

**TWENTY-FIFTH AMENDMENT TO OFFERING PLAN**  
**for**  
**27 NORTH CENTRAL AVENUE**  
**HARTSDALE, NEW YORK**

The purpose of this Twenty-Fifth Amendment is to modify and supplement the Offering Plan -- A Plan to Convert to Co-operative Ownership premises located at 27-47 North Central Avenue, Hartsdale, New York, dated March 15, 1982, as amended by the filing of twenty-four prior amendments.

The Plan is hereby amended as follows:

1. **Extension of Offering.** The term of the offering made by the Plan is hereby extended for an additional twelve (12) month period commencing on the date this Twenty-Fifth Amendment is accepted for filing by the Department of Law.

2. **Financial Disclosure.** The following information is provided in accordance with the regulations of the Attorney General of the State of New York:

(a) The following is a list of the outstanding unsold shares of the Apartment Corporation and the units to which such unsold shares are allocated. All unsold shares are held by Dale Estates ("Sponsor").

<u>Apartment</u>	<u>Shares</u>
3-A	566
2-B	463
6-B	475
4-C	359
6-C	365
1-D	455
5-D	467
6-D	470
4-E	469
6-E	475
1-G	350
2-G	461
3-G	464
5-G	470
2-H	463
4-H	469
5-H	472
3-I	461

1-15 Bryant Crescent, White Plains, New York  
File No. C79-0438  
324 East 35th Street, New York, New York  
File No. C85-0459  
60 West 70th Street, New York, New York  
File No. C80-0493  
319 East 73rd Street, New York, New York  
File No. C85-0758

The offering plans for these buildings are on file with the Department of Law and are available for public inspection.

(i) The Sponsor, principals of sponsor and holders of unsold shares, as individual holders of unsold shares or as general partner or principal of the Sponsor, are current in their financial obligations in other cooperatives, condominiums or homeowners associations in which they own shares or units as an individual, general partner or principal.

(j) The Sponsor relinquished control of the Board of Directors on May 18, 1988. As of the date hereof, the total of unsold shares held by the Sponsor aggregates 32.8% of the outstanding shares of the Corporation.

3. **Maintenance and Parking Charges.** By resolution of the Board of Directors of the Corporation adopted at a meeting duly held December 1, 2003, after reviewing a projected budget of building operations for the calendar year 2004, the per share annual maintenance was fixed at \$1.445076 for the calendar year 2004, representing a six (6.0%) percent increase over the prior year. In addition, the monthly parking charges were increased by \$5.00 to \$35.00 for an outdoor space and \$45.00 for an indoor space.

4. **Budget.** Attached hereto is the budget for the 2004 calendar year, prepared by the Building's managing agent and adopted by the Board of Directors. This budget is contained herein for informational purposes only, and the Sponsor does not in any way adopt such budget as its own or make any representation as to the adequacy, accuracy or completeness of same or any item shown therein and none should be implied. The Sponsor has reviewed the budget and has no knowledge of any matter which would render the budget materially incorrect; however, the Sponsor has not prepared the budget and has not independently verified the information or estimates contained therein.

5. **Election of Officers and Directors.** At the annual meeting of shareholders held on July 29, 2004 the following officers and directors of the Corporation were elected:

Ethel Privin, President and Director  
Arnold Bell, Vice President and Director

The asking price does not include a purchaser's closing costs.

11. **No Other Material Changes in Plan.** There have been no material changes in the Plan, except as set forth in this Twenty-Fifth Amendment. The Plan, as amended hereby, does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact.

Dated: **SEPTEMBER 16,** , 2004

DALE ESTATES, LLC, Sponsor

PlanAm25.wpd

HARTSDALE GARDENS OWNERS CORP.

APPROVED OPERATING BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2004

PROJECTED INCOME

Maintenance Charges	\$574,622*
Laundry	4,800
Parking	42,240
Interest Income	1,300
Apartment #1A	20,700
Professional Apartment	<u>6,600</u>
	<u>\$ 650,262</u>

PROJECTED EXPENSES

Fuel – Oil	\$ 45,000
Electric and Gas	18,500
Payroll and Benefits	93,500
Insurance	53,000
Telephone	2,400
Elevator	9,500
Exterminating	5,500
Gardening, Trees and Snow Removal	17,500
Plumbing	8,500
General Repairs	25,000
Supplies	8,500
Interest - Mortgage	140,097
Interest – Line of Credit	4,500
Real Estate Taxes	180,315
Water and Sewer	5,500
Professional Fees	6,500
Management Fees	21,850
Franchise Taxes	1,400
Miscellaneous	<u>3,200</u>
	<u>\$ 650,262</u>

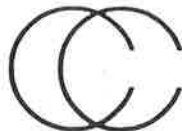
\* Provides for a 6% increase in maintenance and \$5.00 per month for parking as approved by Board of Directors December 1, 2003

**HARTSDALE GARDENS OWNERS CORP.**  
**(A Cooperative Housing Corporation)**  
**FINANCIAL STATEMENTS**  
**AND ADDITIONAL INFORMATION**  
**YEARS ENDED DECEMBER 31, 2003 AND 2002**

**HARTSDALE GARDENS OWNERS CORP.**  
**(A Cooperative Housing Corporation)**  
**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

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# Citrin Cooperman & Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders  
Hartsdale Gardens Owners Corp.

