

OFFERING PLAN FOR THE SALE OF HOMES  
IN A CONDOMINIUM TO BE KNOWN AS

# Southampton Commons CONDOMINIUM

Location:  
Hubbard Lane  
County of Suffolk  
Southampton, New York 11968

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TOTAL OFFERING — \$18,211,000 (117 Homes)

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## SPONSOR AND SELLING AGENT

Southampton Associates  
~~5040 Express Drive South~~ 4250 Vets Hwy  
Ronkonkoma, New York 11779 *Hollbrook, Aug 11 1981*

THE APPROXIMATE DATE OF THE FIRST OFFERING TO THE PUBLIC IS DECEMBER 31, 1980. THE OFFERING PLAN MAY NOT BE USED AFTER JULY 31, 1981.

THE PRICES FOR THESE CONDOMINIUM INTERESTS MAY BE CHANGED SO THAT PURCHASERS MAY PAY DIFFERENT PRICES FOR SIMILAR INTERESTS. THE EFFECT OF THIS IS SET FORTH ON PAGE 13.

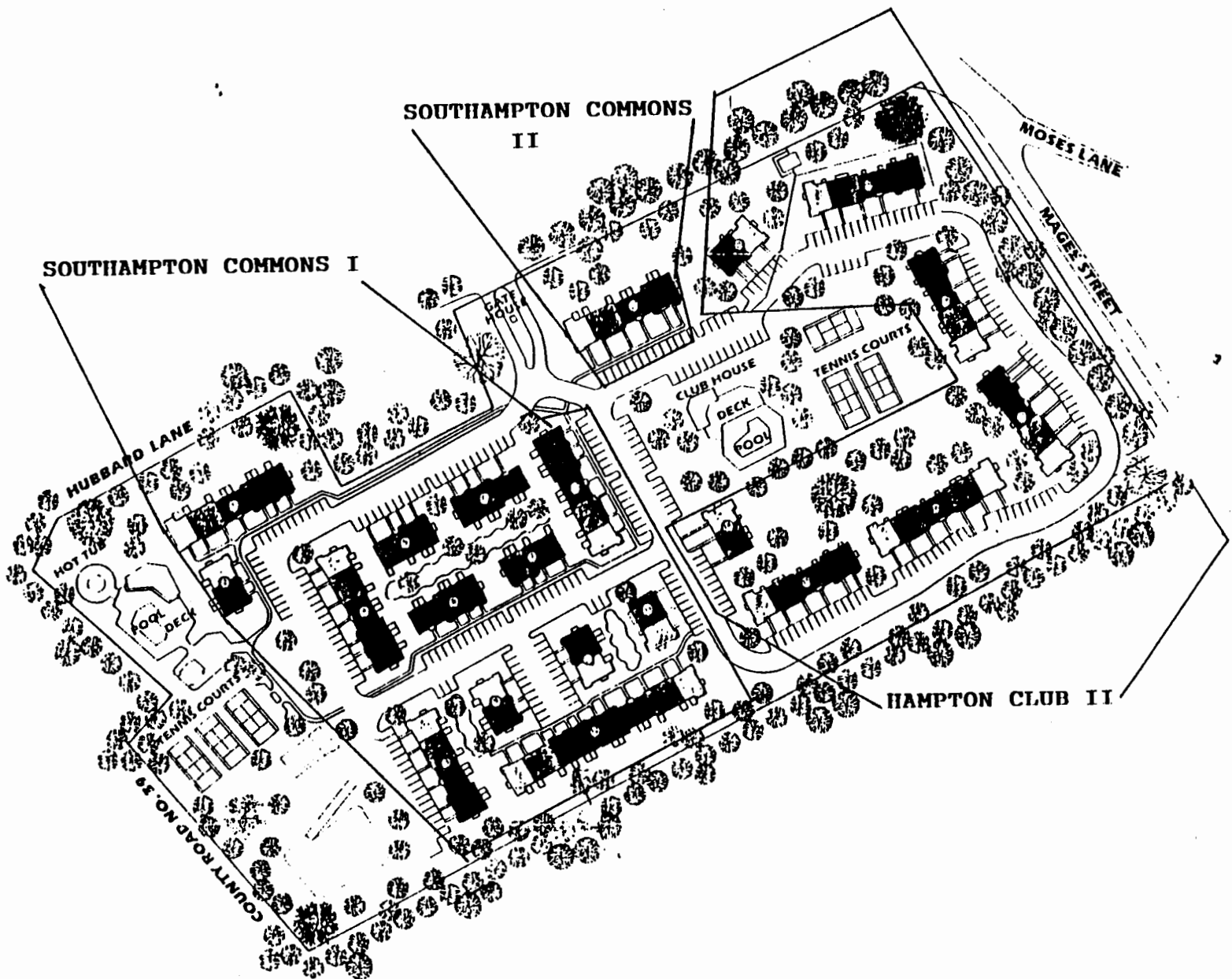
THE PRICES FOR THESE CONDOMINIUM INTERESTS MAY NOT BE INCREASED ABOVE THE PRICES SET FORTH IN SCHEDULE C WITHOUT A DULY FILED AMENDMENT TO THIS PLAN.

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK  
DOES NOT PASS ON THE MERITS OF THIS OFFERING.

**THIS OFFERING PLAN HAS BEEN AMENDED**  
see inside cover

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# THE SITE PLAN



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## SOUTHAMPTON COMMONS

### PLAN OF CONDOMINIUM OWNERSHIP

#### I. INTRODUCTION

##### Sponsor and Offer to Sell

Southampton Associates, a New York Co-Partnership (the "Sponsor") with this Offering Plan is offering for sale the 117 Condominium homes (the "Homes")\* being constructed on the approximate 14.71 acres constituting the property as a Condominium to be known as Southampton Commons Condominium. The Sponsor is not obligated to construct more than 35 Homes if only Section I is completed or 77 Homes if only Sections I and II are completed. See page 4 for a description of the options and obligations of the Sponsor in this regard. The land and all improvements to be erected thereon are hereinafter referred to as the "Community"\*\* or the "Condominium".

The Community is owned by Sponsor who acquired title by deed dated April 18, 1980 and recorded in the Suffolk County Clerk's office on May 8, 1980 in Liber 8818 p 488.

##### Submission of Property to Condominium Statute

A Declaration submitting the property to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") and By-Laws will be recorded prior to conveyance of title to the first Home by the Sponsor. The Declaration and By-Laws will be substantially similar to those set forth in this Offering Plan and will not be changed so as to adversely affect the purchaser. THIS OFFERING PLAN AND THE ACCOMPANYING DOCUMENTATION SHOULD BE CAREFULLY STUDIED BY PROSPECTIVE PURCHASERS AND THEIR ATTORNEYS PRIOR TO THE PURCHASE OF A HOME.

\* The term "Homes" as used herein is equivalent to the term "Units" as used in Article 9-B of the Real Property Law.

\*\* The term "Community" as used herein is equivalent in meaning to the term "Condominium" as same is used in Article 9-B of the Real Property Law.

## II. FEATURES OF CONDOMINIUM OWNERSHIP

As in the ownership of a private one-family home the purchaser of a Home (the "Home Owner") owns his Home in fee simple absolute. All Home Owners will own in common all exterior walls, roofs and all of the land and improvements located outside of the Homes.

The Homes can be purchased for all cash or may be purchased partly for cash and partly by mortgage. If the Home Owner desires to finance the purchase of the Home by obtaining a mortgage loan, such mortgage loan may be obtained only from a Mortgagee designated or approved by the Sponsor. The Sponsor has initially designated The Roosevelt Savings Bank as the Mortgagee to finance the purchase of Homes. No Home is subject to the lien of a mortgage on any other Home.

Each Home will be taxed separately for real estate tax purposes and, therefore, no Home Owner is liable for the payment of real estate taxes on any other Home. In the opinion of Counsel a Home Owner is presently entitled to deductions for income tax purposes for his payments for real estate taxes and interest on the mortgage of his Home. See page 29. Each Home Owner can sell his Home to whomever he desires. A Home Owner is required to pay monthly common charges assessed by the Board of Managers for the operation and maintenance of the Condominium. See Article VI of Schedule K. Fire and liability insurance covering the common elements, and water and sewer charges covering the entire Community, are included with other items as part of common charges (see Estimated Common Charges, page 25), but fire and liability insurance for the purchaser's personal effects and the interior of the Home should be carried by the individual purchaser. Common charges are levied in proportion to the interest in the "common elements" appurtenant to each Home. For possible increases in common charges upon default in payment by a Home Owner see Liens for Non-Payment of Common Charges, page 27. Each Home Owner is responsible for the cost of his own interior repairs and decoration in his Home after closing.

