations or additions in or to its Unsold Unit (and to the fixtures and equipment located therein); to change the size and/or layout of its Unsold Unit; and to reallocate the percentage of the Common Interest allocated to it, without obtaining the consent of the Board of Managers, the then Managing Agent of the Condominium or the other Unit Owners and without payment of any fee or charge. Any reallocation of the Common Interests, however, must meet the test set forth in Article 12 of the Declaration. In no event shall the total amount of the Common Interest be changed as a result of such reallocation.

The rights and obligations of Sponsor shall inure to the benefit of and be binding upon his successors and assigns (other than a bona fide purchaser for personal occupancy by himself or members of his family).

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 purchased for occupancy by such purchaser or persons related by blood, marriage or adoption to such purchaser. In connection with the sale of such units, a purchaser for investment or resale shall be obligated to:

(1) register as a broker-dealer pursuant to GBL Section 359-e (if not already registered);

(2) comply with the trust fund and escrow provisions of GBL Sections 352-h and Section 352-e(2)(b);

(3) provide the following documents to a prospective purchaser, at no cost to the purchaser, at least three (3) business days before entering into a Purchase Agreement:

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

(ii) a copy of the most recent notice from the Board of Managers concerning changes in common charges, potential assessments, and planned major 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 any existing tenant of the unit, if any.

(iv) copies of the By-Laws of the Condominium, as amended.

(v) a copy of any notice of uncured violations of record in the unit that are the responsibility of the Unit Owner to cure, if any.

A purchaser for investment or resale who singly or, with other purchasers under common control, purchases a number equal to or more than six units or ten (10%) percent of all dwelling units in the building, whichever is greater, shall also provide to the Department of Law all documents required pursuant to the regulations promulgated by the Department of Law and provide to all prospective purchasers, a copy of the offering plan and all filed amendments.

SPONSOR RESERVE AND WORKING CAPITAL FUND

The Sponsor will contribute \$20,000 as a Reserve Fund and \$10,000 to the capital of the Condominium as a working capital fund ("Working Capital Fund") at the time of the fifteenth closing of title, at which time, Sponsor shall apportion with the Board of Managers the following items as of the date immediately preceding the date of the first closing of title:

- (a) Employee's wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Buildings if any;

- (b) Fees for assignable permits and licenses, if any;
- (c) Cost of fuel (plus applicable sales tax);
- (d) Charges for electricity and gas for the Common Elements;
- (e) Payment under service, maintenance and concession contracts;
- (f) Water charges (unless and to the extent separately assessed to the individual Units);
- (g) Cost of supplies on hand at Sponsor's cost (plus applicable sales tax);
- (h) Premiums for transferable insurance policies; and
- (i) Real estate taxes.

The Working Capital Fund will be used to pay the net closing adjustments if in favor of Sponsor at the first closing of title and the remainder may be held for working capital, repairs and for any other purposes the Board of Managers shall determine. If the net closing adjustments are in favor of Sponsor at the first closing of title and exceed \$10,000, payment of the net closing adjustments in excess of \$10,000 shall be made by the Board of Managers to Sponsor by delivery of unsecured serial non-interest bearing promissory note(s) providing for twelve (12) equal monthly installments commencing on the first day of the second month immediately following the date of the first closing of title. The reserve reflected in Schedule B may be used by the Board of Managers to pay any additional monies to the Sponsor. If the net closing adjustments are in favor of the Board of Managers the aggregate amount will be added to the Working Capital Fund.

The Board of Managers will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation is made as to the exact amount of funds that will be available at any specific time. In no event, however, shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Units or to pay any amount owed by Sponsor to the Board of Managers in connection with its undertaking with respect to Common Charges. The Reserve Fund may be used at the discretion of the Board of Managers for long term capital improvements and repairs.

NO REPRESENTATION IS MADE THAT THE WORKING CAPITAL FUND OR RESERVE FUND WILL BE, OR IS INTENDED TO BE, ADEQUATE TO COVER CURRENT OR FUTURE EXPENSES, INCLUDING REPAIRS OR REPLACEMENTS, AND IF ADDITIONAL FUNDS ARE REQUIRED IN EXCESS OF THE WORKING CAPITAL FUND AND THE RESERVE FUND IT MAY BE NECESSARY TO INCREASE COMMON CHARGES.

THE PROPERTY IS OFFERED IN ITS PRESENT CONDITION, AS MORE PARTICULARLY DESCRIBED IN THE INSPECTION REPORT SET FORTH IN PART II, WITHOUT ANY OBLIGATION ON THE PART OF SPONSOR OR SELLING AGENT TO MAKE ANY REPAIRS OR IMPROVEMENTS. NO GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND AND/OR WORKING CAPITAL FUND OR UPON THE PHYSICAL CONDITION OF THE PROPERTY.

PURCHASER RESERVE FOR WORKING
CAPITAL CONTINGENCIES

In addition to regular monthly payments of Common Charges, at the closing of title the Purchaser of a Unit will be required to pay an amount equivalent to two months' Common Charges to the Board of Managers, which sum shall be available for working capital and future contingencies of the Condominium. This is not an advance payment for Common Charges; and it shall be in addition to the adjustments to be made with the Sponsor, as hereinabove set forth. No representation is made that said funds will be adequate for such reserves. Sponsor will not be required to make any such payment toward the reserve funds. Until control is turned over to the Unit Owners, the Board of Managers will not utilize said reserve funds except for the payment of prepaid expenses. Said funds shall not be used to reduce Sponsor's obligation to pay Common Charges for Unsold Units. Upon turnover of control, an accounting of the reserve fund and expenditures therefrom shall be made to the Board of Managers.

INCOME TAX OPINION

The Sponsor has been advised by its counsel, Cassin, Cassin & Joseph, 300 East 42nd Street, New York, New York 10017, that each Unit Owner will be entitled, under present law to deduct from his gross income for Federal and New York State income tax purposes, the real estate taxes assessed against his apartment Unit and paid by him and interest on any mortgage indebtedness covering his Unit.

In addition, the Sponsor has been advised by counsel that some Unit Owners, such as Veterans of the United States Armed Forces, may be entitled to exemptions covering part of the real estate taxes otherwise assessed against their respective Units.

The Sponsor has computed the maximum amount of the estimated income tax deductions under present tax laws and regulations applicable to each Unit and counsel to the Sponsor has not passed upon the accuracy of such computations. The actual amount of any income tax deduction may increase or decrease as the amount of real estate taxes or mortgage interest paid by the Unit Owner changes. The exact amount of any tax saving to each Unit Owner will depend upon his income tax bracket.

No warranty can be made that the United States Treasury Department or the Department of Taxation and Finance of the State of New York will allow the income tax deductions referred to herein, or that the tax law or the regulations issued thereunder, or any judicial interpretation thereof, may not change so as to disallow the deductions in whole or in part.

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October , 1987

J & M Associates
11 Elm Place
Rye, New York 10580

Re: Offering Plan for Conversion to
Condominium Ownership of
100-110 Theodore Fremd Avenue
Rye, New York 10580 ("Plan")

Gentlemen:

You have requested our opinion concerning the availability of certain deductions for Federal and New York State income tax purposes to persons who purchase residential units under the Plan and treatment for such income tax purposes of the common charges paid or borne by residential unit owners.

In connection with rendering our opinion, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1954, as amended ("Code"), the New York State Tax Law, the Regulations promulgated thereunder and such other materials as we deemed relevant.

Each owner will receive a deed granting him legal title to his unit and its appurtenant interest in the Common Elements in fee simple. Accordingly, each residential unit will be taxed as a separate tax lot for real estate taxes assessed with respect to his unit. A residential unit owner may also mortgage his unit and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness.

In our opinion, a residential unit owner will, for Federal income tax purposes, be entitled to a deduction for real estate taxes in the year paid or accrued and for mortgage interest under Section 163 and 164 of the Code. It is assumed that such taxes and interest are not prepaid and that such interest is neither investment interest nor incurred to purchase or carry tax-exempt securities. Under Section 461 (g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

It is also our opinion that each residential unit owner will, for New York State income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid, in the case of cash basis taxpayers or accrued, in the case of other taxpayers during the taxable year. It should be noted, however, that for New York State income tax purposes the deduction may be reduced if the unit owner has more than a specified amount of tax preference items.

Common charges will be borne by the unit owners and assessed and collected by the Board of Managers ("Condominium Board").

Under Section 528 of the Code, some Condominium Boards may be eligible to elect exemption from tax on common charges collected from the unit owners, provided the requirements of Section 528 are met. One of the requirements of the Section is that sixty percent (60%) or more of the gross income of the organization consist of dues, fees or assessments from owners of residential units. Because of this and other tests for qualification, it is not possible at this time for us to express an opinion as to the applicability of Section 528 to this Condominium.

The By-Laws provide that the Condominium Board will act as the agent of the unit owners. Thus, the Condominium Board may take the position that it is simply an agent and is not a separate taxable entity. In such a case, the individual unit owners would themselves be liable on any interest or similar income which is earned from interim investments of the amounts which are assessed and collected from the unit owners.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the unit owners, through the Condominium Board, constitute an association taxable as a corporation. In such event, the Board may be deemed liable for Federal corporate income tax (and therefore to New York State corporate income tax) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with income earned from other sources such as interim investment of funds) exceeds current expenses paid or incurred by the Condominium Board, which expenses would be deductible for Federal income tax purposes. In this case, the Condominium Board would similarly be subject to the New York State Corporation Franchise Tax.

Notwithstanding the Condominium Board is treated as a separate taxable entity, published rulings indicate that Common Charges assessed by the Condominium Board should not constitute gross income to the extent that they are designated for use solely to make specified capital improvements and are maintained

in a separate bank account, because either the Condominium Board is deemed to receive and hold such funds as were collected (Rev. Rul 75-370, 1975-2 Cum. Bull. 25) or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the Board (Rev. Rul 75-371, 1975-2 Cum. Bull. 52). However, if treated as contributions to capital, it should be noted that when such amounts (together with any other funds accumulated by the Condominium Board) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the unit owners, and that each unit owner should therefore be subject to tax on his pro-rata share of the amount expended.

In the event that the Board is required to pay any Federal or New York State income taxes, and an additional assessment is made in order to meet such tax liability, the additional amount collected through such assessment may itself be subject to tax. Rev. Rul 74-75, 1974-1 Cum. Bull. 19.

We express no views as to any Federal or New York State tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan under laws of any other United States or foreign jurisdiction.

This opinion does not address the tax consequences^a which might result from ownership of a unit by a foreign person, or ownership of a unit in connection with the unit owner's trade or business. This opinion also does not deal with the tax consequences which may arise if residential units are acquired and/or leased by the Condominium Board. Each person contemplating the purchase of a residential unit is strongly advised to consult his own tax advisor as to all tax matters (as well as with respect to the tax matters addressed herein).

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

We consent to the inclusion of this opinion, or a reproduction thereof, in the Plan and to the reference to our name under the caption "Counsel's Tax Opinion."

Very truly yours,

Cassin, Cassin & Joseph

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SUMMARY OF THE PROVISIONS OF THE BY-LAWS

The Condominium Board of Managers

The affairs of the Condominium will be governed by the Condominium Board of Managers which will consist initially of three members designated by Sponsor. These members will be chosen after the Plan is declared effective and prior to the First Unit Closing and will, thereafter be identified in an amendment to the Plan. Upon the sale of fifty-one (51%) percent of the Units or within two (2) years from the Effective Date, whichever is sooner, the three-member Board of Managers will resign in favor of a new five-member Board of Managers to be elected by all Unit Owners at the first meeting of all Unit Owners. Said meeting will be held within ninety (90) days after control is no longer held by Sponsor. Each of the members of the five-member Board of Managers will serve for a term of three (3) years or until their successors are elected and qualified except that the term of office of one-third of the Board of Managers then elected shall be fixed at two (2) years or until their successors are elected and the term of one-third of the Board of Managers then elected shall be fixed at one (1) year or until their successors are elected. At the expiration of the initial term of office of each member of the Board of Managers, his successor shall be elected to serve for a term of three (3) years. As a result, the terms of one-third of the Board of Managers will expire each year or when their successors are elected and qualified.

Except for members designated or elected by Sponsor or its designee, all members of the Board of Managers must be either; (i) individual Unit Owner; (ii) individual mortgagees; (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or mortgagees; or (iv) adult family members of any of the foregoing. Other than members designated as such by Sponsor or its designee, no member will continue to serve on the Board of Managers after he ceases to be a Unit Owner or an interested party in a Unit Owner, as specified hereinabove.

Members of the Board of Managers are subject to removal, without cause, by vote of the majority of Unit Owners attending a meeting at which a quorum is present. The presence, in person or by proxy, of a majority of all Unit Owners shall constitute a quorum. Voting shall be calculated based upon one vote per Unit. Voting rights do not commence until a purchaser has closed title to his unit.

All members of the Board of Managers will serve without compensation.

Control by Sponsor

Title to all Unsold Units will remain with Sponsor until such Units shall thereafter be sold by or to Sponsor (such sale does not require the approval of or a first offer to the Board of Managers). Sponsor or its designee shall have the right to vote for the Units owned by Sponsor.

The Sponsor will have voting control of the Board of Managers until the transfer of title to fifty-one (51%) percent of the Units or for no more than two (2) years from the date of the first Unit Closing, whichever is sooner. Subsequent to this control period, not more than two (2) members of the Board of Managers may be elected by Sponsor or the then owner of the Unsold Units, however, as long as Sponsor or its designee own at least one (1) Unsold Unit, Sponsor or its designee will have the right to elect one member of the Board of Managers.

The number of members of the Board of Managers may not be increased without the consent of the Sponsor or its designee for so long as Sponsor or its designee owns any Unsold Units.

Until Sponsor no longer elects a majority of the members of the Board of Managers, Sponsor will, through its control of the Board of Managers have control of the maintenance and operation of, and the services to be provided by, the Condominium and will indirectly determine the Common Charges to be paid by all Unit Owners. Sponsor will not reduce services during the period in which Sponsor has voting control of the Board of Managers.

So long as the Sponsor or its designee shall continue to own apartment Units representing 25% or more in Common Interest or for no more than three (3) years, whichever is sooner, the Board of Managers may not, without the Sponsor's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Apartment Unit, (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund or (iii) hire any employee referred to in the Plan or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to an apartment Unit or (v) borrow money on behalf of the Condominium. However, the Sponsor may not exercise veto power over expenses in Schedule B or expenses required to (i) comply with applicable law or regulation, (ii) remedy any notice of violation or (iii) remedy any work order by an insurer.

Officers

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 majority vote of the Board of Managers at its annual meeting. None of the officers need be

Unit Owners until the five-member Board of Managers is elected at the first meeting of all Unit Owners. Thereafter the President and Vice-President must be both members of the Board of Managers and Unit Owners. Each Officer shall hold office at the pleasure of the Board of Managers. The Board may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in its judgment may be necessary. All officers shall serve without compensation.

Meetings and Votes of Unit Owners

The Unit Owners shall hold annual meetings on or about the anniversary date of the first Unit Owner's meeting each year. At each annual meeting the Unit Owners shall elect successors to the members of the Board of Managers. In addition, special meetings of Unit Owners may be held from time to time pursuant to Section 2.8 of the By-Laws whenever necessary for the affairs of the Condominium.

Each Unit Owner, upon obtaining title, will automatically have one vote at all meetings of the Unit Owners for each Unit owned by him. In the event of co-ownership of a Unit, each co-owner shall be entitled to a fractional vote to be determined by the number of co-owners divided into one. The presence in person or by proxy, of at least fifty-one (51%) percent of all Unit Owners will constitute a quorum at all meetings and unless otherwise provided, the decision of Unit Owners casting a majority of the votes at a meeting at which a quorum is present, will be binding upon all Unit Owners.

Amendments to the Declaration and By-Laws

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 two thirds (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, modified or added to or deleted so as to adversely affect Sponsor or such designee without the prior written consent of Sponsor or said designee.

Estimated Common Charges and Expenses

The Board of Managers shall prepare a budget for the Condominium from time to time and at least once a year. Copies of such budget shall be furnished to the Unit Owners. The Common Charges payable by each Unit Owner shall be based upon such budget. The expenses outlined in the budget shall be divided among the Unit Owners in accordance with his or her appurtenant interest in the Common Elements.

In addition to the normal operating expenses of the Condominium, the budget may, in the discretion of the Board of Managers, provide for reserves, working capital and other sums required for the affairs of the Condominium. Every Unit Owner shall be advised promptly after the adoption of each budget of the amount of Common Charges and expenses payable by him for the period covered by such budget.

Liens for Non-Payment of Common Charges

Under the provisions of Section 339-z 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 together with interest thereon. Such lien shall be subordinate only to liens for real estate taxes on the Unit and to 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, County of Westchester, Division of Land Records, and until all sums secured thereby with the interest 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 may be earlier. 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 the foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

Termination of Liability of Unit Owners

The liability of each Unit Owner for the payment of the Common Charges and expenses thereafter assessed or becoming due against his Apartment Unit shall terminate upon a permissible sale, transfer or other conveyance of such Unit made by him, together with appurtenant interest in the Common Elements (as defined in the By-Laws) in accordance with the applicable provisions of the By-Laws. In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws convey his Unit together with the said appurtenant interests to the Board of Managers or its nominee on behalf of all other Unit Owners without any compensation and in such event shall be exempt from Common Charges and expenses assessed. A Purchaser of a Unit shall be required by the Board of Managers to pay any unpaid Common Charges and expenses assessed except that a mortgagee acquiring title to the mortgaged Unit against his Unit prior to his acquisition of such Unit or a Purchaser at a foreclosure sale shall not be liable and the Unit shall not be subject to a lien for the payment of the Common Charges and expenses assessed prior to the acquisition of title to such Unit by a mortgagee or Purchaser at a foreclosure sale, but such mortgagee or Purchaser at a foreclosure sale shall be liable for payment of all Common Charges and expenses after the acquisition of title. In the event of a foreclosure by the Board of Managers of a statutory

lien on any Unit for unpaid Common Charges and expenses, if the proceeds of the foreclosure sale shall not be sufficient for the payment of such unpaid Common Charges and expenses, or if a Unit is acquired by a mortgagee (other than the Sponsor) or Purchaser in foreclosure, the unpaid balance shall be charged to all Unit Owners as a common expense.

Repairs

All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting exterior side of Unit entrance door), windows (except painting exterior side of windows), electrical and plumbing (except Common Elements) and heating fixtures, kitchen appliances, washers and air conditioning within the Unit or belonging to the Unit Owner shall be made by the Unit Owner at his own expense.

All maintenance, repairs and replacements to the Common Elements and the painting and decorating of the exterior side of Unit entrance door and windows shall be made by the Board of Managers, who need not obtain the approval of the Unit Owners or the mortgagees of Units and charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. The repair and maintenance of outside parking spaces shall be the responsibility of the Condominium.

Rights of Access

As more fully set forth in the By-Laws, the Board of Managers, the Managing Agent, the superintendent and all other persons authorized by the Board of Managers, will have a right of access to any Unit and its appurtenant Common Elements for the purposes, among others, of (i) making inspections of, or removing violations of governmental laws or regulations against, any part of the Property, (ii) curing defaults committed by the owner of such Unit, or (iii) correcting any conditions originating in any Unit and threatening another Unit, or any Common element. 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 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, then, as set forth in the By-Laws, the Board of Managers shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable and to the extent determined by the Board of Managers to be appropriate or relevant: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements insuring the Building, including all of the Units (but not including appliances or any furniture, furnishings, or other personal property supplied or installed by Unit Owners or tenants of Unit Owners) together with all service machinery contained therein, covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear in an amount equal to the full replacement value of the Building without deduction for depreciation; (2) boiler and machinery insurance; (3) water damage legal liability insurance; and (4) such other insurance as the Board of Managers may determine.

The proceeds of all policies of physical damage insurance shall be payable to the Board of Managers if \$25,000 or less and to the Insurance Trustee if more than \$25,000 in accordance with the terms of the By-Laws, to be applied for the purpose of repairing, restoring, or rebuilding the Building unless otherwise determined by the Unit Owners as hereinafter set forth. No portion of the insurance proceeds shall be applied to the payment of the mortgage indebtedness of any Unit Owner unless the Unit Owners determine not to repair, restore or rebuild the Building.

