

MEADOWLAND ESTATES CONDOMINIUM

**THIS PLAN HAS BEEN AMENDED
SEE INSIDE FRONT COVER**

CONDOMINIUM OFFERING PLAN

MEADOWLAND ESTATES CONDOMINIUM

Laconia Avenue and Meadow Place

Staten Island, New York

62 Residential Units

**Total Amount of Offering:
\$5,351,380.00**

**SPONSOR AND
SELLING AGENT: LACONIA HOMES, INC.
87 Pouch Terrace
Staten Island, New York 10305**

The approximate date of the first offering of this Plan is April 11, 1985. This Plan may not be used after April 10, 1986 unless such date is extended by a duly filed amendment to this Plan.

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE IV.

FIRST AMENDMENT
TO THE OFFERING PLAN FOR
MEADOWLAND ESTATES CONDOMINIUM

October 1, 1985

This is the First Amendment to the Offering Plan for the Meadowland Estates Condominium, which plan was accepted for filing by the New York State Department of Law on April 9, 1985.

UNIT SALES

The Sponsor has entered into bona fide contract of sale for 21 Units. Title has not been transferred to any Units.

OFFERING PLAN DECLARED EFFECTIVE

Based on the sale of 21 Units the Sponsor hereby declares the Offering Plan effective. (See pages 19 and 20 of the Offering Plan.)

CHANGE IN PRICES

The Sponsor has changed the prices of the Units. A revised Schedule A to the Offering Plan is attached hereto as Exhibit I-A.

ADDITION OF SWIMMING POOL

The Sponsor has elected to construct a swimming pool as part of the common elements for the use of Unit occupants. Because Sponsor has elected to add the swimming pool and because of the effect of the swimming pool on condominium common charges purchasers prior to the effective date of this amendment will be afforded the opportunity to rescind their purchase. See page 4 of this amendment.

The pool which will be built at no cost to the condominium association or the Unit owners, will be of gunite concrete, approximately 20' x 40' (800 square feet) in size. It will have a single filtration system with a minimum 30" filter. The filter pump will be by Jacuzzi Company or comparable. The pool will contain skimmers (minimum 2), return inlets (minimum 2), bottom suction, vacuum lines, staircase, handrail, ladder and life guard chair. 6" of tile will be installed around the entire top perimeter of the pool.

The concrete pool deck will be approximately 2,728 square feet.

The pool building will be approximately 12' x 34'8", have an exterior siding of cedar and contain men's and women's lavatory facilities, a filter room, a storage room and two exterior shower facilities.

The capacity of the pool will be 32 persons based on one person for each 25 square feet of water surface area.

The capacity of the deck is 182 persons, based on one person for each 15 square feet of deck area.

No pool furniture will be furnished by the Sponsor. Accordingly, those desiring to use the deck area will be required to supply their own furniture.

See Site Plan attached as Exhibit I-B which shows location of pool and pool building.

The additional annual costs to operate and maintain the pool facilities is projected by the Sponsor as follows:

Maintenance (1)	\$7,150.00
Electricity (2)	295.00
Water (3)	125.00
Insurance (4)	500.00
Contingency (5)	<u>800.00</u>
TOTAL	\$8,870.00

- (1) Based on written estimate furnished to Sponsor by Aqua Management, Inc., Staten Island, N.Y. Includes (i) one full-time (8 hours per day) lifeguard for 78 days during summer season, including all payroll related costs, (ii) setting up pool in spring, winterizing of pool in fall, minor repairs. Lifeguard will be responsible for all labor and maintenance of pool, deck area, bathhouse and bathrooms.
- (2) Based on written estimate furnished to Sponsor by Con Edison for 3 HP pump. (2.8 watts x 78 days x 8 hours x 0.1689 (per KWH rate)).
- (3) Based on written estimate furnished to Sponsor by Rosemary Cibbarelli of Town & Country Swimming Pools and Town & Country Management Corporation, Staten Island, New York, which firms design, build and manage pool facilities.
- (4) For additional liability coverage for pool area. Based upon written estimate received by Sponsor from I.C.S. Agency, Inc., Mineola, N.Y.
- (5) For unanticipated expenses, e.g. pump repairs, etc. Approximately 10% of other expenses.

The existence of the pool should increase common charges approximately 20% above the common charges indicated on Schedule A on pages 8 and 9 of the Offering Plan. See revised Schedule A attached hereto as Exhibit I-A.

COMMON CHARGES PRIOR TO COMPLETION OF DEVELOPMENT TO REFLECT NUMBER OF UNITS IN EXISTENCE

Because approximately 60% of the Condominium's expenses (e.g. management fees and most of the projected expenses for water, snow removal, landscape maintenance, insurance, repairs and maintenance and reserves) are directly related to the

number of Units in existence, until all Units are completed, the common charges for each Unit, for each month, shall be determined as follows:

The number of Units for which a certificate of occupancy has been issued on or before the 20th day of the previous month, divided by the total number of Units, multiplied by 60% of the total amount of monthly common charges (\$4,422) for all Units as projected in Schedule "B" as amended to include the pool facilities, plus that portion of the total monthly common charges unrelated to the number of Units, multiplied by the percentage interest in the common elements for the Unit.

For example, if certificates of occupancy were issued for only 12 of the Units by November 20, 1985, the common charge for each Unit for the month of December, 1985 would be determined as follows:

$$\frac{20 \times 2,786}{62} \quad (\text{portion of monthly common charges related to Units} - 63\% \times \text{total monthly common charged as projected in Schedule "B"} - \$4,422)$$

which amount is

$$\begin{array}{r} \$ 899 \\ + 1,636 \end{array}$$

(portion (37%) of total monthly common charges not directly related to Units)

$$\begin{array}{r} \$2,535 \\ \times .014 \end{array}$$

(% interest in common elements for Unit)

Common charge for month of December 1985 \$35.49

(For Units with a 1.4% interest in the common elements)

$$\begin{array}{r} \$2,535 \\ \times .0184 \end{array}$$

(% interest in common elements for Unit)

Common charge for month of December 1985 46.64

(For Units with a 1.84% interest in the common elements)

RIGHT OF RESCISSION

Because of the addition of the swimming pool and its effect on common charges, Purchasers who executed Purchase Agreements prior to the effective date of this Amendment, may rescind their Purchase Agreement and receive a refund of their down payment (with interest, if any, earned thereon) within fifteen (15) days after the presentation of this Amendment. In order to rescind the Purchase Agreement,

Purchasers must sign and return to the Sponsor the written form attached to this Amendment as Exhibit I-C within 15 days after receipt of a copy of this Amendment. Purchasers may alternatively indicate on the form that they wish to waive the right of rescission. Any purchaser not exercising the right of rescission by executing the form and returning it to the Sponsor within the 15 day period shall be deemed to have waived the right of rescission.

CHANGED IN DESCRIPTION AND SPECIFICATIONS OF CONDOMINIUM PROPERTY

The Description and Specification of Condominium Property, which begins on page 49 of the Offering Plan, is changed as follows:

- page 51 - in "I. Structural System," subsection 2a, "redwood vertical siding" is changed to "cedar vertical siding";
- page 52 - in "5. Exterior entrances", subsection d, "Railings - wrought iron" is changed to "Railings - wolmanized wood".
- page 53 - in "11. Interior doors and frames" subsection a, "wood lunanex hollow core" is changed to "masonite hollow core".
- page 57 - in "4 Kitchen Equipment" delete "c. Refrigerator - GETV14SF" and "f" Garbage disposal - GE GFC 230". Refrigerators and garbage disposals, if required by Unit purchasers, will have to be acquired separately.

PURCHASERS' DEPOSITS WILL NOT BE PLACED IN INTEREST BEARING ACCOUNTS

The Sponsor will place purchasers' deposits in a non-interest bearing account rather than an interest bearing account as stated on page 18 of the Offering Plan in the sub-section entitle "Trust Funds" under Procedure to Purchase.

In lieu of holding purchasers' deposits in a special account as provided on said page 18, the Sponsor may post a bond or irrevocable letter of credit to assure the reutrn of such funds in the event of the Sponsor's default. The posting of a bond or the furnishing or an irrevocable letter of credit will be disclosed by an amendment to this Offering Plan duly filed with the New York State Department of Law.

NO OTHER MATERIAL CHANGES

There are no other material changes to the state of facts except as shown above.

LACONIA HOMES, INC.

EXHIBIT I-A
MEADOWLAND ESTATES CONDOMINIUM
SALES PRICES AND ESTIMATED MONTHLY CHARGES
FOR THE FIRST YEAR OF OPERATION BASED ON OCCUPANCY OF ALL UNITS*
(Letters in parentheses designate footnotes which follow Schedule A)

(1) UNIT	(2) NO. OF ROOMS/ BATHS	(3) APPROX. SQUARE FEET	(4) OFFERING PRICE	(5) % INTEREST IN COMMON ELEMENTS	(6) PROJECTED MONTHLY COMMON CHARGES	(7) PROJECTED MONTHLY REAL ESTATE TAXES	(8) PROJECTED TOTAL MONTHLY CARRYING CHARGE
Building 1							
Studios: 623(D) and (F); 629(B) and (F)	1/1	592	82,500	1.4	61.91	7.50	69.41
One BR: 623(C) and (E) 629(A) and (E)	2/1	592	82,500	1.4	61.91	7.50	69.41
Two BR: 623(A),(B),(C) and (H); 629(C),(D), (G) and (H)	4/1-1/2	996	115,000 except 623(a) and 629(H), which are 116,000)	1.84	81.37	7.50	88.87
Building 2							
Studios: 40(B),(C), (J) and (P)	1/1	592	82,500	1.4	61.91	7.50	69.41
One BR: 46(A),(E) (H) and (N)	2/1	592	82,500	1.4	61.91	7.50	69.41
Two BR: 46(C),(D),(E) (K),(L) and (M)	4/1-1/2	996	115,000	1.84	81.37	7.50	88.87

* All projected charges are for one year period estimated to begin October 1, 1935.

