

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

The purpose of this Twenty-Seventh 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-six 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-Seventh 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
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
4-H	469
5-H	472
3-I	461
3-J	356
5-J	362
2-K	463
3-K	466
4-L	569

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 October 1, 2018, the total of unsold shares held by the Sponsor aggregates 27.4% of the outstanding shares of the Corporation.

3. **Maintenance.** By resolution of the Board of Directors of the Corporation adopted at a meeting duly held November 8, 2017, after reviewing a projected budget of building operations for the calendar year 2018, the per share monthly maintenance was fixed at \$2.24 representing a 7% increase above the prior year.

4. **Election of Officers and Directors.** At the annual meeting of the shareholders of the Corporation, followed by a meeting of the Directors, both duly held on December 5, 2017, the following were elected as Directors and Officers of the Corporation:

Arnold Bell	President and Director
Girolamo Rosi	Vice-President and Director
Jeremy Ingpen,	Treasurer and Director
Judith Hoffman	Director
*Robert Orlofsky	Secretary and Director
*Nancy Heller	Director

*Sponsor designee

5. **Financial Statements.** The financial statements for Hartsdale Gardens Owners Corp. Inc. for the years ended December 31, 2016 and December 31, 2017, prepared by Bloom and Streit, LLP, Certified Public Accountants, are attached hereto as Exhibit A.

6. **Budget.** Attached hereto as Exhibit B are the budgets for the fiscal years ending December 31, 2018 and December 31, 2019, prepared by the Apartment Corporation's accountant and adopted by the Board of Directors. This budget is contained herein for informational purposes only, and the sponsor, principals of sponsor or holders of unsold shares do not in any way adopt such budget as their own or make any representation as to the adequacy, accuracy or completeness of same or any item shown therein and none should be implied. Robert Orlofsky as agent for the sponsor, principals of sponsor and holders of unsold shares has reviewed the budget and has no knowledge of any matter which would render the budget materially incorrect; however, Robert Orlofsky as such agent has not prepared the budget and has not independently verified the information or estimates contained therein.

- A. The Escrow Agent. Laura B. March, Esq., with an address c/o Peck & Heller at 805 Third Avenue, New York, New York 10022, telephone number 212-758-5230, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Laura B. March, Esq. is the only designated signatory for withdrawal of monies from the "Escrow Account" (identified below) and is admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent (if any), Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.
- B. The Escrow Account. The Escrow Agent has established the escrow account at JP Morgan Chase Bank, N.A., located at its branch office located at 360 Park Avenue, in the City and State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Laura B. March Attorney Trust Account IOLA" ("Escrow Account") which is an "Interest-on-Lawyer's Account" (commonly called "IOLA" or "IOLTA") established pursuant to Judiciary Law Section 497. SPECIAL RISK: The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured. Escrow Agent and Sponsor will not be liable for the amount collected on checks given in payment of the Deposit or any other purchase monies, or for any losses resulting from the failure of the depository.
- All Deposits received from Purchaser shall be in the form of unendorsed good personal checks, money orders, wire transfers, and shall be made directly payable to the order of Laura B. March, Esq., as Escrow Agent.
- The Escrow Account is an IOLA established pursuant to Judiciary Law Section 497. Accordingly Escrow Agent will arrange for interest earned on monies deposited in the Escrow Account to be paid to the statewide IOLA fund.
- C. Deposit for Special Work. Any Deposits made for upgrades, extras of other custom or special work shall initially be deposited into the Escrow Account and thereafter may be released in accordance with the terms of the Contract of Sale (if any)
- D. Notification to Purchaser. Within five (5) business days after the Contract of Sale has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Escrow Rider and place the Deposit into the Escrow Account. Within ten (10) business days of placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Escrow Rider.

If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30)-day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the building is located and shall give written notice to both parties of the Deposit.

If the Escrow Agent is uncertain as to Escrow Agent's duties or doubts the genuineness of any document or signature, Escrow Agent also may refrain from taking any action and continue to hold the Deposit until the uncertainty or genuineness is resolved. Escrow Agent may represent Sponsor in any lawsuit, whether or not related to the Contract of Sale and irrespective of Escrow Agent being in possession of the Deposit.

The Sponsor shall not object to the release of the Deposit 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.

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

- F. Waiver Void. Any provision in the Escrow Rider or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Contract of Sale, Plan or any Amendment thereto.

11. **Revised Contract of Sale.** As noted above, the revised form of Contract of Sale is annexed hereto as Exhibit C. Provisions set forth in the annexed form are negotiable and subject to change in accordance with the Plan.

12. **Amendments to House Rules.** The Board of Directors of the Corporation has amended the House Rules. Annexed hereto as Exhibit D is a copy of the House Rules as revised.

floor, New York, New York 10022. Sponsor also maintains an office with the Selling Agent, Robert Orlofsky Realty, Inc., 7 Bryant Crescent, #1-C, White Plains, New York 10605

15. **Price Changes.** The price for blocks of shares allocated to apartments is generally increased as follows:

<u>Apartment Line</u>	<u>Total Price Per Unit</u>
C/J/F	\$180,000.00
B/D/E/G/H/I/K	\$275,000.00
A/L	\$425,000.00

The increase in the amount of the total offering price as a result of the foregoing is \$1,130,000.00. The foregoing asking prices are negotiable and subject to change in accordance with the Plan. The asking price does not include a purchaser's closing costs.

16. **Tax Information and Projections.** On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. Accordingly, the tax information and projections disclosed in this offering plan may be inaccurate because such are based on federal tax law as it existed prior to 2018. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes. Purchasers should not rely on any representations in this offering plan addressing taxes without first consulting a tax expert.

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

Dated: **JANUARY 23**, 2019

DALE ESTATES, LLC
Sponsor and Holder of Unsold Shares

HARTSDALE GARDENS OWNERS CORP.

FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016



BLOOM AND STREIT LLP
CERTIFIED PUBLIC ACCOUNTANTS

ROGER BERMAN, CPA
WILLIAM J. RANK, CPA, CFP
MARK COHEN, CPA

INDEPENDENT AUDITORS' REPORT

**To the Board
HARTSDALE GARDENS OWNERS CORP.**

We have audited the accompanying financial statements of Hartsdale Gardens Owners Corp., which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of loss, retained earnings (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

HARTSDALE GARDENS OWNERS CORP.