We have audited the accompanying balance sheet of Hartsdale Gardens Owners Corp. (a New York corporation) as of December 31, 2003, and the related statements of operations and accumulated deficit and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of Hartsdale Gardens Owners Corp. as of December 31, 2002, were audited by other auditors, whose reported dated February 1, 2003, expressed an unqualified opinion on those statements. As discussed in Note 6, the company has restated its 2002 financial statements during the current year to correct the recording of mortgage amortization in conformity with accounting principles generally accepted in the United States of America. The other auditors reported on the December 31, 2002, financial statements before the restatement.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2003 financial statements referred to above present fairly, in all material respects, the financial position of Hartsdale Gardens Owners Corp. as of December 31, 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We also audited the adjustments described in Note 6 that were applied to restate the 2002 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

As discussed in Note 2, the Company has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented information about the estimates of future costs of major repairs and replacements that will be required in the future that the American Institute of Certified Public Accountants has determined is necessary to supplement, although not required to be part of, the basic financial statements.

*Citrin Cooperman & Company, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

February 4, 2004

**HARTSDALE GARDENS OWNERS CORP.**  
**(A Cooperative Housing Corporation)**  
**STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT**  
**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	<u>2003</u>	<u>2002</u> (Restated)
Revenues:		
Maintenance charges to tenant – shareholders	\$ 542,095	\$ 531,717
Special assessment	33,137	-
Parking	35,760	30,240
Professional and commercial rents	6,600	3,300
Laundry	4,800	4,800
Interest and other income	2,390	1,963
Rental income – Apt 1A	<u>19,800</u>	<u>20,100</u>
Total revenues	<u>644,582</u>	<u>592,120</u>
Expenses (exclusive of depreciation):		
Operating expenses	235,318	182,008
Maintenance expenses	83,551	78,015
Administrative expenses	36,467	28,862
Financial expenses	114,618	116,088
Taxes	<u>180,533</u>	<u>167,580</u>
Total expenses	<u>650,487</u>	<u>572,553</u>
(Deficiency) excess of revenues over expenses before depreciation and amortization	(5,905)	19,567
Depreciation	142,207	140,253
Amortization of deferred charges	<u>4,039</u>	<u>3,831</u>
Excess of expenses over revenues	<u>(152,151)</u>	<u>(124,517)</u>
Accumulated deficit – beginning, as originally reported	-	(2,467,420)
Prior period adjustment to correct recording of mortgage amortization	<u>-</u>	<u>67,372</u>
Accumulated deficit – beginning, as restated	<u>(2,524,565)</u>	<u>(2,400,048)</u>
<b>ACCUMULATED DEFICIT – ENDING</b>	<u><b>\$ (2,676,716)</b></u>	<u><b>\$ (2,524,565)</b></u>

See accompanying notes to financial statements.



HARTSDALE GARDENS OWNERS CORP.  
(A Cooperative Housing Corporation)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

NOTE 1. NATURE OF ORGANIZATION

Hartsdale Gardens Owners Corp. (the "Corporation"), was organized on February 26, 1981, under the applicable provisions of the laws of the State of New York. Active operations of the cooperative apartment corporation commenced on January 25, 1983, when the property located at 27 North Central Avenue, Hartsdale, New York was acquired.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles on the accrual basis of accounting.

Property and improvements

Property and improvements are stated at cost. The building is depreciated on the straight-line method over an estimated life of 30 years. Building improvements and equipment are depreciated on the straight-line method over estimated lives that range from 10 to 40 years. Maintenance and repairs that do not increase the useful life of an asset are expensed as incurred.

Revenue recognition

Stockholder maintenance is based on an annual budget determined by the board of directors. Stockholders are billed monthly based on their respective share ownership. This income is recognized when due and payable. The Corporation retains excess operating funds, if any, at the end of the operating year for use in future operating periods.

Mortgage acquisition costs

Mortgage acquisition costs are being amortized over the related life of the mortgage using the straight-line method.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

HARTSDALE GARDENS OWNERS CORP.  
(A Cooperative Housing Corporation)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 4. MORTGAGE NOTE PAYABLE**

On August 5, 1998 the corporation obtained a mortgage note payable from National Cooperative Bank in the amount of \$1,800,000. Terms of the mortgage require monthly payments of \$11,675 applicable first to interest at the rate of 6.75% per annum and the balance to be applied to the reduction of principal based on the thirty year period. The mortgage note matures on September 1, 2008. Amortization payments required over the next five years in the connection with the long term debt are as follows:

2004	\$ 27,315
2005	29,216
2006	31,251
2007	33,427
2008	<u>1,562,007</u>
	<u>\$ 1,683,216</u>

The mortgage requires the Corporation to make monthly payments into an escrow account held by the mortgagee for real estate taxes. At December 31, 2003 and 2002 the balance in the escrow account was \$71,650 and \$26,775, respectively.