The Building Plans filed with the Town of Southampton will not be changed so as to materially adversely affect the purchaser. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York. Construction of the Homes has commenced and closings of title to the Homes are expected to commence by approximately September, 1981 barring any strikes, material shortages, acts of God or other unforeseen delays beyond the control of the Sponsor.

## III. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

### Locations and Acreage

The Community is located in Southampton, New York, and is adjacent to Hubbard Lane. Southampton Commons Condominium will

consist of approximately 14.71 acres of land if all 117 Homes are built, approximately 3.7434 acres if only Section I is completed, and approximately 7.629 acres if only Sections I and II are completed.

### Topographical Features

The site consists of gently rolling land.

### Improvements - General Description

The Community if fully constructed will consist of 117 one family attached and semi-attached Homes comprising 19 buildings located in the manner set forth on the site plan at Schedule B. There are four basic model types as follows:

MODEL "A" - The Andover contains 1233 sq. ft. of living area on two floors. Two bedroom townhouse. Living room 19'4" x 13'4", country kitchen 17' 8" x 12'0", foyer, guest closet, lavatory, master bedroom 16'4" x 12'0", bedroom #2, 11'2" x 10'8", two full baths, one walk-in closet, linen closet, one additional closet, laundry alcove, storage shed, 8' x 5'.

MODEL "B" - The Bristol contains 1351 sq. ft. of living area on two floors. Two bedroom townhouse. Living/Dining room 19'4" x 19'0", eat-in kitchen 17'0" x 10'8", foyer, guest closet, lavatory, broom closet, master bedroom 15'4" x 13' 0", bedroom #2, 11'8" x 10'8", two full baths, one walk-in closet, linen closet, one additional closet, laundry alcove, storage shed, 8' x 5'. Full basement optional on some units.

MODEL "C" - The Coventry contains 1627 sq. ft. of living area on two floors. Two bedroom and den townhouse. Living room 19'4" x 13'4", Dining room 15'11" x 10'0", eat-in kitchen 17'8" x 9'8", foyer, walk-in guest closet, lavatory, laundry room, master bedroom 14'6" x 13'4", bedroom #2, 11'0" x 10'0", den 13'0" x 9'0" (if used as 3rd bedroom -9'6" x 9'0"), two full baths, 3 walk-in closets (one offered as an optional sauna), linen closet, one additional closet. Storage shed 8' x 5'. Full basement available on some units. Some units are end units. Some end units available with optional greenhouse 10'4" x 4'0", total sq. ft. of living area 1668 sq. ft.

MODEL "D" - The Devonport contains 1872 sq. ft. of living area on two floors. Three bedroom townhouse. Living room 14'8" x 12'8", conversation pit 10'4" x 10'4", kitchen 10'4" x 10'0", dining area 11'2" x 8'8", foyer, lavatory, guest closet, laundry alcove, master bedroom (1st floor) 17'0" x 12'0", bedroom #2, 14'0" x 12'0", bedroom #3, 11'8" x 10'4", two full baths, one walk-in closet (available as an optional sauna), linen closet, 5 additional closets, unfinished storage room 12'0" x 10'0". Storage shed 8' x 5'. Full basement available on some units. All units are end units. All units available with optional greenhouse 10'4" x 4'0", total sq. ft. of living area 1913 sq. ft.

The Homes, the Buildings containing them and all other improvements will comply with all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof including those governing zoning and construction and the Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules, regulations and other governmental requirements pertaining thereto including without limitation the building code of the Town of Southampton. Before the closing of title to a Home, a temporary or permanent Certificate of Occupancy will be issued for the Building in which such Home is located. At the time of closing of title to the first Home, the construction of the majority of Homes to be constructed in that building will have been substantially completed.

#### Legal Description of Home

The Home Owner will obtain fee title to the Home and an undivided interest in the common elements. The Home basically includes the sheetrock and air space between the sheetrock of the buildings. For a detailed description of the Home to be conveyed see Schedule J, Article Third.

#### Legal Description of Common Elements

The common elements include without limitation the external walls and roofs of the Buildings as well as all of the land, walks, internal roadways and in the event the project is completed as one condominium containing all 117 homes, the recreational facilities, sewage treatment plant, and retention basin. For a detailed description of the common elements see Schedule J, Articles Fourth and Fifth.

#### Construction Data for Homes and Common Elements

The Homes and common elements will be constructed substantially in the manner set forth in the Building Plans filed with the Town of Southampton, which Plans will not be changed so as to materially adversely affect the Home Owners. For a detailed description of such data see Schedule D.

#### Sponsor's Option to Reduce the Size of the Community and Future Development

Although Sponsor intends to construct 117 Homes in the Community, it has the option to limit the development and size of the Community by Sections to 35 Homes if only Section I is built or 77 Homes if only Section I and II are built. In the event that the Sponsor determines to build only one or two sections of the Community, then the land encompassing the Community will be such land as is delineated on the plot plan set forth herein and designated as Section I or Section I and II combined and the land encompassing Section II or Section II and III will not be part of the Community. In the event the Sponsor determines to include only one or two

Sections in this Community, it will give notice to all purchasers of Homes by duly filed Amendment to the Offering Plan within 18 months after the initial offering date of this Offering Plan. The land encompassing the 117 homes is sometimes hereinafter referred to as "The Properties".

The common interest of Home Owners as well as the estimated carrying charges based upon construction of the Community as only one or two sections and as a fully completed Community containing three sections are set forth on Schedule C. The charges set forth on Schedule C as applicable to the completion of only one or two sections contains an estimate of the membership charges in the Home Owners Association described below.

#### A. Home Owners Association Option

In the event the Sponsor determines to construct only one or two sections as a part of the Community, then the Declaration as recorded will omit all references to the land and improvements, including the Homes, set forth in Section II and/or Section III as the case may be and in the area set forth as the Recreation Area, retention basin, and sewage treatment plant. In such event, the Sponsor will convey the land, and facilities located in the Recreation Areas, the retention basin, and sewage treatment plant to a Home Owners Association which will have the following features:

The Sponsor will organize a Home Owners Association as a Type A Corporation under the New York Not-for-Profit Corporation Law to own, operate, manage and control the Recreation Areas, sewage treatment plant, and retention basin. Upon the sale and conveyance of a Condominium Home by the Sponsor, the purchaser thereof will automatically become a member of the Association and will be issued a non-transferable membership certificate to that effect.

While it is the Sponsor's present intention to construct a total of 42 Homes on the adjoining Section II acreage and 40 Homes on the adjoining Section III acreage in a condominium, the Sponsor reserves the right for itself, its transferees, and successors in interest to develop such property for residential purposes as one or more condominiums, rental projects, cooperatives, single family home communities or any mixture thereof or to develop such property for any other lawful purpose. The Sponsor shall have the right to provide and make available membership in the Association to purchasers of Homes on the Section II and III acreage, provided, however, that to the extent such adjoining property is developed as condominium Homes, each Home Owner shall automatically become a member of the Association upon the sale and conveyance to him of his Home.

Sponsor or an entity affiliated with Sponsor also intends to acquire a parcel of land, adjacent to the Community. In the event such parcel is acquired, Sponsor has reserved the right to amend the Declaration of Covenants, Restrictions, Easements, Charges and Liens to bring such parcel within the scheme of such Declaration. In such event the Association membership will be increased by no more than 35 members.

While membership certificates are non-transferable, the Association shall automatically issue a new membership certificate to a purchaser or grantee incident to the lawful sale or conveyance

of a Home or a Section II or III property unit to which membership in the Association attaches. Upon such a sale or conveyance the previously outstanding membership certificate shall be automatically cancelled. In the event a member leases his Home, he may permit his lessee to enjoy the use of the Community Area in lieu of himself and may, in addition, permit the lessee to exercise his right to vote at Association meetings. The Sponsor shall have the right to extend similar privileges to his tenants should he elect to develop any portion of the Section II or III property as rental units. In no event, however, may the privileges of the Association be extended to purchasers or lessees of more than 82 Section II and III property units.

#### B. Community and Recreation Facilities

The Recreation Area and facilities are described at page 10. At or before the time of the closing of title to the first Home, the Sponsor will convey title to the tracts of land comprising the pool house, swimming pool, retention basin, sewage treatment plant, and three tennis courts to the Association without charge and free and clear of any mortgage.

#### C. Management and Operation of the Association

The affairs of the Association shall be governed by a Board of Directors, consisting of no less than three, nor more than nine members, each of whom, subsequent to those designated or elected by the Sponsor, must be either a member of the Association or a lessee entitled to the use of the Association facilities in lieu of the member renting the home to him. Upon its formation the Association will issue 117 membership certificates to the Sponsor, reflecting the initial permissible membership in the Association. See page 5 for the right of Sponsor to bring an additional 35 units within the Association. The Sponsor will designate an initial Board of Directors consisting of three Directors to serve until the first annual meeting of the Association.