EXHIBIT I-A (Continued)
 MEADOWLAND ESTATES CONDOMINIUM
 SALES PRICES AND ESTIMATED MONTHLY CHARGES
 FOR THE FIRST YEAR OF OPERATION BASED ON OCCUPANCY OF ALL UNITS*
 (Letters in parentheses designate footnotes which follow Schedule A)

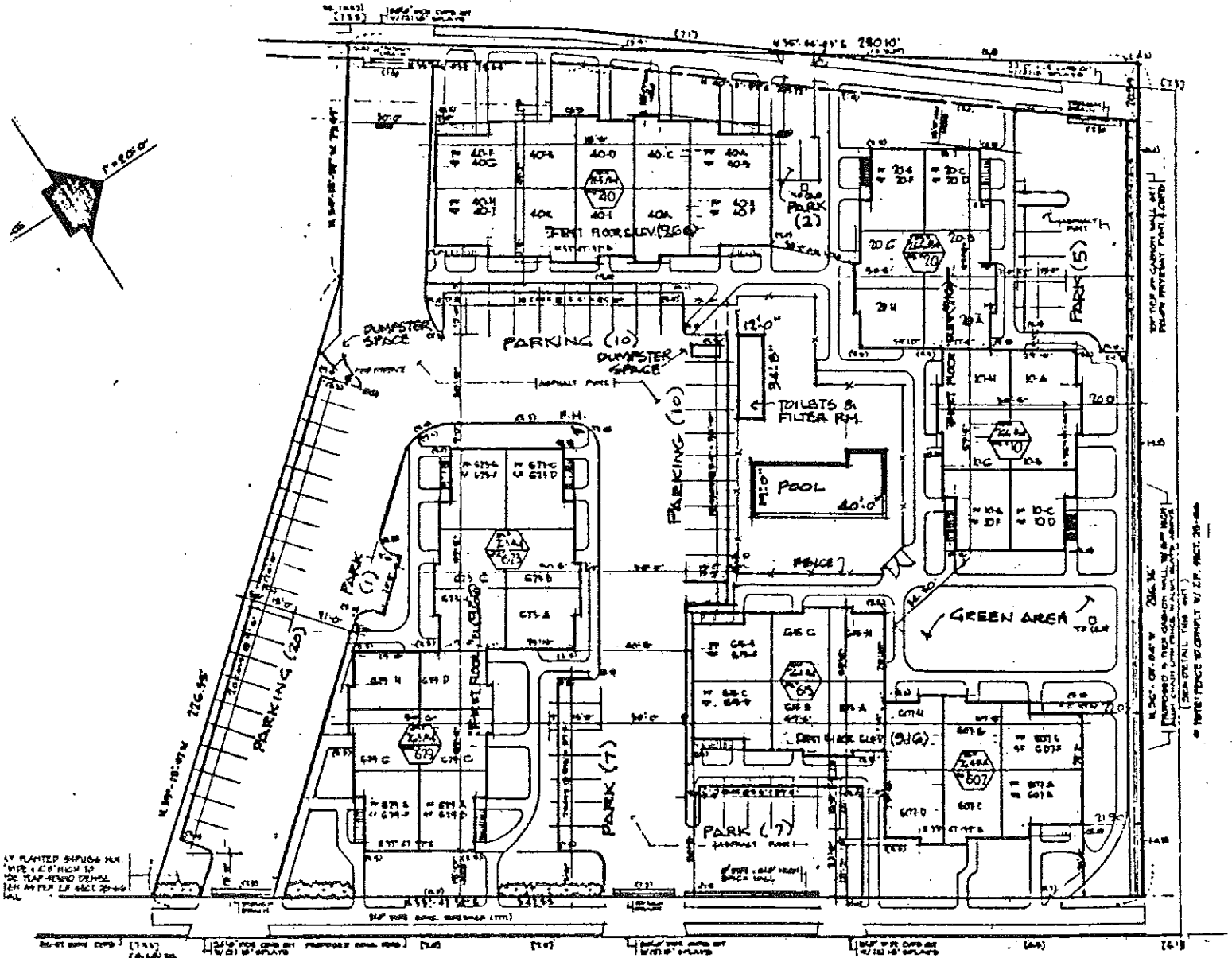
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
UNIT	NO. OF ROOMS/ BATHS	APPROX. SQUARE FEET	OFFERING PRICE	% INTEREST IN COMMON ELEMENTS	PROJECTED MONTHLY COMMON CHARGES	PROJECTED MONTHLY REAL ESTATE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGE
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Building 3							
Studios:							
10(C), (D) and (F); 20(D) and (F)	1/1	592	82,500		61.91	7.50	69.41
One BR:							
10(E) and 20(C) and (E)	2/1	592	82,500		61.91	7.50	69.41
Two BR:							
10(A), (B), (G), (H); 20(A), (B), (C) and (F)	4/1-1/2	996	115,000 (except 10(A) and 20(H) which are 116,000)		81.37	7.50	88.87
Building 4							
Studios:							
607(B) and (F); 615(D) and (F)	1/1	592	82,500		61.91	7.50	69.41
One BR:							
607(A) and (E) 615(C) and (E)	2/1	592	82,500		61.91	7.50	69.41
Two BR:							
607(C), (D), (G), (H); 615(A), (S), (T) and (H)	4/1-1/2	996	115,000 (except 607(G) and 615(H) which are 116,000)		81.37	7.50	88.87
TOTALS:							
		\$5,830,790	**	100%	\$53,065.00		

* All projected charges are for one year period estimated to begin October 1, 1985

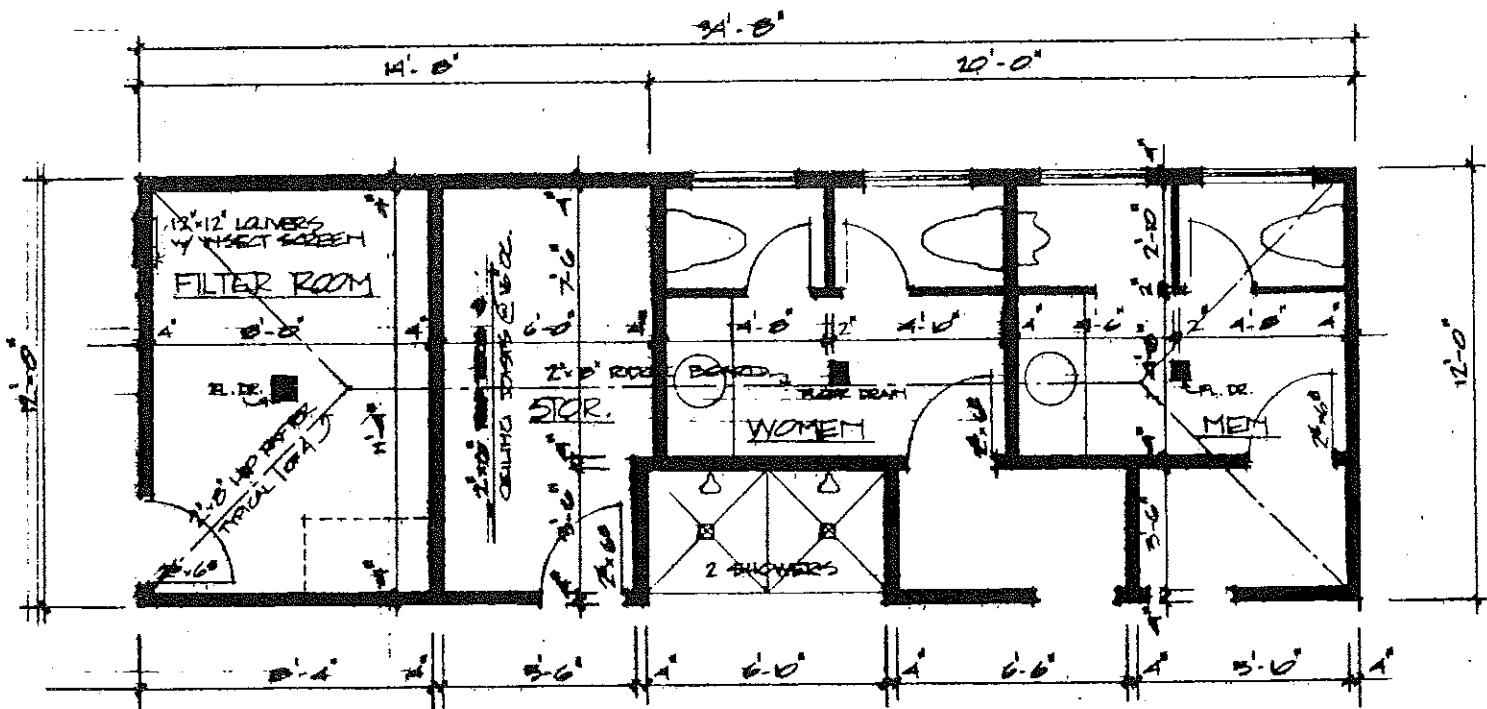
** Included Units previously sold at initial offering price.

EXHIBIT I-B

ALADOW PLACE



LACONIA AVG.



FIRST FLOOR PLAN

SCALE 1/4" = 1'-0"

POOL BUILDING

EXHIBIT I-C

RIGHT OF RESCISSION
OR
WAIVER OF RIGHT OF RESCISSION

Re: Meadowland Estates Condominium
Unit _____

I (we) hereby rescind my contract to purchase the above Unit in the Meadowland Estates Condominium. Please return my (our) deposit and furnish me (us) with the proper form for cancellation. I (we) understand that if I (we) do not exercise this right of rescission by _____, 19__, I (we) will be deemed to have waived any right of rescission.

I (we) hereby waive my (our) right to rescind my (our) contract to purchase the above Unit.

Date _____

Date _____

Reason above right of rescission is being offered:

Addition of swimming pool and its effect on common charges. See First Amendment to Offering Plan.

OFFERING PLAN
FOR
MEADOWLAND ESTATES CONDOMINIUM

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**OFFERING PLAN FOR
MEADOWLAND ESTATES CONDOMINIUM**

PART I

SPECIAL RISKS

So long as the Sponsor owns 10% or more of the Units, but in no event later than three (3) years after the date of recording of the Condominium Declaration, the Board of Managers of the Condominium may not, without the Sponsor's written consent, (i) except for necessary repairs, alterations, additions or improvements required by law, make any addition, alteration or improvement to the common elements or to any Unit owned by the Condominium, or (ii) assess any common charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of an amount equal to the proportion of the then existing budget which the amount of reserves in the initial budget of estimated expenses for the Condominium bears to the total amount of such initial budget of estimated expenses, or (iii) hire any employee in addition to the employees, if any, provided for in the initial budget of the Condominium, except as may be necessary to maintain the quantity or quality of services or maintenance, or (iv) enter into any maintenance or service contract for work not provided for in the initial budget of the Condominium, or (v) borrow money on behalf of the Condominium, or (vi) reduce the quantity or quality of services or maintenance of the Property. (See Section 10.05 Condominium Declaration in Part II of this Plan.)

The Sponsor has the exclusive right to elect a majority of the Condominium Board of Managers whenever it owns 25% or more of the Units or holds 25% or more of the aggregate percentage interests in the common elements at the time the election is held, until five years from the date of the first Unit closing. (See "Control By the Sponsor" on page 26 of this Plan.)

The Sponsor reserves the right to change the number and/or type(s) of Units to be offered. (See pages 1 and 2.)

The Condominium's proposed first year budget (see page 11) provides for professional management of the Condominium by a principal of the Sponsor. In the event that the Board of Managers wishes to hire an independent professional managing agent or management company at the termination of the initial management agreement, it is possible that each Unit Owner's monthly common charges will increase.

INTRODUCTION

The purpose of this Offering Plan is to set forth all of the terms of an offer for the sale of 62 residential units (the "Units") in a condominium known or to be known as Meadowland Estates Condominium. The 62 Units will be both one-story and two-story in design, located in four separate buildings. This Offering Plan may be amended from time to time by an amendment filed with the New York State Department of Law and distributed to purchasers and owners of Units.

The Condominium will be created pursuant to and will be subject to the provisions of Article 9-B of the Real Property Law (the New York Condominium Act). The Property will become a condominium upon the recording in the Richmond County Clerk's Office of the Condominium Declaration and By-Laws together with the filing of the floor plans of the buildings with the Richmond County Clerk.