Balance Sheets

As of December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash in Operating Account	4,911	19,086
Cash in Bank - Money Market Accounts	254,731	253,832
Cash in Bank - Investment Account	52,970	86,725
Investments - Certificates of Deposit	250,000	400,000
Tenants' Accounts Receivable	5,045	4,572
Mortgage Escrow Deposits	121,764	125,835
Prepaid Expenses	12,898	13,541
Total	<u>702,319</u>	<u>903,591</u>
Less: Allocated to Funds (see below)	<u>(554,773)</u>	<u>(738,000)</u>
Total Current Assets	<u>147,546</u>	<u>165,591</u>
FUNDS		
Contingency Reserve:		
Reserve for Replacements (see above)	<u>554,773</u>	<u>738,000</u>
PROPERTY AND EQUIPMENT -		
Net Book Value	<u>2,086,283</u>	<u>2,168,057</u>
OTHER ASSETS		
Investment in National Cooperative Bank	<u>13,527</u>	<u>18,304</u>
Total Other Assets	<u>13,527</u>	<u>18,304</u>
TOTAL ASSETS	<u>2,802,129</u>	<u>3,089,952</u>

HARTSDALE GARDENS OWNERS CORP.

Statements of Loss

For the Year Ended December 31,

	<u>2017</u>	<u>2016</u>
INCOME		
Carrying Charges - Net Uncollectable Charges	825,455	808,032
Parking Income	60,390	59,950
Rental Income	61,325	52,825
Laundry Room Income	11,100	17,273
Storage Income	4,938	6,008
Interest/Dividend Income	8,066	5,116
Real Estate Tax Abatements	0	23,974
Miscellaneous Income	383	1,978
Total Income	<u>971,657</u>	<u>975,156</u>
EXPENSES		
Administrative Expenses	51,903	71,967
Maintenance Expenses	243,356	226,409
Utilities Expenses	127,194	115,656
Taxes and Insurance Expenses	398,431	342,362
Financial Expenses	142,006	145,022
Interest Expense - Debt Issuance Costs	7,255	7,255
Total Expenses Before Depreciation	<u>970,145</u>	<u>908,671</u>
NET INCOME BEFORE DEPRECIATION	1,512	66,485
Depreciation	<u>(81,774)</u>	<u>(78,147)</u>
NET LOSS FOR THE YEAR	<u>(80,262)</u>	<u>(11,662)</u>

See accompanying notes and auditors' report

HARTSDALE GARDENS OWNERS CORP.

Statements of Cash Flows

For the Year Ended December 31,

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Net Loss	(80,262)	(11,662)
Adjustments to reconcile net loss to net cash (used) provided by operating activities:		
Depreciation	81,774	78,147
Interest - Debt Issuance Costs	7,255	7,255
Revenue allocated to financing activities	(68,474)	(65,468)
Decrease (Increase) in operating assets:		
Tenants' Accounts Receivable	(473)	(14)
Mortgage Escrow Deposits	4,071	(17,745)
Prepaid Expenses	643	52,458
Increase (Decrease) in operating liabilities:		
Accounts Payable	1,869	16,557
Accrued Interest	(227)	(216)
Star Credit Due to Stockholders	1,640	(56,750)
Rents Received in Advance	6,804	1,499
Exchanges Payable	1,495	0
Security Deposits	1,650	(825)
Net cash (used) provided by operating activities	<u>(42,235)</u>	<u>3,236</u>
Cash Flows From Investing Activities		
Redemption of NCB Stock	4,777	0
Purchase of Investments - Certificates of Deposit	(250,000)	(650,000)
Maturities of Investments - Certificates of Deposit	400,000	750,000
Purchase of Property and Equipment	0	(132,391)
Net cash provided (used) by investing activities	<u>154,777</u>	<u>(32,391)</u>
Cash Flows From Financing Activities		
Purchase of Treasury Stock	(159,573)	0
Portion of Carrying Charges applied to Amortization of Mortgage	68,474	65,468
Amortization Payments on Mortgage	(68,474)	(65,468)
Net cash used by financing activities	<u>(159,573)</u>	<u>0</u>
Decrease in Cash and Cash Equivalents (carryforward)	(47,031)	(29,155)

See accompanying notes and auditors' report

HARTSDALE GARDENS OWNERS CORP.

Notes to Financial Statements

December 31, 2017 and 2016

Note 1

Organization

Hartsdale Gardens Owners Corp., a Cooperative Housing Corporation, was incorporated in the State of New York in February 1981. The cooperative owns and operates an apartment building located at 27 North Central Avenue, Hartsdale, New York, consisting of 73 residential units. The primary purpose of the cooperative is to manage the operations of the building and maintain the common elements.

Note 2

Summary of Significant Accounting Policies

The financial statements have been presented in accordance with the accounting principles prescribed by the audit and accounting guide for common interest realty associations issued by the American Institute of Certified Public Accountants. The guide describes conditions and procedures unique to the industry (including cooperative housing corporations and condominium associations) and illustrates the form and content of the financial statements of common interest realty associations as well as informative disclosures relating to such statements. In addition, the guide requires that all revenues from tenant-stockholders, including maintenance charges and special assessments, be recognized as revenue in the statements of loss.

For purposes of the statements of cash flows, the cooperative considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents

The cooperative classifies its marketable debt securities as "held to maturity" since it has the positive intent and ability to hold the securities to maturity. Securities classified as "held to maturity" are carried at amortized cost.

Tenant-stockholders are subject to monthly charges to provide funds for the cooperative's operating expenses, future capital acquisitions, and major repairs and replacements. Tenants' Accounts Receivable at the balance sheets date represent various fees due from tenant-stockholders. The cooperative's policy is to retain legal counsel and place liens on the shares of stock of tenant-stockholders whose assessments are delinquent. Any excess charges at year end are retained by the cooperative for use in the succeeding year.

HARTSDALE GARDENS OWNERS CORP.