At the first annual meeting and at all subsequent annual meetings the membership will elect nine Directors to serve for one year terms. While each membership in the Association will carry with it one vote, cumulative voting will be employed in the election of Directors. Each member will be entitled to cast as many votes as equal the number of Directors to be elected and a member may cast all of such votes for a single Director or may distribute them among two or more of them as he sees fit.

Notwithstanding the foregoing, the Sponsor will have the right to designate five Directors at any annual meeting of the Association members until the third anniversary date of the filing of the Declaration establishing the Section I or Section I and II Condominium. Thereafter, the Sponsor, for so long as it holds less than a majority but more than ten memberships, shall have the right to designate three Directors, and one Director for so long as it holds at least one of its original membership certificates. In

addition, in the event the Section II or Section III property is subsequently developed as a rental project(s), the owner(s) of such property may not cast its votes to elect a majority of the Board of Directors. Such owner(s) may, however, cast such votes to elect no more than four Directors.

The Board of Directors, in any event, is prohibited from taking any action as a Board, or on behalf of the Home Owners, that would have the effect of infringing upon the Sponsor's right to make membership in or use of the Association available to purchasers or lessees of no more than 82 units on the Section II and Section III property.

D. Membership and Voting Rights  
in the Association

The Association shall have one class of membership interest. The Owner of each home on the Properties shall be a Member whether such ownership is joint, in common or tenants by the entirety. The Sponsor shall be considered a member with respects each unbuilt or untitled home it owns.

Each of the 117 Members is entitled to one vote. Sponsor as the owner of all untitled homes (whether built or unbuilt) will have one vote for each such Home. See Section C above for Sponsor's right to designate five Directors until the third anniversary of the recording of the Declaration. No member shall split or divide its vote on any motion, resolution or ballot other than in the cumulative voting procedure employed in the election of Directors.

E. Expenses of Operating the  
Association

The costs and expenses of operating the Association and of making capital improvements, if any, will be allocated among the members in the following manner. Each membership certificate will be assessed equally by the Association. The Sponsor's obligation for such assessments on unsold homes subject to the Declaration will be limited to the difference between the actual operating costs of the Association, including reserves on the Common Properties, and the assessments levied on owners who have closed title on their Homes. In no event, however, will the Sponsor be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on unsold Homes. The practical effect of this is that the Sponsor's monthly contribution for all untitled Homes will be the difference between the Amount collected from all other Home Owners and the actual operating expenses of the Association for that month.

The Board of Managers shall be responsible for collecting the Home Owners assessments and turning such monies over to the Association. If payments are not made by any of the Home Owners, the other Home Owners will be responsible for the resulting shortages.

As the Association will be an automatic Home Owners Association, no member may exempt himself from contributing toward the expenses of the Association by waiver of the use or enjoyment of the Recreation Area and facilities or by the abandonment of the Home or unit owned by him. The Sponsor, however, in the event the decides not to build an additional condominium or to reserve the right to make membership in or use of the Association available to purchasers or lessees of Section II and/or III property as hereinbefore provided, shall have the right, at any time within five years of the date of the filing of the Declaration establishing the Community to irrevocably surrender any or all of its remaining membership certificates and withdraw such acreage from the provisions of the Declaration of Covenants, Easements, Restrictions, Charges and Liens, so that the total number of membership certificates outstanding will be less than the 117 originally envisioned by the Sponsor. Should the Sponsor so surrender any of its membership certificates, it shall no longer be liable for assessment with respect to said surrendered certificates. In this event, the expense of the Association allocable and required to be paid by the Home Owners and the remaining Section II and/or III property owners will be proportionately increased. Should the Sponsor surrender any such memberships it shall nevertheless retain an easement of ingress and egress over the roadways of the Properties and will reserve the right to tie such withdrawn land into the retention basin, sewage treatment plant, and sewer and utility lines running through the Properties. The owners of such withdrawn property will, however, pay their pro rata share for the maintenance of such roadways, sewage treatment plant, and the retention basin.

In the event that the Sponsor exercises its option to convey title to Section I only or Section I and II only in the Condominium Declaration, the Sponsor shall retain a right of easement to all roadways, sewage, piping, underground ducts, and pathways in Section I and/or Section I and II as the case may be. Additionally, each Home Owner in Section I or Section I and II and each property owner, lessee or Home Owner in the Section II or Section II and III property will enjoy in common, cross easements of ingress and egress to all roadways in either Section I, II or III as applicable.

Thus, in the event Sponsor determines not to include all three sections in this Condominium, then:

(a) the Condominium will consist of such number of Homes as are located in Section I or Section I and II excluding the land encompassed in the Section II and/or Section III and the Recreation Areas, sewage treatment plant, and retention basin.

(b) all purchase agreements covering Homes in the section(s) not included will be automatically deemed to pertain to the new condominium to be formed on the Property as of the date of the filing of an Offering Plan for such new condominium with the Department of Law of the State of New York. In the event, however, that such new Offering Plan contains any terms and conditions which, when compared to this Offering Plan, materially adversely affect the purchaser, then the purchaser shall have a period of 30 days, after receipt of the new Offering Plan to cancel the purchase agreement and receive a refund of his down payment, without interest. In no event is this paragraph to be deemed an extension of the time within which the Sponsor must deliver the Home under the purchase agreement or a modification of any of the terms and conditions of such purchase agreement except as set forth herein;

(c) the Sponsor and any subsequent owner or owners of the land encompassed in Section II or Section III will be granted easements of ingress and egress, easements to connect to the retention basin, sewage treatment plant, and all utility lines, and easements of access to the Recreation Area and this Condominium shall receive a cross easement from the owners of the land adjoining the Condominium to the use of any of the roadways or walkways, or recreational facilities built on such land as described above, all as set forth in a Declaration of Covenants, Restrictions, Easements, Charges and Liens to be recorded;

(d) the common interest of the Home Owners and the estimated common charges set forth on Schedule C will be those described in Section I or Section I and II tables;

(e) all references to Section II and/or Section III will be deleted in this Offering Plan, the Declaration and By-Laws by appropriate amendment;

(f) there will, in such case, be an Home Owners Association with membership rights and obligations as set forth above and the Recreation Facilities, retention basin, and sewage treatment plant described at pages 10 and 12 will form part of the Association common areas.

(g) Sponsor will record a Declaration of Covenants, Restrictions, Easements, Charges and Liens and Association By-Laws containing the foregoing provisions.

## Recreation Facilities

The recreation facilities will be located on a parcel of land containing approximately 1.715 acres and will include a 1,250 square foot irregular shaped gunite swimming pool having a depth of 3 to 9 feet and which can accommodate 50 persons at one time. The pool has a hi-rate sand filter run by a five horse power Jacuzzi filter pump or equal. The pool will also contain automatic skimmers, filter return lines and vacuum cleaning lines and one 8 foot diving board. Surrounding the pool will be a poured concrete deck containing approximately 4,500 square feet in area and a raised wooden deck containing approximately 2,000 square feet in area constructed of redwood or wolmanized southern pine or equal. A minimum of one dozen aluminum and vinyl webbed chaise lounges will be provided. The natural area to the north of the pool will be appropriately landscaped. Adjacent to the pool will be a wood framed pool house containing approximately 704 square feet including separate mens and womens lockers and lavatories, a pool equipment room, a pool furniture storage room, janitor closet and a vending machine alcove. There will be three all weather hard asphaltic surface tennis courts which will be surrounded by a ten foot chain link fence. The Sponsor will also provide the Condominium or Association with a new van type vehicle which will be used to transport home owners to the nearby Southampton Town Beach. See footnote 12 to Schedule L and M for details.

## Easements

Each Home Owner will have an easement in common with all other Home Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the common elements or located in other Homes and servicing his Home. Further, each Home Owner will have an easement for the continuance of any encroachment by his Home on any adjoining Home or common element now existing or which may come into existence hereafter as a result of the settling of the Homes or repair or alteration of the Home by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceedings, or by reason of an alteration made by the Board to the common elements so that any such encroachment may remain undisturbed so long as the Home stands. Each Home will be subject to such encroachments and easements in favor of all other Homes. The Board of Managers, its agents and employees shall have a right of access to the Homes and to the common elements (irrespective of the restricted nature of such common element) to inspect, maintain or repair the common elements or any pipe, wire, or conduit therein or to make repairs to the Home to prevent damage to the common elements or any other Home.

## Allocation of Common Interest

The common interest of the Condominium establishes the Home Owners percentage of ownership in the common elements and percentage of liability for the payment of common charges. Each Home Owner has the percentage of common interest in the Condominium set forth

on Schedule C. Such allocation has been based on equal percentages within separate classifications of homes. See Schedule C and Schedule J, Article Eighth.