Laconia Homes, Inc. (the "Sponsor" of this offering), is a New York corporation with its office at 87 Pouch Terrace, Staten Island, New York 10305. The Sponsor (or its sole shareholder) acquired the Property on which the condominium is or will be built on July 20, 1978.

Number of Units and Timetable for Completion

The Meadowland Estates Condominium will consist of 62 residential Units built in four buildings. The Sponsor has obtained a commitment for construction financing for the project. Construction has already commenced and the Sponsor anticipates that the first group of Units will be ready for occupancy by October, 1985. All construction will be completed by approximately September, 1985.

Parking Facilities

Each Unit Owner will have the exclusive right to use one outdoor parking space. There are no garages. Hence, there will be sufficient parking spaces on the entire site to accommodate 62 automobiles.

Pricing of Units

The prices for Units in the Condominium are found in Schedule A of this Plan. The prices are set by the Sponsor alone, and are not subject to review by the New York State Department of Law or any other government agency.

Changes in Number and/or Type(s) of Units

The Sponsor reserves the right to change the number and/or type(s) of Units to be offered at any time prior to the actual formation of the Condominium (i.e., the recording of the Declaration and the filing of the floor plans.) The Sponsor will, however, file an Amendment to this Plan prior to the first Unit closing if any such change occurs, disclosing the changes and

any resulting change in percentage interests and common charges. Any such change in the number and/or type(s) of Units which is undertaken subsequent to the actual Condominium formation could be undertaken by the Sponsor, provided that the requirements of Article 9-B of the Real Property Law (the New York Condominium Act) are satisfied.

Offering Plan, Schedules and Exhibits Constitute Entire Offer

This offering plan, including all Schedules thereto, and Parts A, B and C (if applicable) of the Exhibits constitute the entire offer of the Sponsor. Copies of the above documents will be available for inspection by prospective purchasers without charge at the office of the Sponsor, at the on-site office whenever it is open, and at the office of the Sponsor's attorneys.

FEATURES OF CONDOMINIUM OWNERSHIP

The ownership of a condominium unit is similar in many respects to the ownership of a private home. Each Owner of a Unit (the "Unit Owner") owns title to his Unit outright and is entitled to exclusive possession and use of it, except that the Condominium Board of Managers has a right of access for repairs and maintenance to the common elements of the Condominium. A Unit Owner may sell his Unit to anyone without restriction or limitation. Unit Owners are responsible for the maintenance, repair and overall appearance of their Units. Each Unit Owner is privileged to mortgage his Unit or not, as he sees fit, and in such amount as he chooses. Each Unit is separate and shall not be subject to mortgages on other Units. Each Unit Owner may also lease his or her Unit, as long as their common charges are current, the Owner delivers a copy of the lease to the Board of Managers and the lease term for the Unit is for at least six months.

Individual exterior stairways leading to second floor Units at the Condominium will constitute "limited common elements." This means that these areas of the Property are owned by all Unit Owners as tenants in common, but each such stairway is limited to the exclusive use of a certain Unit Owner (or the Owner's lessee). Repairs and maintenance of these stairways shall be the responsibility of the Condominium, unless caused by the negligence or willful act of a Unit Owner or his or her guest, licensee, invitee or tenant. Patios (if any) adjacent to a Unit, as well as walkways and steps leading to a Unit, will also constitute such "limited common elements."

Each Condominium Unit will be taxed as a separate tax lot for real estate purposes, just as a private home, and the Unit Owner will incur no tax liabilities if the Owners of other Units fail to pay their taxes. Under present income tax laws, if a Unit Owner itemizes deductions, he may deduct from his income, for income tax purposes, the real estate taxes and the interest paid on the mortgage(s) on his Unit. See opinion of Sponsor's counsel in Part II of this Offering Plan.

Each Unit Owner also owns, in common with the Owners of all other Units, an undivided interest in all parts of the Property other than the Units ("common elements"). The two-bedroom Units will be assigned a 1.84% interest in the common elements, the one-bedroom Units will be assigned a 1.4% interest in the common elements, and the studio Units will be assigned a 1.4% interest in the common elements, as allowed by said Real Property Law Section 339-j-1(iii) (so that the total of all percentage interest adds up to exactly 100%.) The specific percentage of each of the Units is also set forth in the Condominium Declaration, which is contained in Part II of this Plan, and is also set forth in Schedule A of this Plan. Each Unit Owner has the right of access, and the right to use and enjoy the common elements, except those portions of the common areas designated as limited common elements where, although owned in common by all Unit Owners, only the Unit Owner designated in the Condominium Declaration to use such space can have access, use and enjoyment.

Each Unit Owner will have the right to vote annually for the election of members of the Board of Managers who will supervise the Property and manage the affairs of the Condominium.

In accordance with Sections 339-j and 339-m of the New York Condominium Act, the Board of Managers of the Condominium will assess every Unit Owner in proportion to such Owner's interest in the common elements for the operating costs of the Property (all such expenses being hereinafter referred to as "common charges"). The cost of repairs, replacements and improvements of the common elements will be paid for by the Condominium's Board of Managers as a common expense, unless occasioned by the negligence or willful act of a Unit Owner or his or her guest, licensee, invitee or tenant. Repairs, replacements, improvements and decorations of the Units will be under the control and at the expense of the Unit Owner, subject to certain limitations described in Article VI of the Declaration (in Part II of this Offering Plan).

The Board of Managers of the Condominium is responsible for fire and casualty insurance covering the buildings as originally built for their full replacement value and for liability insurance on the common elements. The Sponsor suggests that Unit purchasers obtain the following coverages:

- a. Fire and Casualty Insurance - to cover (i) any replacement to the original construction of the Unit, upgrades in original construction purchased from the Sponsor, or any replacement or upgrading of equipment in the Unit which is of better quality, larger or more costly than original construction or standard equipment in the Unit as initially offered for sale; (ii) any fixtures installed or improvements made to the Unit by the Unit Owner which are not replacement of items in the Unit at the time the Unit was initially offered for sale; and (iii) the personal property of the Unit Owner; and
- b. Liability Insurance - to cover occurrences within the Unit or within any common elements restricted or limited in use to the Unit Owner.

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

DEFINITIONS

"Board of Managers" - those persons elected by the Unit Owners to administer the operation and maintenance of the Condominium Property. The By-Laws of the Condominium provide that the Board of Managers shall initially consist of three persons.

"Common charges" - the amounts assessed by the Condominium's Board of Managers to the Unit Owners for the "common expenses" (see definition below) of the Condominium. Pursuant to the Condominium Declaration, these charges are assessed on an annual basis and are payable on a monthly basis.

"Common elements" - all of the property comprising the Condominium except the Units, including:

- (i) all land within the boundaries of the Condominium property;
- (ii) the foundation, columns, girders, grade beams and supports;
- (iii) all exterior walls and perimeter walls (but not drywall) of Units and the roof;
- (iv) the outdoor parking areas, driveways, roadways, walkways, and open space or landscaped areas;
- (v) the exterior stairways, patios and mailboxes (if any);
- (vi) all utility or other pipes, wires, conduits and other material which are not part of the Units and not owned by public utility companies; and
- (vii) all other apparatus and installations on the Condominium property for common use of which may be necessary or convenient to the existence, maintenance or safety of the Property or normally in common use.

"Common expenses" - the expenses of operating the Condominium property including reserves for the repair or replacement of common elements which the Board of Managers of the Condominium may establish from time to time.

"Common interest" - the undivided proportionate interest of ownership appertaining to each Unit as set forth in the Condominium Declaration.

"Condominium" - all of the property comprising Meadowland Estates Condominium which is described in the Condominium Declaration set forth in Part II of this Offering Plan and which is subject to the condominium form of ownership pursuant to Article 9-B of the Real Property Law of the State of New York. The condominium form of ownership is a system of ownership of individual "units" in a multi-unit building or buildings. The practical application of the condominium form of ownership is that real property units or parcels have horizontal (top and bottom) as well as vertical (side) boundaries.

"Condominium Declaration" - the instrument recorded in the Richmond County Clerk's Office pursuant to which the property is subjected to the condominium form of ownership.

"Limited or restricted common elements" - those portions of the common elements which are, pursuant to the Condominium Declaration, restricted in use to specified Unit Owners. An example of limited or restricted common elements in this Condominium is the exterior stairway leading to an individual second-floor Unit.

"Unit" - a specific parcel in the Condominium designed for individual ownership and intended for specific use or uses, e.g. in this condominium, a residential apartment.

"Unit Owner" - the owner of a Unit in the Condominium. A Unit Owner may be one or more individuals, corporations, partnerships or trusts.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The land comprising the Meadowland Estates development is generally bounded on the north by Meadow Place, on the south by Laconia Avenue, on the east by Filbert Avenue and on the west by existing homes. Access to the buildings is from Laconia Avenue and Meadow Place, as well as private drives and parking areas located on the condominium property.

The Meadowland Estates Condominium will consist of one parcel of land occupying approximately 1.7 acres.

Residential Buildings, Units and Equipment

The two-bedroom Units will be two-story in design, while the one-bedroom and studio Units will each be situated on a single floor. The buildings will be of brick veneer and redwood vertical siding, over wood frame, with gable roofs. Each Unit will have an individual front entrance. There are no basements or garages. Utility meters will be located on the outer walls of the buildings. All meters will be owned and maintained by the utility companies. The furnace, hot water tank and air-conditioning units (if

any) which service only an individual Unit shall be deemed a part of the Unit served by such equipment and the maintenance, repair and replacement of such equipment shall be the responsibility of the Owner of such Unit. The heating system will be gas forced hot air.

There will be 30 two-bedroom Units consisting of a first floor living room, dining room, kitchen (with utility and storage room adjacent to kitchen), large utility and storage room, 1/2 bath, and a washroom adjacent to that bath. The second floor will consist of two bedrooms with walk-in closet in master bedroom and a full bath.

There will be 15 one-bedroom Units consisting of a living room, dining room, kitchen, full bath, walk-in closet, and utility room.

There will be 17 studio Units consisting of a full bath, utility room, walk-in closet, and a living room-dining room-kitchen combination.

Each one-bedroom and studio Unit will occupy approximately 592 square feet, while each two-bedroom Unit will occupy approximately 996 square feet. Each Unit will be equipped with a gas furnace, gas hot water tank, range hood, range, refrigerator, dishwasher and garbage disposal unit. Washers and dryers are not included.

Outdoor Parking

There will be 62 outdoor parking spaces on the Condominium Property. There are no garages.

Utilities

Water and sewer service will be supplied to the Property by the City of New York, telephone service will be supplied by the New York Telephone Company, gas service will be supplied by the Brooklyn Union Gas Co., and electricity will be supplied by Con Edison.

Property to be Improved in Accordance with All Applicable Laws

The improvements to the Property will be undertaken in accordance with all applicable zoning and building laws, regulations, codes and other requirements including the building code and zoning ordinance of the local municipality, the New York Real Property Law, Environmental Conservation Law, General Municipal Law, Public Health Law and the Regulations of the New York State Department of Environmental Conservation.