On December 15, 2003 the Corporation obtained from National Cooperative Bank a secured non-revolving line of credit in the amount of \$350,000. At closing the Corporation drew \$85,000. The line of credit calls for monthly payments of interest only calculated at National Cooperative Bank's base rate plus one percent (5% at December 31, 2003) as adjusted. The line of credit can be prepaid at any time without penalty.

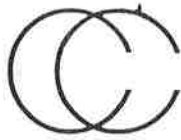
**NOTE 5. SPECIAL ASSESSMENT**

The Corporation assessed the stockholders for a fuel surcharge in 2003.

**NOTE 6. PRIOR PERIOD ADJUSTMENT**

The Corporation corrected the way it accounted for mortgage amortization payments made in prior years. The Corporation increased the beginning balance of retained earnings by \$67,372 for mortgage amortization payments made by shareholders that were originally recorded as a reduction of revenues.

ADDITIONAL INFORMATION



# Citrin Cooperman & Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

To the Board of Directors and Stockholders  
Hartsdale Gardens Owners Corp.

Our report on our audit of the basic financial statements of Hartsdale Gardens Owners Corp. for the year ended December 31, 2003, appears on page one. The additional information presented in the accompanying schedules of expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 2003 financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic 2003 financial statements taken as a whole. The additional information for the year ended December 31, 2002 was subjected to the auditing procedures applied in the 2002 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects to the basic 2002 financial statements taken as a whole.

*Citrin Cooperman & Company, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

February 4, 2004

**HARTSDALE GARDENS OWNERS CORP.**  
**(A Cooperative Housing Corporation)**  
**SCHEDULES OF EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
Schedule I – Operating expenses		
Payroll	\$ 66,682	\$ 60,138
Employee benefits	17,219	16,116
Payroll taxes	5,456	4,846
Insurance – workers’ compensation	3,182	2,651
Insurance – general	47,941	35,745
Fuel	71,103	42,738
Electricity and gas	18,182	14,532
Water charges	<u>5,553</u>	<u>5,242</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>\$ 235,318</u></b>	<b><u>\$ 182,008</u></b>
 Schedule II – Maintenance expenses		
Gardening, landscaping and snow removal	\$ 23,935	\$ 20,962
Boiler maintenance	6,551	9,981
Plumbing	4,020	5,344
Elevator maintenance	8,745	9,109
General building repairs	28,255	20,099
Hardware and supplies	7,043	7,924
Exterminating and cleaning	<u>5,002</u>	<u>4,596</u>
<b>TOTAL MAINTENANCE EXPENSES</b>	<b><u>\$ 83,551</u></b>	<b><u>\$ 78,015</u></b>
 Schedule III – Administrative expenses		
Management fees	\$ 20,850	\$ 19,850
Professional fees	5,535	5,686
Telephone and miscellaneous	7,805	3,326
Bad debts	<u>2,277</u>	<u>—</u>
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b><u>\$ 36,467</u></b>	<b><u>\$ 28,862</u></b>

**CONSULT YOUR LAWYER BEFORE SIGNING THIS AGREEMENT**  
**Contract of Sale - Cooperative Apartment**

This Contract is made as of  
between the "Seller" and the "Purchaser" identified below.

**1 CERTAIN DEFINITIONS AND INFORMATION**

1.1 The "Parties" are:

1.1.1 "Seller": **Dale Estates, LLC**

Prior names used by Seller:

Address: **c/o Robert Orlofsky Realty, 7 Bryant Crescent,  
Suite 1C  
White Plains, New York 10605**

S.S. No.: **13-1361623**

1.1.2 "Purchaser":

Address: **New York**

S.S. No.:

1.2 The "Attorneys" are:

1.2.1 "Seller's Attorney"

**Nancy R. Heller, Esq.**

**Peck & Heller**

Address: **545 Madison Avenue, 11th floor  
New York, New York 10022**

Telephone: **(212) 758-5230**

Fax: **(212) 758-5945**

1.2.2 "Purchaser's Attorney"

Address: **, New York**

Telephone:

Fax:

1.3 The "Escrowee" is the [Seller's] [Purchaser's] Attorney.

1.4 The Managing Agent is: **Robert Orlofsky Realty, Inc.**

Address: **7 Bryant Crescent, Suite 1-C  
White Plains, New York 10605**

Telephone: **(914) 328-6962**

Fax: **(914) 328-6993**

1.5 The real estate "Broker(s)" (see ¶12) is/are:

Company Name: **Robert Orlofsky Realty, Inc.**

1.6 The name of the cooperative housing corporation  
("Corporation") is: **Hartsdale Gardens Owners Corp.**

1.7 The "Unit" number is:

1.8 The Unit is located in "Premises" known as:

**North Central Avenue  
Hartsdale, New York**

1.9 The "Shares" are the \_\_\_\_\_ shares of the  
Corporation allocated to the Unit.

1.10 The "Lease" is the Corporation's proprietary lease or  
occupancy agreement for the Unit, given by the  
Corporation ~~which expires on \_\_\_\_\_~~