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 or 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' prior written notice to all of the insured, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies and each Unit Owner shall receive a certificate of insurance.

The cost of all such insurance shall be paid by the Board of Managers and shall constitute a Common Expense.

The Board of Managers shall also obtain and maintain to the extent obtainable: (1) fidelity insurance covering all officers, employees and agents of the Condominium who handle Condominium funds; (2) Workmen's Compensation Insurance; and (3) Public Liability Insurance covering each member of the Board of Managers, the Managing Agent, if any, and each Unit Owner in such limits as the Board of Managers may deem proper, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements of the Units, except that such

policy will not cover liability of a Unit Owner arising from occurrences within his own Unit or within the limited Common Elements exclusive to his Unit. The Board of Managers shall review such limits once each year. The public liability insurance shall also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners, the public liability insurance will be in a single limit of \$1,000,000.00 coverage all claims for bodily injury or property damage in respect of any one occurrence.

The foregoing insurance does not cover damages or liability within the Unit. Unit Owners are advised to obtain insurance for these purposes. Unit Owners may carry insurance for their own benefit at their own expense provided that such policies contain waivers of subrogation and further provided that the liability of carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any other Unit Owner's insurance.

Damage By Fire Or Other Casualty

Except as hereinafter provided, in the event the Building or any part thereof is damaged or destroyed by fire or other casualty, the Board of Managers shall arrange for the repair and restoration of the Building, including any damaged Units, but not including wall, floor or ceiling decorations or coverings or furniture, furnishings, fixtures, appliances or equipment contained therein. If the insurance proceeds are not sufficient for the repair or restoration, the Board of Managers may assess all of the Unit Owners for such deficit as part of the Common Expenses. Any surplus insurance proceeds will be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment will be made to a Unit Owner until there has first been paid out of his share of the funds, the amount necessary to reduce unpaid liens on his Unit in the order of priority of such liens.

If seventy-five (75%) percent or more of all Buildings are destroyed or substantially damaged and if seventy-five (75%) percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration thereof, the Property 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 event the net proceeds of the resulting sale, together with the net proceeds of the insurance policies, shall be divided among all of the 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 share of such funds, all liens on his Unit, in the order of the priority of such liens. If the 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 repair and restoration of the Building.

Restrictions on the Use and Occupancy of Units

As more fully set forth in the Declaration and in the By-Laws, each Unit shall be used only as a residence and, if the consent of Sponsor (as to the initial purchasers of Unsold Units) or the Board of Managers is obtained, any home occupation permitted by law and the then existing Certificate of Occupancy covering such Unit. Such consent, if obtained, shall be personal to the Unit Owner and not transferable to subsequent owners. However, Sponsor or its designee may, without obtaining the consent of the Board of Managers or the other Unit Owners, allow any one or more Unsold Units to be used for (a) a model unit and sales and/or promotion office in connection with the sale and/or rental of the Unsold Units or (b) for any other purpose, subject only to compliance with the applicable laws and the then existing Certificate of Occupancy. No nuisance or immoral, improper, offensive or unlawful use shall be allowed in the Building or any portion thereof.

Additions, Alterations and Improvements

Whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements costing more than \$25,000.00 and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess each Unit Owner his proportionate share of the cost thereof as part of the Common Expenses. Any additions, alterations or improvements costing \$25,000.00 or less may be made by the Board of Managers without approval of Unit Owners and the cost thereof shall constitute part of the Common Expenses.

No Unit Owner may make any structural addition, alteration or improvement in his Unit or any alterations to the Common Elements without the prior written approval of the Board of Managers. No application shall be filed with any governmental authority for a permit covering an addition, alteration or improvement to be made in an apartment Unit, unless approved and executed by the Board of Managers. Upon consent by the Board of Managers for any such alteration, the Unit Owner will be responsible for the cost of performing such work including all filing fees and such Unit Owner shall obtain his own insurance which shall name the Condominium as an additional insured. The provisions of this paragraph shall not apply to a Unit owned by the Sponsor or its designee until a deed to such unit has been delivered to a Purchaser thereof for value.

The Board of Managers will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by the Sponsor or its designee to any Apartment Unit, provided, however, that neither the Board of Managers nor the Unit Owners shall be

subjected to any expense or liability by virtue of the execution of the application or such other document.

Liability of Board of Managers and Unit Owners

The members of the Board of Managers 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, willful misconduct or gross negligence. The Board of Managers 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 Board of Managers, by an officer of the Condominium, or by the Managing Agent of the Building will contain a statement (if obtainable) that (a) the contract is made only as agent for all Unit Owners, and the members of the Board of Managers or such officers, or Managing Agent will have not personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to such contract will be limited to (i) such proportionate share of the total liability thereunder as the Common Interest of the Unit Owner bears to the aggregate Common Interests of all Unit Owners and (ii) the Unit Owner's ownership interest in his Unit and its appurtenant Common Interest, unless otherwise provided by law.

All Unit Owners will severally indemnify each member of the Board of Managers 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 Interest of the Unit Owner bears to the aggregate Common Interest of the Unit Owner bears to the aggregate Common Interests of all Unit Owners and the Unit Owner's ownership interest in his Unit and its appurtenant Common Interest, unless otherwise provided by law.

Compliance With Tenant Rights

The Condominium Board shall operate the Property at the same level of services as on the date of recording the Declaration in accordance with the leases in effect, except for those services that are the obligation of Sponsor to provide to tenants and the occupants of its Unsold Units pursuant to the Declaration or the By-Laws. The Board of Managers shall not impose any charge or fee against the tenants and occupants of the Unsold Units for using the Common Elements or on account of any services provided to those tenants and occupants unless permitted by law or the Plan. The permitted charges, or fees, may be increased by

the Board of Managers but only to the extent allowed under applicable law. Except for those services and obligations to be provided or performed by the Board of Managers as set forth in the Declaration or 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.

EASEMENTS

As more fully set forth in the Declaration, each Unit Owner will have, in common with all other Unit Owners; (a) an easement to use, maintain, repair, alter and replace all pipes, wires, ducts, vents, cables conduits, public utility lines and other Common Elements located in the other Units or elsewhere on the Property and serving such Unit; and (b) an easement for the continuance of any encroachment by a Unit on any other Unit or on any 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 Board of Managers or by Sponsor or its designee in accordance with the terms of the Declaration; 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 stands. Each Unit will be subject to the aforesaid easements in favor of all other Units. In addition, each Unit will have, and will be subject to, easements of subadjacency, support and necessity in favor of such Unit or in favor of other Units and the Common Elements.

Sponsor and prospective Purchasers and tenants of Unsold Units will 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, rental 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 in its sole discretion determines.

Each deed to a unit shall include and shall be subject to the easement hereinabove described.

MECHANIC'S 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 only against the several Units and their respective Common Interests. A lien for labor performed on or materials furnished to a Unit may be filed against the Unit of a Unit Owner who expressly consented to or requested the same,

except in the case of emergency repairs. No labor performed on or materials furnished to the Common Elements shall be the basis for a lien thereon, but all Common Charges received by the Board of Managers shall constitute trust funds for the purpose of paying the cost of the labor performed or materials furnished at the request or with the consent of the Board of Managers or the Managing Agent.

TERMINATION OF CONDOMINIUM

The Condominium shall continue (unless terminated by casualty loss, or by condemnation or eminent domain as provided in 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 of at least eighty (80%) percent of the Unit Owners, both in number and aggregate common interests, 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, and 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 each Unit Owner to the payments of any liens on the Unit in the order of the priority of such liens.

The Unit Owners cannot bring an action to partition the common areas of the Property including any Units acquired by the Board of Managers on behalf of all Unit Owners, unless in connection with the termination of the Condominium as above set forth.

MANAGEMENT AGREEMENT

It is presently contemplated that the Condominium will be managed by the Ridgewood Management Corp., 300 East 42nd Street, New York, New York. The principal shareholder of the Managing Agent is also a principal of the Sponsor. Such management will be pursuant to a two-year management contract at a fee of \$18,000 per year. Such fee will be paid by the Board of Managers and charged to all Unit Owners as a Common Expense. However, the Managing Agent will be entitled to collect from each Unit Owner, other than the Sponsor, its designee or any other owner of an Unsold Unit, a fee in the amount of Three Hundred (\$300.00) Dollars, for the processing of each application for the lease or sale of a Unit.

The duties and services to be rendered by the Managing Agent under the direction of the Board of Managers shall be performed without discrimination to any and all tenants and will include:

1. Billing and collecting of Common Charges and other charges if authorized by the Board of Managers;
2. Causing the Buildings to be maintained, repaired and altered to the condition deemed advisable by the Board of

Managers except that the approval of the Board of Managers will be necessary for any expenditures of over \$1,500.00 for any one item of ordinary repairs or alterations (other than emergency repairs);

3. Contracting for necessary services for the Buildings, such as electricity, gas, window cleaning, exterminator service, elevator and fuel oil, but no contract shall be for a term longer than two (2) years or require annual payments in excess of \$2,000.00 unless authorized by the Board of Managers.

4. Purchasing all supplies necessary to properly maintain and operate the Building;

5. Checking all bills received in connection with the operation of the Building and causing all such bills and, if requested by the Board of Managers, other expenses to be paid.

6. Supervising, hiring and discharging employees, which duty may be delegated by the Managing Agent to one or more persons in its general employ;

7. Rendering quarterly statements of receipts and disbursements to the Board of Managers;

8. Preparing payrolls and filing withholding tax statements for employees; and

9. Preparing and submitting annually to the Board of Managers an operating budget of the anticipated income and expenses for the ensuing year.

The annual certified financial statement of the Board of Managers will not be prepared by the Managing Agent. Such statement will be prepared by an independent certified public accountant engaged by the Board of Managers, who's fees are to be paid by the Board of Managers and charged to the Unit Owners as a Common Expense.

All expenses incurred by the Managing Agent in performance of its duties shall be paid by the Board of Managers and charged to the Unit Owners as a Common Expense. In addition, the Board of Managers will indemnify the Managing Agent against any claims or liability in connection with acts properly performed by it pursuant to the Board of Managers' instructions or for personal injury or property damage not resulting from the Managing Agent's willful negligence or failure to comply with its obligations under the Management Agreement. All the officers and employees of the Managing Agent will be bonded during the term of its contract in favor of the Condominium. The cost of the bonds will be borne by the Board of Managers and charged to the Unit Owners as a Common Expense.

SPONSOR'S PROFIT

Sponsor is converting the Property to Condominium ownership and is offering the Units for sale with the intention and expectation of making a profit. The exact amount of profit to be realized by Sponsor, however, cannot now be determined and may vary significantly depending upon a number of variables, including the Purchase Price at which each Unit is actually sold, market conditions, length of time required to sell all of the Units and disbursements arising out of the obligations assumed or incurred by Sponsor under the Plan and other contingencies.

The Sponsor acquired the property in December, 1985. Since acquiring the property, the Sponsor has made major repairs and improvements with an aggregate cost of approximately \$200,000 and expects to spend another \$25,000 prior to the sale of any Units. At the time of acquisition, the Sponsor had closing costs of approximately \$25,000. In addition, it is estimated that conversion costs, including filing fees, sales commissions, attorneys' and engineers' fees and advertising also should aggregate approximately \$200,000. This transaction is also subject to state taxes on the transfer of the property as well as state and federal income tax on any profit realized. The Sponsor estimates its profit to be approximately \$1,000,000.

IDENTITY OF PARTIES

Sponsor

The Sponsor of this conversion is J & M Associates, a partnership formed in New York State in December, 1985, consisting of the following two (2) general partners:

1. Joseph M. Cassin is a partner in the law firm of Cassin, Cassin & Joseph, which has offices at 300 East 42nd Street, New York, New York. He resides at 4 Ridgewood Drive, Rye, New York.

2. Michael Grean is a partner in the law firm of Cook & Grean which has offices at 15 Elm Place, Rye, New York. He resides at Forest Avenue, Rye, New York.

Selling Agent

The selling agent, Ridgewood Management Corp., is a New York corporation formed in 1986, whose sole stockholder and officer is Joseph M. Cassin. It has offices at 300 East 42nd Street, New York, New York 10017. The principal of the Selling Agent is also a principal of the Sponsor.

Mr. Cassin has been involved in the sponsorship of a conversion of Tappan Manour Condominium which closed in January, 1987.

Ridgewood Management Corp. has performed and may or will perform a number of services under this Plan in its capacity as the Selling Agent such as: the review of the Schedule A, "Purchase Price and Other Financial Details for Each Apartment"; the review of the Schedule B, "Estimated Income and Expenses for the First Year of Operation as a Condominium"; the giving of its consent for any changes in the Purchase Price or the size or layout of a Unit, and the re-allocation of Common Interests in connection therewith.

The Selling Agent will receive a fee upon the sales effected.

Managing Agent

Ridgewood Management Corp., the sales agent, will also manage the Property. It is currently an owner/management company that operates 11 buildings with over 125 units throughout Westchester County. The Managing Agent will receive a management fee in accordance with the Management Agreement as described herein. The principal of the Managing Agent is also a principal of the Sponsor.

Sponsor's Attorneys

The Sponsor has retained the firm of Cassin, Cassin & Joseph, 300 East 42nd Street, New York, New York 10017, to represent the Sponsor in connection with this Plan and the sale of the Property. Said firm has prepared the Plan, Counsel's Tax Opinion, Purchase Agreement, Declaration, By-Laws and related exhibits and documents referred to herein. Said firm will represent the Sponsor at closing.

Sponsor's Engineer

The engineer, Vito Sinopoli, Jr., has examined the physical condition of the Building and has rendered its report thereof set forth in Document 2 in Part II of this Plan. The engineer has no financial interest in the Property, the Sponsor, the Managing Agent and Selling Agent or any other party interested in this transaction, except for its fee for services rendered in connection with such report.

RECORDATION OF DOCUMENTS

After the Plan is presented and prior to the first conveyance of any Unit, the following documents will be recorded or filed in the Office of the County Clerk, County of Westchester, Division of Land Records and elsewhere if required by law:

- (1) Declaration of Condominium and By-Laws;
- (2) Floor plans for the Building, showing the layout, locations and approximate dimensions of each Unit,

and of the Unit designation, certified by a licensed engineer or architect as conforming to a typical Unit and;

- (3) Unit designations certified by the Assessor of the County of Westchester as conforming to the official tax lot number of each Unit.

GENERAL

Each Unit Owner shall be required to comply with and abide by the Declaration and By-Laws of the Condominium and to pay the Common Charges and expenses levied by the Board of Managers, and each Unit Owner shall be required to comply with the Rules and Regulations adopted pursuant thereto. 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 expenses or by suit to collect the same by action for damages, by injunction or by other appropriate relief.

There are no contractual undertakings or obligations of the Sponsor or other persons or bonds or other securities posted to insure payment of any obligations or undertakings, which would affect the ownership of Units by Purchaser.

In accordance with the provisions of the Laws of the State of New York, the Sponsor represents that neither the Sponsor nor any Selling Agent engaged by the Sponsor will discriminate against any person because of his or her race, creed, color, sex, national origin or ancestry in the sale of Units offered by the Plan or in the leasing of any Unit in the Building.

The Plan does not knowingly omit any material fact or contain any untrue statement of any material fact. The 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 the Purchaser to this Plan, any rider or separate agreement changing or adding provisions to such documents.

In accordance with Section 352-(e)(9) of the General Business Law, copies of this Plan and all exhibits or documents referred to herein shall be available for inspection without charge and copying at a reasonable cost by prospective Purchasers and by any person who shall have purchased Units offered by this Plan or who shall have participated in the offering of such Units, at the office of Ridgewood Management Corp., 11 Third Street, Rye, New York, and said copies will remain available for inspection for six years from the first closing of a Unit.

As of the date of the presentation of this Plan, neither the Sponsor, nor any representative or agent thereof has received funds or made any preliminary offering or binding agreement to or with tenants, sub-tenants or non-resident prospective purchasers with respect to Units in the Building.

All Unit Owners will be entitled to receive annually from the Condominium at its expense copies of the following: (i) an annual audited financial statement prepared by an independent certified public accountant, to be received annually within four months after the end of the fiscal year, and (ii) notice of the holding of an annual Unit Owners meeting for the purpose of electing a Board of Managers to be received annually not less than ten (10) days before the meeting.

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

Unless the context otherwise requires, words used in the singular in Part I of this Plan include the plural and vice versa, and a reference 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. The Plan may not be changed or modified orally.

STATEMENT OF PRESENT BUILDING CONDITION

The Sponsor adopts the description of the buildings and statement of their condition (the "Report") and represents that to the best of its knowledge the Report hereinafter set forth in Part II accurately states the condition of the building and its equipment as of the date of the inspection. The Report was prepared in consultation with Vito Sinopoli, Jr., P.E. having an office at 315 Travers Avenue, Mamaroneck, New York.

The Sponsor further represents that it does not know of any material defect or need for material repairs to the Property except as set forth in the Report or included in the First Year's Budget. Any and all claims based on the Owner's representations are contained in the preceding paragraph and this paragraph shall be made and enforced only by the Board of Managers on behalf of all the Unit Owners and not by a Unit Owner or Owners individually.

The entire Property, including the apartment Units and fixtures and appliances contained therein, is offered in its current condition as set forth herein. No government agency has

passed upon the physical condition of the Building. The Sponsor will cure or cause to be cured, without expense to the Condominium Association any violations of record against the Building existing on the date of the closing under this plan (except for those violations caused by the Tenant and which it is the Tenant's obligation to cure) and eliminate the dangerous or hazardous condition of which the Sponsor has actual notice, and comply with all work orders from mortgagees and insurance carriers within ninety (90) days after the Closing Date. Funds to cure these violations will be escrowed from the proceeds at closing with the amount to be based upon an estimate furnished by Sponsor's engineer. The current use of the Property conforms with the use permitted under the certificate of occupancy.

PROSPECTIVE PURCHASERS OF THEIR REPRESENTATIVES MAY INSPECT THE PREMISES PRIOR TO SIGNING A PURCHASE AGREEMENT DURING BUSINESS HOURS, UPON WRITTEN REQUEST MADE TO THE SPONSOR, PROVIDED SUCH REPRESENTATIVES ARE REGISTERED ARCHITECTS OR PROFESSIONAL ENGINEERS LICENSED TO PRACTICE IN THE STATE OF NEW YORK.

Asbestos (ACM)

A report is contained in Part II which discloses the extent of asbestos presence in the premises. The Sponsor assumes the obligation to perform the repairs necessary pursuant to said report.

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PART II

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DOCUMENT NUMBER 1
PURCHASE AGREEMENT

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THE RYEVUE CONDOMINIUM
100-110 Theodore Fremd Avenue
Rye, New York 10580

PURCHASE AGREEMENT

(To be executed in triplicate)

Date: _____
Unit No: _____
Garage No: _____
Common
Interest: _____

Purchaser(s): _____

Address: _____

Purchaser(s) Social Security Number(s): _____

Purchase Price: \$ _____

Downpayment:

(\$1,000.00 for tenants;
10% of Purchase Price
for non-tenants): \$ _____

Balance Due: \$ _____

Information for non-tenant purchaser(s) of occupied Units:*

(a) Existing lease expires: _____, 198____;

OR

(b) Monthly Rent under Existing Lease or Tenancy: \$ _____

*Delete if inapplicable

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PURCHASE AGREEMENT
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AGREEMENT, made as of _____, 198____, between J & M ASSOCIATES ("Sponsor"), a New York partnership having an office at 11 Elm Place, Rye, New York and _____ ("Purchaser"), having an address at _____.

The undersigned Sponsor agrees to sell and the undersigned Purchaser agrees to purchase Unit Number _____ (the "Unit") and/or Garage Number _____ (the "Garage") in the Ryeview Condominium (the "Condominium") located at 100-110 Theodore Fremd Avenue, Rye, New York (the "Property" which includes the Land and the Buildings) upon all of the terms and conditions set forth herein, for the Purchase Price shown on the first page of this Agreement.