Access and Streets

Access to the Condominium Property is from Laconia Avenue and from Meadow Place, both of which are public streets. Access to the buildings from these streets will be via private roadways to be built by the Sponsor, which will be located on Condominium Property. Those private roadways will not be dedicated to the City of New York or other governmental agency, but rather will be owned and maintained by the Condominium.

LOCATION AND AREA INFORMATION

Location of the Property and Surrounding Facilities

The Property is located on Staten Island, two blocks from Hylan Boulevard. Public schools which service the area include P.S. 38, P.S. 52, Egbert Junior High School, New Dorp High School and McKee Vocational School. There are also a number of parochial and private schools in the area. St. John's University, Wagner College and Staten Island College are all located within 5 miles. The Sponsor makes no representation that anyone residing on the Property can be enrolled in any of such schools.

Staten Island Hospital is located at Seaview Avenue and Mason, approximately 1/2 mile from the Condominium. Houses of worship representing various denominations are within four (4) miles of the Property. A bus stop is located two blocks away at Jefferson and Hylan, and rapid transit is located approximately 1/4 mile from the Property. Shopping areas and recreational facilities are located within 1/2 mile.

Services

The area in which the Property is located is protected by the New York City Police Department (122nd Precinct) and the New York City Fire Department.

Water, sewer and trash pick-up service to the Condominium is or will be provided by New York City. Snow removal and road maintenance services will be provided by the Condominium and funded by the monthly common charges paid by the Unit Owners.

Zoning

The site of Meadowland Estates Condominium is zoned R3-2 (residential use, and accessory uses incidental thereto). Adjacent areas are similarly zoned and improved with residences.

Neither the Sponsor nor any of its principals owns or has an interest in any adjoining properties.

SCHEDULE A

MEADOWLAND ESTATES CONDOMINIUM
 SALES PRICES AND ESTIMATED MONTHLY CHARGES
 FOR THE FIRST YEAR OF OPERATION BASED ON OCCUPANCY OF ALL UNITS*
 (Letters in parentheses designate footnotes which follow Schedule A)

(1) UNIT (A)	(2) NO. OF ROOMS/ BATHS (B)	(3) APPROX. SQUARE FEET (C)	(4) OFFERING PRICE (D)	(5) % INTEREST IN COMMON ELEMENTS (E)	(6) PROJECTED MONTHLY COMMON CHARGES (F)	(7) PROJECTED MONTHLY REAL ESTATE TAXES (G)	(8) PROJECTED TOTAL MONTHLY CARRYING CHARGE (H)
Building 1							
Studios: 623(D) and (F); 629(B) and (F)	1/1	592	77,990	1.4	51.56	7.50	59.06
One BR: 623(C) and (E); 629(A) and (E)	2/1	592	77,990	1.4	51.56	7.50	59.06
Two BR: 623(A),(B),(G) and (H); 629(C),(D), (G) and (H)	4/1-1/2	996	94,900 except 623(a) and 629(H), which are 95,990	1.84	67.77	7.50	75.27
Building 2							
Studios: 40(B),(G), (J) and (P)	1/1	592	77,990	1.4	51.56	7.50	59.06
One BR: 40(A),(F) (H) and (N)	2/1	592	77,990	1.4	51.56	7.50	59.06
Two BR: 40(C),(D),(E) (K),(L) and (M)	4/1-1/2	996	94,990	1.84	67.77	7.50	75.27

* All projected charges are for one year period estimated to begin October 1, 1985.

SCHEDULE A (Continued)
 MEADOWLAND ESTATES CONDOMINIUM
 SALES PRICES AND ESTIMATED MONTHLY CHARGES
 FOR THE FIRST YEAR OF OPERATION BASED ON OCCUPANCY OF ALL UNITS*
 (Letters in parentheses designate footnotes which follow Schedule A)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
UNIT (A)	NO. OF ROOMS/ BATHS (B)	APPROX. SQUARE FEET (C)	OFFERING PRICE (D)	% INTEREST IN COMMON ELEMENTS (E)	PROJECTED MONTHLY COMMON CHARGES (F)	PROJECTED MONTHLY REAL ESTATE TAXES (G)	PROJECTED TOTAL MONTHLY CARRYING CHARGE (H)
building 3 studios: 0(C),(D) and (F); 10(D) and (F)	1/1	592	77,990	1.5	51.56	7.50	59.06
one BR: 0(E) and 20(C) and (E)	2/1	592	77,990	1.5	51.56	7.50	59.06
two BR: 0(A),(B),(G),(H); 0(A),(B),(G) and (H)	4/1-1/2	996	94,990 (except 10(A) and 20(H) which are 95,990)	1.84	67.77	7.50	75.27
building 4 studios: 07(B) and (F); 15(D) and (F)	1/1	592	77,990	1.5	51.56	7.50	59.06
one BR: 07(A) and (E) 15(C) and (E)	2/1	592	77,990	1.5	51.56	7.50	59.06
two BR: 07(C),(D),(G),(H); 15(A),(B),(G) and (H)	4/1-1/2	996	94,990 (except 607(D) and 615(H) which are 95,990)	1.84	67.77	7.50	75.27
OTALS:			\$5,351,380.00	100%	\$44,195.00		

All projected charges are for one year period estimated to begin October 1, 1985

**FOOTNOTES
SCHEDULE A**

- (A) See Site Plan at page 61 of this Offering Plan for the location of individual Units.
- (B) Units have the following rooms: studio: one large room which includes areas for the kitchen, living room, dining room and utilities; one bedroom: one bedroom and another large room with areas for the kitchen, living room, dining room and utilities; two bedroom: two bedrooms, a separate storage/utility room, and another large room with areas for the kitchen, living room and dining room. Each bath or half-bath is in addition to the number of rooms stated.
- (C) Square footage figures are approximate. Figures include net usable floor area within the Unit, including closets, hallways and bathroom(s).
- (D) Initial sales prices of Units. Prices of all Units or a class of Units may change by duly filed amendment to this Offering Plan. (See page 17 of this Offering Plan for a discussion of price changes.) Individual Unit prices negotiable. See page 22 of this Offering Plan for information regarding closing costs.
- (E) As permitted by Section 339-i-1(iii) of the New York Condominium Act, the percentage of interest of each Unit in the common elements is equal within each of the 2 unit classifications: studio/one-bedroom and two-bedroom.
- (F) Includes electricity for common elements and all other expenses as outlined in first year budget set forth as Schedule B of this Offering Plan. Does not include costs for which Unit Owner is responsible, such as repairs to the interior or doors of Units, and separately metered utilities (gas and electric).
- (G) Sponsor's estimate as based on a full tax abatement for two years, pursuant to Real Property Tax Law Section 421-b. Sponsor will apply for such abatement on purchaser's behalf (as described on page 45 of this Plan), but Sponsor makes no representation that the final assessment will be the same as the projected assessment set forth in this Plan.
- (H) Includes amounts in Columns (6) and (7). If purchaser obtains mortgage financing, debt service on such financing will be an additional monthly expense.

SCHEDULE B

Projected Budget For First Year of Operation

Beginning June 1, 1985 (estimated)

Income

Common Charges (1)	\$ 44,195.00
Interest Income (2)	55.00
TOTAL	<u>\$ 44,250.00</u>

Expenses

Salaries and Wages (3)	\$ -0-
Payroll Taxes and Benefits (4)	-0-
Heating (5)	-0-
Electricity (6)	1,740.00
Water and Sewer (7)	8,680.00
Contingency Fund for Repairs and Maintenance (8)	2,500.00
Management (9)	5,000.00
Office Expenses (10)	750.00
Insurance (11)	10,600.00
Legal Fees (12)	800.00
Accounting Fees (13)	800.00
Grounds Maintenance (14)	6,200.00
Snow Removal (15)	4,680.00
Reserves (16)	<u>2,500.00</u>
TOTAL	<u>\$ 44,250.00</u>

SCHEDULE B

FOOTNOTES

- (1) Based on initial monthly assessments for each Unit as set forth in Column (5) of Schedule A.
- (2) Sponsor's estimate of interest to be generated by bank savings and checking accounts. Assumes average reserves on hand for year of \$1,000.00 earning interest at 5 1/2% per annum. Funds in checking account will be nominal and no interest income is provided for herein.
- (3) The Condominium will not have any employees. All services will be performed by independent contractors. There is no applicable law which requires the Condominium to employ a specific number of persons or to employ persons to undertake specific tasks.
- (4) The Condominium will employ no one directly. Independent contractors will be responsible to fund the payroll taxes and any benefits for their employees.
- (5) There will be no common heating. Unit Owners pay the cost of heating their own Units (See Schedule B-1 on page 15.)
- (6) Based upon written estimate of cost of electricity for 12 exterior 250 watt mercury vapor street lights, as provided by Con Edison. These lights will be unmetered and billed monthly at the rate of \$145.00 per light.
- (7) Annual water and sewer charges, based upon building frontage and other factors as set forth in the water rent rules and regulations issued by the City of New York.
- (8) Contingency fund for unexpected supplies, repairs and maintenance to the common elements, as estimated by Sponsor's budget consultant.
- (9) Approximately \$5.00 per Unit per month pursuant to a Management Agreement to be entered into with Savina Savo, a principal of the Sponsor. This amount is approximately equal to the prevailing cost for such service.
- (10) Based upon experience of the Sponsor's budget consultant. This covers paper, photocopying, bank service charges, telephone and postage charges.

(FOOTNOTES - Continued)

- (11) Based upon written estimate furnished to Sponsor by I.C.S. Agency, Inc. Details of insurance required to be obtained and maintained by the Board of Managers, to the extent reasonably obtainable and to the extent which the Board of Managers determines to be relevant or necessary, are set forth in Part I of this Plan and in Article VIII of the Condominium By-Laws which are included in Part II of this plan. Fire and casualty insurance will be in effect on or before the date of the first Unit closing, the premium for which will be paid from the condominium working capital account (see page 46 of this Plan). In the event that such account does not have sufficient funds to pay the premium, the Sponsor will advance the necessary funds, for which it will be reimbursed as provided on page 46 of this Plan. The fire and casualty insurance covers Units at a total full replacement value of \$4,255,000.00. Liability insurance covering the common areas is for a combined limit of \$500,000.00. Officers' and Directors' liability covers the officers and directors of the Condominium for losses from "wrongful acts" in the amount of \$500,000.00. There is also "umbrella" liability coverage in the amount of \$1,000,000.00. The Sponsor has not provided for a fidelity bond or workers compensation coverage, although these are available. Each Unit Owner will be an additional insured as to the fire, casualty and general liability coverages. There will be no cancellation without notice to the Board of Managers and Unit Owners. Subrogation will be waived, as will be pro-rata reduction in the event that Unit Owners obtain additional coverage. Unit purchasers are advised that the Board of Managers is not required to obtain coverage for the following: (a) fire and casualty coverage for (i) any replacement to the original construction of the Unit or any replacement or upgrading of equipment which is of better quality, larger or more costly than original construction or standard equipment in the Unit as initially offered for sale, (ii) any fixtures installed or improvements made to the Unit by the Unit Owner which are not replacement of items in the Unit at the time the Unit was initially offered for sale; and (iii) the personal property of the Unit Owner; (b) liability coverage for occurrences within the Unit or within any common element exclusive in use to such owner's Unit; (c) coverage for living expenses in the event the Unit cannot be occupied because of a fire or other casualty and (d) water damage coverage.
- (12) Cost of services of legal counsel who may interpret legal documents for the Condominium or enforcement of restrictions or rules as based upon the experience of the Sponsor's special counsel, Albrecht, Maguire, Heffern & Gregg, P.C. (Buffalo, New York). Extraordinary legal expenses, such as litigation or amendment of legal documents, will cause this figure to increase.
- (13) Cost of performing an annual review of accounting records of the Condominium, as well as preparation of tax returns, based upon written estimate received from Jerry Giovinazzo, Certified Public Accountant.