#### IV. SURROUNDING AREA AND FACILITIES

##### Zoning

The property is zoned MF-44 zoning which permits construction of the Community. To the east of the Community is vacant land zoned R-20 (residential 20,000 sq. ft. lot minimum), and to the south is vacant land zoned R-40 (residential 40,000 sq. ft. lot minimum). To the north is an existing single family home, to the north/west is a golf driving range and an animal hospital. To the north across Hubbard Lane is a nursery and real estate agency. To the south/east across Hubbard Lane are single family homes. No representation is made by Sponsor as to the ultimate use of such parcels or as to whether these zoning classifications will apply in the future.

##### Automobile Parking

The Community as fully developed will contain 248 parking spaces as outlined on the site plan set forth as Schedule B (78 in Section I, 79 in Section II, and 91 in Section III). Parking spaces will not be assigned for use by individual Home Owners but rather all Home Owners in the Condominium may use any of the parking spaces on a first come first serve basis.

##### Municipal Services and Recreation

The Southampton Station of the Long Island Railroad is approximately 1-1/2 miles from the Community. Scheduled running time to New York City is approximately 2 hours and 35 minutes. The Hampton Jitney bus company provides express bus service to New York City from a bus stop located approximately 7 miles East of the Community. Scheduled running time is approximately 2 hours and 20 minutes. Connecting service is also provided to John F. Kennedy and LaGuardia Airports.

The Community is served by the Southampton Town Police Department from 111 Old River Road, Hampton Bays, which is approximately 7 miles West of the Community. The Southampton Fire Department is located on Main Street in Southampton, approximately 5 miles from the Community.

The Southampton Public Library is located 2 miles from the Community on Job's Lane. There is a public bathing beach, Ponquoque Beach, located on Dune Road approximately 4 miles from the Community. There is a public park, Elliston Park on Millstone Brooke Road approximately 3-1/2 miles from the Community.

The principal private clubs in the area are The Meadow Club (tennis), Southampton Bathing Corporation (swimming), Southampton Bath and Tennis (pool, ocean, tennis), Shinnecock Golf Club, Southampton Golf Club and the National Golf Links of America. Home Owners in the condominium have the same right to use the above mentioned facilities at the same cost and to the same extent as the general public. No representation is made as to membership processes nor as to fees to be charged for use of any of these facilities.

## Water and Sewage

Water will be supplied by the Suffolk County Water Authority and the cost thereof will be a common charge. A sewage treatment facility will be constructed on the Property sufficient to treat all sewage from the Community. The sewage treatment facility will comply with the requirements of the Suffolk County Health Department and the New York State Department of Environmental Conservation. All sewage generated at the condominium will flow by gravity sewers to the Sewage Treatment Plant. The treatment system is a tertiary process. The treated effluent is recharged via underground leaching pools to the ground water aquifer. The facility is being designed to permit expansion of its capacity. If the adjacent parcel of land requires connection to the plant in the future, such parcel will pay all costs required to expand the facility as well as their pro-rata operating costs. In addition, as a prerequisite to connecting to the plant, they will pay the Sponsor the sum of \$4,000. for each home they desire to be connected to the plant as reimbursement for costs incurred by Sponsor in the construction of the sewage treatment plant. This sum will be owing Sponsor even though such connection occurs after all 117 homes in the Community have been conveyed to purchasers.

The Sponsor reserves the right to install a temporary septic system if approved by the appropriate municipal authorities and to connect homes to such temporary system if the sewage plant is not completed and operational at the time of closing to a particular home. The later connection to the sewage treatment plant will be made by Sponsor at its own expense.

## Shopping Facilities

Several shopping areas are located on Route 27 (County Road 39) from 1/2 mile West of the Community to 3 miles East of the Community. A several block square shopping area is located approximately 4 miles from the Community on Main Street and Job's Lane in Southampton. This shopping area presently includes at least two supermarkets (IGA Foodliner and Gristede's), several chain stores (Saks Fifth Avenue, Jeffreys, Lily Pulitzer, etc.) and over 100 specialty shops and restaurants.

## Medical, Educational and Religious Facilities

Southampton Hospital is located on Herrick Road approximately 4.5 miles from the Community. Public School District 6 serves the area of Southampton Commons and includes an Elementary, Middle and Senior High School. The elementary school is located at 30 Pine Street, the middle school at 70 Leland Avenue and the senior high school at 141 Narrow Lane. No representation is made as to whether the children will walk to these schools or whether bus services will be available.

## V. SPONSOR'S OBLIGATIONS

### Changes in Price, Layout and Substitution of Materials

The Sponsor reserves the right, so long as a purchase agreement has not been executed for a Home, to change the size, layout, appliances, interior material or decoration for such Home and, as to the Community generally, the Sponsor reserves the right to change the size, number and location of the Buildings and other improvements, provided such changes do not change the common interest of any Home to which title has closed or for which a purchase agreement has been executed and is in effect.

The prices for these condominium interests may be changed so that purchasers may pay different prices for similar interests. Prices for these Condominium Homes may not be increased above those set forth in Schedule C without the filing of an amendment to the Offering Plan.

Although the Sponsor intends to use the materials, fixtures, appliances and equipment described herein and in the Building Plans, the Sponsor reserves the right to substitute materials, fixtures, appliances and equipment of substantially equal quality for any of those set forth.

### Effective Date of this Offering Plan

This Offering Plan will become effective on the date that the Declaration is recorded or on any other prior date determined by the Sponsor by the giving of written notice of such effectiveness to purchasers. The Sponsor will not record the Declaration until it has purchase agreements for at least one-fourth in number of all of the Homes. If the Sponsor elects to exercise its option to complete only the Section I or Section I and II Homes, it will not record the Declaration covering Section I or Section I and II or the Deed of the Community and Recreational Facilities to the Home Owners Association until it has purchase agreements covering one-fourth in number of Homes in Section I or Section I and II as the case may be. Further, the Sponsor has the option not to close title to any Home if less than 80% in number of all of the Homes are sold within one year after the date of this Offering Plan, title to any Home has not been conveyed within that time and the Declaration has not been filed. In the event Sponsor exercises such option, it shall forthwith return to the purchaser all monies paid with interest, if any. If the Sponsor does not record the Declaration within 18 months of the date of this Offering Plan, all moneys paid by purchasers will be returned promptly with interest, if any.

Recordation, Inspection and  
Delivery of Documents

Prior to conveyance of title to the first Home, Sponsor will record the Declaration declaring the Condominium effective.

Upon conveyance of title to the first Home, Sponsor will deliver the letter described below to the Board of Managers.

Pursuant to Section 352-e (9) of the General Business Law, copies of all documents mentioned in this Offering Plan, including without limitation the following, are and will be kept on file at the office of Sponsor set forth on the cover page of this Offering Plan for six years for examination by any person who has purchased a condominium interest offered by this Plan or otherwise has participated in this offering: this Offering Plan; the proposed Declaration and By-Laws of the Condominium; mortgages covering the property; public liability, fire and casualty policy. A copy of the form of Home Owner's mortgage and purchase agreement are submitted with this Offering Plan.

Expenses in Connection with  
Construction, etc.

The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with the establishment of the Condominium, and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred or in connection with the sale of all of the Homes held or owned by the Sponsor and will pay all selling expenses including, but not limited to, advertising and printing costs, architect fees, and costs of filing this Offering Plan and amendments thereto.

Obligations of the Sponsor

No bond or other security has been furnished to secure performance of the following obligations. All obligations pertaining to the common elements shall be enforceable only by the Board of Managers on behalf of the Home Owners and not by the individual Home Owners. During the time the principals of the Sponsor control the Board, it is within their sole power to enforce the obligations of the Sponsor pertaining to the common elements and, therefore, Sponsor agrees that during such period it will in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the home owners, excluding Sponsor, at a special meeting of the home owners called for such purpose. Upon the conveyance of title to the first Home, Sponsor will deliver a letter to the Board of Managers obligating Sponsor to perform the following obligations:

1. The Sponsor will be obligated to pay off and otherwise comply with the terms of a building loan mortgage on the entire Community. After the recording of the Declaration and before the

closing of title to the first Home, the building loan mortgage will be satisfied, or released, or subdivided extended and consolidated with the individual permanent mortgages which will be placed on the Homes of those purchasers obtaining a purchase money mortgage. In addition, before the closing of title to the first Home, all mortgages affecting the Community shall be paid and satisfied or the Home being conveyed and its appurtenant common interest shall be released therefrom by partial release duly recorded.