1. The Plan. Purchaser acknowledges having received and read a copy of the Plan and all amendments thereto filed with the Department of Law of the State of New York (collectively, "Plan") at least three (3) full business days prior to the date of this Agreement.* The Plan as may be amended, is incorporated in this Agreement by reference and made a part of this Agreement with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. Purchaser acknowledges having had full opportunity to examine all documents, and investigate all statements made herein and in the Plan.

2. Definitions. Terms used in this Agreement which are also used in the Plan shall have the same meanings in this Agreement as in the Plan unless the context otherwise requires.

3. Purchase Price. (a) The Purchase Price set forth on the first page of this Agreement (exclusive of closing costs and adjustments), is payable as follows:

(i) The above stated Down Payment is due on Purchaser's signing and submitting this Agreement and is to be paid by Purchaser's personal check to the order of "Ryeview Special Account", receipt of which is hereby acknowledged by Sponsor subject to collection;

(ii) The above stated Balance is due on the date of closing of title which will not be earlier than fifteen (15) days after written notice to Purchaser of said closing of title.

The balance will be paid by Purchaser's personal certified check or by an official bank check drawn on or by a member of the New York Clearing House Association, to the order

*or seven (7) business days from this date to rescind this Agreement if the Offering Plan is given simultaneously.

of "Ryevlew Special Account" or as otherwise directed by Sponsor, and will be delivered to Sponsor.

(b) The payment of the Balance and acceptance of deed to the Unit by Purchaser will 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 contained herein will limit the rights given to Purchaser under New York General Business Law (the "GBL") in the event of fraud or will excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to closing.

(c) Purchaser is not required to pay the Balance or accept title to the Unit unless concurrently with, or prior to, closing there has been compliance with all the prerequisites set forth under "Prerequisites to Closing Title" in Part I of the Plan.

4. Agreement Contingent Upon Financing.

(a) A Recognized Lender will mean (i) a commercial bank, savings bank, savings and loan association, or insurance company, doing business in the State of New York.

(b) This Agreement will be contingent upon the issuance to Purchaser within thirty (30) days from the date^{*} hereof, of a mortgage loan commitment by a Recognized Lender for a loan in an amount equal to _____ percent* of the Purchase Price (or such lesser sum as Purchaser may approve), secured by a first mortgage on the Unit, bearing interest at the then prevailing rate structure charged by such Recognized Lender (the "Commitment").

(c) Purchaser will promptly apply for the loan, within ten (10) business days after Sponsor sends to Purchaser a fully-executed counterpart of this Purchase Agreement. Purchaser will complete, sign and submit to a Recognized Lender a mortgage loan application (on the form provided by such Recognized Lender) consistent with the loan terms set forth in subparagraph (b) above and containing accurate and complete financial and other information on Purchaser and members of Purchaser's family as required by the Recognized Lender. Thereafter, Purchaser will cooperate fully with such Recognized Lender and promptly furnish it with such additional information as may be required. Purchaser will promptly notify Sponsor when the application is submitted to such Recognized Lender.

(d) Purchaser will promptly (i) accept any Commitment complying with the terms of subparagraph (b) above, if issued;

*Tenants up to 80%; Non-Tenants up to 75%.

(ii) pay any application, appraisal, commitment or other fees in respect of the loan; and (iii) comply with the requirements of the Commitment. Purchaser will either deliver a copy of the Commitment to Sponsor within five (5) days after its issuance or notify Sponsor in writing of Purchaser's failure to obtain same within five (5) days after expiration of the thirty (30) day period within which same was to be obtained, as the case may be.

(e) In the event the Recognized Lender refuses or fails to issue, within thirty (30) days from the date of the Purchase Agreement, a Commitment in favor of Purchaser for a loan on the terms set forth in subparagraph (b) above, then (i) Sponsor may cancel this Agreement by written notice to the Purchaser or (ii) Purchaser, if and only if Purchaser has acted in good faith and complied with all of Purchaser's obligations under subparagraphs (c) and (d) of this Paragraph 4, may cancel this Agreement by written notice to Sponsor. Sponsor may not so cancel, if prior to exercising its right to cancel, Purchaser waives satisfaction of this condition and Purchaser's right to cancel, unless Purchaser is in default under this Agreement beyond any applicable grace period.

(f) In the event Purchaser obtains the Commitment and it expires prior to the Closing Date, Purchaser shall have a limited right to cancel the Purchase Agreement provided; (i) Purchaser has made a good faith effort to extend the Commitment; (ii) Sponsor is in actual receipt of Purchaser's written notice of cancellation within five (5) days after the expiration of the Commitment.

(g) In the event this Agreement is cancelled pursuant to subparagraph (e) or (f) above and provided Purchaser has acted in good faith and complied with Purchaser's obligations as set forth in subparagraphs (c), (d), and (f) above, Sponsor will instruct Carol M. Joseph, Esq., (the "Escrow Agent") to refund to Purchaser within fifteen (15) days after such cancellation all monies deposited hereunder together with interest earned thereon, if any. It is not anticipated that any interest will be earned. Upon such refund being made, Sponsor and Purchaser will be released and discharged of all further liabilities and obligations hereunder and under the Plan. Purchaser's failure to comply with all Purchaser's obligations under subparagraph (c), (d), and (f) of this paragraph 4 will constitute a waiver by Purchaser of the provisions of the preceding subparagraph (b) (conditioning this Agreement upon obtaining the financing described in such subparagraph) and of Purchaser's right to cancel.

(h) Purchaser hereby irrevocably authorizes and instructs the Recognized Lender to pay directly to Sponsor at closing of title the proceeds of the mortgage loan towards the Balance of the Purchase Price. In confirmation of such authorized payment, Purchaser will sign such further written authorization at Closing as the Recognized Lender may request.

5. Deposit Monies Held in Trust. All monies received from Purchaser hereunder will be deposited with and shall be held in trust in a special account until the Unit is transferred to the Purchaser or the Purchase Agreement is cancelled in accordance with its terms. All monies received with respect to the Down Payment will be deposited with the Escrow Agent in a special account at The Bank of New York, Rye, New York in the name of "Ryevue Special Account". The funds so deposited will not be disbursed unless authorized in writing by the Escrow Agent, and only in accordance with the provisions of this Agreement and the Plan. In the event the Plan is abandoned or withdrawn, such monies will be returned to Purchaser with interest, if any, earned thereon. Sponsor and the Selling Agent will not be liable to Purchaser for the amount of such interest or the payment thereof, except to the extent of any amount received from the depository. It is not anticipated that any interest will be earned, and nothing contained herein will obligate Sponsor to place any monies received in an interestbearing account. If, however, at the time the Plan is abandoned or withdrawn, Purchaser is in default hereunder and has failed to cure such default within the applicable grace period or if this Agreement has been previously cancelled due to Purchaser's uncured default, then Sponsor will retain as liquidated damages the sum of money discussed in paragraph 15 below. All funds received under this Purchase Agreement will be handled in accordance with Sections 352-e(2)(b) and 352-h of the GBL.

6. Agreement Subject to Plan Being Declared Effective. The performance of the respective obligations of Purchaser and Sponsor under this Agreement are contingent upon the Plan being declared effective in accordance with its terms as same may be amended from time to time. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. See the Section entitled "Effective Date of Plan". Sponsor will notify Purchaser, in writing, or by duly filed amendment to the Plan, when the Plan becomes effective or is abandoned. Provided Purchaser is not then in default under this Agreement beyond any applicable grace period, if title to the Unit does not close within the time set forth in the Plan for any reason other than Purchaser's default, this Agreement shall be deemed cancelled and, not later than thirty (30) days thereafter, Sponsor shall return to Purchaser all sums deposited hereunder, together with accrued interest, if any, and, upon making that payment, neither party shall have any further rights, obligations or liability to or against the other or the Selling Agent and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

7. Closing of Title.

(a) The closing of title shall be held on a date and at such place and at such hour as Sponsor may designate to Purchaser on not less than fifteen (15) days' prior notice.

Sponsor will have the right, from time to time, to adjourn such date and time for Closing on written notice to Purchaser, which notice shall fix a new date, hour and place for the closing of title. Sponsor will give Purchaser not less than five (5) days notice of the newly scheduled Closing. In the event Purchaser requests an adjournment of the Closing Date, Sponsor shall have the remedies set forth in Paragraph 15 hereof.

(b) The closing of title shall occur only after or concurrently with the compliance with the prerequisites as set forth under "Prerequisites to Closing of Title" in Part I of the Plan.

(c) The terms "Closing Date" or "closing of title" or words of similar import, whenever used herein, shall mean the date designated by Sponsor on which the deed to the Unit is delivered to Purchaser or any adjourned date fixed by Sponsor pursuant to subparagraph (a) above.

8. Delivery of the Deed and Power of Attorney to the Condominium Board.

(a) At the closing of title, Sponsor shall deliver to Purchaser a Bargain and Sale Deed with Covenants Against Grantor's Acts conveying fee simple title to the Unit to Purchaser. The deed shall be prepared by Sponsor and will be substantially in the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor and Purchaser, in form for recording.

(b) At the closing of title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute and acknowledge a Power of Attorney to the Board of Managers prepared by Sponsor and substantially in the form set forth in Part II of the Plan.

(c) The executed Deed and Power of Attorney to the Board of Managers shall be delivered immediately to the representative of the title company insuring Purchaser's title (or, if no such representative is present, to Sponsor's attorney) for recording in the Westchester County Clerk's Office ("County Clerk's Office"). After being recorded, the Deed shall be returned to Purchaser and the Power of Attorney shall be delivered to the Board of Managers. Purchaser agrees to pay all recording charges for said Deed and Power of Attorney.

9. Marketable Title. At the closing of title, Sponsor shall convey to Purchaser good and marketable title in fee simple to the Unit, free and clear of all encumbrances other than those set forth in the Plan, Schedule A and mortgages, if any, affecting the Unit, which Purchaser assumes. Any encumbrances to which title is not to be subject shall not be an objection to title if (a) the instrument required to remove it of record as against the entire Property or the Unit and its

percentage interest in the common elements is delivered to the representative of Purchaser's title insurance company (or, if none, to Purchaser's attorney) or (b) Purchaser's title insurance company will insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

10. Title Company Approval. Sponsor will give, and Purchaser will accept, such title as any title insurance company which is a member of the New York Board of Title Underwriters will approve and insure, provided the only liens, encumbrances and conditions affecting title will be those set forth in the Plan.

11. Sponsor's Inability to Convey Title to the Unit. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of five hundred (\$500.00) dollars to cure such inability and, in that event, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default under this Agreement, Purchaser shall have the option to (a) take title to the Unit subject to such title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement by written notice to Sponsor. [^]If Purchaser elects to terminate this Agreement, Sponsor shall, within fifteen (15) days after receipt of notice of termination from Purchaser instruct Escrow Agent to return to Purchaser all sums deposited hereunder, together with accrued interest, if any, and, upon making that payment, this Agreement shall be null and void and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan. The foregoing option must be exercised by Purchaser in writing sent to Sponsor within ten (10) days after the giving of Sponsor's notice of refusal to cure such title defect. Failure to do so shall be conclusively deemed as an election by Purchaser to acquire title subject to such title defect.

12. Closing Costs and Adjustments

(a) Purchaser will pay the closing costs and expenses referred to in the section of the Plan entitled "Closing Costs, Expenses and Adjustments".

(b) Real estate taxes, if any, will be adjusted between Purchaser and Sponsor from the midnight preceding the date of the closing through the end of the tax payment period within which the closing date occurs, provided, however, that Sponsor will be reimbursed by Purchaser for the cost of any real

estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser.

(c) The Purchaser will be required to pay to the Board of Managers monthly Common Charges allocable to his Unit in advance. Common Charges assessed during the month in which title closes will be adjusted with the Sponsor as of the midnight preceding the closing date, provided, however, that Sponsor will be reimbursed by Purchaser for the cost of any Common Charges which Sponsor was obligated to pay to the Board of Managers as a result of any unauthorized delay in closing of title by Purchaser. The amount of such Common Charges to be assessed against each Unit will be fixed by the Board of Managers.

(d) In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the New York Real Property Law, it is specifically understood that such credit shall inure to the benefit of the Sponsor. Accordingly, at closing, a Purchaser who elects mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. Sponsor at closing will be reimbursed to the extent of any mortgage tax credit allowed.

(e) Rent or other charges which were prepaid by any tenant of a Unit to the Sponsor will be adjusted as of midnight on the day prior to the closing of title to the Unit and any such amounts attributable to the period following midnight of such day will be credited to Purchaser. If such Purchaser is in arrears with respect to the payment of rent or other charges, if any, Purchaser understands that he will be obligated to pay to Sponsor any such arrearages at the closing of title.

13. Return of 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 thirty (30) days following the closing, provided Purchaser is not in default under Purchaser's lease and 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 it in an interest-bearing 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 the extent such rent security is insufficient, Purchaser will be required to pay such deficit to Sponsor at closing.

14. Agreement Subject to Mortgage. No encumbrances shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgages on the Property made before or after this Agreement and any payments or expenses already made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof 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 his or her other obligations under this Agreement or be the basis of any claim against, or liability of, Sponsor.

15. Default by Purchaser. (a) The time for the payment of the balance of the Purchase Price and the performance of Purchaser's other obligations hereunder, is of the essence of this Agreement. If Purchaser fails to make such payment when required as herein provided or fails to perform any of Purchaser's other obligations hereunder, Sponsor may give notice to Purchaser of such default. If such default shall not be cured within thirty (30) days thereafter, Sponsor may, at its option, (i) cancel this Agreement by notice of cancellation to Purchaser and retain the downpayment (but not more than ten (10%) percent of the Purchase Price) as liquidated damages; or (ii) bring an action against Purchaser for specific performance. Notwithstanding the foregoing, in the event a Purchaser fails to close title on the designated date and Sponsor does not elect either of the remedies set forth in the preceding sentence, Sponsor shall also have the right to approve a request from Purchaser to adjourn the Closing Date and in such event (a) Purchaser shall pay Sponsor interest equal to the prime rate of Citibank, N.A. on the unpaid balance of the purchase price computed from the original Closing Date until this transaction is actually closed, (b) all apportionments between Sponsor and Purchaser shall be made as of the original Closing Date and (c) Purchaser shall reimburse Sponsor for any additional costs incurred by Sponsor as a result of Purchaser's delay. If Sponsor elects to cancel this Agreement pursuant to paragraph (i) above, this Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan and Sponsor may sell the Unit to any third party as though this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale).

(b) 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 removes from or abandons the leased premises, then such failure, removal or abandonment (as the case may be) will constitute a default hereunder entitling Sponsor, at its sole option, to cancel this Agreement, pursuant to subparagraph (a) above. However, in no event will Purchaser be released or excused from paying and performing Purchaser's lease or tenancy obligations, and notwithstanding anything contained in this Agreement to the contrary, Sponsor will be entitled to collect from Purchaser all 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) due to Purchaser's failure to pay rent or otherwise comply with Purchaser's lease or tenancy obligations.

(c) Neither Purchaser's failure to pay rent as due nor the pendency of eviction proceedings nor his vacating or abandonment of the apartment, however, will give Purchaser any rights to any extension under this Agreement.

(d) A Purchaser who is or becomes a tenant or occupant of the Building must continue to pay rent under his lease (or other tenancy) as a condition precedent to the Sponsor's obligations to convey title to a Unit pursuant to this Agreement, and the Purchaser specifically waives any right of offset with respect to such rent.

16. Acceptance of Condition of Property. Purchaser represents to Sponsor that Purchaser has examined the Unit and agrees that the signing of this Agreement shall constitute Purchaser's acceptance of the Property including the Common Elements and the Unit and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present "as is" condition on the date of this Agreement, subject to reasonable use, wear and tear and natural deterioration between the date hereof and the closing of title. Purchaser shall be given a reasonable opportunity to examine the Unit prior to the closing of title and shall make a careful inspection of the Unit at such time.

17. Existing Tenancies.*

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.

(a) Purchaser understands that Purchaser is purchasing the Unit subject to the rights of the existing tenant or occu-

*Delete if inapplicable.

pants, as explained more fully in the Plan under the section entitled "General Rights of Existing Tenants".

(b) Purchaser acknowledges that no representation or statement has been made (and if made, Purchaser knows it is unauthorized and has not relied thereon) as to the length of time that may elapse before Purchaser gains possession of the Unit or that Purchaser, in fact, will obtain possession of the Unit.

(c) Upon acquiring title to a Unit occupied by another, Purchaser will become the landlord of the tenant or occupant thereof and the latter will become such Purchaser's tenant. The relationship between the two parties will be governed primarily by the terms, covenants and conditions contained in the lease or other occupancy agreement then in effect with such tenant or occupant or the statutory and/or implied covenants of any month to month tenancy. Further, the Purchaser will be subject to any rights and duties required pursuant to Section 352eee of the General Business Law and the Applicable Rent Laws. Purchaser will succeed to and assume all of Sponsor's rights and obligations as the landlord of such tenant or occupant, including, but not limited to, Sponsor's right to receive the rents reserved in the lease or occupancy agreement and Sponsor's obligation to perform all of the duties of the landlord under such lease or occupancy agreement or month to month tenancy. Such duties may include, but are not limited to, the obligations to maintain, repair and replace any plumbing fixtures, refrigerator, dishwasher, lighting fixtures and other fixtures, equipment and appliances in his Unit and to paint the Unit periodically. The Purchaser will be obligated to perform these duties as the landlord of such tenant or occupant even though the rents reserved under the lease or occupancy agreement or month to month tenancy may be insufficient to pay the cost of such performance. In addition, such Purchaser will be required to pay all Common Charges assessed against him by the Board of Managers, regardless of whether such Common Charges are more or less than the rent payable by the tenant or occupant and regardless of whether such rent is received.

At the 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.

(d) Purchaser will be required to irrevocably appoint the Condominium's Managing Agent and its successors as his agent to provide to the non-purchasing tenant(s) or occupants all services and facilities required by Law. The Managing Agent will bill Purchaser a management fee equal to the greater of (a) five (5%) percent of the annual rent charged by Purchaser for such apartment or (b) three hundred (\$300.00) dollars in addition to,

in either case, its reasonable disbursements for the services and/or materials so supplied.

(e) Purchaser Agreements for Units occupied by non-purchasing tenants will be deemed to include an agreement by Purchaser to deposit with the Managing Agent at the closing an amount not less than two-months' Common Charges to be used as working capital to furnish services required under the non-purchasing tenant's lease and pursuant to Law. Upon notice from the Managing Agent that the deposit has been diminished, the fund shall be replenished by the Unit Owner within thirty (30) days of such notice. The failure of the Unit Owner to replenish the fund in a timely fashion will result in the Condominium having a lien against the Unit. Interest, if any, earned on the fund shall be the property of the Unit Owner. The provisions of this Paragraph will not apply to Sponsor or Owner(s) of Unsold Units.

(f) 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).

(g) If after Purchaser signs this Agreement the existing tenant or occupant timely exercises such tenant's exclusive right to purchase the Unit during the period granted under the Plan or at such later date as may be permitted under applicable law (or an administrative or judicial interpretation thereof), then this Agreement will be deemed cancelled and within thirty (30) days thereafter, all monies deposited will be returned to Purchaser, with interest, if any, earned thereon. It is not anticipated that any interest will be earned. Upon such refund being made, Purchaser, Sponsor, Selling Agent, and all other persons involved in the Plan will be (and hereby are) released and discharged of all liabilities and obligations hereunder and under the Plan.

(h) If any lease under which Purchaser may occupy the Unit or Purchaser's right to continue to occupy the Unit is terminated by reason of Purchaser's failure to fulfill his or her obligations under such lease or applicable law, this Agreement may be terminated by Sponsor on notice to Purchaser, in which event all amounts paid by Purchaser hereunder and interest if any, earned thereon shall be fully returned.