(FOOTNOTES - Continued)

- (14) Includes regular mowing, trimming and fertilizing of grass areas, as well as general clean-up twice per year. Figure is based upon written estimate received from Vincent Mignone, contractor.
- (15) Includes plowing of condominium driveways and parking areas, as well as shoveling the common walkways, four times per year. Figure is based upon written estimate received from Vincent Mignone, contractor.
- (16) Based upon estimate of Sponsor's budget consultant for future capital expenditures for pavement repairs, roof repairs, repainting and other capital items. This amount, if collected on a yearly basis, should be adequate to fund any such repairs during the first five years of condominium operations. The Sponsor gives no assurance as to the adequacy of this amount, however.

SCHEDULE B-1

PROJECTED BUDGET FOR INDIVIDUAL ENERGY COSTS

(Numbers in parentheses refer to footnotes at bottom of this page.)

	<u>Heat (1)</u>	<u>Hot Water, Cooking, Drying (3)</u>	<u>Electric (4)</u>
Studio Units	\$ 300.00 per season (2)	\$ 350 per year	\$ 675 per year
One Bedroom Units	\$ 325.00 per season (2)	\$ 350 per year	\$ 675 per year
Two Bedroom Units	\$ 350.00 per season (2)	\$ 350 per year	\$ 765 per year

- (1) The estimate of the annual cost of heating is based upon a written estimate received from Brooklyn Union Gas. In view of the fact that the Units will be occupied by persons of varying needs, perhaps occupying Units at different times, with different standards of comfort, with families of different sizes, who may be absent on vacation or elsewhere during a portion of the year, the amount of energy used by the Units occupants may vary substantially from average estimates herein provided. In addition, the effect of inflation, fuel shortages, government imposed taxes and regulations, the removal of price controls and other factors may raise costs substantially above those set forth herein.
- (2) Based upon estimate of 4,900 degree days, and thermostat settings of 70 degrees for 16 hours per day and 60 degrees for 8 hours per day.
- (3) Based upon an estimate received from Brooklyn Union Gas, assuming occupancy by a family of between 2 and 5. This utility company estimates a possible range of between \$250 per year and \$450 per year.
- (4) Based on an estimate received from Con Edison for annual cost of basic electric usage (lighting). This assumes 4,600 kilowatt hours for two bedroom Units and 4,000 kilowatt hours for one-bedroom and studio Units. Actual consumption could vary widely from estimated consumption depending upon individual use of appliances and use of an air conditioning system.

MORTGAGE FINANCING PROCURED BY SPONSOR

The Sponsor has obtained a commitment from Citibank, N.A., 6300 8th Avenue, Brooklyn, New York 11220 to provide permanent end loan mortgages to qualified Unit purchasers, up to an aggregate amount of \$4,500,000.00. The types of mortgage loans to be offered have not yet been determined by the bank, but they will be limited to those types of mortgage loans generally made available by the bank in the Staten Island area at the time each application is made. The other terms and conditions of such loans, as communicated by the bank to the Sponsor, are as follows:

Eligible Borrowers: The bank will generally make such loans only to individual purchasers who intend to occupy the Unit as their primary residence. It may, however, also grant loans to investor-purchasers, to a maximum of one such Unit per purchaser, and an overall maximum of 10% of the Units in the project and 10% of the total funds lent. No Unit may be subject to an existing tenancy at the time of closing.

Amount and Term: The maximum amount of each mortgage loan will be determined by the current loan-to-value ratio policy of the bank, which may change from time to time. Higher loan-to-value ratios may be considered by the bank for those borrowers whose loans are privately insured or self-insured by Citibank. The term of each mortgage loan will be determined by the bank's policy at the time of commitment.

Interest Rate: The interest rate will be determined by the bank at the time of each individual commitment.

Tax Escrow: Each borrower will be required to establish and maintain an escrow account for payment of real estate taxes, to be funded through the regular monthly mortgage payments.

Late Charges: Late charges may be assessed by the bank if any installment is delinquent.

Secondary Financing: No secondary financing will be allowed for the acquisition of the Unit.

Prepayment: The bank has not stated whether or not such loans may be prepaid at any time without penalty, and its policy in this regard will be set forth in each individual commitment.

Insurance: Hazard and extended coverage insurance, in amounts and in form satisfactory by the bank, will be required and will be obtained by the Board of Managers.

Expiration: The Sponsor's bulk mortgage commitment will expire upon the earlier of: (a) three years from September 30, 1984, or (b) two years from the date of the acceptance of this Plan for filing by the New York State Department of Law. Individual mortgage commitments will expire 90 days from the date of issuance, unless extended by the bank, in its sole discretion.

Additional Costs: Unit purchasers will also be required to pay origination fees, lender's attorneys' fees, private mortgage insurance premium (if applicable), mortgage tax, lender's title insurance premium, recording fees, application fee, credit report fee and inspection fee. The exact amount of each of these items cannot be determined at this time and will be disclosed by the bank at the time of application, commitment or closing.

Due on Sale: Such mortgages will provide that the entire outstanding balance may be declared due and payable in full upon the sale or transfer of the Unit.

Events of Default: The mortgage documents will provide numerous events of default, with varying grace periods. Examples of such events of default include nonpayment of any installment, nonpayment of taxes, nonpayment of insurance premiums, and the filing for bankruptcy by the mortgagor.

The Sponsor's bulk commitment for the end loans described above is also contingent upon satisfactory performance of a number of items by the Sponsor, including the following: (1) delivery of a master appraisal of the project, with periodic updates; (2) a satisfactory feasibility study for the project; (3) issuance of temporary and permanent certificates of occupancy; (4) acceptance of this Offering Plan for filing by the New York State Department of Law; (5) valid and lawful formation of the condominium; (6) completion of the common areas; (7) approval of plans and specifications of the buildings; (8) tax abatements must be obtained pursuant to Real Property Tax Law Section 421-a (see page 45 of this Plan); (9) presale of at least 25% of the Units in the project to bona fide purchasers unrelated to the Sponsor, with no unsatisfied contingencies and earnest money deposits equal to at least 10% of the purchase price; and (10) payment of numerous items, including the bank's legal fees in connection with the bulk commitment, blanket commitment fee, and all expenses relating to unsold Units.

CHANGES IN PRICES AND UNITS

The offering prices of all or of a class of Units as set forth in Schedule A may only be increased or decreased by a duly filed amendment to this Offering Plan. Any prices which are to be advertised may only be changed by duly filed amendment to this Offering Plan. The Sponsor, however, may otherwise enter into agreement(s) with purchasers to sell one or more Units at prices different from those set forth in Schedule A, as prices are negotiable.

No changes will be made in the size or number of Units, their respective percentage of common interest or in the amount or quality of common elements except by amendment to the Plan and to the Declaration with the consent of all Unit Owners directly affected if the Declaration was filed prior to such change.

After a purchase agreement has been executed and delivered to Sponsor for a particular Unit and the purchaser is not in default, no change will be made in Unit size, layout, percentage of common interest or in the amount or quality of common elements directly affecting or servicing the Unit unless the purchaser consents.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute five copies of a purchase agreement in the form set forth in Part II of this Plan and return it to the office of the Sponsor together with a check for a downpayment in the amount of 10% of the purchase price (plus any amount required by the Sponsor for "extras") drawn to the order of "Meadowland Estates Escrow Account." Purchasers shall have not less than three (3) days prior to execution of a purchase agreement to review the offering plan and all filed amendments to date. The Sponsor will have 20 days after receipt to accept the purchase agreement and return a fully executed copy to the purchaser or reject the agreement and refund the deposit tendered by the purchaser.

Trust Funds. Within five business days after receipt, the Sponsor will deposit the purchaser's initial deposit in an interest-bearing escrow account in Citibank, N.A., 1492 Hylan Boulevard, Staten Island, New York 10305. The trust account shall remain in effect until (i) the performance of the Sponsor's obligations under the purchase agreement, or (ii) a default of the purchaser excusing the Sponsor's performance (subject to the limitation as provided below), or (iii) the release or discharge of the Sponsor's liability by a refund to the purchaser, or (iv) upon transfer of title to the Unit to the purchaser. Until such time any deposit in escrow shall remain the property of the Unit purchaser. Any interest thereon will belong to the Seller.

Because both the Sponsor and the Sponsor's attorney agree to comply with the escrow and trust provisions of Sections 352-e(2)(b) and 352-h of the New York General Business Law, no deposits will be released to the Sponsor except (i) at closing, (ii) if purchaser rescinds or defaults (subject to the limitation as provided below), or (iii) if sufficient assurance exists to cover the costs of all incompleting work as described in subparagraph 4 of the section of this Plan entitled "Rights and Obligations of the Sponsor," or (iv) by mutual written consent of the Sponsor and the purchaser. Sponsor and Sponsor's attorneys, Lahr, Dillon, Manzulli, Kelley & Penett, P.C., must sign for the release of funds.

Liquidated Damages in Event of Purchaser's Default. If a purchaser defaults in the performance of the purchaser's obligations under the purchase agreement, the Sponsor shall be entitled to cancel the purchase agreement and to retain from the purchaser's deposits and further recover as liquidated damages (i) up to 10% of the offering price of the Unit and (ii) the actual costs incurred by the Sponsor for any "extras", changes or modifications to the Unit which were contracted for or requested by the purchaser.

Notice to Close. The Sponsor will give the purchaser at least fifteen (15) days' prior written notice to close. Such notice will advise the purchaser of the status of payment of common charges on the Unit and when the purchaser's first payment of common charges will be due and payable. Any balance owing on the purchase price of the Unit shall be payable at the time of closing.

Risk of Loss. If a Unit is damaged or destroyed by fire or other casualty, the risk of such a loss remains with the Sponsor unless and until either the Purchaser takes actual possession of the Unit pursuant to a written agreement with Sponsor, or legal title to the Unit has been conveyed to the Purchaser.