1.11 "Personalty" is the following personal property, to the  
extent existing in the Unit on the date hereof: the  
refrigerators, freezers, ranges, ovens, built-in microwave  
ovens, dishwashers, ~~garbage disposal units~~, cabinets and  
counters, lighting fixtures, chandeliers, wall-to-wall  
carpeting, plumbing and heating fixtures, ~~central  
air-conditioning and/or window or sleeve units, washing  
machines, dryers~~, screens and storm windows, ~~window  
treatments~~, switch plates, door hardware, mirrors, built-  
ins not excluded in ¶1.12 and

1.12 Specifically excluded from this sale is all personal  
property not included in ¶1.11 and:

1.13 The sale [does] [does not] include Seller's interest in  
[Storage]/[Servant's Rm]/[Parking Space]  
("Included Interests")

1.14 The "Closing" is the transfer of ownership of the Shares  
and Lease.

1.15 The date scheduled for Closing is  
("Scheduled Closing Date") at **offices of the Managing  
Agent** (See ¶¶ 9 and 10)

1.16 The "Purchase Price" is: \$

1.16.1 The "Contract Deposit" is: \$

1.16.2 The "Balance" of the Purchase Price due at Closing is:  
**\$ 0.00** (See ¶2.2.2)

1.17 The monthly "Maintenance" charge is \$ \_\_\_\_\_  
(See ¶4)

1.18 The "Assessment", if any, payable to the Corporation, at  
the date of this Contract is \$ \_\_\_\_\_, payable  
as follows:—

1.19 [Seller] [Purchaser] shall pay the Corporation's flip tax,  
transfer fee (apart from the transfer agent fee) and/or  
waiver of option fee ("Flip Tax"), if any.

1.20 Financing Options (~~Delete two of the following ¶¶1.20.1,  
1.20.2 or 1.20.3~~)

1.20.1 ~~Purchaser may apply for financing in connection  
with this sale and Purchaser's obligation to purchase  
under this Contract is contingent upon issuance of a  
Loan Commitment Letter by the Loan Commitment  
Date (¶18.1.2).~~

1.20.2 Purchaser may apply for financing in connection  
with this sale but Purchaser's obligation to purchase  
under this Contract is not contingent upon issuance  
of a Loan Commitment Letter.

- Corporation contrary to the foregoing and shall provide all documents in support thereof required by the Corporation in connection with Purchaser's application for approval of this transaction; and
- 4.2.6 there are not now and shall not be at Closing any unpaid tax liens or monetary judgments against Purchaser.
- 4.3 Each Party covenants that its representations and covenants contained in ¶4 shall be true and complete at Closing and, except for ¶4.1.6, shall survive Closing but any action based thereon must be instituted within one year after Closing.

## 5 CORPORATE DOCUMENTS

Purchaser has examined and is satisfied with, or (except as to any matter represented in this Contract by Seller) accepts and assumes the risk of not having examined, the Lease, the Corporation's Certificate of Incorporation, By-laws, House Rules, minutes of shareholders' and directors' meetings, most recent audited financial statement and most recent statement of tax deductions available to the Corporation's shareholders under Internal Revenue Code ("IRC") §216 (or any successor statute).

## 6 REQUIRED CONSENT AND REFERENCES

- 6.1 This sale is subject to the unconditional consent of the Corporation.
- 6.2 Purchaser shall in good faith:
- 6.2.1 submit to the Corporation or the Managing Agent an application with respect to this sale on the form required by the Corporation, containing such data and together with such documents as the Corporation requires, and pay the applicable fees and charges that the Corporation imposes upon Purchaser. All of the foregoing shall be submitted within 10 business days after the Delivery Date, or, if ¶¶ 1.20.1 or 1.20.2 applies and the Loan Commitment Letter is required by the Corporation, within 3 business days after the earlier of (i) the Loan Commitment Date (defined in ¶1.21) or (ii) the date of receipt of the Loan Commitment Letter (defined in ¶18.1.2);
- 6.2.2 attend (and cause any Proposed Occupant to attend) one or more personal interviews, as requested by the Corporation; and
- 6.2.3 promptly submit to the Corporation such further references, data and documents reasonably requested by the Corporation.
- 6.3 Either Party, after learning of the Corporation's decision, shall promptly advise the other Party thereof. If the Corporation has not made a decision on or before the Scheduled Closing Date, the Closing shall be adjourned for 30 business days for the purpose of obtaining such consent. If such consent is not given by such adjourned date, either Party may cancel this Contract by Notice, provided that the Corporation's consent is not issued before such Notice of cancellation is given. If such consent is refused at any time, either Party may cancel this Contract by Notice. In the event of cancellation pursuant to this ¶6.3, the Escrowee shall refund the Contract Deposit to Purchaser.
- 6.4 If such consent is refused, or not given, due to Purchaser's bad faith conduct, Purchaser shall be in default and ¶13.1 shall govern.

## 7 CONDITION OF UNIT AND PERSONALTY;

## POSSESSION

- 7.1 Seller makes no representation as to the physical condition or state of repair of the Unit, the Personalty, the Included Interests or the Premises. Purchaser has inspected or waived inspection of the Unit, the Personalty and the Included Interests and shall take the same "as is", as of the date of this Contract, except for reasonable wear and tear. However, at the time of Closing, the appliances shall be in working order and required smoke detector(s) shall be installed and operable.
- 7.2 At Closing, Seller shall deliver possession of the Unit, Personalty and Included Interests in the condition required by ¶7.1, broom-clean, vacant and free of all occupants and rights of possession.