18. Damage to the Unit. If between the date of this Agreement and the closing of title, the Unit is damaged by fire or other casualty, the following shall apply:

(a) The risk of loss to the Unit by fire or other casualty until the closing of title is assumed by Sponsor (unless and until Purchaser has taken possession of the Unit, at which time the risk of loss shall be assumed by Purchaser except where Purchaser is a bona fide tenant in occupancy), but without any

obligation or liability upon Sponsor to repair or restore the Unit, except that if Sponsor elects to repair or restore the Unit, this Agreement shall continue in full force and effect and Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price. In that event, Sponsor shall be entitled to a reasonable period of time in which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board of Managers and other Unit Owners, belong entirely to Sponsor and if those proceeds are paid to Purchaser, Purchaser shall promptly, upon receipt thereof, turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing of title.

(b) 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 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, together with accrued interest, if any, and the cost of any work performed in the Unit by or on behalf of Sponsor at the request of Purchaser, and, upon that payment, neither Purchaser or Sponsor shall have any liability or obligation under this Agreement and the Plan, except that if Purchaser is then in default under this Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

19. No Representations. 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 without limitation, any relating to the description or physical condition of the Property, the Buildings or the Unit, or the size or the dimensions of the Unit or the rooms therein or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on 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 specifically set forth in this Agreement or in the Plan; Purchaser having relied on his or her own examination and investigation. No person has been authorized to make any statements, warranties or representations on behalf of Sponsor, except as specifically set forth in this Agreement and the Plan. No oral statements, warranties or representations 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 plan, is accurate or correct, provided the layouts and dimensions conform substantially to the Floor Plans, and (b) Purchaser shall not be

relieved of any of Purchaser's obligations under this Agreement by reason of any minor inaccuracy or error. The provisions of this Article 19 shall survive the closing of title.

20. Broker. Purchaser represents to Sponsor that the Selling Agent, Ridgewood Management Corp., is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction, and Sponsor agrees to pay any commission earned by such broker pursuant to separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any other broker or sales agent, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor harmless from and against any and all liability and expenses in connection therewith, including without limitation, reasonable legal fees. The provisions of this Article 20 shall survive the delivery of the closing of title.

21. Agreement May Not Be Assigned. Purchaser shall have the right to assign this Agreement only in strict accordance with the terms of the Plan. Any purported assignment by Purchaser in violation of the Plan will be void.

22. Binding Effect. This Agreement shall not be binding on Purchaser or Sponsor until a fully executed copy has been furnished by Sponsor to Purchaser. If this Agreement is not accepted by Sponsor within thirty (30) days from the date hereof by the furnishing to Purchaser of a fully executed copy, this Agreement shall be deemed to have been rejected and cancelled and the downpayment, together with accrued interest, if any, shall be promptly returned to Purchaser.

23. Notices. Any notice, request or other communications desired or required to be given under this Agreement or the Plan shall be in writing and sent, postage prepaid, by registered or certified mail, return receipt requested, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this Agreement, with a copy to the attorneys, Cassin, Cassin & Joseph, 300 East 42nd Street, New York, New York 10017, Attn: Carol M. Joseph, Esq. or to such other address as either party may hereafter designate to the other in writing in accordance with this Article. Unless otherwise provided herein, the date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

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

25. Liability of Sponsor.

(a) Sponsor shall not have any liability to any Purchaser 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 the creation of a reserve for, any liabilities of Sponsor arising out of the consummation of the transactions contemplated in the Plan.

(b) Sponsor will 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) which is not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking will be tolled for the length of the period during which such performance is excused.

26. 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 in this Agreement, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transactions contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction. ▲

27. Severability. If any provisions 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 specifically set forth herein or in the Plan, shall be valid and enforced to the fullest extent permitted by law.

28. Strict Compliance. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any other provision of this Agreement and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all provisions of this Agreement to be performed by Purchaser.

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

30. 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 actions or proceedings in which a jury trial is waived.

31. Entire Agreement. This Agreement, together with the Plan, as the Plan may be amended from time to time, constitutes the entire Agreement and supersedes any and all prior and contemporaneous understandings and agreements between the parties.

32. Certain References. 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. The terms "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 Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Agreement.

33. 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 provision hereof.

34. Successors and Assigns. Subject to the provisions of Article 21 herein, the provisions of this Agreement shall bind and enure to the benefit of the 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.

35. No Discriminatory Agreements. The Purchaser certifies that he has agreed in good faith to purchase the condominium unit without discriminatory repurchase or other discriminatory inducement.

36. No Oral Changes. This agreement cannot be changed or terminated orally. ANY CHANGE OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED TO THIS AGREEMENT OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES OR BY AMENDMENT TO THE PLAN.

37. Rule of Construction. There shall be no presumption of construction against the draftsman of this Agreement.

38. Acceptance of Purchase Agreement

(a) If Purchaser is an existing tenant, this Agreement will 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;

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

(b) If Purchaser is not an existing tenant of the Property, then on or prior to Purchaser's signing this Agreement, Purchaser will complete, sign and deliver to the Selling Agent an application form furnished by Sponsor. Such application will be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor.

(c) The submission to Sponsor of this Agreement or the application referred to in subparagraph (b) does not constitute a binding obligation on either Purchaser or Sponsor. No such binding obligation will arise until duplicates of this Agreement are executed by, and delivered to, both Purchaser and Sponsor (or Sponsor's duly authorized agent). If within thirty (30) days after the Selling Agent receives this 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 will 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 will have any further rights, obligations or liabilities hereunder with respect to the other or any other party connected with the Plan. 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.

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

PURCHASER

PURCHASER

ADDRESS: _____

DATED: _____

SPONSOR: J & M ASSOCIATES

BY: _____

AFFIDAVIT OF GOOD FAITH PURCHASE

The undersigned verifies that his purchase of Unit _____ at 100-110 Theodore Fremd Avenue, Rye, New York, has been made in good faith, pursuant to the terms of the Offering Plan of the RYEVUE CONDOMINIUM without fraud or duress, and with no discriminatory repurchase agreement, or other discriminatory inducement. The use of the Unit will be for the personal use of the undersigned.

Purchaser

Second Purchaser (if more than one)

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

being duly sworn deposes and says that he is the Purchaser of the Unit above described; that he has read the foregoing Affidavit of Good Faith Purchase and knows the contents thereof and that the same is true to his own knowledge.

Purchaser

Second Purchaser (if more than one)

Sworn to before me this _____ day of _____, 1987.

NOTARY PUBLIC



New York State
REAL PROPERTY TRANSFER GAINS TAX

For Departmental Use On

Questionnaire
TRANSFEEE

NOTE: See Instructions (TP-581-I), Section B before completing this form.

PLEASE PRINT	Name (Transferee) _____	Social Security Number
	Address _____	Federal Employer Identification Numt
	Zip Code _____	
	Name (Transferor) <u>J & M Associates</u>	Social Security Number
	Address <u>11 Third Street, Rye, New York 10580</u>	Federal Employer Identification Numt
	Zip Code _____	

- Type of Interest to be Acquired
(Check Applicable Box)
 - Fee
 - Leasehold Grant
 - Leasehold Assignment or Surrender
 - Stock in Co-op
 - Option Grant
 - Option Assignment or Surrender
 - Development Right
 - Controlling Interest
 - Contract Assignment
 - Other (attach explanation)
- Date of Anticipated Transfer _____ • Percentage of Interest to be Acquired _____ %

Day Month Year
▲

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

Address	County
100-110 Theodore Fremd Avenue, Rye, New York 10580	Westchester

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 TRANSFEEE

I swear (or affirm) under penalty of perjury that this questionnaire including the accompanying schedules or statements has been examined by me and 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 _____

Name(s) of Transferee(s)

_____, 19 _____

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

Signature of officer administering oath

Title

ASSIGNMENT AND ASSUMPTION OF PURCHASE AGREEMENT

Premises: 100-110 Theodore Fremd Avenue, Rye, New York

ASSIGNOR:
Address:

ASSIGNEE:
Address:

PURCHASE AGREEMENT DATED: _____, 198

APARTMENT (the "Apartment"):

In Consideration of Ten (\$10.00) Dollars in hand paid, the receipt and adequacy of which is hereby acknowledged, and for other good and valuable consideration, the Assignor hereby assigns unto the Assignee all of the Assignor's right, title and interest in the Purchase Agreement for the Apartment, pursuant to the Offering Plan to convert the Premises to Condominium ownership (the "Plan").

The Assignor agrees that the Assignor has no further right or claim or right to purchase the Apartment and releases the "Sponsor" from any right or claim or right that the Assignor may have arising out of, or in connection with, the Plan, including, without limitation, any further obligation to accept a Purchase Agreement for such shares from the Assignor.

The Assignee hereby accepts the foregoing assignment and assumes all of the obligations of the Assignor under the Purchase Agreement.

The parties agree that the Down Payment under the Purchase Agreement shall be increased to ten (10%) percent of the purchase price.

IN WITNESS WHEREOF, the Assignor and the Assignee have duly executed this Assignment as of the day and year set forth below.

In Presence of:

ASSIGNOR:

Dated: _____, 198
Rye, New York

ASSIGNEE:

J & M ASSOCIATES

By: _____

DOCUMENT NUMBER 2

DESCRIPTION OF PROPERTY
AND BUILDING CONDITION

and

ASBESTOS REPORT

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VITO SINOPOLI, JR., P.E.

Consulting Engineer

315 TRAVERS AVENUE
MAMARONECK, N.Y. 10543

314/698-5585

January 17, 1987

Ms. Carol M. Joseph
Cassin, Cassin & Joseph
300 East 42nd Street
New York, New York 10017

Re: 100 Theodore Fremd Avenue
City of Rye, New York
Original Inspection August 23, 1986
Reinspection Date January 17, 1987

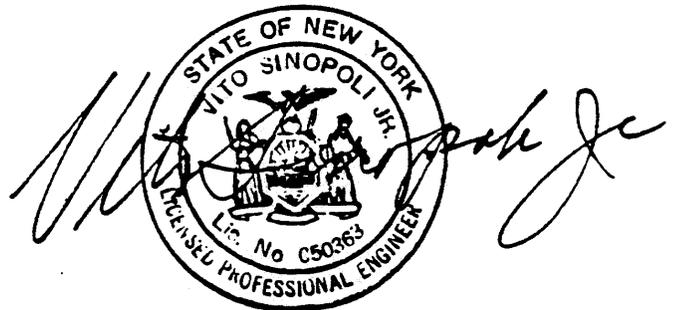
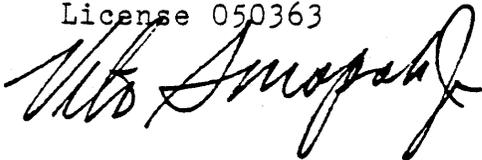
A reinspection was made at the above location of the two buildings and separate garage on January 17, 1987 by me, and the buildings and garage were found to be in the same condition as reported in detail in my earlier inspection report dated September 21, 1986.

This inspection report does not represent an offer on the part of Vito Sinopoli, Jr., P.E. to purchase or to guarantee the inspected premises, its contents, or surrounding property.

All statements and judgements are the result of a visual inspection of readily accessible areas of the premises.

This report of findings is attested by me and submitted this 17th day of January, 1987.

Vito Sinopoli, Jr., P.E.
License 050363



VITO SINOPOLI, JR., P.E.

Consulting Engineer

315 TRAVERS AVENUE
MAMARONECK, N.Y. 10543

914/698-5585

September 21, 1986

Ms. Carol M. Joseph
Cassin, Cassin & Joseph
300 East 42nd Street
New York, New York 10017

Re: 100 Theodore Fremd Avenue
City of Rye, New York
Section 146.06 Block 2 Lot 29
Zoning RA-3 2,500 S.F.

Inspection Date: August 23, 1986

1. General Description

The property consists of two buildings which are located one behind the other on the site. The property abuts Theodore Fremd Avenue, a main roadway in the area. There is also a separate one story six car garage at the rear of the property. The buildings are convenient to the railroad station, shopping area, and the New England Thruway, a major north-south roadway.

The buildings were constructed in 1955 and are served by the City of Rye for all services including water, sewage, garbage collection and fire protection. Con Edison provides electrical and gas service and New York Telephone provides telephone service.

The overall appearance of the apartment units and exterior of the buildings is good.

2. Building Sizes

There are two two-story buildings on the site. The front building is Building "A" and is 100 feet wide, 55 feet deep and 20 feet high. The front elevation of this building extends to the basement level and contains apartment units in the basement level.

The rear building is Building "B" and is 74 feet wide, 41 feet deep, and 21 feet high.

The property is 150 feet wide along the front at Theodore Fremd Avenue, 238 feet deep along the easterly property line, 290 feet deep along the westerly property line and 158 feet wide along the rear property line. The property contains .9 acres. The site and other properties immediately surrounding it are zoned RA-3, 2,500 S.F.

3. Structural System

The exterior foundation walls are of concrete blocks. The floor joists, roof rafters, and interior partitions are of wood frame construction. The basement floor is of concrete. The walls are plaster with hollow metal doors and frames. The floors are generally oak wood strips and the exterior is of red common brick. The roof consists of a flat composition roofing material.

The exterior brick work is generally tight and sound. There is a minor diagonal crack along the rear elevation of Building "A" at the first story level and along the window and door lintels on the easterly elevation. There are also cracks along the lintels above the windows and doors on the east elevation on Building "B".

There are a limited number of deteriorated bricks on Building "A" along the west elevation. Some joint pointing is required on each building.

In general, the brick appear tight and sound with no signs of leaks at the interior of the building.

4. Foundation

The exterior walls appear tight and sound with no indication of leaks. Some leaks do appear at the rear elevation of Building "A" at the vent openings where surface water appears to run down into the areaway and thru the vent.

5. Windows

All the windows on both buildings have been recently replaced with white insulated aluminum windows with screens by Jasco. The windows have been caulked and the steel lintels are in good condition.

The window sills are of precast concrete and in need of caulking at some locations. In general the windows are in excellent condition.

6. Exterior Entrances

Building "A" has a main front entry at the first floor level and a rear entry. There is also a side entrance to a storage room on the east elevation and doors to the balconies along the front elevation of the building on the first and second floor level.

Building "B" has a main front entry and two side apartment entry doors on the first floor east elevation to serve the two apartment units on that side of the building. All the doors and frames are of painted wood and in good condition.

6. Exterior Entrances (cont'd)

The overhead wood canopies at the front entries are in fair condition and are due for replacement. The entrance foyers contain newly installed aluminum mail boxes for each apartment unit by Bommer Landaum Industries, Inc.

The floor in Building "B" is of ceramic and the walls and ceilings are of painted plaster. The entrance foyers are generally in good condition. The sidewalk along the front of the property on Theodore Fremd Avenue is of concrete and in good condition.

7. Basement

Each building contains a basement area. In Building "B" the basement contains a boiler room, small laundry room with electric meters, and a gas meter room. Building "A" contains a boiler room, storage room, gas meter room and a laundry room.

The basement interior walls are of concrete block. The walls have a plaster finish in the corridors. The floors are of concrete and are painted in the corridor areas. The doors and frames are hollow metal. Lighting is either pullchain porcelain fixtures or florescent fixtures.

The basement area is generally in good condition.

8. Roofs

The roof is constructed of a composition mineral covered felt on Building "A" and "B" and also the garage. All the roofs appear to be as originally installed and are at the end of their useful life. The roofs are in need of a new replacement at all locations. The roofs contain metal drip edging and no parapets.

9. Balconies

There are balcony areas for the first and second floor front apartment units in Building "A". The decks have newly replaced painted wooden clapboard perimeter walls at railing height around the perimeter. The balconies are in very good condition.

10. Gutters and Leaders

Gutters and leaders are located along the rear of both buildings. They are made of painted galvanized metal and appear in fair to good condition.

11. Parking

Parking is provided by a one story attached garage and outside parking spaces. There is a black top paved parking lot with spaces for thirty three cars and one separate garage building with parking for six cars.

The black top pavement and driveway are in good condition. The six car garage is constructed of concrete block and common brick, with wood roof joists and a concrete floor. There are wooded overhead rollup doors.

A number of the brick require replacement and the rear garage wall has been damaged and is in need of repair or replacement along the middle section of the wall where it is bowed out and cracked. The wood fascia along the rear of the roof is rotted and in need of replacement. The roof is flat and in need of a new roof covering. There is no electrical service to the garages and therefore no lights.

12. Landscaping

The yard area along the front of the property at Building "A" is grassed and in good condition. There is a privit hedge along the front of the property which is in good condition.

The grassed area in front of Building "B" is fair. The grassed area along the east side of the buildings is in need of some improvement and the large tree in front of Building "B" is in need of pruning and trimming.

The front walks to the buildings are of concrete with some cracks in the entry platform at Building "B". The Building "A" entry platform, concrete steps, and wrought iron railing are in good condition.

There is a flagstone patio area at the rear entry to Building "A" which is in good condition.

13. Yards and Courts

There are no yards and courts other than those areas discussed under Landscaping.

14. Elevators

There are no elevators in either building.

15. Fire Escapes

There are no fire escapes on either building.

16. Air Conditioning

Individual apartments are served with a number of window units of varying size and manufacture. There is no central air conditioning systems.

17. Ventilation

There is no central ventilation system in either building. There are brick vent louvers to provide cross ventilation between the ceiling joists and the roof joists on the upper floor of the building. There are also roof ventilators on the roof. The venting system is in good condition.

18. Television

Reception is provided by individual antennas as needed. Cable television is available in the complex and used as desired by the tenants.

19. Recreational Facilities

There are no recreational facilities as part of the building complex

20. Interior Stairways

The interior stairway extends from the basement to the second floor in both buildings. The stairs are constructed of wood with rubber threads and risers. The walls and ceilings are painted plaster. There are wooden handrails and overhead florescent fixtures which have been recently installed. The floors are covered with vinyl floor tile. The stairways are in very good condition.

21. Laundry Rooms

There is a small laundry area adjacent to the boiler room in the basement of Building "B". The area contains a coin operated Maytag gas dryer and a Maytag electric washing machine. The room is vented by the room door and the walls are of concrete block with a cement plaster finish. Lighting is with florescent fixtures and the floor is concrete. The area is in good condition.

The laundry room in Building "A" contains two Maytag coin operated gas dryers and two Maytag coin operated electric washing machines. The dryers are vented thru a window in the room. The room is ventilated by a window and doorway to the room. Lighting is by florescent fixtures. The walls are painted concrete blocks, the ceiling is of painted sheetrock, and the floor is of concrete. The room is in good condition.

22. Plumbing and Drainage

The plumbing in the complex consists of copper piping for hot and cold water and cast iron waste piping. All appear tight and sound with no signs of leaks. The fixtures tried provided good water pressure in the apartment units. There are no roof drains and no drainage piping in the building.

23. Refuse Disposal

There are no incinerators or compactors in use in the buildings. Garbage on the site is collected in garbage pails supplied by the owner.

The building was originally constructed with an incinerator in Building "A" which is no longer in use. The incinerator chimney which extends above the roof line is constructed of red common brick which is in need of mortar joint pointing throughout.

24. Heating

The heating systems are oil fired hot water systems centrally controlled in each building. The boiler room is located in the basement of each building. A new hot water tank, boiler, burner unit and chimney breeching, were installed in 1983 in Building "B".

The boiler is manufactured by Weil McLain boiler size BL576SW, 2.95 GPH, maximum water pressure 50 p.s.i.

The oil burner unit is a Carlin Burner Model 701 CRD, firing range 6.0 - 13.2 GPH. Oil is supplied thru a 2000 gallon buried tank located in the lawn area at the front of the building.

A Petrometer gauge type 114 is located in the gas meter room.

The heating sequence is controlled by a Honeywell Chronotherm thermostat located near the front foyer. Hot water is provided by an electrically operated separate hot water tank as manufactured by Amtrol Inc., Model WH7C 41 gallon capacity 150 p.s.i. working pressure controlled through Honeywell Aquastats.

The flue breeching is galvanized steel and all new piping installed is of copper. The original heating piping is insulated black iron pipe. Some of the insulated material is in need of repair. The heating system is in very good condition.

There is a sump pump in the boiler room also which was cycled on and off and is in good working condition. The boiler room walls are in need of painting. The heating system is generally in very good condition and adequate for the building.