2. Until title to all Homes is passed to bona fide purchasers, the Sponsor will pay such common charges as are assessed by the Board of Managers on Homes, whether built or unbuilt to which title has not passed.

3. The Sponsor will obtain a Temporary or Permanent Certificate of Occupancy and any other certificate or permit required by law for the Building in which the Home is located before the closing of title to any Home located in such Building and will, at its own cost, perform any work and supply any materials necessary to obtain (within one year from the closing of title) a permanent Certificate of Occupancy and all other certificates or permits including a New York Board of Fire Underwriters Certificate.

4. The Sponsor will pay all contractors, subcontractors and materialmen and all others involved in the construction of the Community for work performed and fixtures, material and equipment supplied or installed in the construction of the Community and will cause all mechanics' liens arising out of the construction of the Community or the furnishing or installation of fixtures or equipment, to be discharged or bonded promptly after the liens are filed.

5. The Sponsor will diligently, expeditiously and at its own cost, complete construction of the Community substantially in accordance with the plans and specifications described herein and will diligently perform all of its obligations set forth in this Offering Plan and will deliver to the Board of Managers a copy of the "as built" plans filed with the recording of the Declaration.

6. The Sponsor will deliver to the purchaser upon the closing of title to his Home and the Board of Managers upon the recording of the Declaration and the Board of Directors of the Home Owners Association, as applicable, all manufacturers' and subcontractors' heating, electrical, plumbing, roofing and appliance warranties and bonds relating to the purchasers' Home or the common elements respectively, if any; to the extent made by such manufacturers and subcontractors and to the extent such warranties and bonds are assignable..

7. The Sponsor has no obligation to defend any suits arising out of anything occurring prior to the recording of the Declaration except claims arising out of the acts, omissions or representations of the Sponsor.

8. The Sponsor will make periodic visits to the property at reasonable intervals to correct any defects in the construction of a Home or the common elements, or in the installation or operation of any mechanical equipment therein, due to improper workmanship or material substantially at variance with this Offering Plan provided and on condition that (a) in the case of a Home, it is notified in writing of such defect(s) within one year from the closing of title to or first leasing of such Home or; (b) in the case of common elements, Sponsor is notified of or becomes aware of such defect(s) within fourteen months from the date of substantial completion of the defective portion(s) of the common elements or the date of closing of title of the first Home to a bona fide purchaser, whichever is later, as the case may be. With respect to the common elements other than the common elements forming the Buildings containing the Homes, the Sponsor will give written notice to the Board of Managers when such common elements or a portion thereof has been substantially completed. Such notice will not be binding upon either party with respect to the determination as to whether such portion(s) of the common elements have been substantially completed. Within 60 days of the closing of title to the first Home, a Home Owner who is independent of the Sponsor will be elected to the first Board of Managers by a majority of the then Home Owners other than Sponsor. Every three months the Sponsor shall send a written report to the entire Board stating whether or not it has been notified or has otherwise become aware of any defects in the common elements and shall itemize all such defects. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications. The Sponsor makes no warranties as to appliances except that it will deliver to each purchaser, the manufacturer's warranties thereon as set forth in paragraph 6 above. In no event shall the Sponsor be responsible for the partial or total death of any trees, shrubs, bushes or other landscape improvements, damage to walkways or other concrete areas caused by the application of salt or de-icers, nail pops, ridging, normal lumber shrinkage, normal settlement or any consequential damage resulting therefrom, water problems caused by ice dams, normal plumbing and heating noises or carpet stretching. Subsequent to the conveyance of title to a Home, the Sponsor shall not be responsible for paint touch-ups, repair of dented appliances, porcelain or formica chips and scratches in tubs, vanities or countertops. The Sponsor has no obligation to make any repair to the Homes or the common elements except as expressly set forth in the Offering Plan.

9. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the Declaration are a substantially accurate copy of portions of the plans of the buildings as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings. In addition, an architect or professional engineer shall make at least one inspection at the following stages of the

development: at foundation and exterior piping stage; at rough carpentry and masonry work stage; at electrical, plumbing and heating stage; and at completion of roadways, walk ways and landscaping stage, to verify that the development is being constructed in accordance with such plans. The reports of such inspection shall be available at such architects or professional engineers office for examination by the Board of Managers of the condominium for a period of at least one year after Sponsor turns over control of the Board of Managers to the Home Owners.

10. Until (i) eleven months after the transfer of control of the Board, or (ii) eleven months after the closing of title to the last Home, whichever is sooner, provided the Community is completed, the Sponsor will not voluntarily assign, transfer or sell its interest in the real estate which is the subject of this offering, except in accordance with this Offering Plan, and the principals of the Sponsor will not voluntarily reduce by more than 49% their ownership of stock or their voting rights therein, in the Sponsor. Further, during such period, the principals of the Sponsor shall not voluntarily liquidate the Sponsor or make any distribution of the assets of the Sponsor except for the payment of any expenses (including salaries, fees and other expenses) and repayment or reduction of the obligations of the Sponsor pertaining directly or indirectly to this offering.

However, the principals of the Sponsor may freely transfer their stock in the Sponsor and Sponsor may be liquidated at any time after completion of the Condominium and may distribute any of its assets even though such distribution does not pertain to this offering, at any time thereafter if the principals of the Sponsor deliver to the Board of Managers a bond issued by a surety company licensed to do business in New York or set aside cash in a special bank account and deliver notice of the existence of such bank account to the Board of Managers for the purpose of securing the obligations of the Sponsor, which bank account or bond shall be in the amount of \$25,000 and which bond shall run for a term and bank account shall remain intact for a term ending eleven months after the closing of title to the last Home or eleven months after the transfer of control of the Board, whichever is sooner, and in the case of liquidation, thirty days notice of intention to liquidate is given to all Home Owners.

This paragraph 10 shall in no way be deemed as a limitation of any of the Sponsor's liabilities or of any of the rights and remedies of the Home Owners pursuant to law.

#### Unsold Homes - Right of Sponsor to Lease

The Sponsor may offer all or any unsold Homes for lease. Purchasers of any such leased Homes will be purchasing Homes that have been previously occupied. Sponsor will notify purchasers of homes that have been previously occupied prior to the execution of a purchase agreement of such occupancy and will set forth the condition in which such home will be delivered (including outstanding warranties, if any).

## Control by Sponsor

The Sponsor, as owner of unsold Homes, will have voting control of the Board of Managers until one year from the transfer of title to the first Home and an additional year thereafter if the Sponsor still holds title to more than 50% of the Homes at the end of the first year. The Sponsor, during this indeterminate period, thus will have control of maintenance, facilities and services to be provided and will determine the common charges to be paid by all Home Owners, including the Sponsor and the enforcement of the Sponsor's obligations. However, during such control period, Sponsor will not increase or decrease the services set forth in the Estimate of Income and Expenses (Schedule L) and this Offering Plan without the consent of a majority of all Home Owners (other than Sponsor voting as a Home Owner) present at duly called meeting of the Home Owners.

The first Board of Managers of the Condominium will be Edward Flax, Gary Axelrod, and Vincent Bollinger who are also officers of the partners comprising the Sponsor. The Sponsor shall retain the right to substitute other persons in the place of the above named individuals until the resignation of the First Board as set forth below. Within 60 days of the closing of title to the first Home, one Home Owner who is independent of Sponsor, will be elected to the Board of Managers until the first Board of Managers resigns, by a majority of the then Home Owners other than Sponsor. Messrs. Flax, Axelrod and Bollinger will call for a special meeting of the Home Owners to elect a new Board within one year after the transfer of title to the first Home. In the event Sponsor is owner of more than 50% of the Homes at the first annual meeting, it may cast such votes to elect a majority of the Board. At the second annual meeting and all subsequent annual meetings, Sponsor may not elect a majority of the Board but may elect no more than four members of the Board. Upon the election of the new Board, the members of the first Board will resign. During the second year, the Board of Managers may not decrease the services set forth in Schedule L nor may they increase the reserves above the amount set forth in Schedule L without the written consent of Sponsor.

So long as the Sponsor or its designee shall continue to own Homes representing 20% or more in common interest, the Board of Managers may not, without the Sponsor's prior written consent, (i) make any additions, alterations, or improvements to the common elements or to any Home costing cumulatively more than \$5,000, the foregoing not to include necessary repairs and maintenance work; 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 the reserve for contingencies provided in Schedule L; or (iii) hire any employee in addition to the employees referred to in the Plan; or (iv) enter into any contract not in existence on the date of the first closing of title to a Home; or (v) borrow money on behalf of the Condominium. To

assure the Sponsor at least minimum representation on the Board of Managers, the Sponsor shall have the right to appoint its representatives to the Board as a part of the election process after it turns over control of the Board to Home Owners independent of the Sponsor as follows: so long as the Sponsor owns Homes representing 35% or more in number, it will have the right to designate three members of the Board of Managers, so long as the Sponsor owns less than 35% but more than 10% of the Homes in number, it will have the right to designate two members of the Board of Managers and so long as the Sponsor owns one or more Homes, the Sponsor will be entitled to designate one member to the Board of Managers. However, when the Sponsor or its designee no longer own any Homes, it shall have no further rights to the election of any members of the Board of Managers or as otherwise set forth in this paragraph.