## 8 RISK OF LOSS

- 8.1 The provisions of General Obligations Law Section 5-1311, as modified herein, shall apply to this transaction as if it were a sale of realty. For purposes of this paragraph, the term "Unit" includes built-in Personalty.
- 8.2 Destruction shall be deemed "material" under GOL 5-1311, if the reasonably estimated cost to restore the Unit shall exceed 5% of the Purchase Price.
- 8.3 In the event of any destruction of the Unit or the Premises, when neither legal title nor the possession of the Unit has been transferred to Purchaser, Seller shall give Notice of the loss to Purchaser ("Loss Notice") by the earlier of the date of Closing or 7 business days after the date of the loss.
- 8.4 If there is material destruction of the Unit without fault of Purchaser, this Contract shall be deemed canceled in accordance with ¶16.3, unless Purchaser elects by Notice to Seller to complete the purchase with an abatement of the Purchase Price; or
- 8.5 Whether or not there is any destruction of the Unit, if, without fault of Purchaser, more than 10% of the units in the Premises are rendered uninhabitable, or reasonable access to the Unit is not available, then Purchaser shall have the right to cancel this Contract in accordance with ¶16.3 by Notice to Seller.
- 8.6 Purchaser's Notice pursuant to ¶8.4 or ¶8.5 shall be given within 7 business days following the giving of the Loss Notice except that if Seller does not give a Loss Notice, Purchaser's Notice may be given at any time at or prior to Closing
- 8.7 In the event of any destruction of the Unit, Purchaser shall not be entitled to an abatement of the Purchase Price (i) that exceeds the reasonably estimated cost of repair and restoration or (ii) for any loss that the Corporation is obliged to repair or restore; but Seller shall assign to Purchaser, without recourse, Seller's claim, if any, against the Corporation with respect to such loss.

## 9 CLOSING LOCATION

The Closing shall be held at the location designated by the Corporation or, if no such designation is made, at the office of Seller's Attorney.

## 10 CLOSING

- 10.1 At Closing, Seller shall deliver or cause to be delivered:
- 10.1.1 Seller's certificate for the Shares duly endorsed for transfer to Purchaser or accompanied by a separate duly executed stock power to Purchaser, and in either case, with any guarantee of Seller's signature required by the Corporation;
- 10.1.2 Seller's counterpart original of the Lease, all assignments and assumptions in the chain of title and a

Contract Deposit fails of collection, Seller shall have the right to sue on the uncollected instrument. In addition, such failure of collection shall be a default under this Contract, provided Seller gives Purchaser Notice of such failure of collection and, within 3 business days after Notice is given, Escrowee does not receive from Purchaser an unendorsed good certified check, bank check or immediately available funds in the amount of the uncollected funds. Failure to cure such default shall entitle Seller to the remedies set forth in ¶13.1 and to retain all sums as may be collected and/or recovered.

#### 14 ENTIRE AGREEMENT; MODIFICATION

- 14.1 All prior oral or written representations, understandings and agreements had between the Parties with respect to the subject matter of this Contract, and with the Escrowee as to ¶27, are merged in this Contract, which alone fully and completely expresses the Parties' and Escrowee's agreement.
- 14.2 The Attorneys may extend in writing any of the time limitations stated in this Contract. Any other provision of this Contract may be changed or waived only in writing signed by the Party or Escrowee to be charged.

#### 15 REMOVAL OF LIENS AND JUDGMENTS

- 15.1 Purchaser shall deliver or cause to be delivered to Seller or Seller's Attorney, not less than 10 calendar days prior to the Scheduled Closing Date a Lien and Judgment search, except that Liens or Judgments first disclosed in a continuation search shall be reported to Seller within 2 business days after receipt thereof, but not later than the Closing. Seller shall have the right to adjourn the Closing pursuant to ¶16 to remove any such Liens and Judgments. Failure by Purchaser to timely deliver such search or continuation search shall not constitute a waiver of Seller's covenants in ¶4 as to Liens and Judgments. However, if the Closing is adjourned solely by reason of untimely delivery of the Lien and Judgment search, the apportionments under ¶11.3 shall be made as of 11:59 P.M. of the day preceding the Scheduled Closing Date in ¶1.15
- 15.2 Seller, at Seller's expense, shall obtain and deliver to the Purchaser the documents and payments necessary to secure the release, satisfaction, termination and discharge or removal of record of any Liens and Judgments. Seller may use any portion of the Purchase Price for such purposes.
- 15.3 This ¶15 shall survive Closing.

#### 16 SELLER'S INABILITY

- 16.1 If Seller shall be unable to transfer the items set forth in ¶2.1 in accordance with this Contract for any reason other than Seller's failure to make a required payment or other willful act or omission, then Seller shall have the right to adjourn the Closing for periods not exceeding 60 calendar days in the aggregate, but not extending beyond the expiration of Purchaser's Loan Commitment Letter, if ¶¶1.20.1 or 1.20.2 applies.
- 16.2 If Seller does not elect to adjourn the Closing or (if adjourned) on the adjourned date of Closing Seller is still unable to perform, then unless Purchaser elects to proceed with the Closing without abatement of the

Purchase Price, either Party may cancel this Contract on Notice to the other Party given at any time thereafter.