24. Heating (cont'd)

The boiler room equipment for the heating system in Building "A" was also replaced in 1983 with a new hot water tank, boiler, burner unit, and breeching. The boiler is manufactured by Weil McLain boiler size BL686SW, 30 p.s.i. maximum working pressure. The oil burner is a Carlin Burner Model 100 CRD firing rate .5 - 2.25 GPH. Number 2 oil is used for all oil burners. Oil is supplied thru a 3000 gallon buried tank located in the lawn area at the front of the building.

The heating sequence is controlled by a Honeywell Chronotherm thermostat located near the front foyer. Hot water is provided by an oil fired hot water tank as manufactured by Ford Products Corp., Valley Cottage, New York, Model FG8522, 85 gallon capacity and a 150 p.s.i. working pressure.

The original heating pipe is insulated black iron and the new piping is of copper. The boiler room walls, ceiling and floor are in good condition. The heating is in very good condition.

The chimneys for both boilers extend thru the roof and are constructed of red common brick with concrete caps. The chimneys require some pointing and concrete cap patching.

25. Electrical System

Each building is served by a separate service which is located in the basement area. The Building "A" service connection is located in a corner of the storage room and is a Vacu-break Safety Switch Cat. No. JN424, 200 amp service, 240 ac maximum volts.

There are nineteen (19) separate electric meters for the building. Eighteen (18) meters are for apartment units and one meter is for the owner. Each apartment unit is separately fused with 30 amp fuses.

The wiring is non-metallic sheathed copper cable. The steel conduit to the safety switch shows signs of allowing water to enter as there is rusting inside the switch back box. This condition is in need of repair.

The electric service to Building "B" is located in the laundry room area. The main switch is by Walker Electrical Co., Cat. No. 1405-3S, 100 amps, 125-250 AC volts. There are nine (9) separate electric meters for the building. Eight (8) are for apartment units and one is for the owner. Each apartment unit is separately fused with 20 or 30 amp fuses. The wiring is non-metallic sheathed copper cable.

Apartment unit lighting is by incandescent lighting fixtures and there are sufficient wall outlets throughout the units.

25. Electrical System (cont'd)

Exterior lighting is provided by newly installed sodium vapor lamps and metal conduits which are located generally at the corners of the building exterior. There are controlled by Tork Timers located in the basement near the electrical equipment.

26. Gas Service

Gas service is provided to the complex for kitchen gas stoves and the meters are located in separate gas rooms in the basement. Building "A" contains nineteen (19) meters, one for each unit and one for the owner. The room is of concrete and cinder block, a painted concrete floor and a cement plaster ceiling. The lighting is by incandescent bulb in a porcelain pull chain fixture. The door and frame is of hollow metal. The room is in good condition. The gas room in Building "B" contains nine (9) gas meters, one for each unit and one for the owner. The room construction is similar to the room in Building "A".

The piping is black iron and appears tight and sound throughout both buildings.

27. Smoke Alarms

Smoke alarms were installed in each apartment unit and in the hallways and basement areas in 1982. The alarms in the apartments are battery operated and the others are electrically wired in.

28. Apartment Units

The apartment units are divided as follows:

<u>Amount</u>	<u>Apartment Unit</u>
<u>Building A</u>	
18	1A, 1B, 1C, 1D, 1E, 1F, 1G, 1H 2A, 2B, 2C, 2D, 2E, 2F, 2G, 2H, Patio A, Patio B
<u>Building B</u>	
8	1A, 1B, 1C, 1D, 2A, 2B, 2C, 2D
<u>26</u>	Total Units

27. Apartment Units (cont'd)

In order to ascertain the general physical condition of individual apartment units, a representative number of apartments were inspected as follows:

Building "B"

Unit 1B - This apartment is a three and one-half room unit containing a kitchen, living room, bedroom and a bath. The kitchen contains a stainless steel sink, four burner gas stove, refrigerator, wooden wall and base cabinets, painted plaster walls and ceiling, linoleum floor and incandescent light. The entire kitchen has been newly remodelled, except for the wall cabinets which are existing.

The living room has plaster painted walls and ceiling with oak strip wood flooring. The bedroom contains painted walls and ceiling with oak strip wood floor and closets. The bathroom has a tub with shower, vanity sink, and a watercloset. The walls are ceramic tile with plaster above. The floor is ceramic tile.

There are wood doors with metal frame throughout the apartment unit. The entire apartment is newly painted and in very good condition.

Unit 1A - This apartment is a three and one-half room unit containing a kitchen, living room, bedroom and a bath. The kitchen contains a stainless steel sink, four burner gas stove, refrigerator, wooden wall and base cabinets, painted plaster walls and ceiling, and a linoleum floor. The entire kitchen is as originally installed.

The living room has plaster painted walls and ceiling with oak strip wood flooring. The bedroom contains painted walls and ceiling with oak strip wood floor and closets. The bathroom has a tub with shower, vanity sink, and a watercloset. The walls are ceramic tile with plaster above. The floor is ceramic tile.

The apartment contains closets, metal frame, and wood doors. The entire apartment is newly painted and in good condition.

Unit 1C - This apartment is a three and one-half room unit containing a kitchen, living room, bedroom and a bath. The kitchen contains a stainless steel sink, four burner gas stove, refrigerator, wooden wall and base cabinets, painted plaster walls and ceiling, linoleum floor and incandescent light. The entire kitchen has been newly remodelled. There is a side kitchen entrance door to the grassed patio area.

27. Apartment Units (cont'd)

Unit 1C (cont'd) - The living room has plaster painted walls and ceiling with oak strip wood flooring. The bedroom contains painted walls and ceiling with oak strip wood floor and closets. The bathroom has a tub with shower, vanity sink, and a watercloset. The walls are ceramic tile with plaster above. The floor is ceramic tile.

The apartment is in very good condition.

Building "A"

Although not seen during the inspection there are eight fireplaces in the first and second floor units which face the front of the building. There are two separate four flue chimneys of red brick which are in good condition.

Patio Unit A Basement - The apartment is a four room two bath unit containing a kitchen, living room, two bedrooms, and two baths. The kitchen contains a stainless steel sink, four burner gas stove, refrigerator, wall and base cabinets, painted plaster walls and ceilings, ceramic tile floor and an incandescent ceiling light. The entire kitchen has been remodelled.

The living room has plaster painted walls and ceiling and oak strip wood on the floor. The two bedrooms contain painted plaster walls and ceilings with oak strip wood flooring. There are closets throughout the apartment. One bathroom has a tub with shower, vanity sink and a watercloset. The second bathroom contains a walk-in shower stall, water closet, and vanity. Both baths contain ceramic tile wainscot and floors and painted plaster walls and ceilings.

There are wood doors with metal frames throughout the apartment unit. The entire apartment is in very good condition.

28. Building Violations

A visit to the City of Rye Building Department and a check of their records indicates that there are no housing or building violations of record for the complex.

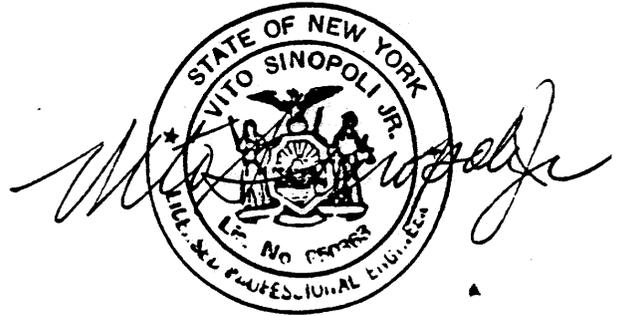
100 Theodore Fremd Avenue
Page 11

This inspection report does not represent an offer on the part of Vito Sinopoli, Jr., P.E. to purchase or to guarantee the inspected premises, its contents, or surrounding property.

All statements and judgements are the result of a visual inspection of readily accessible areas of the premises.

This report of findings is attested by me and submitted this 21st day of September 1986.

Vito Sinopoli, Jr. P.E.
License 050363



AMERICA
BUILDING
INSPECTOR

J & M Associates
c/o Ridge Wood Management
300 E. 42nd Street
New York, New York 10017

Attention: Carol Joseph

REPORT NO. 1447

ASBESTOS REPORT

100-110 Theodore Fremd Avenue
Rye, New York

September 23, 1987

September 24, 1987

American Building Inspectors, located at 999 Summer Street, Stamford, CT., has been in business for 15 years.

The Company performs pre-sale building inspections for potential buyers, as well as building inspections for present owners of real estate.

Besides structural inspecting for: plumbing, heating, electrical, interior and exterior deficiencies, we check for evidence of asbestos, formaldehyde and radon gases in each property.

An asbestos inspection is done: (1) visually, (2) securing samples of suspicious material, and (3) analyses by a licensed laboratory, which issues a written report. If any material is proven to be of hazardous level (1.0), we make recommendations for its future disposition.

John H. Garrick: The principal in American Building Inspectors performs these inspections himself and/or supervises inspections done by other qualified persons. Mr. Garrick, a graduate architect, has thirty years' experience in the construction field. He has been in the inspection business for 15 years.

GENERAL: 2 Buildings containing 26 apartments on 2 floors. Two separate furnaces.
2 laundry rooms, 3 utility rooms, 1 storage area, stairwells, halls. Approximate age 25 years.

INSPECTION: 29% of the apartments were checked as follows:

Patio Apartment

A 1-F	B 1-A
A 1-G	B 1-D
A 1-E	B 2-D
A 1-D	
A 2-C	

None of the apartments have any asbestos (ACM)

2 Laundry Rooms - No Asbestos (ACM)

Gas meter room - No Asbestos

Hall and stairwell - No Asbestos

Boiler room 1. Has asbestos and one section, approximately 36" should be encapsulated.

Boiler room 2. Has also asbestos heat pipe wrappings and eleven (11) ends should be encapsulated.

The electric meter room has two exposed elbows (heating pipes), they should be encapsulated.

We do not recommend removal.

The above mentioned utility rooms are kept under lock and key (locks were recently replaced).

We do recommend that all above mentioned areas be encapsulated in the following manner:

Apply A-B-C Lag-Kloth.

Description:

A-B-C Lag-Kloth has a built-in adhesive, completely inorganic, that impregnates the fabric throughout. The adhesive materials are water dispersible and the inorganic composition reduces chances of fire to practically zero.

There are no additional areas in need of encapsulation.

The O and M abatement program should include the following:

Records of the location of all ACM in the building.

The building occupants and workers should be informed of the ACM locations and also the method with which to cut down the asbestos disturbance.

There should be a training program for employees who through their work may come in contact with ACM.

Initial cleaning and periodic cleaning should be outlined.

Review of any renovation, maintenance and construction requests to be sure that safety procedures will be adhered to.

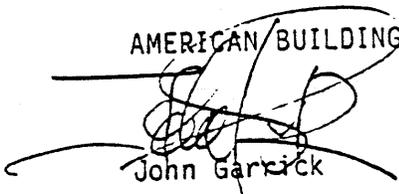
Semi-Annual inspections of the ACM and the findings should be reported to the O and M coordinator, the owner and the consultant.

Procedures should be coordinated for any fiber release or damage.

Records should be kept for all written documents regarding these points above.

We will reinspect after repairs were made.

AMERICAN BUILDING INSPECTORS, INC.



John Garrick

JHG/jt

AMERICAN
BUILDING
INSPECTORS

September 24, 1987

Ms. Carol Joseph
J&M Associates
c/o Ridge Wood Management
300 E. 42nd Street
New York, New York 10017

Dear Ms. Joseph:

We do recommend that all the above mentioned areas be encapsulated in the following manner:

Apply A-B-C Lag Kloth.

Description:

A-B-C Lag-Kloth has a built-in adhesive, completely inorganic, that impregnates the fabric throughout. The adhesive materials are water dispersible and inorganic composition reduces chances of fire to practically zero.

There are no additional areas in need of encapsulation.

The O and M abatement program should include the following:

Records of the location of all ACM in the building.
The building occupants and workers should be informed of the ACM locations and also the method with which to cut down the asbestos disturbance.

There should be a training program for employees who through their work may come in contact with ACM.

Initial cleaning and periodic cleaning should be outlined.

Review of any renovation, maintenance and construction requests to be sure that safety procedures will be adhered to.

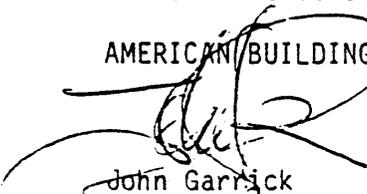
Semi-Annual inspections of the ACM and the finds should be reported to the O and M coordinator, the owner and the consultant.

Procedures should be coordinated for any fiber release or damage.

Records should be kept for all written documents regarding these points above.

An estimate to encapsule the exposed ACM material is \$325.00

AMERICAN BUILDING INSPECTORS



John Garrick

/jt

Cahners Plaza, 999 Summer Street, Stamford, CT 06905 (203) 348-1737

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DOCUMENT NUMBER 3

RYEVIEW CONDOMINIUM DECLARATION

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DECLARATION

Establishing a Plan for Condominium Ownership of the premises known as 100-110 Theodore Fremd Avenue, Rye, New York, pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: RYEVUE CONDOMINIUM

SPONSOR: J & M ASSOCIATES
11 Elm Place
Rye, New York 10580

DATE OF
DECLARATION: , 1987

PREPARED BY: Cassin, Cassin & Joseph
Attorneys for Sponsor
300 East 42nd Street
New York, New York 10017
(212) 972-6161

The land affected by the within instrument lies in the City of Rye, County of Westchester and State of New York.

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INDEX TO DECLARATION

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* Reproduced in full as Document Number 4
 **Reproduced in full as Document Number 6

DECLARATION OF THE RYEVUE CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

J & M ASSOCIATES, a New York partnership having an office at 11 Elm Place, Rye, New York, hereinafter referred to as the "Sponsor", does hereby declare as follows:

ARTICLE 1

Submission of the Property

The Sponsor hereby submits the land more particularly described on Schedule A attached hereto and made a part hereof, together with the buildings and improvements thereon erected (hereinafter called the "Building") owned by the Sponsor in fee simple absolute (the Land and the Buildings hereinafter collectively called the "Property"), to the provisions of Article 9-B of the Real Property of the State of New York.

ARTICLE 2

Name of Condominium

This condominium shall be known as RYEVUE CONDOMINIUM.

ARTICLE 3

The Land

The Land, which is located in the City of Rye, County of Westchester, and is more particularly described in Exhibit A annexed hereto, is owned by J & M Associates in fee simple absolute.

ARTICLE 4

The Buildings

The Buildings are known as and located at 100-110 Theodore Fremd Avenue, Rye, New York.

ARTICLE 5

The Units

(a) Each Unit consists of the area measured horizontally from the Unit side of the walls and partitions separating such Unit from the corridors, stairs, and other mechanical equipment spaces and where walls and partitions separating such Unit from other Units, to the side of such walls and partitions facing such unit; vertically each Unit consists of the space between the top of the wooden floor and the underside of the ceiling.

(b) 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 and fixtures (including, without limitation, heating and cooling equipment, plumbing facilities, sinks, bathtubs, waterclosets) affixed, attached, or appurtenant to such Unit and (v) all other Facilities affixed, attached, or appurtenant to such Unit and benefiting only that Unit.

(c) Notwithstanding anything contained in this Article 5 to the contrary, each Unit Owner will 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 and fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surface of the walls, ceilings and floors that fact 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 6

Use of Buildings and Units

(a) As more particularly set forth in the By-Laws each of the Buildings and Residential Units are to be used only for residential purposes or such other home occupation as permitted by law, by the Unit Owner thereof or their permitted lessees, their immediate families, their guests, and their invitees. Any Unit may be used for professional purposes, or for any other lawful purposes, subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for such Unit, (2) the Law, (3) the use of such Unit not adversely affecting the use and enjoyment of neighboring or adjacent Units for residential purposes, and (4) the prior written permission of Sponsor, or, when there are no longer any Unsold Units, the Board of Managers, which permission can only be given upon an affirmative finding that the conditions in (1) through (3) above have been met. The Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

(b) Notwithstanding the foregoing or anything to the contrary contained herein, in the By-Laws or the Rules and Regulations, Sponsor may, without the permission of the Board of Managers, (1) grant permission for the use of any Unsold Unit (as hereinafter defined) as a professional office or for any other purpose, provided such use is permitted by Law, does not violate the then existing certificate of occupancy or any other governmental regulations, (2) use any Unsold Units as models and sales

and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to compliance with Law and (3) lease any Unsold Units to third parties for their occupancy.

ARTICLE 7

The Common Elements

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

(a) The land on which the Building is erected and all other land within the boundaries of the Property; together with all easements, rights and privileges appurtenant thereto.

(b) All foundations, columns, girders, beams, supports, and bearing walls;

(c) All exterior walls of the Buildings not including the portions thereof on the Unit side of the masonry of such walls; all walls and partitions separating Units from corridor and mechanical equipment spaces, other than the portions thereof between the Unit side of such walls and partitions and the masonry of all walls and partitions; the masonry of all walls and partitions separating Units and containing masonry; the portions of the sheet rock partitions separating Units between the Unit side of the sheet rock or other partition on each side of such partitions; all concrete floors and concrete ceilings;

(d) All roofs, hallways, corridors, stairs, stairways and entrances to and exits from the Building;

(e) All basements, cellars, yards, gardens, and other areas used in connection therewith, all outdoor parking and driveway areas, and all storage spaces, (but excluding porches adjacent to the Units and storage areas limited to the use of a particular Unit Owner);

(f) All central and appurtenant installations and facilities for services such as power, light, telephone, television, hot and cold water, heat and compacting (including all pipes, ducts, wires, chutes, cables, and conduits used in connection therewith, whether located in common areas or in Units) and all other mechanical and electrical equipment spaces to the extent that the same are not expressly included as part of a Unit pursuant to the terms of Article 5 hereof;

(g) All sewer pipes;

(h) All pedestrian walkways, easements and rights appurtenant thereto intended for the common use of all Unit owners;

(i) All other parts of the Property and all apparatus and installations now existing or hereafter constructed in the Building or on the Property for common use of Unit Owners or Units or necessary for, or convenient to, the existence, maintenance or safety of the Property.

ARTICLE 8

Determination of Percentage of Interest In Common Elements

The percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. These allocations are made pursuant to the terms of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"). The aggregate Common Interest of all Units equals one hundred (100%) percent.

ARTICLE 9

Encroachments

If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, as a result of the construction of the Building, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Building, or by reason of the repair and/or restoration by the Board of Managers of the Building, any Unit or the Common Elements, a valid easement for the encroachment and for the maintenance of the same so long as the Building stands, shall exist. In the event the Building, Unit, adjoining Unit, or any adjoining Common Element, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the Building shall stand.

ARTICLE 10

Easements

Each Unit Owner shall have an easement in common with the owners of all other Units to use in accordance with present use and present available facilities all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving its Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units to use in accordance with present use and present available

facilities the pipes, ducts, cables, wires, conduits, public utility lines and other common elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

The user of any easement granted herein shall have the responsibility of repairing any damage resulting therefrom.

ARTICLE 11

Alterations to Units

(a) Except as otherwise permitted in the By-Laws or Declaration, no Owner may make any alteration, improvement or repair in and to the Common Elements without the prior written approval of the Board of Managers.

(b) Each Owner may, at any time and from time to time, at its expense, make or have made such alterations, additions, installations, substitutions, improvements and decorations (collectively, "Changes") in and to its Unit as such Owner may desire, provided that those Changes do not adversely affect the use of any other Unit without the consent of the Unit's Owner and further provided:

(i) The consent of any mortgagee of the Unit is first obtained to the extent required by the provisions of any mortgage constituting a lien upon the Unit;

(ii) Structural alterations shall be permitted only under the circumstances described in subparagraph (c);

(iii) The outside appearance of the Building, or the strength of the Building or any of its exterior walls, supporting beams, columns, floor slabs, foundations or elevator systems are not adversely affected;

(iv) No part of the Building outside of such Unit is adversely affected;

(v) Such Owner shall, within fifteen (15) days after the making of any Change other than a Change involving only decorations and substitutions, submit to the Board of Managers detailed plans showing such Change; and

(vi) If any Change, under the applicable governmental building code in effect at the time such Change is made, would require an alteration permit or building notice or governmental authorization for which approval of the Board of Managers is required, such Owner shall, prior to the commencement of such Change, have obtained consent thereto from the Board of Managers which consent shall not be unreasonably withheld.