The detailed provisions for the management of the Community are set forth in the By-Laws attached. The By-Laws contain provisions, among others, dealing with the election of the Board of Managers, and Condominium officers, powers of the Board of Managers, voting rights of Home Owners, assessment of common charge, foreclosure of liens for non-payment of common charges, management of the Condominium and the use of the Homes. The By-Laws provide that the Community shall be governed by the Board of Managers, but that the Board of Managers shall have the right to designate Committees or a Managing Agent to carry out such function.

#### Construction and Permanent Financing Procured by Sponsor

Sponsor has received a commitment from the Roosevelt Savings Bank to grant a building loan mortgage for the condominium. Sponsor is obligated to satisfy or release the Home from any construction or building loan mortgage before the closing of title to a Home.

The Sponsor has obtained a commitment from the Roosevelt Savings Bank to grant mortgage loans on individual Homes to qualified purchasers in an amount not in excess of 80% of the purchase price or bank appraised value, whichever is lower. The granting of such mortgage loan is subject to credit approval of the purchaser by the bank. The mortgage will provide for interest of 13% per annum. At 13% per annum, for every \$1,000 of cash paid by a purchaser in excess of the minimum down payment, the mortgage charges will be reduced by approximately \$11.07 per month. The mortgage term shall be up to thirty years and at the end of its term if all payments have been made, the mortgage will have been liquidated. The mortgage provides that the mortgage may be prepaid after the first anniversary date without penalty. Although the Home Owner may obtain such mortgage, he is not obligated to do so in purchasing the Home, but rather may purchase for all cash.

In addition to the 13% per annum fixed rate 30 year mortgages set forth above, a purchaser has the option of selecting a Renegotiable Rate Mortgage providing for an initial interest rate of 12% per annum for the first five years. At the end of each five year period the rate is renegotiable based upon the prevailing rate and the Federal Home Loan Bank Rate at the expiration of each five year period. However, the rate cannot be increased or decreased more than 2½% for the five year period or more than 5% during the entire 30 year term of the mortgage.

The Purchase Agreement provides that in the event the purchaser obtains such mortgage, he shall pay to the Sponsor the closing costs set forth on pages 24 and 25 and further provides that purchasers must pay off any outstanding personal loans if required by the lending institution.

In the event The Roosevelt Savings Bank does not approve the credit of the purchaser and the purchaser desires to obtain a purchase money mortgage, the Purchase Agreement provides that the Sponsor shall have the right but not the obligation for thirty days to secure a mortgage loan for the purchaser from any other lending institution or to grant such mortgage loan itself on substantially similar terms and conditions as The Roosevelt Savings Bank mortgage. The purchaser may not procure a mortgage loan unless the lending institution is approved by the Sponsor. Subsequent to the closing of title a Home Owner is free to obtain a mortgage loan without obtaining the Sponsor's consent provided that the mortgage is from a lending institution (as specified in Article XI, Section 3 of Schedule K) and the purchaser is not in arrears for the payment of common charges.

See Schedule C for estimated monthly mortgage and carrying charges.

## VI. SALE OF HOMES

The Sponsor hereby offers for sale the Homes to be constructed in the Condominium for residential occupancy in accordance with applicable municipal zoning regulations. Occupancy of the Home by a lessee or lessees of the Home Owner for the purposes set forth in this paragraph shall be deemed in accordance with residential occupancy.

The sales price at which the Homes are being offered are shown in detail in Schedule C. The Sponsor reserves the right to change the sales prices (See page 13). Any such change will not affect the common interest of the Home, however, some purchasers may pay less or more for the same model Home.

## Purchase Agreement and Payments

Any person may accept Sponsor's offer to sell the Homes by entering into a Purchase Agreement with the Sponsor. The Agreement provides that the purchaser will purchase from the Sponsor a designated Home in Southampton Commons Condominium described in the Declaration creating such Condominium. Upon signing the Purchase Agreement the purchaser shall make a down payment of not more than 10% of the total price of his Home and upon full payment of the purchase price at the closing, in cash or by mortgage, will receive a bargain and sale deed with covenant against grantor's acts and containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey good and marketable title to him of fee ownership in the Home and such percentage of common interest in the common elements as is set forth on Schedule C, free and clear of all liens and encumbrances other than those set forth on pages 23 through 24. The Purchase Agreement may be modified with the consent of purchaser and Sponsor in a manner not inconsistent with law, subject to the terms of this Offering Plan.

## Trust Funds

The Sponsor will hold all monies received directly or through its agents or employees in trust until the closing of title to a particular home or Sponsor will post a bond securing payment of such funds in the event a purchaser is entitled to such refund under the terms of the Offering Plan or the Purchase Agreement. If no bond is posted such funds will be held as trust funds pursuant to Section 352-h and 352 e (2)b of the General Business Law, in a special account in the Roosevelt Savings Bank, Queens, New York. The signature of a member of the firm of Balin, Weinberg, Pares, Soloway, Seaton & Kert, P.C., as attorneys for the Sponsor shall be required to withdraw any of such funds. After the closing of title to a Home such funds including interest earned on any monies deposited will be payable to the Sponsor. In the event of default by the purchaser under such Purchase Agreement, which default continues for ten days after notice of such default from the Sponsor to the purchaser, the down payment may be released to the Sponsor from such account as liquidated damages or the bond withdrawn and thereafter neither party shall have any rights or obligations against or to the other. If the Plan is not declared effective within eighteen months of presentation, or if the Sponsor cancels the Purchase Agreement of a purchaser without default by the purchaser, all monies paid by the purchasers or purchaser will be returned in full.

## Closing of Title to Homes, Form of Deed and Title Insurance

A date for the closing of title will be set by the Sponsor in accordance with the Purchase Agreement. The closing of title to the first Homes are expected to commence in September, 1981. The closing to any home, however, will only take place after or simultaneously with the happening of the following events:

1. The Roosevelt Savings Bank consents to the recording of the Declaration.

2. The Declaration, By-Laws, floor plans and engineers and tax authority certification required by Section 339-p of Article 9-B of the Real Property Law of the State of New York shall be recorded or filed as required by law.

3. The issuance of a temporary or permanent Certificate of Occupancy to the Building in which the Home is located and any other necessary permits.

4. The purchaser shall execute an instrument in the form annexed to the Purchase Agreement designating the Board of Managers as his attorneys in fact, coupled with an interest for the sole purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Homes acquired by the Board of Managers in accordance with any of the provisions of the By-Laws.

5. The Home and its undivided interest in the common elements shall not be subject to the lien of any mortgage at the time of closing except any mortgage requested by the purchaser at the time of closing representing a purchase money mortgage or mortgages taken by the purchaser.

6. If so requested by the purchaser, The Title Guarantee Company of New York, a title insurance company licensed to do business in New York State, or such other title company that is licensed to do business in New York State shall agree to insure that such purchaser has good and marketable fee title in the Home, free and clear of all liens and encumbrances except those set forth on pages 23 through 24 of this Offering Plan, and subject to the provisions of the Declaration and By-Laws and any mortgage executed or any mortgage payment of which was assumed by the purchaser and that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law.

7. Purchaser shall receive subcontractors' warranty certificates for heating, plumbing, air conditioning and roofing as set forth on page 15.

The form of Deed to be delivered to a Home Owner at closing of title to his Home is set forth on Schedule I.

The Home Owner, at his option, may purchase title insurance covering his interest in the Home. See page 24 for the cost of such insurance. Title to the Home will be subject to the following:

1. State of facts of the property as shown on a survey to be made prior to the closing of title provided such facts would not render title unmarketable and any state of facts which an accurate survey of the Home would show provided such state of facts would not render title unmarketable.

2. Any sewer, water, electric, drainage, telephone, cable television or utility easements granted or to be granted hereafter.

3. All of the terms, covenants and conditions of the Declaration, the By-Laws and the Building Plans as they are subsequently filed or recorded and the Offering Plan and any amendments thereto.

4. All easements set forth in the By-Laws and Declaration as they are subsequently recorded and in the Offering Plan and Purchase Agreement including:

(a) Easements in favor of the Owners of other Homes to use the pipes; wires, conduits, cable television, and public utility lines located in the common elements or in the Home itself servicing such other Homes and/or the common elements.