Financing Contingency. Unless the purchaser is a "cash" buyer, the purchaser's obligations to consummate the purchase shall be contingent on the purchaser obtaining mortgage financing on equal or better terms than as provided in the purchase agreement. Purchasers must, within five (5) days after the contract date or notification by Sponsor, furnish, deliver and/or execute all instruments, whether application, affidavit, statement or any other instruments in connection with the Purchasers' application for such loan, as required by the lending institution and/or the Sponsor and to render promptly a truthful and accurate statement of them, and if the mortgage application is approved, to execute at title closing all papers, statements or instruments which may be necessary to consummate the mortgage loan transaction. Failure to comply shall be deemed a material breach of the contract. If, after compliance with the foregoing by the Purchasers, they are not approved by a lending institution designated by Sponsor within 90 days after execution of the purchase agreement, then the agreement shall be deemed cancelled and the monies paid by the Purchasers shall be refunded to the Purchasers and the parties shall be released from any liability to each other; provided, however, that the Sponsor reserves the right for a period of thirty days thereafter to designate another lending institution or to grant the mortgage loan itself on the same terms and conditions. Purchaser must notify Sponsor in writing within ten (10) days of his or her inability to obtain financing. In the event said mortgage shall be approved in a reduced amount, the Purchasers must accept said mortgage commitment if it is reduced by not more than \$2,000.00. In the event of such reduction of the mortgage, the amount to be paid at title closing shall be correspondingly increased.

Provisions of Offering Plan Control. Any conflict between the terms, provisions and conditions of this Offering Plan and those of the Purchase Agreement will be resolved in favor of the Plan.

EFFECTIVE DATE OF PLAN

The Sponsor's offer to sell the Units is contingent on this Offering Plan being declared effective and the compliance with the relevant conditions and time periods described in this section of the Plan.

The Declaration and By-Laws will not be recorded and the closing of title to Units will not take place unless and until the Plan has been declared effective.

The Sponsor will not declare the Plan effective until purchase agreements have been signed for at least 15% of the Units (i.e., 10 Unit sales). When this quota has been achieved, the Plan will be declared effective at the Sponsor's option, but the Sponsor must declare the Plan effective upon the sale of 80% of the total Units offered under this Plan (i.e., upon the sale of 50 Units). This Plan may be abandoned by the Sponsor at any time prior to being declared effective or before 80% of the total Units in the condominium to be formed have been sold. The Sponsor will not abandon this Plan after it is declared effective, however, unless unforeseen circumstances render it impossible or financially unwise to proceed with the offering. If the Plan is abandoned, all purchasers will be promptly notified and all monies paid by them under their respective purchase agreements will be promptly returned to them within 15 days. If the Plan is abandoned, the Sponsor shall promptly submit an amendment to the Department of Law confirming such abandonment or file a notice of such abandonment on Department of Law form RS-3 or such other form as the Department of Law may require, explaining the reason for such abandonment and the disposition of all funds received.

This Plan may be declared effective by an amendment duly filed with the Department of Law or by notice to all purchasers followed, within three (3) business days thereafter, by the submission of an amendment to the Department of Law together with an affidavit of service of such notice on all purchasers who shall be identified by name, address, Unit purchased, purchase price exclusive of extras and total purchase price. If requested, Sponsor shall submit to the New York State Department of Law copies of all purchase agreements (and any amendments or modifications to such agreements) within five (5) business days after the request is made. In no event will title close to any Unit until such amendment to this Plan is accepted for filing.

CLOSING OF TITLE TO UNITS

The term "closing" refers to the procedure by which title to a Unit is actually conveyed by the Sponsor to a Purchaser. It involves the simultaneous delivery of: (1) a signed deed from Sponsor to Purchaser; and (2) the purchase money from the purchaser to the Sponsor. Also involved is the recording of the deed and mortgage, if any.

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

1. Issuance of a partial, temporary or permanent certificate of occupancy for the Unit or for the building in which the Unit is located.
2. Compliance by the Sponsor with all terms of any mortgage financing offered or procured by the Sponsor.
3. The appropriate recording or filing of the Condominium Declaration, By-Laws, floor plans and engineer's or architect's and tax authority certifications required by Section 339-p of the New York Real Property Law and such other documents as may be required by law.

4. Discharge or partial release duly recorded of all liens affecting the Unit to be closed and its undivided common interest as required by Section 339-r of the New York Real Property Law.

5. The Sponsor has given each purchaser at least fifteen (15) days prior written notice of the date on which title to such purchaser's Unit will close, and the opportunity to inspect the Unit and other property subject to the Declaration.

6. The Plan has been amended to disclose that it has been declared effective and to confirm that any Units to be closed have been constructed in accordance with any applicable plans and specifications and that the Sponsor has complied with, or will concurrently with closing comply with, the requirements of subparagraphs 1 through 9 of this section of the Plan entitled "Closing of Title to the Units."

7. The Sponsor has delivered a deed in the form required by the purchase agreement.

8. The Sponsor has assigned to the purchaser all assignable manufacturer's warranties with respect to equipment and appliances installed in the Unit and has assigned to the Board of Managers all assignable manufacturer's warranties with respect to equipment and appliances installed in the common elements.

9. All mortgages on the Property prior to the recording of the Declaration are subordinated to the lien of the Condominium Declaration.

10. The purchaser shall execute an instrument in the form annexed to the purchase agreement designating the Board of Managers as the Purchaser's attorney in fact, coupled with an interest for the purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Units acquired by the Board of Managers in accordance with any of the provisions of the Condominium By-Laws.

11. If so requested by the purchaser, the issuance to the purchaser (at the purchaser's expense) of a binder for title insurance from Security Title and Guarantee Company or other licensed title insurance company insuring (i) that such purchaser has good and insurable fee title to his Unit, free and clear of all liens and encumbrances except those set forth in this Plan or in the Purchase Agreement, and subject to the provisions of the Declaration and By-Laws of the Condominium and any mortgage executed or assumed by the purchaser and (ii) that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law.

CLOSING COSTS AND ADJUSTMENTS

Sponsor's Costs. Prior to the first closing or in conjunction with individual Unit closings, the Sponsor will pay for the following: (1) obtaining and recording any release of the Unit and its appurtenant interest in the common elements from the lien of any mortgage not assumed by the Unit purchaser; (2) obtaining and recording a subordination to the Condominium Declaration of any mortgage affecting any portion of the Condominium Property; (3) continuing the master title search of the Condominium Property to the date of closing; and (4) preparation of the deed to the Unit purchaser.

Purchaser's Costs. Each individual purchaser shall be responsible for the cost of the following: (1) recording the deed to the purchaser (approx. \$17.00); (2) recording of any mortgage obtained by purchaser (approx. \$50.00); (3) mortgage tax on any mortgage obtained by purchaser (1/2 of 1% of the mortgage amount up to \$10,000.00 and 3/4 of 1% of the mortgage amount over \$10,000.00); (4) attorneys' fees of any lender granting purchaser a mortgage; (5) judgment search required by any lender granting purchaser's mortgage (\$20.00 for each individual purchaser); (6) reimbursement to Sponsor for any mortgage tax credit on purchaser's mortgage granted pursuant to Section 339-ee(2) of the New York Condominium Act (the amount between the mortgage tax as if no credit was applied as per (3) above less the amount of mortgage tax actually paid on purchaser's mortgage); (7) any "points," "origination fees" or appraisal fees charged by purchaser's mortgage lender (the amount of such fees varies from lender to lender); (8) the cost of title insurance required by purchaser's mortgage lender (\$147.73 up to \$5,000.00 plus \$4.84 per \$1,000.00 of the mortgage amount from \$5,000.00 up to \$50,000.00 and \$3.95 per \$1,000.00 of the mortgage amount over \$50,000.00 up to \$100,000.00, and \$3.17 per \$1,000.00 of the mortgage amount over \$100,000.00) and the cost of "fee" or owner's title insurance, if desired by purchaser (\$177.28, up to \$5,000.00 plus \$4.84 per \$1,000.00 of the purchase price up to \$50,000.00 multiplied by 1.20 and \$3.95 per \$1,000.00 of the purchase price above \$50,000.00 multiplied by 1.20; if "fee" title insurance as well as mortgagee or lender's title insurance is obtained, a "simultaneous" or reduced rate is available); (9) the recording of the power of attorney to be granted by the purchaser to the Condominium Board of Managers (approx. \$9.00); (10) payment to the Condominium or reimbursement to Sponsor of Sponsor's initial capital contribution advances on behalf of the purchaser to the Condominium (\$200.00) (11) the fee of purchaser's attorney, if any (the amount of such fee shall be as agreed upon between purchaser and purchaser's attorney); (12) deed stamps (\$2.00 for each \$500.00 or portion thereof of the purchase price, less the amount of any mortgage assumed by the Purchaser); and (13) reimbursement to Sponsor of Sponsor's cost to obtain a tax abatement for the Unit.

The title insurance quotes given above are based upon current rates approved by the State Board of Title Underwriters and are subject to change.

The purchaser is not required to pay any portion of the fee of sponsor's attorney.

A purchaser who elects financing may be required to make an escrow deposit for real estate taxes or other expenses, as required by the lender.

Adjustments at Closing for Taxes and Common Charges. Real estate taxes for each Unit for the tax year in which title closes and the Condominium common charges for each Unit for the month in which title closes will be apportioned between the Sponsor and the purchaser as of the date of closing of title. In the event that a Unit has not been separately assessed on the closing date for the then current tax fiscal year, the Sponsor will place in escrow an amount equal to the unpaid real estate taxes which are projected to be levied against the entire Condominium property for the six-month period following the first closing or until the Units are separately assessed, whichever period is shorter. The Sponsor will pay the real estate taxes from the escrow account when they are due and payable and shall be entitled to reimbursement from the Unit purchaser for any taxes paid on the Unit owned by such purchaser applicable to the period of such purchaser's ownership.

RIGHTS AND OBLIGATIONS OF SPONSOR

1. Construction financing for the project has been firmly committed by Crestmont Federal Savings & Loan Association. Hence, the procurement of such financing is not a condition of the Sponsor's construction and completion of the project at this time.

2. The Sponsor will build and complete the construction of the Condominium in accordance with the description of the Condominium Property as set forth in Part II of this Offering Plan. The Sponsor reserves the right to substitute equipment or materials and to make modifications of layout or design; provided, however, that the Sponsor may not (i) substitute equipment or materials of lesser quality or design; or (ii) change the size or location of buildings, Units other improvements or common elements if such changes affect the percentage of common interests or adversely affect the value of any Unit to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected Unit Owners consent in writing to such change and all affected contract purchasers are given the right to rescind and receive any deposit or downpayment.

3. Except as provided in paragraph 4 below, the Sponsor must obtain a permanent certificate of occupancy for the Condominium Property or, alternatively, obtain a temporary, partial or conditional certificate of occupancy for the Unit or the building in which any Unit to be closed is located. The Sponsor and the principals of the Sponsor will obtain a permanent certificate of occupancy for the Condominium Property or for each building on the Condominium Property not later than one year after the issuance of the temporary, partial or conditional certificate of occupancy. The date or dates of the permanent certificates shall not be later than the expiration date of any partial, temporary or conditional certificate of occupancy or of any extension of any partial, temporary or conditional certificate of occupancy for such Property or building.