(c) Owners shall be permitted to make structural changes only if the structural integrity of the Building is not thereby affected and the prior written consent of the Board of Managers is obtained.

ARTICLE 12

Alterations to Unsold Units

Except to the extent prohibited by Law, Sponsor or its designee will have the right, without the consent or approval of the Board of Managers, 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 (A) subdividing one or more Unsold Units into two or more separate Units, (B) combining two or more separate Unsold Units (including, without limitation, those resulting from such subdivision or otherwise) into one or more Units, (C) altering the boundary walls of any Unsold Units, or (D) 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 Interests; 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 will be made to any other Unit, and the Common Interest or interior dimensions of any other Unit will not be changed by reason thereof, unless the Owner of such other affected Unit consents thereto;

(2) Sponsor or its designees (as the case may be) will comply with Law.

(3) Sponsor or its designee (as the case may be) will agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom; and

(4) such alteration, addition, improvement or change will 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 amounts of the Common Interests of all the Units will always remain at 100%, and no reapportionment of the Common Interest appurtenant to any Unsold Unit will be made unless there is first delivered to the Board of Managers a written

certification stating 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 will be delivered, at Sponsor's election, by Sponsor, or its designee, the Selling Agent, the Managing Agent or any other person reasonably acceptable to the Board of Managers. The provisions of this Article 12 may not be added to, amended, modified or deleted without the prior written consent of the Sponsor or its designee.

ARTICLE 13

Acquisition of Units by Board of Managers

In the event a Unit Owner shall surrender his Unit, together with (i) the undivided interest in the Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase from any Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests, title or the leasehold estate, as the case may be, in and to any such Unit, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE 14

Power of Attorney to Board of Managers

(a) Each Unit Owner by acceptance of a deed or otherwise succeeding to title to a Unit will be deemed to have irrevocably nominated and appointed the persons who shall from time to time constitute the Board of Managers, power of attorney, coupled with an interest, and power of substitution, to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, and to convey, sell, lease, mortgage, vote the votes appurtenant thereto or otherwise deal with any such Unit so acquired or to sublease any Unit so leased by the Board of Managers.

(b) In confirmation of the foregoing power of attorney, each Unit Owner upon the request of the Board of

Managers, will duly execute, acknowledge and deliver to the Board of Managers, for recording in the register's office, a Unit Owner's Power of Attorney.

ARTICLE 15

Termination of Condominium

The Condominium will 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 (80%) percent of all Unit Owners, both in number and in aggregate Common Interests. No such vote under clause (ii) in the preceding sentence will be effective without the written consent of the Mortgage Representatives, if any, which consent will 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 (80%) 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 such withdrawal is so authorized, 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 will be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment will 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

Units Subject to Declaration, By-Laws And Rules And Regulations

All present and future Unit 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, all as they may be amended from time to time. The acceptance of the deed or conveyance or the entering into of 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, all 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 or conveyance of lease thereof.

The administration of the Condominium described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto, and in accordance with the Rules and Regulations of the Condominium.

ARTICLE 17

Amendment of 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 or any Unsold Units, any provision of this Declaration may be amended, modified, added to or deleted by the vote of at least sixty-six and two thirds (66-2/3%) percent 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 will be effective without the written consent of the Mortgage Representatives, if any, which consent will not be unreasonably withheld or delayed. No such amendment, modification, addition or deletion will 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 will be executed by the Board of Managers as attorney-in-fact for the Unit Owners, which power will be deemed to be coupled with an interest, and the Board of Managers is hereby authorized by the Unit Owners to so act as their attorney-in-fact. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor or its designee, or any Unsold Unit unless or until Sponsor, and/or such designee (as the case may be) will consent thereto in writing. Additionally, there shall be no amendment to the Declaration which is not in compliance with Article 9-B of the Real Property Law.

(b) Sponsor or its designee will have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Board of Managers or the Mortgage Representatives, if any, to execute, acknowledge and record (or, at Sponsor's or such designee's sole option, to require the Board of Managers 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 together with such documents, plans and maps as Sponsor and such designee deems appropriate to so effectuate:

(i) any changes in Unsold Units and/or the reapportionment of the respective Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or such designee in accordance with the terms of Article 12 hereof; or

(ii) requirements by (A) an institutional lender designated by Sponsor to make a loan secured by a mortgage on any Unit, (B) an 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 subparagraph (i) or (ii) of this paragraph will not (1) change the Common Interest of any Unit other than a Unit owned by Sponsor or Sponsor's designee, (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) will consent thereto by joining 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 any officer of Sponsor or (ii) if on behalf of the Unit Owners or the Board of Managers, 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 will be attached to such amendment an original executed Secretary's Certificate, 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 Certificate will 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 will be adopted for so long as Sponsor or its designee owns any Unit if it 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; (iii) impose any charge or fee against Sponsor or such designee.

(e) The provisions of this Article 17 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or its designee.

ARTICLE 18

Invalidity

(a) 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 will 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 will nevertheless be valid and binding upon and will 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 will 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.

(b) Subject to the terms of paragraph (a) of this Article 18, 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 will nevertheless be valid and binding upon, and will 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 with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners has signed and recorded an instrument agreeing to each such provision as a covenant running with the land.

ARTICLE 19

Person to Receive Service

Notice of process in any action which may be brought against the Condominium shall be served upon the President of the Board of Managers at the office of the Condominium, 100-110 Theodore Fremd Avenue, Rye, New York.

ARTICLE 20

Covenants and Restrictions

The use of the Unit by the Unit Owner or other occupant shall be subject to the Rules, Regulations and provisions of this Declaration, By-Laws, and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

- (a) The Unit and area restricted to the Unit Owner's use shall be maintained in good repair and general appearance.
- (b) No structural alterations to the exterior of the Unit or other alterations which would impair the structural soundness of the Building may be made without the written consent of the Board of Managers. Consent may be requested through the Managing Agent, if any, or through the President of the Board of Managers, if no Managing Agent is employed. The Board of Managers shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.
- (c) Any Unit Owner who mortgages his Unit shall notify the Board of Managers providing the name and address of his mortgagee.
- (d) The Board of Managers shall, at the request of the mortgagee of the Unit, report any unpaid common charges, assessments or other charges due from the Unit Owner of such Unit and the mortgagee shall agree to inform the Board of Managers of any default by the Unit Owner under such mortgage.
- (e) No nuisance shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residence.
- (f) No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.
- (g) Regulations promulgated by the Board of Managers concerning the use of the property shall be observed by the Unit Owners, provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time the same become effective.

ARTICLE 21

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, irrespective of the number of violations or breaches which may occur.

ARTICLE 22

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, distribution, lease, assignment or otherwise.

ARTICLE 23

Consents and 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 will not be required when Sponsor or such designee no longer owns any Unsold Units.

ARTICLE 24

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 25

Captions

The index hereof and the captions herein are inserted only a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the _____ day of _____, 1987.

J & M ASSOCIATES

BY: _____

EXHIBIT A

TO THE DECLARATION OF THE RYEVUEW CONDOMINIUM

Description of the Land

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Rye, County of Westchester and State of New York, shown and designated and described as Lots 89 and 90 on a certain map entitled, "Map of Land belonging to Robert S. Hayward, being part of the late James D. Halsted Farm, situated in the Town of Rye, Westchester County, NY," made by J.A. Kirby, June 11, 1889 and filed in the Westchester county Clerk's Office, Division of Land Records on June 22, 1889 as Map No. 910, being bounded and described as follows:

BEGINNING at a point on the northwesterly side of Theodore Fremd Avenue distant 210.40 feet southwesterly as measured along the same from the corner formed by the intersection of the northwesterly side of Theodore Fremd Avenue and the southerly side of Locust Avenue;

thence along the southwesterly side of Theodore Fremd Avenue South 38 degrees 57' 00" West 150.00 feet to a point and the division line of Lots 88 and 89 on said map;

thence along said division line North 51 degrees. 03' 00" West 290.50 feet to a point and lands now or formerly of the New York, New Haven and Hartford Railroad;

thence along said last mentioned lands North 58 degrees 01' 00" East 158.70 feet to a point and the division line of lots 90 and 91 on said map;

thence along said last mentioned division line South 51 degrees 03' 00" East 238.66 feet to the northwesterly side of Theodore Fremd Avenue at the point or place of BEGINNING.

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DOCUMENT NUMBER 4

RYEVIEW CONDOMINIUM BY-LAWS

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BY-LAWS
OF
RYEVIEW CONDOMINIUM

ARTICLE I

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 known as Ryeview Condominium. The property which is located at 100-110 Theodore Fremd Avenue, Rye, New York has been submitted by J & M Associates ("Sponsor") to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of the Declaration, to which these By-Laws are annexed, in the Office of the County Clerk, Westchester County, State of New York.

Section 1.2 By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium and to the use and occupancy thereof. The term "Condominium" as used hereby shall include the land and all buildings and improvements thereon including the Condominium Units (hereinafter referred to as "Units"), and the Common Elements and the use and occupancy thereof. The term "Building(s)" as hereinafter used shall be defined as the exterior walls and roof of a number of Units all of which are constructed under a continuous roof. [^]

Section 1.3 Personal Application. All present or future Unit Owners, mortgagees and lessees, or their employees or any other person that might use the facilities of the Condominium in any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations as from time to time may be amended, are accepted, ratified, and will be complied with.

Section 1.4 Principal Office. The office of the Condominium and the Board of Managers shall be at the Property or at such other place as may be designated by the Board of Managers.

ARTICLE II

BOARD OF MANAGERS

Section 2.1 Number and Term. The affairs of the Condominium shall be governed by the Board of Managers. Until the first annual meeting of the Unit Owners held pursuant to the terms of Section 3.8 hereof, the Board of Managers will consist of three (3) individuals to be designated from time to time by Sponsor. From and after the first annual meeting of the Unit Owners, the Board of Managers will consist of five (5) individuals to be elected by Unit Owners pursuant to the terms of Section 3.3 hereof. Until succeeded by the Managers elected at

the first annual meeting of Unit Owners, Managers need not be Unit Owners; thereafter, all Managers shall be Unit Owners. The Managers shall hold office for a term of one (1) year and until their successors have been elected and hold their first meeting.

Section 2.2 Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reason of death, resignation, disqualification, removal from office or otherwise, a majority of the remaining Managers, though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors who shall hold office for the unexpired term in respect to which such vacancy occurred. In the event that the entire Board of Managers resigns, dies or is removed from office, a special meeting shall be held on the fifth day following, for the purpose of electing a new Board of Managers, which election shall follow the manner of election as set forth above for the first annual meeting.

Section 2.3 Removal. Managers may be removed for any reason by an affirmative vote of a majority of the Unit Owners. No manager shall continue to serve on the Board if, during his term of office he shall cease to be a Unit Owner.

Section 2.4 Powers and Duties of the Board of Managers. The Property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws, directed or required to be exercised or done by the unit owners personally. These powers shall specifically include, but not be limited to the following items:

a. To determine and levy monthly assessments ("Common Charges") to cover the cost of common expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expense, but said increase can only be assessed among the unit owners on a pro-rata basis according to their Common Interests.

b. To collect, use and expend the assessments collected to maintain, care for and preserve the Condominium Units, Buildings and other Common Elements or create a reserve fund;

c. To make repairs, restore or alter any Units or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

d. To enter into and upon the Condominium Units when necessary and at as little inconvenience to the Unit Owner as possible in connection with the maintenance, care and preservation of the Property.

e. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts.

f. To insure and keep insured the Common Elements and Units in accordance with Article VII of these By-Laws;

g. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the Property for violations of the house rules and regulations herein referred to;

h. To Purchase any Condominium Unit either at a foreclosure sale on behalf of all the Unit Owners or from a Unit Owner pursuant to Article XI of these By-Laws;

i. To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Condominium Unit;

j. To employ managing agents, workmen, janitors and gardeners and to purchase supplies and equipment, to enter into contracts, and generally to have the power of Manager in connection with the matters hereinabove set forth. The Board of Managers shall perform such duties and services as the Board of Managers shall authorize, including, but not limited to the duties listed in subdivisions (a) through (j) of Section 2.4 of this Article II. The Board of Managers may delegate to the Manager or Managing Agent, all of the powers granted to the Board of Managers by these By-Laws other than the power set forth in subdivision a, e, f, h, i, and j of Section 2.4 of this Article II.

k. To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium;

l. To acquire Condominium Units in foreclosure or as a result of abandonment and to take any and all steps necessary to repair or renovate any Condominium Unit so acquired and to vote as Unit Owner (except as specifically excluded by these By-Laws), offer such Unit for sale or lease or take any other steps regarding such Condominium Unit as shall be deemed proper by the Board of Managers.

m. Selling, leasing, mortgaging (but not voting the votes appurtenant to), or otherwise dealing with Units acquired by, and subleasing units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.

n. Organizing corporations to act as designee of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners;

o. The Board of Managers, may by resolution or resolutions, passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least three (3) members or Unit Owners one of whom shall be a Manager, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business and affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolution or resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

Section 2.5 Certain Limitations on The Powers of the Condominium Board of Managers. (a) Notwithstanding anything to the contrary contained in these By-Laws, as long as Sponsor or its designee, or both, continues to own collectively at least twenty-five (25%) percent of the Units during the three (3) years following the First Unit Closing, the Board of Managers may not, without the Sponsor's or such designee's prior written consent, do any of the following:

(i) make any addition, alteration or improvement to the Common Elements or to any Unit, unless required by Law or necessary for the health or safety of the residents of the Building;

(ii) assess any Common Charges for the creation or replacement of, or the addition to, all or any part of a reserve, contingency or surplus fund in excess of five (5%) percent in the aggregate of the estimated Common Expenses for any one (1) fiscal year of operation, provided the same does not violate the Law.

(iii) increase the number or change the type of employees from that described in "Schedule B - Income and Expenses 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.

Sponsor's written consent is not necessary to perform any function or take any action described in items (i) through (v) above if, and only if, the performance of such function or the carrying out of such an action is necessary to enable the Board of Managers to comply with Law and no other alternative is available.

(b) Notwithstanding anything to the contrary contained in these By-Laws, the Board of Managers will not take any of the actions set forth below as items (i) through (iii) unless all members thereof so approve in writing or by vote at a duly constituted meeting called for such purpose. However, in no event will any member selected by Sponsor or its designee as of right under these By-Laws be permitted to vote against any of the following actions subsequent to three (3) years after the First Unit Closing;

(i) to increase the number or change the type of employees from those hired at the time of recording the Declaration;

(ii) to provide for new or additional services, apart from those being provided at the time of recording the Declaration;

(iii) to impose any Common Charge 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 necessary for the health or safety of residents of the Buildings (provided, however, that nothing contained herein will restrict the rights and obligation of the Board of Managers to maintain and repair the Common Elements); or

(c) Notwithstanding anything to the contrary contained in these By-Laws, Sponsor or any of its designees shall not be obligated to pay any transfer fee or service fee to the Condominium or the Managing Agent with respect to its lease, in whole or part, or sale of any Unsold Unit.

Section 2.6 Repairs and Maintenance. All maintenance, repairs and replacement to the Common Elements of the Property including but not limited to exterior walls, courtyard floors and fences, roof and roof members as well as all maintenance, repairs and replacements to pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits, cable television, and public utility lines as are located in the Common Elements but serve one or more Units shall be made by the Board of Managers and the cost thereof shall be a Common Expense. All maintenance (including painting and decorating of the Units), repairs and replacements to the Units including windows, doors (except painting of the exterior surface of windows and doors which open from a Unit which painting is performed by the Board of Managers), stairs and storage rooms (except exterior walls, windows and doors of storage rooms which are maintained by the Board of Managers) abutting a Unit or limited to the use of a particular Unit Owner and repairs to pipes, wires and conduits located in and servicing the same Unit, other than as set forth above, shall be made by the respective Unit Owners at their own expense.

All irrevocably restricted Common Elements shall be maintained and repaired by the Unit Owners to whom such Common Element is restricted in use, except for structural repairs and painting to porches and terraces. However, the Board of Managers shall repair and replace any pipes, wires, conduits and public utility lines located underground or overhead of any irrevocably restricted Common Element except where such repair or replacement is necessitated because of the negligence or misuse or neglect of the Unit Owner to which the Common Element is restricted in use, in which event such Unit Owner shall make such repairs or replacements at his own expense. The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the Common Elements. The Board of Managers shall have a right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of the Condominium. The Board of Managers will provide or make arrangements for snow removal from the sidewalks and driveways on the property.

Section 2.7 Compensation. Managers and officers, as such, shall receive no compensation for their services.

Section 2.8 Meetings.

a. The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owner's meetings, and immediately after the adjournment of same, at which time, dates, places and times of regularly scheduled meetings of the Board shall be set.

b. Regularly scheduled meetings of the Board may be held without special notice.

c. Special meetings of the Board may be called by the President on two (2) days notice to each Manager either personally or by mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least three (3) managers.

d. At all meetings of the Board, a majority of the Managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meeting of Managers, the Managers present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

e. Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 2.9 Annual Statement. The Board of Managers shall furnish to all Unit Owners, their mortgagees and the Department of Law of the State of New York and shall present annually and, when called for by a vote of the Unit Owners, at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet, a profit and loss statement verified by an independent public accountant, a statement regarding any taxable income attributable to the Unit Owner and a notice of the holding of the annual Unit Owners meeting.

Section 2.10 Fidelity Bonds. The Board of Managers shall require that all officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a Common Expense.

Section 2.11 Liability of the Board of Managers and Unit Owners.

Any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers as agent for the Unit Owners as a group only and that no member of the Board of Managers nor individual Unit Owner shall be liable for such contract, agreement or commitment. The Unit Owners shall be liable as a group under such contract, agreement or commitment, but the liability of each Unit Owner shall be limited to such portion of the total liability thereunder as his Common Interest bears to the Common Interest of all Unit Owners. The Board of Managers shall have no liability to the Unit Owner in the management of the Condominium except for willful misconduct or bad faith and the Unit Owner shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties as such member except acts of willful misconduct or acts made in bad faith. Such several liability of the Unit Owners shall, however, be limited to such proportion of the total liability thereunder as such Unit Owner's Common Interest bears to the Common Interest of all Unit Owners.

ARTICLE III

VOTING, QUORUM, PROXIES AND WAIVERS

Section 3.1 Voting. The Owner or Owners of each Unit (including the Sponsor and the Board of Managers, if the Sponsor or Board of Managers shall then hold title to one or more Units) or some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of the Unit Owners and (those constituting a group acting unanimously) may vote or take any other action as a Unit Owner either in person or by proxy. In the event of co-ownership of a Unit, each Co-Owner shall be entitled to a fractional vote to be determined by the number of Co-Owners divided into one. The Board of Managers as an Owner of a Unit or Units, shall not cast any of its votes for the election of any member to the Board.

Section 3.2 Quorum. So many Unit Owners as shall represent at least 51% of the total authorized votes of all Unit Owners present in person or represented by written proxy shall be requisite to and shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 3.3 Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one which, by express provision of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision in question.

Section 3.4 Right to Vote. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 3.5 Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. The proxy shall be revocable at any time by written notice to the Secretary by the Owner(s). A notation of such proxies shall be made in the minutes of the meeting.

Section 3.6 Waiver and Consent. Whenever the vote of the Unit Owners is required or permitted at a meeting by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 3.7 Place of Meeting. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3.8 Annual Meetings. Within ninety (90) days from the closing of the initial 35% or more of the Units or the second anniversary of the conveyance of title to the first Unit or conveyance of title to 50% of the Units, whichever first occurs, or such earlier time as Sponsor deems to be in the best interests of the parties, the Sponsor shall call the first annual Unit Owner's meeting. At such meeting the Board of Managers shall resign and a new Board shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

Section 3.9 Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by 25% of the Unit Owners and having been presented to the Secretary.

Section 3.10 Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice service.