Notes to Financial Statements

December 31, 2017 and 2016

Note 4

Property and Equipment

Property and Equipment consists of the following:

	<u>2017</u>	<u>2016</u>
Land	858,440	858,440
Building	3,433,760	3,433,760
Building improvements	<u>2,341,723</u>	<u>2,341,723</u>
	6,633,923	6,633,923
Less: accumulated depreciation	<u>4,547,640</u>	<u>4,465,866</u>
Total Property and Equipment	<u>2,086,283</u>	<u>2,168,057</u>

Depreciation expense for the years ended December 31, 2017 and 2016 is \$81,774 and \$78,147, respectively.

Note 5

Debt Service

First Mortgage Payable

On November 30, 2015, the cooperative refinanced their mortgage with NCB (National Cooperative Bank) in the amount of \$3,750,000. The mortgage is payable in monthly installments of \$17,559, including interest at the rate of 3.84% per annum, based on a 30 year amortization period. The note will mature November 1, 2025, at which time a balloon payment of approximately \$2,978,000 will be due.

In conjunction with the mortgage, the cooperative was required to purchase shares of NCB's Class B1 and B2 stock. Class B1 shares earn a patronage dividend payable in cash and in Class B2 stock, as determined by NCB. Class B1 shares are redeemable by NCB upon satisfactory repayment of all loans made to or guaranteed by eligible customers. Class B2 shares are non-redeemable, non-transferable, and pay no dividends. Additional shares were purchased during 2014 in order to draw on the line of credit and in 2015 to refinance. At December 31, 2017 and 2016, the cooperative owned 135 and 183 Class B1 shares and 322 and 233 Class B2 shares, respectively.

HARTSDALE GARDENS OWNERS CORP.

Notes to Financial Statements

December 31, 2017 and 2016

Note 9

Real Estate Taxes/Tax Abatements

During the year ended December 31, 2017, the Town of Greenburgh revalued the property values. As a result of these revaluations, the cooperative's real estate taxes increased approximately 26% and 29% for the town and school taxes, respectively. The cooperative has appealed the increase in their property valuation and is currently involved in certiorari proceedings.

The cooperative is entitled to and has received tax abatements on behalf of its stockholders during December 31, 2017 and 2016. The abatements, which include Star, Veterans and Senior Citizens are passed on to the stockholders by direct payment or as a credit against carrying charges. Any undistributed abatements as of the fiscal year end have been included on the Balance Sheets in Current Liabilities as Star Credit Due to Stockholders. As the abatements benefit the stockholders, the real estate tax expense reflected in these financial statements is gross of all the aforementioned tax abatements.

Note 10

Benefits

The cooperative participated in the 32BJ North Pension Fund, Employer Identification Number 13-1819138, Plan 001, for the years ended December 31, 2017 and 2016. The cooperative participated in this multi-employer plan, for the years ended December 31, 2017 and 2016 under the terms of collective-bargaining agreements that cover its union represented employees. This collective bargaining agreement expires September 30, 2018 and the cooperative has no intention of withdrawing from the plan.

The risks of participating in multi-employer plans are different from single-employer plans for the following reasons: 1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, 2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers and 3) if the cooperative chooses to stop participating in its multi-employer pension plan, the cooperative may be required to pay the plan an amount based on the underfunded status of the plan, which is referred to as a withdrawal liability.

HARTSDALE GARDENS OWNERS CORP.

Notes to Financial Statements

December 31, 2017 and 2016

Note 11

Income Taxes - continued

New York State Franchise tax is calculated by utilizing special tax rates available to cooperative housing corporations based on the cooperative's capital base.

As of December 31, 2017, the cooperative has available federal net operating loss carryforwards to apply to future taxable income in the approximate amount of \$1,140,000. Unless used, these net operating losses are set to expire from the year 2018 to 2037. Recently, New York State enacted changes to their rules with respect to net operating loss carryforwards that substantially limit their use.

In accordance with accounting rules for uncertainty in income tax guidance, which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns, the cooperative's tax filings are subject to audit by various taxing authorities. The cooperative's federal and state income tax returns for the last three years remain open to examination. In evaluating its tax provisions and accruals, the cooperative believes that its estimates are appropriate based on current facts and circumstances.

Note 12

Future Major Repairs and Replacements

The cooperative has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. When replacement funds are needed to meet future needs for major repairs and replacements, the cooperative may borrow, utilize available cash, increase carrying charges, pass special assessments or delay repairs and replacements until the funds are available. The effect on future assessments has not been determined at this time.

Note 13

Subsequent Events

Management has evaluated subsequent events through July 3, 2018, the date at which the financial statements became available for issuance. No events have occurred that would require adjustments to, or disclosure in, the financial statements.

HARTSDALE GARDENS OWNERS CORP.

Schedule of Budget with Actual Operating Amounts

	Budget Year Ended <u>Dec. 31, 2017</u> (Unaudited)	Actual Year Ended <u>Dec. 31, 2017</u>	Actual Year Ended <u>Dec. 31, 2016</u>
RECEIPTS			
Carrying Charges	832,274	825,455	808,032
Parking Income	60,000	60,390	59,950
Rental Income	50,000	61,325	52,825
Laundry Room Income	11,100	11,100	10,273
Laundry Room Decorating Allowance	0	0	7,000
Storage Income	5,000	4,938	6,008
Interest and Dividend income	6,000	8,066	5,116
Miscellaneous Income	1,000	383	1,978
Total Receipts	<u>965,374</u>	<u>971,657</u>	<u>951,182</u>
EXPENDITURES			
ADMINISTRATIVE EXPENSES			
Management Fee	30,000	30,000	30,000
Legal Expense	2,000	1,814	20,479
Auditing	8,700	8,700	8,700
Telephone and Beeper	4,000	3,188	4,008
Lease Commissions	1,500	1,625	1,825
Office and Administrative Expenses	6,194	6,576	6,955
Total Administrative Expenses	<u>52,394</u>	<u>51,903</u>	<u>71,967</u>
MAINTENANCE EXPENSES			
Super and Maintenance Payroll	112,000	116,843	110,849
Supplies	12,000	11,910	18,598
Repairs (see schedule)	56,000	63,756	55,119
Elevator Maintenance	14,000	16,720	13,190
Landscaping and Tree Work	12,000	16,028	5,519
Snow Removal	10,000	12,816	5,848
Exterminating	6,000	5,283	13,879
Rent Expense	0	0	3,407
Total Maintenance Expenses	<u>222,000</u>	<u>243,356</u>	<u>226,409</u>
UTILITIES EXPENSES			
Gas Heat	68,000	67,820	61,736
Electricity and Gas	22,000	21,847	21,297
Water	36,000	37,527	32,623
Total Utilities Expenses	<u>126,000</u>	<u>127,194</u>	<u>115,656</u>

See auditors' report on supplementary information

HARTSDALE GARDENS OWNERS CORP.