4. The Sponsor will retain all purchasers' deposits in a special escrow account as required by Sections 352-e(2)(b) and 352-h of the New York General Business Law unless (i) the Sponsor's engineer or architect certifies that the amount needed to complete the work necessary to obtain a permanent certificate of occupancy is less than the amount of the purchasers' deposits held in escrow, in which case the sum exceeding the amount so certified by the Sponsor's engineer or architect may be released from the escrow account, or (ii) the Sponsor posts a surety bond at least in the amount certified by the Sponsor's engineer or architect as the cost to complete the work necessary to obtain a permanent certificate of occupancy or (iii) the entire amount held in escrow may be released if the Sponsor deposits with an escrow agent an unconditional, irrevocable letter of credit or posts a bond, the election to use such irrevocable letter of credit or to post such bond to be disclosed by a duly filed amendment to this Offering Plan.

5. The Sponsor provides a limited warranty covering defects in materials and workmanship in each Unit and in the common elements, the full terms of which are set forth in the Purchase Agreement beginning on page 65 of this Plan.

6. The Sponsor will pay for all authorized and proper work involved in the construction and establishment and sale of the Condominium Property and will cause all mechanics' liens with respect to such construction to be promptly discharged or bonded.

7. The Sponsor has no obligation to defend any suit or other proceeding or to indemnify the Board of Managers or Unit Owners because of any act or omission of the Sponsor, except that during the course of construction, to the fullest extent permitted by law, the Sponsor shall indemnify and hold the purchaser harmless from and against all claims, damages, losses and expenses arising out of or resulting from Sponsor's construction, and occurring during the course thereof, provided that such claim, damage, loss or expense (i) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the construction itself), and (ii) is caused in whole or in part by negligent act or omission of the Sponsor, any subcontractor of Sponsor, anyone directly or indirectly employed by Sponsor or any subcontractor of Sponsor or anyone for whose acts Sponsor or Sponsor's subcontractors may be liable. This indemnification obligation shall not be limited or precluded by any workers' compensation act, disability acts or other employee benefit acts.

8. The Sponsor will furnish to the Board of Managers a set of "as built" plans and specifications promptly upon the completion of construction or the transfer of title to the first Unit, whichever last occurs. Pursuant to Section 339-p of the New York Condominium Act, the Sponsor will have filed with the Declaration or as an amendment to the Declaration a verified statement by a licensed engineer or architect that the filed plans fully and fairly depict the Units as built.

9. With respect to unsold Units which it owns, the Sponsor will pay all Condominium common charges and special assessments.

10. The Sponsor will initially procure a fire and casualty insurance policy covering the condominium, including common elements, in an amount sufficient to avoid co-insurance. This coverage will be in effect on or before the date of the first Unit closing, and the premium will be either advanced by the Sponsor (and later reimbursed) or paid from the condominium's working capital fund.

11. Copies of this Plan and all exhibits or documents referred to herein shall be available for inspection by prospective purchasers and by all persons who shall have purchased Units offered by this Plan or who shall have participated in the offering of such Units at the on-site office of the Sponsor when open, and at the office of Sponsor's attorneys, Lahr, Dillon, Manzulli, Kelley & Penett, P.C., and shall remain available for such inspection for a period of six years.

12. Pursuant to Section 7.03 of the Condominium Declaration (see Part II of this Plan) the Sponsor has a right with respect to the Condominium Property until the completion of the construction, marketing and sale of all units in the development, to (i) grant and reserve easements and rights of way for the installation, maintenance, repair, replacement and inspection of utility lines, wires, pipes and conduits, (ii) connect with and make use of utility lines, wires, pipes, conduits and related facilities; (iii) use the Condominium Property for ingress and egress to complete construction, (iv) use any Unit to which title has not been transferred or any Unit which the Sponsor has permission to use from the Unit Owner, as a sales or rental center and to have prospective purchasers or renters of Units visit such sales or rental center and use the outdoor parking spaces, and (v) grant to itself or to others such easements and rights of way as may be reasonably needed for the orderly development of Meadowland Estates Condominium. With respect to such rights, the Sponsor agrees to repair, within a reasonable time after the completion of development of the entire condominium or the termination of such rights, whichever first occurs, any damage resulting and also to hold the Condominium harmless from all resulting liabilities.

13. The Sponsor may lease any sold Unit to the contract purchaser thereof and may lease any unsold Unit, before and after the filing of the Condominium Declaration.

14. The only obligations of the Sponsor which shall survive delivery of deeds to the Unit purchasers are the following:

- (a) the obligation to obtain the permanent certificate of occupancy as set forth in paragraph 4 above;
- (b) the limited warranty as to defects in materials and workmanship as set forth in paragraph 5 above;
- (c) the obligation to pay for all work and to discharge or bond all mechanics' liens as set forth in paragraph 6 above;
- (d) the indemnity obligations as set forth in paragraph 7 above;
- (e) the obligation for repairs and indemnification as set forth in paragraph 12 above;

- (f) the obligation to pay common charges and assessments as set forth in paragraph 9 above; and
- (g) the obligation to pay taxes for which monies were placed in escrow by the Sponsor because Units were not separately assessed prior to closing and which obligation is set forth in this Offering Plan in the section entitled "Closing Costs and Adjustments".

No bond or other security has been furnished by the Sponsor to secure performance of the Sponsor's obligations as set forth in this section of the Offering Plan or to complete the construction of the Condominium Property.

15. At the time of closing, the Sponsor will deliver to Unit purchasers the warranties described in subparagraph 8 of the Plan section entitled "Closing of Title to Units".

CONTROL BY THE SPONSOR

Under the By-Laws of the Condominium its affairs will be managed by a Board of Managers. Until the first meeting of Unit Owners, the Board will consist of three (3) members designated by the Sponsor except that within 30 days after the initial transfer of title to sixteen (16) Units or one (1) year from the date of recording of the Condominium Declaration, whichever first occurs, a fourth board member shall be elected by Unit Owners other than the Sponsor. (See Condominium By-Laws Section 3.01). Within 30 days after the transfer of title to thirty-one (31) of the Units or two (2) years from the date of recording of the Condominium Declaration, whichever first occurs, a fifth board member shall be elected by Unit Owners other than the Sponsor. When the Sponsor no longer holds title to 25% or more of the Units or common elements, or five (5) years from the date of the first Unit closing if sooner, the Sponsor shall notify all Unit Owners that the first annual meeting of Unit Owners shall be held within 30 days thereafter. At such meeting, subject to the right of the Sponsor to elect or appoint members(s) of the Board of Managers as provided below, a new five (5) member Board of Managers shall be elected. (See Condominium By-Laws Section 2.04).

Other than persons elected or designated by the Sponsor, who shall serve for one year terms, the term of office of the members of the Board of Managers shall normally be two years or until their successors are elected, except that the term of office of two (2) of the five (5) members elected at the first meeting of Unit Owners shall be fixed at one year or until his or her successor is elected. At the expiration of the initial term of office of each member of the Board of Managers, his or her successor shall be elected to serve for a term of two (2) years. As a result, the terms of either two or three members of the Board of Managers will expire each year or when their successors are elected. (See Condominium By-Laws Section 3.04).

Notwithstanding anything to the contrary contained in this Plan, so long as the Sponsor shall continue to own 10% or more of the Units, but in no event later than three (3) years from the date of recording the Condominium Declaration, the Board of Managers may not, without the Sponsor's prior written consent, (i) except for necessary repairs or repairs, alterations, additions or improvements required by law or by any government agency or Board of Fire Underwriters, make any addition, alteration or improvement to the common elements or to any Unit owned by the Condominium or (ii) assess any common charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of an amount equal to the proportion of the then existing budget which the amount of reserves in the initial budget of estimated expenses bears to the total amount of such initial budget of estimated expenses appearing in Schedule B of this Plan or (iii) hire any employee in addition to the employees, if any, provided for in the initial budget of the condominium, except as may be necessary to maintain the quantity or quality of service or maintenance, or (iv) enter into any maintenance or service contract for work not provided for in the initial budget of the condominium, or (v) borrow money on behalf of the Condominium or (vi) reduce the quantity or quality of services or maintenance of the Property. (See Condominium Declaration Section 10.05).

So long as the Sponsor shall continue to own: (a) at least 10% (but less than 25%) in number of Units or percentage interest in the Condominium, the Sponsor shall have the right to elect or appoint at least two (2) of the five (5) members of the Board of Managers; (b) at least one (1) Unit (but less than 10% in number or common interest) in the Condominium, the Sponsor shall have the right to elect or appoint at least one (1) of the five (5) members of the Board of Managers. Notwithstanding the foregoing, if the Sponsor exercises its right to so appoint, Sponsor may not cast its votes with respect to the Units which it owns for the other members of the Board. When the Sponsor no longer owns any Units, it shall have no further right to elect any members of the Board of Managers. Members of the Board of Managers elected or appointed by the Sponsor shall serve for a term of one (1) year. All other members of the Board of Managers shall be elected by the Unit Owners and shall serve for the terms prescribed by the By-Laws. (See Condominium By-Laws Section 3.04).

All members of the Board of Managers shall serve without compensation and the Sponsor has agreed that the By-Laws will not be amended to provide otherwise while the Sponsor owns more than 50% of the Units. (See Condominium By-Laws Section 3.10).

Any member of the Board of Managers elected by the Unit Owners may be removed with or without cause, by a majority vote of the Unit Owners other than the Sponsor. Members of the Board of Managers elected or appointed by the Sponsor may be removed with or without cause only by the Sponsor. (See Condominium By-Laws Section 3.05).

Any officer of the Condominium may be removed with or without cause, upon the affirmative vote of a majority of the members of the Board of Managers. (See Condominium By-Laws Section 4.03).

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sale and Lease of Units. Except as described below, there are no restrictions upon ownership of a Unit. Units can be sold or leased by a Unit Owner, provided that (i) the Owner is not in arrears on the payment of common charges (except where the payment of such unpaid common charges is paid by the grantee or provided for out of the proceeds of the sale) and (ii) the initial term of any lease of a Unit shall be not less than six months. (See Condominium By-Laws Section 9.01). An Owner is free to make a gift of the Unit owned to anyone during such Owner's lifetime or to devise the Unit by will, or to have it pass by intestacy without any restriction. No Unit can be sold or leased without a simultaneous sale or lease of the undivided interest in the common elements. Additional restrictions or limitations on the sale or lease of Units may not be imposed unless and until an amendment to the Declaration allowing them is approved by the affirmative vote of at least 66-2/3% in number and common interest of all Owners of Units to which such restrictions or limitations will apply.

Any lease of a Unit shall be in writing and shall provide for full compliance by the tenant with the Declaration, By-Laws and Rules and Regulations of the Condominium and, if a tenant is in violation thereof at any time, the Board of Managers of the Condominium may send the Owner of the Unit which said tenant occupies written notice of such violation by certified or registered mail, return receipt requested. If the violation is not cured or eviction proceedings commenced against the tenant within fourteen (14) days after the Owner has received notice of such violation, or if the eviction proceedings are not reasonably diligently pursued thereafter, the Board of Managers may pursue any remedies which it may have under Article VII of the Condominium By-Laws, including an action for abatement and enjoinder or the imposition of monetary and/or non-monetary penalties, the amount and severity of which shall be reasonably related to the violation and to the aim of deterring similar future violations. (See Condominium By-Laws Sections 7.10 and 7.11).