Section 3.11 Order of Business. The order of business at all meetings shall be as follows;

- (a) Roll call

- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting or waiver thereof
- (d) Report of officers and/or Board of Managers
- (e) Report of committees
- (f) Election of inspectors of election (in the event there is an election)
- (g) Election of managers (in the event there is an election)
- (h) Unfinished business
- (i) New business

ARTICLE IV

OFFICERS

Section 4.1 Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their own judgment may be necessary. All officers must be Unit Owners. Two or more offices may not be held by the same person.

Section 4.2 Election. The Board of Managers at its first meeting after each annual Unit Owners' meeting shall elect a president, a secretary and a treasurer. Only the president and secretary must be members of the Board.

Section 4.3 Appointive Offices. The Board of Managers may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Managers.

Section 4.4 Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed, with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 4.5 The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Unit Owners and Managers, shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, and shall see that all orders and resolutions of the Board are carried into effect.

Section 4.6 The Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act.

Section 4.7 The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Unit Owners' meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all Unit Owners' meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision he shall be.

Section 4.8 The Treasurer. The Treasurer shall have the custody of the Condominium funds and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

He shall disburse the funds of the Condominium as he may be ordered by the Board of Managers, making proper vouchers for such disbursements, and shall render to the President and Managers, at the regular meeting of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

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

Section 4.9 Agreements, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by such other person or persons as may be designated by the Board of Managers.

ARTICLE V

NOTICES

Section 5.1 Definitions. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Manager or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Managers, such Manager or Unit Owner at such address as appears on the books of the Condominium.

Section 5.2 Service of Notice - Waiver. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI

FINANCES

Section 6.1 Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other officer or officers or such other person or persons as the Board of Managers may from time to time designate.

Section 6.2 Assessments. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and any supplement to the budget to every Unit Owner and mortgagee. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the Common Elements and other operating expenses as well as charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Condominium Units and prorated against each of said Units according to the respective Common Interests appurtenant to such Units. This proration of assessments shall remain constant regardless of the percentage of the building square footage included in each Unit or the Common Elements restricted to the use of the Unit Owner of said Condominium Unit. Said assessments shall be payable in advance as ordered by the Board of Managers.

Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments. The Common Expenses or special assessments may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale. The Unit Owner agrees to pay promptly when due monthly any and all special assessments assessed against his own Unit. Any Unit Owner who fails to pay the monthly assessment imposed by the Condominium to meet any Common Expense shall be liable for any expenses incurred by the Condominium in collecting such monthly assessment including such late charges as may be assessed by the Board of Managers from time to time and reasonable attorneys' fees. The Board shall take action to collect any Common Charges due from any Unit Owner which remains unpaid thirty (30) days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339 of the Real Property Law or otherwise.

No Unit Owner shall be liable for any Common Charges which accrue against his Unit subsequent to a sale, transfer or other conveyance by him of his Unit in accordance with these By-Laws and the Declaration. A purchaser of a Unit (other than a mortgagee or a purchaser at a foreclosure sale) shall be liable for the payment of all Common Charges assessed against the Unit and unpaid at the time of the purchase.

Section 6.3 Foreclosure of Liens for Unpaid Common Charges. The Board shall have the power to purchase any Unit at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Unit because of unpaid Common Charges. In the event of such purchase, the Board shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Unit. A suit to recover a money judgment for unpaid Common Charges shall also be obtainable separately without waiving the lien on the Unit.

Section 6.4 Statement of Common Charges. Upon the written request of any Unit Owner or his mortgagee, the Board of Managers shall promptly furnish such Unit Owner or his mortgagee with a written statement of the unpaid Common Charges due from such Unit Owner.

Section 6.5 Liability for Water, Electricity and Refuse Removal. Refuse removal and all water consumed in the Units and on the Common Elements shall be a Common Expense, as shall all electricity consumed on the Common Elements. Electricity consumed in each Unit shall be paid for by the individual Unit Owners.

Section 6.6 Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

Section 6.7 Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes including, but not limited to, an account for a reserve for capital improvements or replacements.

ARTICLE VII

INSURANCE AND INSURANCE TRUSTEE

Section 7.1 Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to

the extent obtainable, the following insurance: Fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring the Building including all of the Units, and the bathrooms and fixtures initially installed therein by the Sponsor (but not including furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all air-conditioning and other service machinery contained therein, covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as such interests may appear, in an amount equal to the full replacement value of the Buildings. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth, and such other insurance as the Board of Managers may determine.

All such policies shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, and that the net proceeds thereof, \$100,000.00 or more, shall be payable to the Insurance Trustee). The Board of Managers shall also obtain and maintain workmen's compensation insurance and disability insurance for any employees of the Condominium, and other such insurance as the Board of Managers deems necessary.

The fire insurance will commence with the closing of title to the first Unit in an amount as required by the mortgagee of such Units and such amount will be increased upon the closing of title to all Units and until the first meeting of the Board of Managers following the first annual Unit Owners' meeting, such amount shall be at least in the sum of \$1,000,000.00.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of then current policies.

Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Buildings, including all of the Common Elements appurtenant thereto for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the Managing Agent and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Unit Owners' meeting, such public liability insurance shall be in a single limit of \$1,000,000 covering all claims for bodily injury or property damage arising out of one occurrence. Such public liability insurance shall commence on the closing of title to the first Unit.

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

Section 7.2 The Insurance Trustee. The Insurance Trustee shall be a bank or trust company located in the State of New York, designated by the Board of Managers. All fees and disbursements of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense of the Condominium. In the event an Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall likewise be a bank or trust company located in the State of New York.

Section 7.3 Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Buildings as a result of fire or other casualty (unless 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Buildings (including any damaged Units, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, but not including any wall, ceiling, or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units), and the Board of Managers (or the Insurance Trustee, as the case may be), shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Buildings are destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall

be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 7.3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

ARTICLE VIII

HOUSE RULES

Section 8.1 In addition to the other provisions of these By-Laws, the following house rules and regulations together with such additional rules and regulations as may hereafter be adopted by the Board of Managers shall govern the use of the Units and the conduct of all residents thereof.

Section 8.2 All Units shall be used for single-family residence purposes (or for such professional purposes as permitted by the rules of the local municipality).

Section 8.3 Owners of Units shall not use or permit the use of the premises in any manner which would be disturbing or a nuisance to other said owners, or in such a way as to be injurious to the reputation of the Condominium.

Section 8.4 The Common Elements shall not be obstructed, littered, defaced or misused in any manner.

Section 8.5 Every Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium which shall be caused by said Unit Owner or such other person for whose conduct he is legally responsible.

Section 8.6 (a) Every Unit Owner must perform promptly all maintenance and repair work to his own Unit, which, if omitted, would affect the Condominium in its entirety or in a part belonging to other Unit Owners, he being expressly responsible for the damages and liabilities that his failure to do so may engender. In the event that a Unit Owner does not effectuate such repair after thirty (30) days' written notice by the Board of Managers, the Board of Managers can cause the repairs to be performed and assess the Unit Owner for the cost thereof, which assessment shall become a lien on the Unit and may be foreclosed in a like manner to Common Charge foreclosures.

(b) All the repairs to internal installations of the Unit located in and servicing only that Unit, such as gas, power, telephones and sanitary installations (except plumbing stoppage and electrical defects) shall be at the Unit Owner's expense.

Section 8.7 Whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements costing in excess of \$25,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners and by each holder of the mortgages constituting first liens on 25 or more Units, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements costing \$25,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 8.8 No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit without the prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request. A failure to respond within thirty (30) days shall be deemed a denial. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 8.8 shall not apply to Units owned by the Sponsor until such Units shall have been initially sold and paid for.

Section 8.9 (a) No resident of the Condominium shall post any advertisement or posters of any kind (except a sign no longer than 1 foot by 2 feet containing the name of a professional tenant or Unit Owner, the designation of his profession and the word "office" and located in the Unit or the Common Elements restricted to the use of the Unit Owner) in or on the Condominium except as authorized by the Board of Managers.

(b) It is prohibited to hang garments, rugs, etc., from the windows or from any of the Buildings or to string clothes lines and any other outdoor clothes dryers on or over the Common Elements (including the irrevocable restricted areas, if any).

(c) No fence shall be erected in the Condominium without the prior written consent of the Board of Managers.

(d) No television antennae shall be erected on the exterior of Units or the Common Elements without the prior written consent of the Board of Managers.

(e) No Unit Owner shall move, remove, add or otherwise change the landscaping in the Condominium.

(f) No Unit Owner shall paint the exterior surfaces of the windows and doors opening out of his Unit.

(g) No person shall park a vehicle or otherwise obstruct any resident's use of or ingress or egress to any parking space.

(h) No person shall be permitted to use the recreational facilities except in accordance with the rules and regulations established by the Board of Managers.

ARTICLE IX

DEFAULT

In the event a Unit Owner does not pay any sums, charges or assessments required to be paid when due, the Board of Managers or Manager, acting on behalf of the Board, shall notify the Unit Owner and the mortgagee, if any, of such Unit. If such sum, charge or assessment shall remain unpaid for thirty (30) days after the giving of such notice, the Board may foreclose the lien encumbering the Unit as a result of the non-payment of the required monies as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure of a mortgage. In the event the owner of a Unit does not pay the assessment required to be paid by him within thirty (30) days of its due date, said Unit Owner shall be liable for such late charge as may be imposed by the Board of Managers from time to time, the Condominium's reasonable costs and expenses and reasonable attorney's fees incurred by it incidental to the collection or endorsement of such lien.

Each Unit Owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default, regardless of the availability of other equally adequate legal procedures. It is the intent of all Unit Owners to give the Condominium a method and procedure which will enable it at all times to operate on a businesslike basis, to collect those monies due and owing it from the Unit Owners and to preserve each Unit Owner's right to enjoy his Unit free from unreasonable restraint.

ARTICLE X

AMENDMENTS

These By-Laws may be altered, amended or added to at any duly-called Unit Owners' meeting, provided: (1) that the

notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by two-thirds of the Unit Owners in number and Common Interest; and (3) that said amendment shall be set forth in a duly-recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Unit Owner's interests and the interests of holders of a mortgage encumbering a Unit or Units.

ARTICLE XI

SALES, LEASES, AND MORTGAGES OF UNITS

Section 11.1 Sales and Leases. No Unit Owner other than the Sponsor may sell or lease his Unit or any interest therein except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer for the sale of his Unit together with: (i) the undivided interest of the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the membership of such Unit Owner in the Association and the rights and privileges appurtenant thereto; and (iv) the interest of such Unit Owner in any other assets of the Condominium; (hereinafter collectively called the "Appurtenant Interests"), or a bona fide offer for a lease of his Unit, (hereinafter called an "Outside Offer"), which he intends to accept, shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within twenty (20) days after receipt of such notice, the Board of Managers may elect, by notice to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the 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 other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner. In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close

or lease executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. If the selling Unit Owner's existing mortgage is not satisfied, the Board of Managers will purchase the Unit and assume or take subject to said existing mortgage.

The Sponsor may sell or lease any Unit not previously sold to a bona fide purchaser on such terms and conditions as Sponsor deems fit.

Section 11.2 Consent of Unit Owners to Purchase or Lease of Units by Board of Managers. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners.

Section 11.3 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, 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. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 11.4 Release by Board of Managers of Right of First Refusal. The right of first refusal contained in Section 11.1 of this Article XI may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed or leased, free and clear of the provisions of such section.

Section 11.5 Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 11.1 of this Article XI have been met by a Unit Owner, or have been duly waived by the Board of Managers, and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificates shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 11.1 of this Article XI or in respect to whom the provisions of such section have been waived, upon request, at a reasonable fee, not to exceed Ten (\$10) Dollars.

Section 11.6 Financing of Purchase Price of Units by Board of Managers. Acquisition of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner in proportion to his ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Section 6.2 and 6.3 of Article VI, or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers, provided, however, that no assessment may be levied under this Section 11.6 against any mortgagee who has acquired title to a Unit, whether by foreclosure or deed in lieu thereof.

Section 11.7 Exceptions. The provisions of Section 11.1 of this Article XI shall not apply with respect to any sale or conveyance or lease by a Unit Owner of his Unit, together with the Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or to a Unit owned by the Sponsor, or to the acquisition or sale of a Unit, together with the Appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. However, the provisions of this section shall apply with respect to any purchaser of such Unit from such mortgagee.

Section 11.8 Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction.

Section 11.9 Waiver of Right to Partition. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 11.10 Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 11.11 Mortgage of Units. No Unit Owner shall mortgage his Unit except by a first mortgage made to a bank, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender or a

purchase money mortgage made to the seller of the Unit. Any such mortgage shall be in such form as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers.

ARTICLE XII

CONDEMNATION

In the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee (if the award is more than \$500,000) and to the Board of Managers (if the award is \$500,000 or less), to be distributed in accordance with the following amounts:

(a) so much of the award as is applicable to unrestricted Common Elements, to the Unit Owners pro rata according to the respective Common Interests appurtenant to the Units owned by such Unit Owners.

(b) so much of the award as is applicable to restricted Common Elements to the Unit Owner having general use of such Common Elements.

In such eminent domain or condemnation proceeding the Board of Managers shall request that the award shall set forth the amount allocated to unrestricted Common Elements and to each irrevocable restricted Common Element. In the event the award does not set forth such allocation, then the question of allocation shall be submitted to arbitration in accordance with the Arbitration Statutes of the State of New York.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Insurance. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in his Unit which will increase the insurance rates on his Unit or any other Unit or on the Common Elements.

Section 13.2 Severability. Should any of the covenants, terms or provisions herein imposed be void or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 13.3 Notice to Condominium. A Unit Owner who mortgages his Unit, shall notify the Condominium through the management agent, if any, or the President of the Board of Managers in the event there is no management agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Units".

Section 13.4 Notice of Unpaid Assessments. The Board of Managers shall, at the request of a mortgagee of a Unit, report any unpaid assessments due from the Unit Owners of such Unit.

Section 13.5 Examination of Books and Records. Every Unit Owner or his representative, and mortgage, shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board of Managers but not more often than once a month.

Section 13.6 Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural; wherever the context so requires.

Section 13.7 Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

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DOCUMENT NUMBER 5

FORM OF CONDOMINIUM DEED

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FORM OF CONDOMINIUM UNIT DEED

THIS INDENTURE, made the _____ day of _____, 1987,
between J & M ASSOCIATES, a New York partnership having an office
at 11 Elm Place, Rye, New York, the "Grantor",
and _____, residing at _____,
the "Grantee".

W I T N E S S E T H:

That the Grantor, in consideration of TEN (\$10) DOLLARS
and other good and valuable consideration paid by the Grantee,
does hereby grant and release unto the Grantee, the heirs or
successors and assigns of the Grantee, forever:

The Condominium Unit known as Unit No. _____ (herein-
after called "The Unit") in the Building situate at 100-110
Theodore Fremd Avenue, in the City of Rye, State of New York,
designated and described as Unit No. _____ in the Declaration
establishing Ryeview Condominium (hereinafter called the
"Property"), made by the Grantor under the Condominium Act of the
State of New York (Article 9-B of the Real Property Law of the
State of New York), dated _____, recorded in the
Office of the Westchester County Clerk, Division of Land Records,
New York, on the _____ day of _____, 198 , in Liber _____,
Page _____, (hereinafter called the "Declaration") and desig-
nated as Sheet _____ Block _____ Lot _____, County of
Westchester, State of New York, which Unit is also designated on
the Tax Map as Tax Lot No. _____ and on the Floor Plans of the
Building, certified on the _____ day of _____, 198 , and
filed simultaneously with the Declaration. The land on which the
Building containing the Unit is located is described in Schedule
A, annexed hereto and made a part hereof.

TOGETHER with an undivided _____ percent interest in
the Common Elements of the Property (hereinafter called the
"Common Elements");

TOGETHER with, and subject to, the rights, obligations,
easements, covenants, restrictions and other provisions set forth
in the Declaration and By-Laws of Ryeview Condominium, as same
may be amended from time to time (the "By-Laws"), all of which
will constitute covenants running with the land and will 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, cove-
nants, easements, restrictions, consents and other matters of
record as pertain to the Unit, to the Land and/or Buildings.

TO HAVE AND TO HOLD the same unto the Grantee, 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 18 of the Declaration will control.

Except as otherwise specifically permitted by the Board of Managers (as such terms is defined in the Declaration) or provided in the Declaration or in the By-Laws, the Unit is intended for residential use only or such other home occupation as permitted by law.

The Grantor covenants that the Grantor has not done or suffered anything to be done 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 improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purpose.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws and the Rules and Regulations of the Condominium recorded simultaneously with and as part of the provisions thereof as the same may be amended from time to time by recorded instruments.

The term "Grantee" shall be read as "Grantees" whenever the sense of this deed so requires.

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DOCUMENT NUMBER 6

UNIT OWNERS POWER OF ATTORNEY

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UNIT OWNER'S POWER OF ATTORNEY

Any terms used in this Unit Owner's Power of Attorney which are used (a) in the Declaration establishing a plan for condominium ownership of the premises known as Ryeview Condominium and by the street number 100-110 Theodore Fremd Avenue, Rye, New York, Under Article 9-B of the Real Property Law of the State of New York, dated _____, 198____, and recorded in the Westchester Office of the County Clerk, (the "Declaration"), or (b) in the By-Laws of Ryeview Condominium (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 _____, (having an office) (residing)* at _____, the Owner of the Condominium Unit (the "Undersigned's Unit") known as Unit No. _____ in Ryeview Condominium (does) (do)* hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers, 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 Board of Managers, or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with the Unit Owners' 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 Interest, from any Unit Owner so desiring to sell, convey, transfer, assign or lease, (b) to acquire any Unit, together with its Appurtenant Interest, whose owner elects to surrender such Unit, (c) to acquire any Unit, together with its Appurtenant Interest, 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 1(a) or 1(b) of this paragraph at such price or at such rental, as the case may be, as such attorneys-in-fact 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, on such terms as such attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in such premises which 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 Board of Managers deem necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of any 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 Board of Managers deem necessary or appropriate.

*Delete inapplicable parenthetical

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

On _____, 198 , before me personally
came _____, to me known and known to me
to be the individual(s) described in, and who executed the
foregoing instrument, and he acknowledged to me that he
executed the same.

NOTARY PUBLIC

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DOCUMENT NUMBER 7

CERTIFICATIONS

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CERTIFICATION OF SPONSOR AND SPONSOR'S
PRINCIPALS PURSUANT TO SECTION 19.2 (c)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A,
AS AMENDED.

New York State Department of Law
120 Broadway
New York, New York 10271

Attn: Real Estate Financing Bureau

Re: Ryevue Condominium
100-110 Theodore Fremd Avenue
Rye, New York

We are the sponsor and the principals of sponsor of the condominium offering plan to convert the above referenced property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in 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;
- (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 I/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 statements made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand the violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

J & M Associates

By: Joseph M. Cassin
Partner

SPONSOR'S PRINCIPALS:

Joseph M. Cassin
Joseph M. Cassin

Michael A. Grean
Michael A. Grean

Sworn to before me this
19 day of January, 1987.

Carol M. Joseph
Notary Public

CAROL M JOSEPH
Notary Public, State of New York
No. 31-4827435
Qualified in New York County
Term Expires Jan 31, 1989

CERTIFICATION OF SPONSOR'S ENGINEER
OR ARCHITECT PURSUANT TO SECTION 19.2(c)
OF THE REGULATIONS ISSUED PURSUANT
TO GENERAL BUSINESS LAW, ARTICLE 23-A
AS AMENDED

New York State Department of Law
120 Broadway
New York, New York 10271

Attn: Real Estate Financing Bureau

Re: Ryevew Condominium
100-110 Theodore Fremd Avenue
Rye, New York

The sponsor of the offering to convert the captioned property to condominium ownership retained me to prepare a report disclosing the condition of the property (the "Report"). I visually inspected the property on 8/23/86 and 1/17/87 and prepared the Report dated 9/21/86 and 1/17/87, a copy of which is intended to be incorporated into the offering plan so that tenants and prospective purchasers may rely on the Report.