- 16.3 In the event of such cancellation, the sole liability of Seller shall be to cause the Contract Deposit to be refunded to Purchaser and to reimburse Purchaser for the actual costs incurred for Purchase's lien and title search, if any.

#### 17 NOTICES AND CONTRACT DELIVERY

- 17.1 Any notice or demand ("Notice") shall be in writing and delivered either by hand, overnight delivery or certified or registered mail, return receipt requested, to the Party and simultaneously, in like manner, to such Party's Attorney, if any, and to Escrowee at their respective addresses or to such other address as shall hereafter be designated by Notice given pursuant to this ¶17.
- 17.2 The Contract may be delivered as provided in ¶17.1 or by ordinary mail.
- 17.3 The Contract or each Notice shall be deemed given and received:
- 17.3.1 on the day delivered by hand;
- 17.3.2 on the business day following the date sent by overnight delivery;
- 17.3.3 on the 5<sup>th</sup> business day following the date sent by certified or registered mail; or
- 17.3.4 as to the Contract only, 3 business days following the date of ordinary mailing.
- 17.4 A Notice to Escrowee shall be deemed given only upon actual receipt by Escrowee.
- 17.5 The Attorneys are authorized to give and receive any Notice on behalf of their respective clients.
- 17.6 Failure or refusal to accept a Notice shall not invalidate the Notice.
- 17.7 Notice pursuant to ¶¶2.2.2 and 13.4 may be delivered by confirmed facsimile to the Party's Attorney and shall be deemed given when transmission is confirmed by sender's facsimile machine.

#### 18 FINANCING PROVISIONS

- 18.1 The provisions of ¶¶18.1 and 18.2 are applicable only if ¶¶1.20.1 or 1.20.2 applies.
- 18.1.1 An "Institutional Lender" is any of the following that is authorized under Federal or New York State law to issue a loan secured by the Shares and Lease and is currently extending similarly secured loan commitments in the county in which the Unit is located: a bank, savings bank, savings and loan association, trust company, credit union of which Purchaser is a member, mortgage banker, insurance company or governmental entity.
- 18.1.2 A "Loan Commitment Letter" is a written offer from an Institutional Lender to make a loan on the Financing Terms (see ¶1.21) at prevailing fixed or adjustable interest rates and on other customary terms generally being offered by Institutional Lenders making cooperative share loans. An offer to make a loan conditional upon obtaining an appraisal satisfactory to the Institutional Lender shall not become a Loan Commitment Letter unless and until such condition is met. An offer conditional upon any factor concerning Purchaser (e.g. sale of current home, payment of outstanding debt, no material adverse change in Purchaser's financial condition, etc.) is a Loan Commitment Letter whether or not such condition is met. Purchaser accepts the risk that, and cannot cancel this Contract if, any condition concerning Purchaser is not met.



brought in the county or Federal district where the Unit is located and the Parties hereby consent to said venue.

**23 NO ASSIGNMENT BY PURCHASER; DEATH OF PURCHASER**

- 23.1 Purchaser may not assign this Contract or any of Purchaser's rights hereunder. Any such purported assignment shall be null and void.
- 23.2 This Contract shall terminate upon the death of all persons comprising Purchaser and the Contract Deposit shall be refunded to the Purchaser. Upon making such refund and reimbursement, neither Party shall have any further liability or claim against the other hereunder, except as set forth in Par. 12.

**24 COOPERATION OF PARTIES**

- 24.1 The Parties shall each cooperate with the other, the Corporation and Purchaser's Institutional Lender and title company, if any, and obtain, execute and deliver such documents as are reasonably necessary to consummate this sale.
- 24.2 The Parties shall timely file all required documents in connection with all governmental filings that are required by law. Each Party represents to the other that its statements in such filings shall be true and complete. This ¶24.2 shall survive Closing.

**25 FIRPTA**

The parties shall comply with IRC §§ 897, 1445 and the regulations thereunder as same may be amended ("FIRPTA"). If applicable, Seller shall execute and deliver to Purchaser at Closing a Certification of Non-Foreign Status ("CNS") or deliver a Withholding Certificate from the IRS. If Seller fails to deliver a CNS or a Withholding Certificate, Purchaser shall withhold from the Balance, and remit to the IRS, such sum as may be required by law. Seller hereby waives any right of action against Purchaser on account of such withholding and remittance. This ¶25 shall survive Closing.

**26 ADDITIONAL REQUIREMENTS**

- 26.1 Purchaser shall not be obligated to close unless all of the following requirements are satisfied at the time of the Closing:
- 26.1.1 the Corporation is in good standing;
- 26.1.2 the Corporation has fee or leasehold title to the Premises, whether or not marketable or insurable; and
- 26.1.3 there is no pending *in rem* action, tax certificate/lien sale or foreclosure action of any underlying mortgage affecting the Premises.
- 26.2 If any requirement in ¶26.1 is not satisfied at the time of the Closing, Purchaser shall give Seller Notice and if the same is not satisfied within a reasonable period of time thereafter, then either Party may cancel this Contract (pursuant to ¶16.3) by Notice.