Occupancy and Use of Units. In order to provide for congenial occupancy of the buildings and for the protection of the values of the Units, the By-Laws provide that the use of the Units shall be restricted to and be in accordance with the following provisions:

A. Except for the rights of the Sponsor to use the Units for a sales or rental center or for the storage of supplies and equipment as permitted pursuant to Section 7.03 of the Condominium Declaration (see Part II of this Plan), the Units, whether occupied or leased out by the Unit Owner, shall be used for residential purposes only.

B. The common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and capable and which are incident to the use and occupancy of the Units.

C. No nuisance shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to residents or occupants or which interfere with the peaceful possession or proper use of the Property by its residents or occupants.

D. No immoral, improper, offensive, or unlawful use shall be made of the Property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with by and at the sole expense of the respective Unit Owners or by the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

E. No portion of a Unit (other than the entire Unit) may be rented, and no transient tenant; i.e. for an initial term of less than six months, may be accommodated in any Unit (except the Sponsor may lease Units which it owns for less than six months).

F. Rules and regulations concerning the use of the Units may be promulgated and amended from time to time by the Board of Managers provided that copies of such rules and regulations are furnished to each Unit Owner prior to the time that they become effective.

G. The Board of Managers shall have the right to require a Unit Owner to dispose of any animal, bird or insects, if, in the opinion of the Board, acting in its sole discretion, such animal, bird or insect is creating a nuisance, because, e.g., the Owner does not clean up after the animal, the animal is too noisy or the animal is not properly controlled.

Mortgaging of Units. Each Unit Owner has the right to mortgage the Unit owned by such Owner without restriction. A Unit Owner who mortgages a Unit shall notify the Board of Managers in writing of the name and address of the mortgagee. (See Condominium Declaration Section 11.03).

Payment of Expenses. The common charges shall be payable monthly and the amount payable by each Unit Owner shall be in relation to such Unit Owner's interest in the common elements of the Condominium.

A Unit Owner shall be liable for the payment of common charges and expenses (i) assessed or becoming due against his Unit during the period he owns the Unit, and (ii) assessed against the Unit prior to such ownership, if unpaid at the time he becomes the Owner of the Unit; except that a mortgagee acquiring title to the mortgaged Unit or a purchaser at a foreclosure sale shall not be liable and the Unit shall not be subject to a lien for the payment of common charges and expenses assessed prior to such acquisition; but, such mortgagee or purchaser at a foreclosure sale, shall be liable for payment of all common charges and expenses after the acquisition

of title. No Unit Owner shall be liable for common charges and expenses assessed or becoming due against his Unit after his sale, transfer or conveyance of the Unit in accordance with the applicable provisions of the By-Laws. Any Unit Owner may, subject to the terms and conditions specified in the By-Laws, convey his Unit to the Board of Managers or its nominee on behalf of all other Unit Owners without any compensation in which event such Unit Owner shall be exempt from common charges and expenses thereafter assessed. In the event of a foreclosure by the Board of Managers of a statutory lien on any Unit for unpaid common charges and expenses, if the proceeds of the foreclosure sale shall not be sufficient for the payment of such unpaid common charges and expenses, or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the unpaid balance shall be charged to all Unit Owners as a common expense. If there is any surplus remaining from the proceeds of a foreclosure sale after payment of the indebtedness and all expenses of the sale, such surplus shall be paid to the Unit Owner. (See Condominium By-Laws Article V).

The Board of Managers shall prepare a budget for the Condominium from time to time and at least once each year. At least 15 days prior to adoption, a copy of the proposed budget shall be distributed to all Unit Owners. Copies of such budget shall be furnished to the Unit Owners and to such of their mortgagees as shall have requested the same.

In addition to the normal operating expenses of the Condominium, the budget shall provide for reserves, working capital, and other sums required for the affairs of the Condominium. Every Unit Owner (and such mortgagees as shall have requested same) shall be advised promptly after the adoption of each budget of the amount of common charges payable by him for the period covered by such budget.

Schedule B of this Plan contains an estimate of the receipts and expenses for the first year of Condominium operation.

Under the provisions of Section 339-z of the Real Property Law of the State of New York, the Board of Managers on behalf of the Unit Owners shall have a lien on each Unit for unpaid common charges assessed against such Unit by the Board of Managers. Such liens shall be subordinate only to liens for: (i) real estate taxes and assessments on the Unit, and (ii) unpaid sums on any first mortgage of record encumbering the Unit. Any lien for unpaid common charges or assessments against a Unit shall be effective from and after the filing of a notice thereof and until all sums secured thereby with the interest thereon shall have been fully paid or until six years from the date of filing (unless foreclosure of such lien is started within such six year period), whichever may be earlier. Such liens may be foreclosed by a suit brought in name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the unpaid common charges, without foreclosing the lien.

Repair and Maintenance of the Property. All maintenance, repairs and replacements to the Units, whether structural or nonstructural, ordinary or extraordinary, and all repairs to pipes, wire and conduits, whether or not within the Units, which service only one Unit, shall be made by the respective Unit Owners at their expense. Unit Owners shall be responsible for the maintenance, repair and replacement of all Unit doors and windows (including glass), except painting of the exterior surface of doors and windows which open from a Unit which shall be the responsibility of the Board of Managers. Unit Owners are obligated to maintain their Units and any other area restricted to their use, i.e., restricted common elements, in good repair and overall appearance. (See Condominium By-Laws Article VII). Owners of second-floor Units with exterior stairways will keep said stairway free of ice, snow and other obstructions.

All maintenance, repairs and replacement to other common elements of the Property, including exterior walls, roof and roof members, fences and stairway (except that each Unit Owner shall keep the exterior stairway leading to his Unit in a neat and clean condition and free of ice, snow and obstructions), as well as pipes, wires, conduits and public utility lines which serve one or more Units, shall be maintained by the Board of Managers, unless occasioned by the acts or negligence of the Unit Owner or his or her guests, tenants, licensees or invitees. The cost of all such maintenance, repairs, replacements and plumbing stoppages shall be a common expense unless occasioned by such a negligent or willful act or omission, in which event the Condominium shall seek recovery from the responsible party. (See Condominium By-Laws Article VII).

In the event a Unit Owner fails to make any required maintenance or repair or any repair which is necessary to protect the common elements or any other Unit, the Board of Managers may make such repair (after the failure of the Unit Owner to do so, weather permitting, after 10 days written notice, or written or oral notice of shorter duration in the event of any emergency situation) and to charge the Unit Owner for the cost of all such repairs and/or maintenance. (See Condominium By-Laws Section 7.02).

Additions, Alterations and Improvements:

By Unit Owners. No Unit Owner may (i) install any major appliance which because of its consumption, weight, noise or size may be deemed to unreasonably, materially, adversely affect the Property or other Unit Owners or occupants, or (ii) make any structural addition, alteration or improvement in his Unit which would impair the structural soundness of any Unit or Building or which would cause an adverse material effect on the external appearance or value of the building in which the Unit is located or make any changes in or to the common elements without the prior written approval of the Board of Managers, which approval may not be unreasonably withheld. No application shall be filed with any governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit unless approved and executed by the Board of Managers, without, however, incurring any liability on the part of the Board of Managers, or any of them, to any

contractor, subcontractor, supplier, architect or engineer, by reason of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to a Unit owned by the Sponsor until a deed to such Unit has been delivered to a purchaser thereof.

The Board of Managers is obligated to sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by the Sponsor to any Unit, provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the signing of the application or such other document. A copy of any such application or other document will be furnished to the Board of Managers by the Sponsor.

In connection with any installation or work done by a Unit Owner, the Board of Managers may require that the Unit Owner obtain such insurance coverages, and in such amounts, as the Board of Managers deem proper. (See Condominium Declaration Article 6.08).

NOTE: Any additions, alterations or improvements to the Units or to the common elements are strictly governed by Article VI of the Condominium Declaration. (See Condominium Declaration in Part II of this Plan.) Any Unit Owner contemplating such changes should consult these provisions before proceeding.

By Board of Managers. Except for additions, alterations or improvements required by law, the making of which may be undertaken without the consent of the Unit Owners, additions, alterations or improvements costing more than 10% of the Condominium's current estimated annual budget (including reserves) require the prior approval of at least two-thirds in number and in common interest of Unit Owners. If such alterations and improvements shall have been approved by at least two-thirds in number and in common interest of the Unit Owners, including the Sponsor or its designee if then a Unit Owner, present in person and/or by proxy and voting at a meeting duly held in accordance with the By-Laws, the Board of Managers shall assess each Unit Owner with his proportionate share of the cost of such additions, alterations or improvements, as part of the common expenses. Any additions, alterations or improvements costing less than 5% of the Condominium's estimated annual budget may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the common expense assessable against the Units. (See Condominium Declaration Section 6.03).

Insurance. Details of the insurance coverage for the Condominium are set forth in Article VIII of the Condominium By-Laws.

Insurance Obtained by Board of Managers. The Board of Managers shall obtain and maintain: (1) fire and casualty insurance (including flood insurance if required for the mortgaging of individual units), (2) liability insurance, and (3) directors' and officers' liability insurance.

The Board of Managers may also obtain such other insurance as it shall deem necessary or desirable from time to time including "umbrella" catastrophe coverage.

Such coverages shall initially be as follows:

- 1- Fire and Casualty Insurance Under the "Single Entity" Concept, i.e. covering the Units for their full replacement value as initially built including the wall to wall carpeting, lighting fixtures, bathroom fixtures, kitchen appliances, wall coverings, and all machinery servicing the Units and common facilities, excluding the land, foundations, personal property of Unit Owners and occupants, and any improvements or alterations (including upgrading of appliances, kitchen cabinets, carpeting or lighting fixtures, built-ins and wall coverings) made by present or prior Unit Owners or occupants.

The policy shall have the following provisions, endorsements and coverages: (i) extended coverage, vandalism and malicious mischief, (ii) "agreed amount" (unless not obtainable) and inflation guard, (iii) coverage for loss of common charges from Unit Owners forced to vacate because of fire or other insured against casualty, (iv) waiver of the right of subrogation with respect to individual Unit Owners, their family members, the officers of the Condominium and members of the Board of Managers, (v) a provision that the policy shall in no event be brought into "contribution" by individual Unit Owners or mortgagees; (vi) a provision that the policy cannot be cancelled, invalidated or suspended because of the conduct of someone over whom the Condominium Board of Managers has no control; (vii) cross-liability giving the Unit Owners the right to sue the Board of Managers and vice versa with the insuring company agreeing to defend the defendant and (viii) a provision that the policy may not be cancelled or substantially modified without at least ten days prior written notice to all of the insured, including all known mortgagees of Units, (ix) a provision requiring periodic review at least every two (2) years to assure the sufficiency of coverage and (x) a provision that adjustment of loss shall be made by the Board of Managers.

The proceeds of all policies of physical damage insurance shall, as provided in the Condominium By-Laws, be payable to the Board of Managers or to an insurance trustee (bank, trust company, law firm or attorney) selected by the Board of Managers to be applied for the purpose of repairing, restoring or rebuilding unless otherwise determined by the Unit Owners as hereinafter set forth. The obligation to restore or reconstruct after damage due to fire or other casualty supersedes the customary right of a mortgagee to have the proceeds of insurance coverage applied to the mortgage indebtedness.