Detailed Schedule of Repairs and Improvements

For the Year Ended December 31,

	<u>2017</u>	<u>2016</u>
REPAIRS AND MAINTENANCE		
Boiler and Burners	17,848	13,137
Plumbing and Pipes	11,465	9,539
Electrical and Intercoms	7,478	6,641
Painting, Plastering and Carpentry Work	9,681	15,934
Roofing and Waterproofing	7,517	1,500
Fencing, Gates and Locks	2,567	2,674
Compactors and Refuse Removal	4,476	3,366
Engineers and Architects	900	0
General	1,824	2,328
Total Repairs and Maintenance	<u>63,756</u>	<u>55,119</u>
MAJOR REPAIRS AND IMPROVEMENTS		
Garage Doors	0	6,830
Irrigation System	0	17,786
Courtyard	0	45,975
Sdewalks/Pavers	0	54,500
Driveway	0	7,300
Total Major Repairs and Improvements	<u>0</u>	<u>132,391</u>

See auditors' report on supplementary information

HARTSDALE GARDENS OWNERS' CORP.

TAXES AND INSURANCE	
REAL ESTATE TAXES	310,000
PAYROLL TAXES	8,800
LICENSES AND PERMITS	500
INSURANCE	59,000
UNION WELFARE AND PENSION FUND	43,000
FRANCHISE TAXES	2,400
TOTAL TAXES AND INSURANCE	<u>423,700</u>
FINANCIAL EXPENSES	
INTEREST ON MORTGAGE	139,284
CONTRIBUTIONS TO EQUITY/RESERVES	
AMORTIZATION OF MORTGAGE	71,188
TOTAL EXPENDITURES	<u>1,030,965</u>
NET SURPLUS	<u><u>0</u></u>

NOTES

1. CARRYING CHARGES - 7% INCREASE JAN 2018

HARTSDALE GARDENS OWNERS CORP.

TAXES AND INSURANCE

REAL ESTATE TAXES	315,000	
PAYROLL TAXES	9,500	
LICENSES AND PERMITS	500	
INSURANCE	62,000	
UNION WELFARE AND PENSION FUND	46,000	
FRANCHISE TAXES	3,500	
TOTAL TAXES AND INSURANCE		436,500

FINANCIAL EXPENSES

INTEREST ON MORTGAGE	136,453
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CONTRIBUTIONS TO EQUITY/RESERVES

AMORTIZATION OF MORTGAGE	74,009
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TOTAL EXPENDITURES	<u>1,081,857</u>
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NET SURPLUS