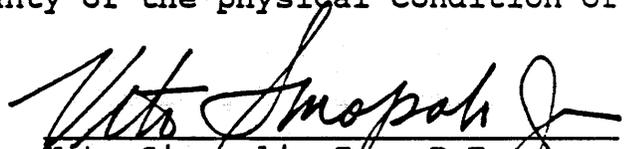
I understand that I am responsible for complying with Article 23-A of the General Business Law, and the regulations promulgated by the Attorney General, in Part 19, insofar as they are applicable to this Report.

I 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 a basis for this certification. I certify that the Report and all documents prepared by me disclose all the material facts which were then discernible from a visual inspection of the property. This Certification is made for the benefit of all persons to whom this offer is made. I certify that, the Report and all documents prepared by me based on my visual inspection:

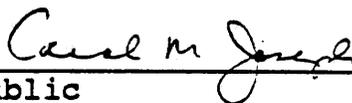
- (1) sets forth in narrative form the physical condition of the entire property and are current and accurate as of the date of inspection;
- (2) in my professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property;
- (3) does not omit any material fact;
- (4) does not contain any untrue statement of a material fact;

- (5) does not contain any fraud, deception, concealment or suppression;
- (6) does 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 I: (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;

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my 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.


 Vito Sinopoli, Jr., P.E.
 Consulting Engineer

Sworn to before me this 19, day
 of January, 1987.


 Notary Public



CAROL M JOSEPH
 Notary Public, State of New York
 No. 31-4827435
 Qualified in New York County
 Term Expires Jan 31 1989

CERTIFICATION CONCERNING ADEQUACY
OF
SCHEDULE B

Re: Ryevue Condominium
100-110 Theodore Fremd Avenue
Rye, New York

The sponsor of the condominium offering plan for the captioned property retained our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. Our experience in this field over the course of the last fifteen years includes management of fourteen buildings in Westchester County, containing over fifteen hundred residential units.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General 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 form a basis for this certification. We have relied on our experience in managing residential buildings.

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

We certify that the Schedule does:

- (i) set forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment covering the first year of condominium operation;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, or suppression;

- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth or (d) did not have knowledge concerning the representation or statements 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 certification is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. We are not a sponsor or a selling agent of this condominium.

We understand that a copy of the certification is intended to be incorporated into the offering plan so that prospective purchasers may rely on it. This statement is not intended as a guarantee or warranty of the income and expenses of the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Dated: Westchester County, New York
April 3, 1987

W.C. Realty Corp.

By: William T. Fanni Pres

Sworn to before me this
3 day of April, 1987.

Carol M. Joseph
Notary Public

CAROL M. JOSEPH
Notary Public, State of New York
No. 31-4827436
Qualified in New York County
Term Expires Jan 31 1989

DOCUMENT NUMBER 8

STATUTORY EXCERPTS

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REVISED SECTION 352-eee OF THE GENERAL BUSINESS LAW

Sec. 352-eee. Conversions to cooperative or condominium ownership in certain cities, towns and villages located in the counties of Nassau, Westchester and Rockland. 1. As used in this section, the following words and terms shall have the following meanings:

(a) "Plan". Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-eviction plan". A plan which may not be declared effective until at least fifteen percent of those bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the plan is declared effective shall have executed and delivered written agreements to purchase under the plan. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) "Eviction plan". A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements shall have been executed and delivered by: (i) at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons; and (ii) at least thirty-five percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general including, for the purpose of determining the number of bona fide tenants in occupancy on such date eligible senior citizens and eligible disabled persons.

shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant". A person who has 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 non-purchasing tenant.

(f) "Eligible senior citizens". Non-purchasing tenants who are sixty-two years of age or older on the date the plan is declared effective and the spouses of any such tenants on such date; provided that such tenant shall not be precluded from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

(g) "Eligible disabled persons". Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controllable substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenant by the offeror, to become non-purchasing tenants under the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the share allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two 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 the plan unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within twelve months from the date of issue of the letter:

of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least fifteen 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 at least fifteen percent of those bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the plan is declared effective shall have executed and delivered written agreements to purchase under the plan. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or group of buildings or development to cooperative or condominium ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their

occupancy. In determining comparability, consideration shall be given to such factors as building service level of maintenance and operating expenses.

(v) The plan may not be amended at any time 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 an 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 bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development who have executed and delivered written agreements to purchase under the plan as of the date of such statement, (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless: (1) at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general, excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons; and (2) at least thirty-five percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date of the offering statement or prospectus was accepted for filing by the attorney general including, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons; shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulations as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of the dwelling unit or 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.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible

disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement is filed, post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional

period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law and to the clerk of the municipality wherein such building or group of buildings is located.

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 dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

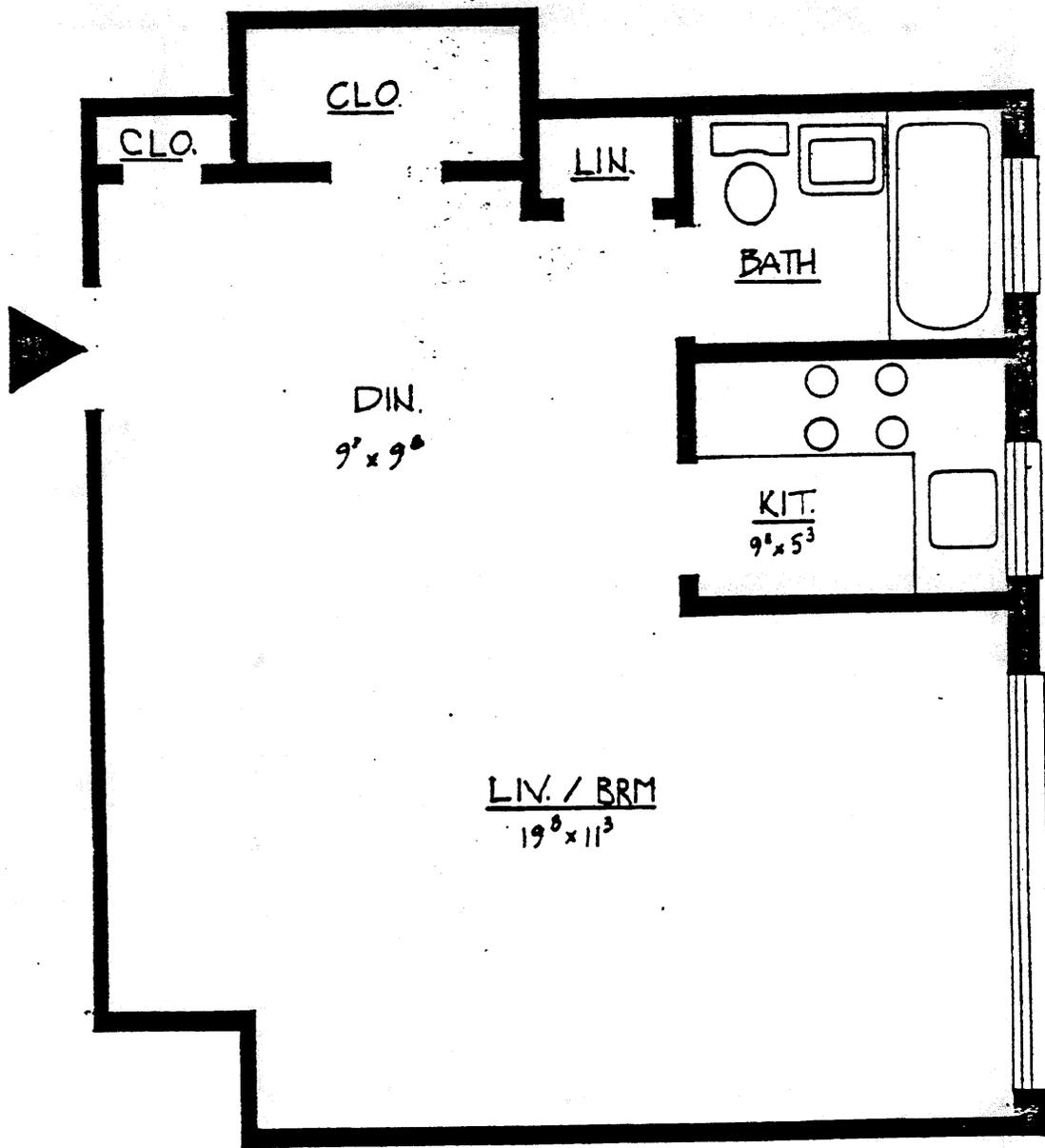
5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

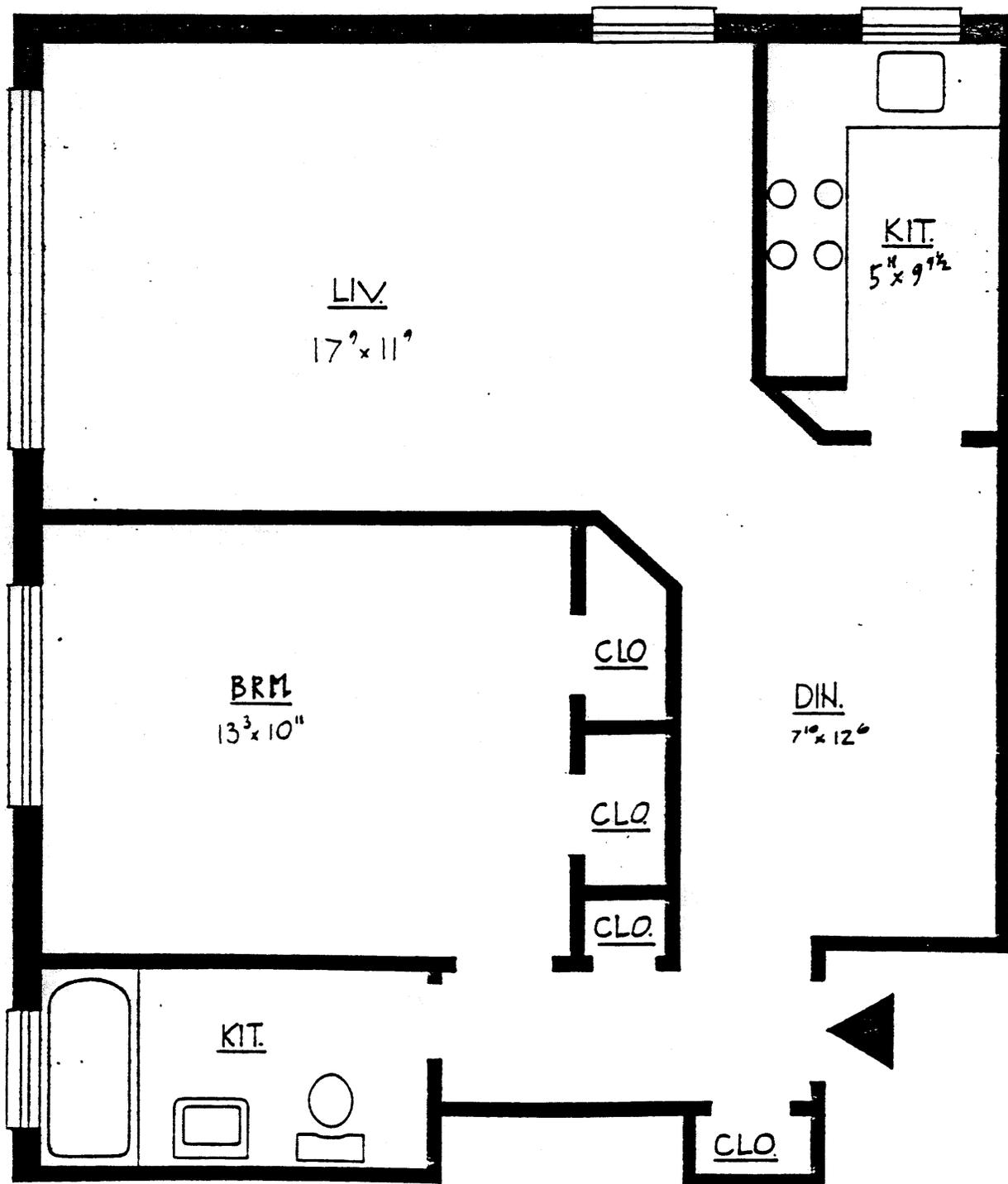
7. The provisions of this section shall only be applicable in the cities, towns and villages located in the counties of Nassau, Westchester and Rockland which by resolution adopted by the respective local legislative body of such city, town or village, elect that the provisions hereof shall be applicable therein. A certified copy of such resolution shall be filed in the office of the attorney general at Albany and shall become effective on the date of such filing.

DOCUMENT NUMBER 9
REPRESENTATIVE FLOOR PLANS

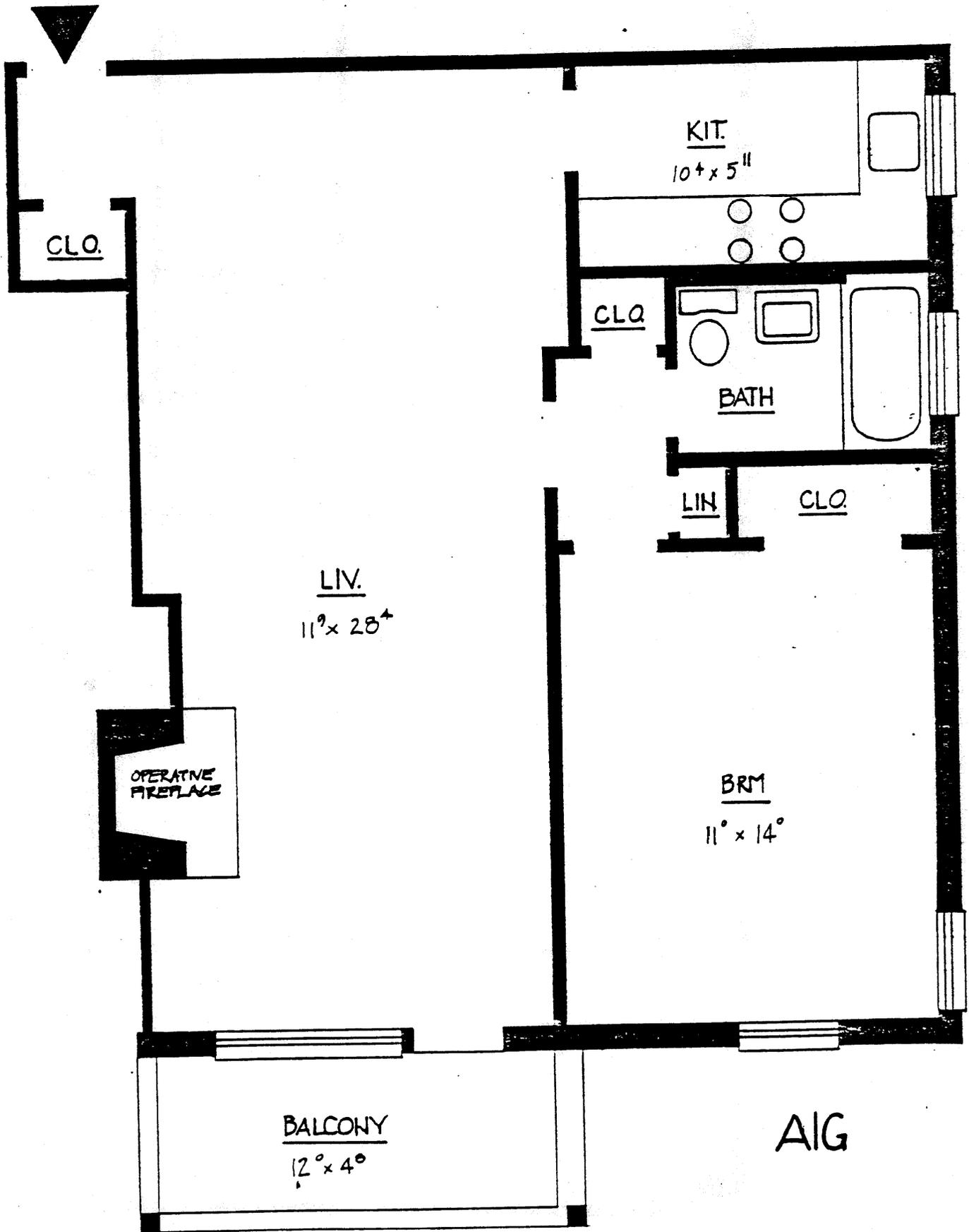
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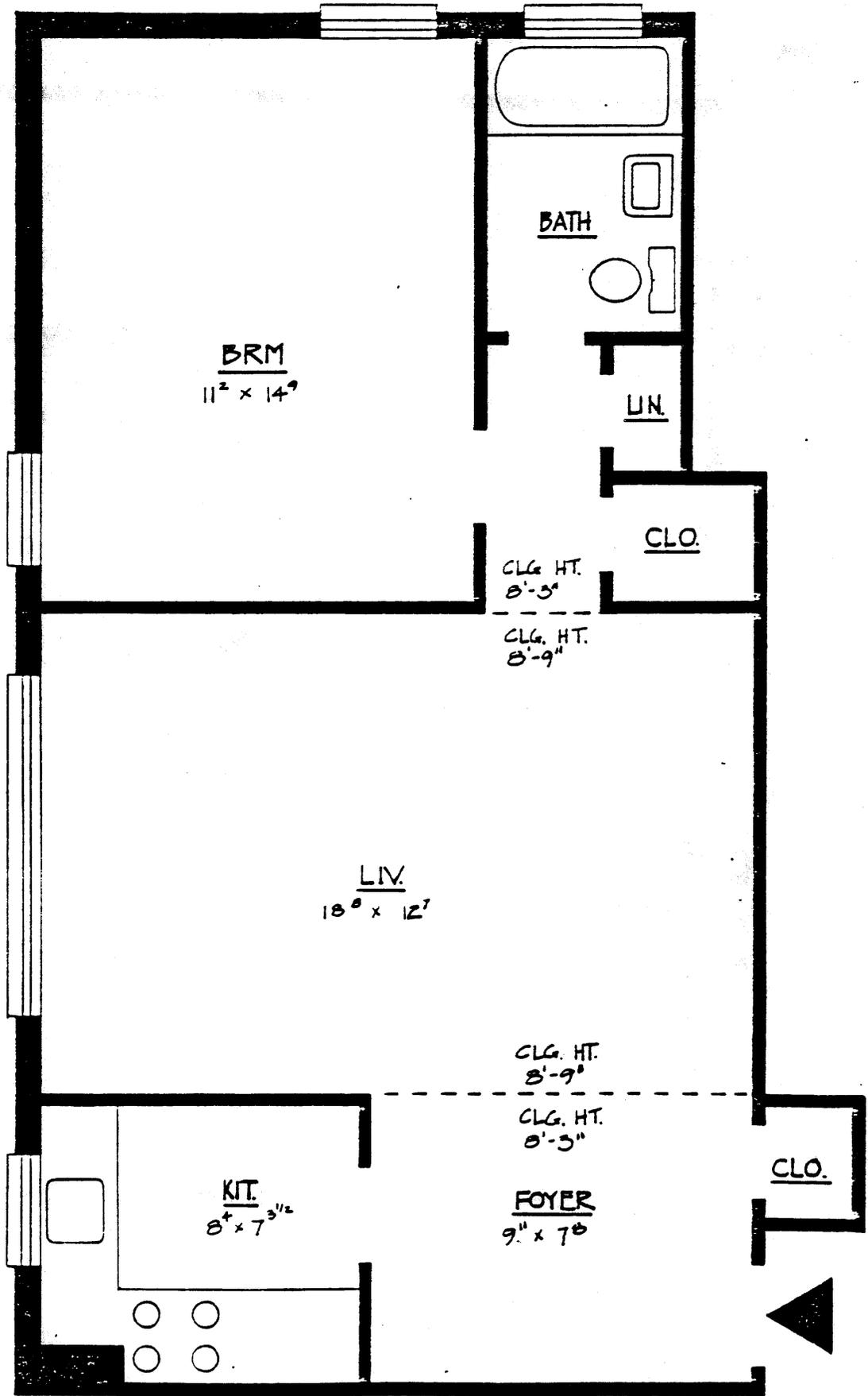


A2D



A2C





B2C