**27 ESCROW TERMS**

- 27.1 The Contract Deposit shall be deposited by Escrowee in an escrow account as set forth [in ¶] 1.24 and the proceeds held and disbursed in accordance with the terms of this Contract. At Closing, the Contract Deposit shall be paid by Escrowee to Seller. If the Closing does not occur and either Party gives Notice to Escrowee demanding payment of the Contract Deposit, Escrowee shall give prompt Notice to the other Party of such demand. If Escrowee does not receive a Notice of objection to the proposed payment from such other Party within 10 business days after

the giving of Escrowee's Notice, Escrowee is hereby authorized and directed to make such payment to the demanding party. If Escrowee does receive such a Notice of objection within said period, or if for any reason Escrowee in good faith elects not to make such payment, Escrowee may continue to hold the Contract Deposit until otherwise directed by a joint Notice by the Parties or a final, non-appealable judgment, order or decree of a court of competent jurisdiction. However, Escrowee shall have the right at any time to deposit the Contract Deposit and the interest thereon, if any, with the clerk of a court in the county as set forth in ¶22 and shall give Notice of such deposit to each Party. Upon disposition of the Contract Deposit and interest thereon, if any, in accordance with this ¶27, Escrowee shall be released and discharged of all escrow obligations and liabilities.

- 27.2 The Party whose Attorney is Escrowee shall be liable for loss of the Contract Deposit. If the Escrowee is Seller's attorney, then Purchaser shall be credited with the amount of the contract Deposit at Closing.
- 27.3 Escrowee will serve without compensation. Escrowee is acting solely as a stakeholder at the Parties' request and for their convenience. Escrowee shall not be liable to either Party for any act or omission unless it involves bad faith, willful disregard of this Contract or gross negligence. In the event of any dispute, Seller and Purchaser shall jointly and severally (with right of contribution) defend (by attorneys selected by Escrowee), indemnify and hold harmless Escrowee from and against any claim, judgment, loss, liability, cost and expenses incurred in connection with the performance of Escrowee's acts or omissions not involving bad faith, willful disregard of this Contract or gross negligence. This indemnity includes, without limitation, reasonable attorneys' fees either paid to retain attorneys or representing the fair value of legal services rendered by Escrowee to itself and disbursements, court costs and litigation expenses.
- 27.4 Escrowee acknowledges receipt of the Contract Deposit, by check subject to collection.
- 27.5 Escrowee agrees to the provisions of this ¶27.
- 27.6 If Escrowee is the Attorney for a Party, Escrowee shall be permitted to represent such Party in any dispute or lawsuit.
- 27.7 This ¶27 shall survive Closing, cancellation or termination of this Contract.

**28 MARGIN HEADINGS**

The margin headings do not constitute part of the text of this Contract.

**29 MISCELLANEOUS**

This Contract shall not be binding unless and until Seller delivers a fully executed counterpart of this Contract to Purchaser (or Purchaser's Attorney) pursuant to ¶17.2 and 17.3. This Contract shall bind and inure to the benefit of the Parties hereto and their respective heirs, personal and legal representatives and successors in interest.

**30 LEAD PAINT**

If applicable, the complete and fully executed Disclosure of Information on Lead Based Paint and or Lead-Based Paint Hazards is attached hereto and made a part hereof.

**IN WITNESS WHEREOF**, the Parties hereto have duly executed this Contract as of the date first above written.

**SELLER:**

\_\_\_\_\_  
**Robert Orlofsky, Member**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PURCHASER:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ESCROW TERMS AGREED TO: Nancy R. Heller, Esq.**

**By:** \_\_\_\_\_

**ESCROWEE**

**Continued on addendum or rider attached hereto.**

## RIDER ANNEXED TO CONTRACT

Dated: , 2004

Seller: DALE ESTATES, LLC

Purchaser:

Premises: North Central Avenue, Hartsdale, New York

Unit No.:

Apartment Corporation: Hartsdale Gardens Owners Corp.

30. In the event of any inconsistency between the provisions of this Rider and those contained in the Contract to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

31. In the event of any inconsistency between the provisions of this Contract and the terms of the Plan, the terms of the Plan shall govern and control.

32. Supplementing Paragraph 10.4.2, a letter from the Corporation or the Managing Agent as to the status of the maintenance, utility charges and assessments shall be sufficient for determining the apportionments.

33. The Contract Deposit shall be held by Nancy R. Heller, Esq. ("Escrow Agent"), in accordance with the provisions set forth in the Sixteenth Amendment to the Plan which was accepted for filing by the Attorney General of the State of New York on April 27, 1992.

34. Purchaser acknowledges having received and read the Plan to convert the Building to cooperative ownership, together with the Amendments thereto, at least three (3) full business days prior to signing this Contract. The Plan, including all documents set forth in Part II thereof and any amendments, is incorporated herein by reference and made a part hereof with the same force and effect as if set forth fully herein. Purchaser agrees that the sale of shares hereunder are subject to any additional amendments to the Plan filed after the date of this Contract.

35. Purchaser acknowledges having entered into this Contract without relying upon any promises, statements, estimates, representations, warranties, conditions or other inducements, expressed or implied, and/or written not set forth herein or in the Offering Plan, as amended.