0

NOTES

1. CARRYING CHARGES - 5% INCREASE JAN 2019

- 1.20.3 ~~Purchaser shall not apply for financing in connection with this sale.~~
- 1.21 If ¶1.20.1 or 1.20.2 applies, the "Financing Terms" for ¶18 are: a loan of \$ _____ for a term of _____ years or such lesser amount or shorter term as applied for or acceptable to Purchaser; and the "Loan Commitment Date" for ¶18 is _____ calendar days after the Delivery Date.
- 1.22 The "Delivery Date" of this Contract is the date on which a fully executed counterpart of this Contract is deemed given to and received by Purchaser or Purchaser's Attorney as provided in ¶17.3.
- 1.23 All "Proposed Occupants" of the Unit are:
- 1.23.1 persons and relationship to Purchaser:
- 1.23.2 pets:
- 1.24 The Contract Deposit shall be held in [a non-] [an] IOLA escrow account. If the account is a non-IOLA account then interest shall be paid to the Party entitled to the Contract Deposit. The Party receiving the interest shall pay any income taxes thereon. The escrow account shall be a segregated bank account at Depository: JPMorgan Chase
Address: _____
- (See ¶27)
- 1.25 This Contract is ~~not~~ continued on attached rider(s).
- 2 **AGREEMENT TO SELL AND PURCHASE; PURCHASE PRICE; ESCROW**
- 2.1 Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, the Seller's Shares, Lease, Personalty and any Included Interests and all other items included in this sale, for the Purchase Price and upon the terms and conditions set forth in this Contract.
- 2.2 The Purchase Price is payable to Seller by Purchaser as follows:
- 2.2.1 the Contract Deposit at the time of signing this Contract, by Purchaser's good check to the order of Escrowee; and
- 2.2.2 the Balance at Closing, only by cashier's or official bank check or certified check of Purchaser payable to the direct order of Seller. The check(s) shall be drawn on and payable by a branch of a commercial or savings bank, savings and loan association or trust company located in the same City or County as the Unit. Seller may direct, on reasonable Notice (defined in ¶17) prior to Closing, that all or a portion of the Balance shall be made payable to persons other than Seller (see ¶17.7).
- 3 **PERSONALTY**
- 3.1 Subject to any rights of the Corporation or any holder of a mortgage to which the Lease is subordinate, this sale includes all of the Seller's interest, if any, in the Personalty and the Included Interests.
- 3.2 No consideration is being paid for the Personalty or for the Included Interests; nothing shall be sold to Purchaser if the Closing does not occur.
- 3.3 Prior to Closing, Seller shall remove from the Unit all the furniture, furnishings and other property not included in this sale, and repair any damage caused by such removal.
- 4 **REPRESENTATIONS AND COVENANTS**
- 4.1 Subject to any matter affecting title to the Premises (as to which Seller makes no representations or covenants), Seller represents and covenants that:
- 4.1.1 Seller is, and shall at Closing be, the sole owner of the Shares, Lease, Personalty and Included Interests, with the full right, power and authority to sell and assign them. Seller shall make timely provision to satisfy existing security interest(s) in the Shares and Lease and have the same delivered at Closing (See ¶10.1);
- 4.1.2 the Shares were duly issued, fully paid for and are non-assessable;
- 4.1.3 the Lease is, and will at Closing be, in full force and effect and no notice of default under the Lease is now or will at Closing be in effect;
- 4.1.4 the Maintenance and Assessments payable as of the date hereof are as specified in ¶1.17 and 1.18;
- 4.1.5 as of this date, Seller neither has actual knowledge nor has received any written notice of any increase in Maintenance or any Assessment which has been adopted by the Board of Directors of the Corporation and is not reflected in the amounts set forth in ¶1.17 and 1.18;
- 4.1.6 Seller has not made any material alterations or additions to the Unit without any required consent of the Corporation or, to Seller's actual knowledge, without compliance with all applicable law. This provision shall not survive Closing.
- 4.1.7 Seller has not entered into, shall not enter into, and has no actual knowledge of any agreement (other than the Lease) affecting title to the Unit or its use and/or occupancy after Closing, or which would be binding on or adversely affect Purchaser after Closing (e.g. a sublease or alteration agreement);
- 4.1.8 Seller has been known by no other name for the past 10 years except as set forth in ¶1.1.1.
- 4.1.9 at Closing in accordance with ¶15.2:
- 4.1.9.1 there shall be no judgments outstanding against Seller which have not been bonded against collection out of the Unit ("Judgments");
- 4.1.9.2 the Shares, Lease, Personalty and any Included Interests shall be free and clear of liens (other than the Corporation's general lien on the Shares for which no monies shall be owed), encumbrances and adverse interests ("Liens");
- 4.1.9.3 all sums due to the Corporation shall be fully paid by Seller to the end of the payment period immediately preceding the date of Closing;
- 4.1.9.4 Seller shall not be indebted for labor or material which might give rise to the filing of a notice of mechanic's lien against the Unit or the Premises; and
- 4.1.9.5 no violations shall be of record which the owner of the Shares and Lease would be obligated to remedy under the Lease.
- 4.2 Purchaser represents and covenants that:
- 4.2.1 Purchaser is acquiring the Shares and Lease for residential occupancy of the Unit solely by the Proposed Occupants identified in ¶1.23
- 4.2.2 Purchaser is not, and within the past 7 years has not been, the subject of a bankruptcy proceeding;
- 4.2.3 if ¶1.20.3 applies, Purchaser shall not apply for financing in connection with this purchase.
- 4.2.4 Each individual comprising Purchaser is over the age of 18 and is purchasing for Purchaser's own account (beneficial and of record);
- 4.2.5 Purchaser shall not make any representations to the

duly executed assignment thereof to Purchaser in the form required by the Corporation;

- 10.1.3 FIRPTA documents required by ¶25;
 - 10.1.4 keys to the Unit, building entrance(s), and, if applicable, garage, mailbox, storage unit and any locks in the Unit;
 - 10.1.5 if requested, an assignment to Purchaser of Seller's interest in the Personalty and Included Interests;
 - 10.1.6 any documents and payments to comply with ¶15.2
 - 10.1.7 If Seller is unable to deliver the documents required in ¶¶10.1.1 or 10.1.2 then Seller shall deliver or cause to be delivered all documents and payments required by the Corporation for the issuance of a new certificate for the Shares or a new Lease.
- 10.2 At Closing, Purchaser shall:
- 10.2.1 pay the Balance in accordance with ¶2.2.2;
 - 10.2.2 execute and deliver to Seller and the Corporation an agreement assuming the Lease, in the form required by the Corporation; and
 - 10.2.3 if requested by the Corporation, execute and deliver counterparts of a new lease substantially the same as the Lease, for the balance of the Lease term, in which case the Lease shall be canceled and surrendered to the Corporation together with Seller's assignment thereof to Purchaser.
- 10.3 At Closing, the Parties shall complete and execute all documents necessary:
- 10.3.1 for Internal Revenue Service ("IRS") form 1099-S or other similar requirements;
 - 10.3.2 to comply with smoke detector requirements and any applicable transfer tax filings; and
 - 10.3.3 to transfer Seller's interest, if any, in and to the Personalty and Included Interests.
- 10.4 Purchaser shall not be obligated to close unless, at Closing, the Corporation delivers:
- 10.4.1 to Purchaser a new certificate for the Shares in the name of Purchaser; and
 - 10.4.2 a written statement by an officer or authorized agent of the Corporation consenting to the transfer of the Shares and Lease to Purchaser and setting forth the amounts of and payment status of all sums owed by Seller to the Corporation, including Maintenance and any Assessments, and the dates to which each has been paid.

11 CLOSING FEES, TAXES AND APPORTIONMENTS

- 11.1 At or prior to Closing,
 - 11.1.1 Seller shall pay, if applicable:
 - 11.1.1.1 the cost of stock transfer stamps; and
 - 11.1.1.2 transfer taxes, except as set forth in ¶11.1.2.2
 - 11.1.2 Purchaser shall pay, if applicable:
 - 11.1.2.1 any fee imposed by the Corporation relating to Purchaser's financing; and
 - 11.1.2.2 transfer taxes imposed by statute primarily on Purchaser (e.g., the "mansion tax").
- 11.2 The Flip Tax, if any, shall be paid by the Party specified in ¶ 1.19.
- 11.3 Any fee imposed by the Corporation and not specified in this Contract shall be paid by the Party upon whom such fee is expressly imposed by the Corporation, and if no Party is specified by the Corporation, then such fee shall be paid by Seller.
- 11.4 The Parties shall apportion as of 11:59 P.M. of the

day preceding the Closing, the Maintenance, any other periodic charges due the Corporation (other than Assessments) and STAR Tax Exemption (if the Unit is the beneficiary of same), based on the number of the days in the month of Closing.