(b) Easements in favor of the Board of Managers, its agents, contractors or employees to have a right of access to the Homes and to the common elements to inspect, maintain or repair or to make repairs to the Home to prevent damage to the common elements or any other Homes, to make repairs to the common elements, to any wires, pipes, conduits or cable television system servicing any of the Homes or to make repairs to any other Home;

(c) Easements in favor of those Homes having restricted use to portions of the common elements; and

(d) Easements for the continuance of encroachments on the Home and on the common elements by other Homes or portions of the common elements, now existing by reason of the construction of the Homes, or hereafter occurring by reason of the settling or shifting of the Homes, or by reason of the repair and/or restoration by the Board of Managers of the Homes or such other Homes or such common elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the common elements made by the Board of Managers, so that any such encroachments may remain as long as the Homes stand.

5. In the event the Sponsor exercises the option set forth at pages 4 thru 7 to reduce the size of the Community, it will record a Declaration of Covenants, Restrictions, Easements, Charges and Liens and Home Owners Association By-Laws setting forth the provisions outlined on such pages.

6. Declaration dated 12-31-79 and recorded on 2-20-90 in Liber 8780 p 398.

7. Sewer agreement in Liber 7520 cp 150.

In addition, upon the recording of the Declaration and By-Laws in accordance with Article 9-B of the Real Property Law, the Title Guarantee Company has agreed to issue title policies insuring that a valid Condominium has been created pursuant to Article 9-B of the Real Property Law.

Estimated Closing Costs  
and Adjustments

The estimated closing costs and expenses to be borne by each purchaser are as follows:

(a) Fee title insurance charges, if ordered, in accordance with the schedules of rates set by the title company and filed with the N.Y.S. Department of Insurance of \$260 on the basis of a \$125,000 purchase price where a \$100,000 mortgage title policy is simultaneously issued and \$638 where no mortgage policy is issued. The cost of fee and mortgage title insurance will vary depending on the purchase price of a particular unit and the mortgage amount desired.

(b) Approximately \$15.00 recording fee for the deed and approximately \$15.00 for recording power of attorney.

(c) In the event the purchaser shall obtain a purchase money first mortgage as referred to under the section entitled "Permanent Mortgages", he shall pay to the Sponsor at the closing of title such amount as shall equal the sum of the following costs actually paid by Sponsor (on the basis of a \$100,000 mortgage): recording fees and mortgage tax of 3/4 of 1% of the amount of the mortgage up to \$10,000 and 1% of amount of mortgage over \$10,000, mortgage title policy charges covering the mortgage of \$466, lending institution's attorney's fees pertaining to the mortgage of \$300, processing and appraisal fee of \$100. A portion of the mortgage recording tax set forth under subparagraph (c), to be computed in accordance with Section 339-ee, subsection 2, of the New York Condominium Act, shall be paid to the Sponsor in reimbursement of mortgage recording taxes which the Sponsor will have previously paid in connection with existing mortgage on the Community. There will be no mortgage closing costs pursuant to the Sub-Section c on Homes which are not covered by mortgages.

(d) New York State transfer tax of \$.55 per \$500 of the purchase price.

(e) \$100 to be paid to the Condominium as initial working capital or in the event that Sponsor exercises the option set forth at page 4 to reduce the size of the Community then \$50 to the Condominium and \$50 to the Association. The initial working capital will be used to pay for insurance premiums and other items in the budget which will be payable prior to the time that sufficient monthly

common charges have accrued to pay these items. While Sponsor is in control of the Board of Managers the working capital fund will not be used to reduce the common charges. If any portion of the working capital fund is used during this period to pay for items in the budget set forth as Schedule L, such amounts will be repaid to such fund out of common charges collected. Upon the turn over of control of the Board of Managers, the Sponsor will prepare an accounting of all funds in the working capital fund and turn such funds over to the Condominium.

In addition, should the purchaser elect to obtain a purchase money mortgage, he may be required by the lending institution to provide to the lending institution, a deposit towards the payment of real estate taxes based upon a multiple of estimated monthly real estate taxes which will vary with the closing date.

Each purchaser shall be responsible for the payment of fees of his own attorney and in the event of the establishment of a real property transfer tax or any other tax imposed with relation to delivery of the Deed, such tax payment. The mortgage and fee title policy premiums, the recording charges, and the transfer tax rates set forth above are those in effect as of the date of this Offering Plan. Each purchaser shall be required to pay the title policy premiums, recording charges and transfer taxes in effect as of the date of the closing of title to his Home.

The Sponsor anticipates that the only items which will be apportioned at the closing of title to Homes will be real estate taxes and electric charges, if any, and common charges/Association Assessments if they have been declared by the Board of Managers/Directors. In the event there are any other items which are to be apportioned at closing, the Sponsor will advise the purchaser in writing of such items at least ten days before the closing. The Sponsor will advise the purchaser of the closing date by giving him written notice at least ten days prior to the closing date.

#### Estimated Common Charges and First Year's Operational Expenses

The estimated monthly common charges to be paid by the Home Owners and the estimate of the operational expenses of the Condominium for its first year are set forth on Schedules C and L.

#### VII. OBLIGATIONS OF HOME OWNERS

##### Common Charges - Assessment and Collection

The Board of Managers will prepare and furnish its budget to the Home Owners and their mortgagees at least once annually. Based upon such budget and any modification thereof approved by the Board of Managers, the Home Owners will be charged for the cost of the operation of the Condominium in accordance with their interest in the common elements. It is presently anticipated that the common

charges are to be used primarily to pay for fire and other casualty insurance on the Homes and the common elements, public liability and property damage insurance as set forth on page 30, maintenance costs, grass cutting, and landscaping of the unrestricted areas, repairs, water, auditing expenses, office expenses and supplies, painting and maintenance of the common elements, Association assessments, and a reserve for future contingencies and operation of the Condominium. The common charges do not include maintenance, repairs or decoration of any or all of the Homes or portions thereof, irrevocably restricted common elements, payments required pursuant to the terms of Home Owners mortgages and real estate taxes covering the individual Homes.

The estimate of real estate taxes and Condominium expenditures in Schedules C and L were made by the Sponsor. Although the Sponsor is of the opinion that such estimates are accurate and reasonable, they are not intended and cannot be construed as an assurance of the actual expenses and are merely based upon information available at this time. Actual costs may be lesser or greater than as set forth herein.

The common charges which will be collected monthly by the Board of Managers and other costs of maintenance of the Homes are set forth on Schedule C. However, additional services which the Home Owners may desire or other factors can increase these charges. The Board of Managers will commence the collection of common charges upon the closing of title to the first Home in an amount no greater than as set forth herein and only in such amount as will be necessary to carry out the duties of the Board of Managers as set forth in this Offering Plan and such common charges shall be paid by the Home Owners and the Sponsor as owner of the unsold Homes in accordance with the common interest set forth herein. The common charges will be placed in an account in the name of the Board of Managers in The Roosevelt Savings Bank.

Where a Home is damaged by casualty and the proceeds of insurance are not sufficient to cover the repair of the damage, the amount necessary to restore the Home over and above the proceeds from any fire insurance on the Homes will be a common charge to all Home Owners. In order to protect the Home Owner against the possibility of such common charges, the Board of Managers determines the amount of blanket casualty insurance covering all Homes (the cost of such insurance is part of the common charges) and review the amount of such coverage annually.

The Sponsor shall be liable for the monthly common charges of all Homes, title to which has not been transferred to a bona fide purchaser, commencing with the closing of title to the first Home.

## Liens for the Non-Payment of Common Charges

Under the Real Property Law of the State of New York, the Board of Managers shall have a lien against each Home for its unpaid common charges and legal interest thereon prior to all other liens except liens for the payment of taxes and all sums unpaid on a first mortgage of record. The lien shall continue in force even after resale of a Home except that the Board shall, in accordance with the Declaration, release the lien and right to collect unpaid common charges against any purchaser of a Home where such purchase arises out of a foreclosure of a first institutional mortgage when the Board of Managers has been made a party to the foreclosure action. The Board of Managers may foreclose the lien in the same manner as a mortgage on real property and in doing so shall be entitled to recover all costs incurred including reasonable attorney's fees. The liability of each Home Owner for the payment of common charges thereafter assessed against his Home shall terminate upon a sale, transfer or conveyance of such Home in accordance with the provisions of the Condominium Declaration and By-Laws. Further, any Home Owner may convey his Home to the Board of Managers or its nominee, on behalf of all other Home Owners, without any compensation and in accordance with the Declaration and By-Laws, and in such event he shall be exempt from any common charges thereafter assessed, but not relieved of his obligation to pay his mortgage. However, a Home Owner may not exempt himself from liability for his common charges by waiver of the use or enjoyment of any of the common elements or by abandonment of his Home. Upon a resale, the purchaser of a Home shall be liable for the payment of unpaid common charges assessed against such Home prior to the acquisition of such Home by the purchaser, except that a mortgagee who acquires title to a Home or a purchaser at a foreclosure sale shall not be liable and the Home shall not be subject to a lien for the payment of common charges assessed prior to the acquisition of title to such Home by the mortgagee or purchaser at a foreclosure sale. In such event and in the event of a foreclosure by the Board of Managers of its lien on any Home for unpaid common charges where the proceeds of the foreclosure sale are not sufficient for the payment of such unpaid common charges, the unpaid balance shall be charged to all Home Owners as a common expense.