36. The amount of the loan set forth in Paragraph 1.21.1 shall be the lesser of (i) the amount set forth in the printed form of this Contract, (ii) eighty (80%) per cent of the value of the Unit as appraised by Purchaser's Institutional Lender or (iii) the maximum financing permitted by the Corporation.

37. The use of the masculine gender shall be deemed to refer to the feminine or neuter gender and the use of the singular shall be deemed to refer to the plural and vice versa, whenever

(f) Upon completion of any electrical work performed by Purchaser, Purchaser will deliver to the Managing Agent a New York Board of Fire Underwriters Certificate confirming that such electrical work has been completed in accordance with the National Electric Code.

(g) The provisions of this Paragraph shall survive the closing and shall also be for the benefit of the Corporation.

42. Purchaser represents and warrants that s/he has read and understands the House Rules of the Hartsdale Gardens Owners Corp., including without limitation the express prohibitions against pets and the requirement with respect to carpeting of Units and agrees to be bound by them. The representations set forth in this Paragraph 42 shall survive the closing and shall also be for the benefit of the Corporation.

43. This contract is contingent upon a risk assessment or inspection of the property for the presence of lead-based paint and/or lead-based paint hazards at the Purchaser's expense until 9 p.m. on the tenth calendar-day after the date of this Contract. This contingency will terminate at the above predetermined deadline unless the Purchaser (or the Purchaser's agent) delivers to the Seller (or Seller's agent) a written contract addendum listing the specific existing deficiencies and corrections needed, together with a copy of the inspection and/or risk assessment report. The Seller may, at the Seller's option, within seven (7) days after Delivery of the addendum, elect in writing whether to correct the condition(s) prior to settlement. If the Seller will correct the condition, the Seller shall furnish the Purchaser with certification from a risk assessor or inspector demonstrating that the condition has been remedied before the date of settlement. If the Seller does not elect to make the repairs, or if the Seller makes a counter-offer, the Purchaser shall have seven (7) days to respond to the counter-offer or remove this contingency and take the property in "as is" condition or this contract shall become void. The Purchaser may remove this contingency at any time without cause.

44. On or before Closing, Seller and Purchaser agree to sign the Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards annexed as Exhibit A.

45. The balance of the Purchase Price payable pursuant to Paragraphs 1.16.2 and 2.2.2 shall be by check as specified made payable to the order of Estates Supervision.

DALE ESTATES, LLC, Seller

By: \_\_\_\_\_  
Robert Orlofsky, Member

\_\_\_\_\_  
, Purchaser



# Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards SALES

## Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

## Seller's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (*Check (i) or (ii) below*):
- (i)  Known lead-based paint and/or lead-based paint hazards are present in the housing (*explain*).  
Given the age of the housing, it is possible that lead-based paint was used over the years; however Seller has not tested the unit to determine whether lead paint exists and has no actual
  - (ii)  Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (*Check (i) or (ii) below*):
- (i)  Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (*list documents below*).
  - (ii)  Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

## Purchaser's Acknowledgment (*initial*)

- (c) \_\_\_\_\_ Purchaser has received copies of all information listed above.
- (d) \_\_\_\_\_ Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
- (e) \_\_\_\_\_ Purchaser has (*check (i) or (ii) below*):
  - (i)  received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
  - (ii)  waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

## Agent's Acknowledgment (*initial*)

- (f) \_\_\_\_\_ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

## Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____ SELLER	_____ DATE	_____ SELLER	_____ DATE
_____ PURCHASER	_____ DATE	_____ PURCHASER	_____ DATE
_____ AGENT	_____ DATE	_____ AGENT	_____ DATE



STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL

TERRYL BROWN CLEMONS  
Acting Deputy Attorney General  
Division of Public Advocacy

ELIOT SPITZER  
Attorney General

DAVID D. BROWN, IV  
Bureau Chief  
Investment Protection Bureau

(212) 416-8111

Dale Estates, LLC  
c/o Peck & Heller, Esq.  
Attention: Nancy Heller  
545 Madison Avenue  
New York, NY 10022

RE: 27 North Central Ave.

File Number: C 810234

Amendment No: 25

Date Amendment Filed: 09/16/2004

Filing Fee: \$225.00

Receipt Number: 68838

Dear Sponsor:

The referenced amendment to the offering plan for the subject premises is hereby accepted and filed. Since this amendment is submitted after the post closing amendment has been filed, this filing is effective for twelve months from the date of filing of this amendment. However, any material change of fact or circumstance affecting the property or offering requires an immediate amendment.

Any misstatement or concealment of material fact in the material submitted as part of this amendment renders this filing void ab initio. This office has relied on the truth of the certifications of sponsor, sponsor's principals, and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

Filing this amendment shall not be construed as approval of the contents or terms thereof by the Attorney General of the State of New York, or any waiver of or limitation on the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable law. The issuance of this letter is conditioned upon the collection of all fees imposed by law. This letter is your receipt for the filing fee.

Very truly yours,

A handwritten signature in cursive script that reads "Susan Scharbach".

Susan Scharbach  
Assistant Attorney General

*J.H.*