- 11.5 Assessments, whether payable in a lump sum or installments, shall not be apportioned, but shall be paid by the Party who is the owner of the Shares on the date specified by the Corporation for payment. Purchaser shall pay any installments payable after Closing provided Seller had the right and elected to pay the Assessment in installments.
 - 11.6 Each Party shall timely pay any transfer taxes for which it is primarily liable pursuant to law by cashier's, official bank, certified, or attorney's escrow check. This ¶11.6 shall survive Closing.
 - 11.7 Any computational errors or omissions shall be corrected within 6 months after Closing. This ¶11.7 shall survive Closing.
- ## 12 BROKER
- 12.1 Each Party represents that such Party has not dealt with any person acting as a broker, whether licensed or unlicensed, in connection with this transaction other than the Broker(s) named in ¶1.5.
 - 12.2 Seller shall pay the Broker's commission pursuant to a separate agreement. The Broker(s) shall not be deemed to be a third-party beneficiary of this Contract.
 - 12.3 This ¶12 shall survive Closing, cancellation or termination of this Contract.
- ## 13 DEFAULTS, REMEDIES AND INDEMNITIES
- 13.1 In the event of a default or misrepresentation by Purchaser, Seller's sole and exclusive remedies shall be to cancel this Contract, retain the Contract Deposit as liquidated damages and, if applicable, Seller may enforce the indemnity in ¶13.3 as to brokerage commission or sue under ¶13.4. Purchaser prefers to limit Purchaser's exposure for actual damages to the amount of the Contract Deposit, which Purchaser agrees constitutes a fair and reasonable amount of compensation for Seller's damages under the circumstances and is not a penalty. The principles of real property law shall apply to this liquidated damages provision.
 - 13.2 In the event of a default or misrepresentation by Seller, Purchaser shall have such remedies as Purchaser is entitled to at law or in equity, including specific performance, because the Unit and possession thereof cannot be duplicated.
 - 13.3 Subject to the provisions of ¶4.3, each Party indemnifies and holds harmless the other against and from any claim, judgment, loss, liability, cost or expense resulting from the indemnitor's breach of any of its representations or covenants stated to survive Closing, cancellation or termination of this Contract. Purchaser indemnifies and holds harmless Seller against and from any claim, judgment, loss, liability, cost or expense resulting from the Lease obligations accruing from and after the Closing. Each indemnity includes, without limitation, reasonable attorneys' fees and disbursements, court costs and litigation expenses arising from the defense of any claim and enforcement or collection of a judgment under this indemnity, provided the indemnitee is given Notice and opportunity to defend the claim. This ¶13.3 shall survive Closing, cancellation or termination of this Contract.
 - 13.4 In the event any instrument for the payment of the

- 18.2 Purchaser, directly or through a mortgage broker registered pursuant to Article 12-D of the Banking Law, shall diligently and in good faith:
- 18.2.1 apply only to an Institutional Lender for a loan on the Financing Terms (see ¶1.21) on the form required by the Institutional Lender containing truthful and complete information, and submit such application together with such documents as the Institutional Lender requires, and pay the applicable fees and charges of the Institutional Lender, all of which shall be performed within 5 business days after the Delivery Date;
- 18.2.2 promptly submit to the Institutional Lender such further references, data and documents requested by the Institutional Lender; and
- 18.2.3 accept a Loan Commitment Letter meeting the Financing Terms and comply with all requirements of such Loan Commitment Letter (or any other loan commitment letter accepted by Purchaser) and of the Institutional Lender in order to close the loan; and
- 18.2.4 furnish Seller with a copy of the Loan Commitment Letter promptly after Purchaser's receipt thereof.
- 18.2.5 Purchaser is not required to apply to more than one Institutional Lender.
- 18.3 If ¶1.20.1 applies, then
- 18.3.1 provided Purchaser has complied with all applicable provisions of ¶18.2 and this ¶18.3, Purchaser may cancel this Contract as set forth below, if:
- 18.3.1.1 any Institutional Lender denies Purchaser's application in writing prior to the Loan Commitment Date (see ¶1.21); or
- 18.3.1.2 a Loan Commitment Letter is not issued by the Institutional Lender on or before the Loan Commitment Date; or
- 18.3.1.3 any requirement of the Loan Commitment Letter other than one concerning Purchaser is not met (e.g. failure of the Corporation to execute and deliver the Institutional Lender's recognition agreement or other document, financial condition of the Corporation, owner occupancy quota, etc.); or
- 18.3.1.4 (i) the Closing is adjourned by Seller or the Corporation for more than 30 business days from the Scheduled Closing Date and (ii) the Loan Commitment Letter expires on a date more than 30 business days after the Scheduled Closing Date and before the new date set for Closing pursuant to this paragraph and (iii) Purchaser is unable in good faith to obtain from the Institutional Lender an extension of the Loan Commitment Letter or a new Loan Commitment Letter on the Financing Terms without paying additional fees to the Institutional Lender, unless Seller agrees, by Notice to Purchaser within 5 business days after receipt of Purchaser's Notice of cancellation on such ground, that Seller will pay such additional fees and Seller pays such fees when due. Purchaser may not object to an adjournment by Seller for up to 30 business days solely because the Loan Commitment Letter would expire before such adjourned Closing date.
- 18.3.2 Purchaser shall deliver Notice of cancellation to Seller within 5 business days after the Loan Commitment Date if cancellation is pursuant to ¶18.3.1.1 or 18.3.1.2 and on or prior to the Scheduled Closing Date if cancellation is pursuant to ¶18.3.1.3 or 18.3.1.4.
- 18.3.3 If cancellation is pursuant to ¶18.3.1.1, then Purchaser shall deliver to Seller, together with Purchaser's Notice, a copy of the Institutional Lender's written denial of Purchaser's loan application. If cancellation is pursuant to ¶18.3.1.3, then Purchaser shall deliver to Seller together with Purchaser's Notice evidence that a requirement of the Institutional Lender was not met.
- 18.3.4 Seller may cancel this Contract by Notice to Purchaser, sent within 5 days after the Loan Commitment Date, if Purchaser shall not have sent by then either (i) Purchaser's Notice of cancellation or (ii) a copy of the Loan Commitment Letter to Seller, which cancellation shall become effective if Purchaser does not deliver a copy of such Loan Commitment Letter to Seller within 10 business days after the Loan Commitment Date.
- 18.3.5 Failure by either Purchaser or Seller to deliver Notice of cancellation as required by this ¶18.3 shall constitute a waiver of the right to cancel under this ¶18.3.
- 18.3.6 If this Contract is canceled by Purchaser pursuant to this ¶18.3, then thereafter neither Party shall have any further rights against, or obligations or liabilities to, the other by reason of this Contract, except that the Contract Deposit shall be promptly refunded to Purchaser and except as set forth in ¶12. If this Contract is canceled by Purchaser pursuant to ¶18.3.1.4, then Seller shall reimburse Purchaser for any non-refundable financing and inspection expenses and other sums reimbursable pursuant to ¶16
- 18.3.7 Purchaser cannot cancel this Contract pursuant to ¶18.3.1.4 and cannot obtain a refund of the Contract Deposit if the Institutional Lender fails to fund the loan:
- 18.3.7.1 because a requirement of the Loan Commitment Letter concerning Purchaser is not met (e.g., Purchaser's financial condition or employment status suffers an adverse change; Purchaser fails to satisfy a condition relating to the sale of an existing residence, etc.) or
- 18.3.7.2 due to the expiration of a Loan Commitment Letter issued with an expiration date that is not more than 30 business days after the Scheduled Closing Date.
- 19 **SINGULAR/PLURAL AND JOINT/SEVERAL**
The use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires. If more than one person constitutes Seller or Purchaser, their obligations as such Party shall be joint and several.
- 20 **NO SURVIVAL**
No representation and/or covenant contained herein shall survive Closing except as expressly provided. Payment of the Balance shall constitute a discharge and release by Purchaser of all of Seller's obligations hereunder except those expressly stated to survive Closing.
- 21 **INSPECTIONS**
Purchaser and Purchaser's representatives shall have the right to inspect the Unit within 48 hours prior to Closing, and at other reasonable times upon reasonable request to Seller.
- 22 **GOVERNING LAW AND VENUE**
This Contract shall be governed by the laws of the State of New York without regard to principles of conflict of laws. Any action or proceeding arising out of this Contract shall be

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

SELLER: DALE ESTATES, LLC

PURCHASER:

ESCROW TERMS AGREED TO: Laura B. March, Esq.

By: _____

ESCROWEE

Continued on addendum or rider attached hereto.

amount set forth in the printed form of this Contract, (ii) 80.0% per cent of the value of the Unit as appraised by Purchaser's Institutional Lender or (iii) the maximum financing permitted by the Corporation.

38. 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 the context so requires.

39. Purchaser represents to Seller and to the Corporation that Purchaser is not less than 18 years of age and is purchasing the Unit for his or her own account (beneficial and of record) and no corporation, partnership, association, estate or trust other than any interest held by Purchaser's institutional lender, if any, has or will have any equity interest, direct or indirect, in the Shares and Lease on the date of transfer to Purchaser. Purchaser agrees to indemnify and hold harmless the Seller and the Corporation from all claims, judgments, liabilities, losses, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) that Seller and/or the Corporation may suffer or incur as a result of the breach, inaccuracy or untruthfulness of any of the foregoing representations. The provisions of this Paragraph shall inure to the benefit of both Seller and the Corporation and shall survive the closing.

40. Purchaser understands that the Corporation is not a party to this Contract or the sale contemplated hereby and that no representations, warranties or promises of any kind have been made to Purchaser by the Corporation. Purchaser agrees that no claim will be made against the Corporation by Purchaser in respect of, or arising out of, the purchase of the Shares and appurtenant Lease.

41. The acceptance of the Shares and the assumption of the Lease by the Purchaser shall be deemed to be a full performance and discharge of every agreement and obligation on the part of the Seller to be performed pursuant to the provisions of this Contract, except those expressly provided to survive the closing. Notwithstanding the foregoing, however, Sponsor and holders of Unsold Shares shall not be relieved from liability for representations made under the Offering Plan, and nothing contained herein shall be in derogation of the rights of Purchasers under Article 23-A of the General Business Law, the Plan, or 13 NYCRR Part 18.

42. [Intentionally Deleted.]

43. The parties agree that the Unit is being sold in its present "as is" condition. Any work to be performed by Purchaser in the Unit is subject to the following terms and conditions in conformity with the rules and regulations of the Corporation:

(a) Purchaser must submit to the Corporation or its designated representative a copy of the plans for all work intended to be performed by Purchaser.

(b) Submission of plans must be accompanied by a completed Co-op Apartment Renovation and Remodeling Request, together with such security deposit as may be required by

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of Laura B. March, as ESCROW AGENT, pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within five (5) business days after the Purchase Agreement has been tendered to ESCROW AGENT along with the DEPOSIT, ESCROW AGENT shall place the DEPOSIT into the Escrow Account. Within ten (10) business days of placing the DEPOSIT in the Escrow Account, ESCROW AGENT shall provide written notice to Purchaser and Sponsor, confirming the Deposit. Such notice shall set forth the Bank and the account number. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, New York 10005-1413. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

2.3 Any Deposits made for upgrades, extras of other custom or special work shall initially be deposited into the Escrow Account and thereafter may be released in accordance with the terms of the Contract of Sale (if any)

3. RELEASE OF FUNDS

3.1 Under no circumstances shall SELLER seek or accept release of the Deposit of PURCHASER to SELLER until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. The parties hereto acknowledge that the Plan was declared effective on March 15, 1982 and a post-closing amendment dated was accepted for filing by the New York State Department of Law. Consummation of the Plan shall not, however, relieve SELLER or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL §§ 352-e(2-b) and 352-h.

3.2 ESCROW AGENT shall release the Deposit to PURCHASER or SELLER as directed:

3.2.1 pursuant to terms and conditions set forth in the Contract of Sale to which this Rider is annexed, upon closing of title to the shares;

3.2.2 in a subsequent writing signed by both SELLER and PURCHASER; or

received in connection with the Contract of Sale, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

3.7 The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of the Deposit.

4.2 Upon the dissolution of the 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 New York State Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon 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 Escrow Account under its direct supervision and control.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and PURCHASER, and ESCROW AGENT acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

5.3 ESCROW AGENT may rely upon any paper or document which may be submitted to it in connection with its duties under this Agreement and which is believed by ESCROW AGENT to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution, or validity thereof.

6. RESPONSIBILITIES OF SELLER.

6.1 SELLER agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-e(2-b) and 352-h and the New York State Department of Law's regulations.

6.2 [Intentionally deleted.]

Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of ESCROW AGENT. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself.

13. ENTIRE AGREEMENT.

This Agreement, read together with GBL §§ 352-e(2-b) and 352-hand the New York State Department of Law's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

14. COUNTERPARTS.

This Escrow Rider may be executed in counterparts which, taken together, shall constitute a fully integrated and binding contract. For the purposes of execution, facsimile signature or a signature otherwise scanned and transmitted electronically by computer file (e.g., .PDF, .GIF, .JPEG, .TIFF, .BMP, etc.) shall be deemed as valid as an original. At the request of either party, the parties agree to execute an original of this Contract with an original handwritten signature and deliver such document to the requesting party. Both parties participated in the preparation of this Contract and, accordingly, waive any rule of construction which would construe any ambiguity against the draftsman.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

Laura B. March

SELLER:

DALE ESTATES, LLC

By: _____
Name:
Title: Member

, Purchaser



AS REVISED THROUGH NOVEMBER 29, 2000

HARTSDALE GARDENS OWNERS CORP.

HOUSE RULES

**A VIOLATION OF HOUSE RULES NO. 13, 17, 22, 25, 26, 27, 28
AND 29 SHALL BE DEEMED TO BE A VIOLATION OF A SUBSTANTIAL
OBLIGATION OF THE TENANCY OF THE LESSEE.**

- (1) The public halls and stairways of the buildings shall not be obstructed or used for any purpose other than ingress to and egress from the apartments in the buildings.
- (2) Children shall not play in public areas unless accompanied by a responsible adult.
- (3) No public hall of a building shall be decorated or furnished by any Lessee.
- (4) No Lessee shall make or permit any disturbing noises in a building or do or permit anything to be done therein which will interfere with the rights, comfort or convenience of other Lessees. No Lessee shall play any musical instrument or permit to be operated a phonograph or a radio or television loud speaker in such Lessee's apartment between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if the same shall disturb or annoy other occupants of the building. No construction or repair work or other installation involving noise shall be conducted in any apartment except on weekdays (not including legal holidays) and only between the hours of 8:30 a.m. and 5:00 p.m.
- (5) No article shall be placed in the halls or on the staircase landings, nor shall anything be hung or shaken from the doors, or windows, or placed upon the window sills of the buildings.
- (6) No awnings, window shades, window blinds, window air-conditioning units or ventilators shall be used in or about a building except such as shall have been expressly approved by the Lessor or the managing agent, nor shall anything be projected out of any window of the building without similar approval.
- (7) No sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of a building, except such as shall have been approved in writing by the Lessor or the managing agent.



(18) The Lessee shall keep the windows of the apartment clean. In case of refusal or neglect of the Lessee during 10 days after notice in writing from the Lessor or the managing agent to clean the windows, such cleaning may be done by the Lessor, which shall have the right, by its officers or authorized agents, to enter the apartment for such purpose and to charge the cost of such cleaning to the Lessee.

(19) Complaints regarding the services of the building shall be made in writing to the managing agent of the Lessor.

(20) Any consent or approval given under these House Rules by the Lessor shall be revocable at any time.

(21) The agent of the Lessor, and any contractor or workman authorized by the Lessor, may enter any apartment at any reasonable hour of the day for the purpose of inspecting such apartment to ascertain whether measures are necessary or desirable to control or exterminate any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

(22) No washing machines or other heavy appliances shall be installed in the demised premises, nor shall the Lessee use any appliances or machine therein, which in the sole opinion of the Lessor, shall overburden the electric, gas or plumbing lines of the apartment or building.

(23) The playgrounds, if any, are provided for the exclusive use of the lessees, and playpens, bicycles or any outdoor activities will not be permitted upon the landscaped portions of the Lessor's premises.

(24) Alteration or replacement of the main entrance door lock or the installation of knockers or other attachment upon any door is forbidden. The Lessor has retained a pass key to the premises. In the event the written consent of the Lessor is obtained to install a supplemental entrance door lock, the Lessee shall provide the Lessor with an additional key for the use of the Lessor pursuant to the Lessor's right of access to the demised premises.

(25) (a) Shareholders shall not be permitted to either sublease or assign their garage parking spaces.

(b) Upon the sale of any apartment (sale of shares and assignment of Proprietary Lease), the garage parking space which had been utilized by the selling shareholder shall revert back to the Lessor for reassignment. Any garage parking space

7 Bryant Crescent, Suite 1C, White Plains, NY 10605

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months of purchasing and/or taking occupancy of the apartment, whichever is later, or if the purchaser fails to provide Lessor with duplicate keys to the apartment within three (3) months of purchasing and/or taking occupancy of the apartment, whichever is later.

(28) Apartment alteration, renovation and remodeling: Any Lessee who desires to alter, renovate, or remodel his/her apartment, must complete a Remodeling Request Form, and submit it to the managing agent along with a security deposit in the sum of \$750.00. (The Remodeling Request Form is available from the office of the managing agent.) The Lessee may proceed with the requested work obtaining the written consent of the Lessor (see Proprietary Lease, paragraph 21(a)). The security deposit will be utilized by the Lessor to repair any damage caused to the public areas or to the building's standard equipment or to other property of the Lessor. In addition, the Lessee shall forfeit the security deposit if there is any violation of the provisions of this House Rule, the requirements, terms and conditions set forth in the Remodeling Request Form, or other requirements or conditions specified by Lessor. Upon the completion of the work, and provided there was no such damage or violation, the security deposit will be refunded to the Lessee.

(29) These House Rules may be added to, amended or repealed at any time by resolution of the Board of Directors of the Lessor.