## Sale or Lease of Homes

There are no restrictions upon sale, lease or ownership of a Home. Occupancy of a Home, however, may only be for residential purposes as described on page 20. Homes can be sold or leased by a Home Owner, provided that he 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). A purchaser is free to make a gift of his Home to anyone during his lifetime or to devise his Home by will, or to have it pass by intestacy without any restriction. No Home can be sold or leased without a simultaneous sale or lease of the undivided interest in the common elements.

## Mortgage of Homes by Home Owners

The Home Owner may mortgage his Home at any time after he acquires title to the Home in whatever amount and under whatever terms he can obtain, provided that the mortgage can only be taken from a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender. Any Home Owner may, however, upon the resale of his Home, grant a purchase money mortgage to a purchaser of his Home. A Home Owner may mortgage his Home only if all arrearages for common charges, if any, are provided for at the closing of the mortgage.

## Repairs, Alterations and Improvements to Homes

The Home Owner can make any interior alterations or improvements to the Home he desires without obtaining the consent of the Condominium so long as such alterations or improvements do not affect the Building in which the Home is located or any other common element. All maintenance (including electrical repairs and plumbing repairs in the Homes, painting and decorating of the Homes), repairs and replacements to the Homes including windows and doors abutting a Home (except painting or maintenance of the exterior surface, windows and doors which open from a Home, which are performed by the Board of Managers), repairs to pipes, wires and conduits located within or without the Home and servicing the same Home other than as set forth on page shall be made by the respective Home Owners at their own expense. In the event that the Home Owner fails to make any repair or creates any condition which affects the Building in which his Home is located, the common elements or any other Home, the Board of Managers, may, upon notice given in accordance with the provisions of the By-Laws, make such repair or correct such condition and charge the Home Owner for the cost of such service. In the event it becomes necessary for the Board of Managers to bring any lawsuit or other proceeding to enforce its right to make such repair or correct such condition or to collect any sum due on account thereof, the Board of Managers shall also be entitled to collect reasonable attorney's fees in connection with such suit or proceeding. All repairs or maintenance made by the Home Owner to any windows, exterior fence surface or other exterior surface must be in conformity and harmony with the style and colors initially installed by the Sponsor unless varied by the Board of Managers.

## Real Estate Taxes

In accordance with the New York State Condominium Act, real estate taxes applicable to each Home will be separately assessed. The estimated monthly costs and charges to be incurred by the owner of each Home in the first year in which the property will be fully subject to real estate taxes together with estimated insurance costs for the the fire and liability insurance on each Home and the monthly mortgage and other carrying costs are set forth on Schedule C. Estimated assessed valuation is based upon information received in a letter dated November 26, 1980 from the Town of Southampton Assessor's Office using the 1979-80 total tax rate of \$21.82 per \$100 of assessed valuation.

The estimate of projected taxes has been prepared by the Sponsor and cannot be construed as an assurance of the final tax costs, but is merely an estimate based upon information available at this time.

### Income Tax Opinions

The Sponsor has been advised by its counsel, Wofsey, Certilman, Haft & Lebow, that each Home Owner will be entitled under present law to a deduction for Federal and New York State income tax purposes for the real estate taxes paid by him covering his Home and for the interest paid by him on any mortgage covering his Home. See the Opinion of Counsel annexed hereto as Schedule O. Similarly, the Sponsor has been advised by counsel that certain Home Owners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their respective Homes. The Sponsor has been advised by its counsel that the Condominium will be taxed on any excess of income over expenses from unrelated sources. Examples of unrelated source income include interest earned on reserve and other invested funds, income from concessions and income from dues or fees received from persons other than the Home Owners. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional common charge. The amount of the estimated tax deductions for the first year as set forth on Schedule C has been computed by the Sponsor and has not been passed upon by Sponsor's counsel. No warranty or representation is or can be made by the Sponsor or any other person that the United States Treasury Department or the New York State Department of Taxation and Finance will allow the aforementioned deductions and neither the Sponsor nor its counsel shall be liable if for any reason it shall be held that Home Owners are not entitled to such deductions or the veterans' exemptions aforementioned.

### Other Liens

There are no other liens or encumbrances on the Home or common elements other than the lien for non-payment of common charges (see page 27), the lien of a first mortgage which arises if the purchaser obtains a first mortgage on his Home and the liens and encumbrances set forth on pages 23 through 24.

### Compliance with Terms of Declaration, By-Laws and Rules and Regulations

Ownership of a Home in the Condominium subjects the Home Owner to compliance with the provisions of the Declaration and By-Laws as well as any rules and regulations contained in the Declaration or By-Laws or established by the Condominium in accordance therewith. The rules and regulations set forth in the By-Laws and Declaration can be found in Schedule J, Article Seventeenth and Schedule K, Article VIII.

## VIII. MANAGEMENT AND OPERATION OF THE CONDOMINIUM

### Board of Managers

Primary responsibility for operating the Condominium rests with the Board of Managers who are elected by the Home Owners. See Schedule K, Article III. For information concerning Sponsor's initial control of the Board of Managers, see page 18.

Each Home Owner, upon obtaining title, will automatically have one vote at all meetings of the Home Owners for each of the Home or Homes owned by him.

The By-Laws will not be amended so as to adversely affect any Home Owner while the Sponsor retains voting control of the Condominium. The Sponsor will not cast any of its votes to terminate the Condominium.

#### Management Services

The Sponsor will enter into an agreement with We'll Manage, Inc., Hicksville, New York to manage the Condominium (and the Association in the event Sponsor elects to reduce the size of the Condominium as set forth at page 4.) The Managing Agent will provide the following services: billing and collecting common charges, bookkeeping, records keeping, home owner relations and liaison with maintenance functions, preparation of contract specifications, negotiation of contracts, maintenance and work flow scheduling, and generally perform the duties of a managing agent of a condominium. The contract will be for a period of three years from the closing of title to the first home but will contain a provision that it may be cancelled on 90 days written notice after Sponsor turns over control of the Condominium. The cost of these management services is set forth in Schedule L.

#### Repairs, Alterations and Improvements to Common Elements

All maintenance, repairs and replacements to the common elements of the property including but not limited to exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any public utility lines located in the common elements shall be made by the Board of Managers and the cost thereof shall be a common expense. All repairs to the exterior of any door, fence, building, open area or other generally visible portion of the Community must be in conformation with the style and colors initially installed by the Sponsor. The Board of Managers shall maintain the landscaping located in the unrestricted portion of the common elements. The Board of Managers shall have a right of access to any Home and to all portions of the common elements for the purpose of carrying out any of its obligations under this Offering Plan, the By-Laws or the Declaration of the Condominium. The Board of Managers will provide snow plowing for the internal roadways on the property.

#### Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the Buildings, including all of the Homes and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Home Owners and their mortgagees, as

interests may appear, in an amount equal to the full replacement value of the Buildings. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Home which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth, and such other insurance as the Board of Managers may determine.

In addition to the insurance set forth herein, the purchaser may desire to insure his personal effects and the interior of the Home itself for fire and liability. Such insurance, if taken by the purchaser, will be payable by the purchaser directly.

The proceeds of all policies of physical damage insurance carried by the Board shall be payable to the Board of Managers in the event of a loss amounting to \$40,000. or less and to the Insurance Trustee if the loss shall amount to more than \$40,000. to be applied for the purpose of repairing, restoring or rebuilding the Buildings unless otherwise determined by the Home Owners, as hereinafter set forth.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Home Owners or of the invalidity arising from any acts of the insured or any Home Owners and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice of all of the insureds, including all mortgagees of Homes. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums shall be delivered to all mortgagees of Homes at least ten (10) days prior to expiration of the then current policies.

The amount of fire insurance to be maintained on the fully constructed Community upon the transfer of title to all Homes and until the first meeting of the Board of Managers following the first annual meeting of the Home Owners will be in the amount of at least \$13,200,000 for all 117 Homes, \$4,400,000 if only Section I is completed, and \$8,470,000 if only Sections I and II are completed. The Board of Managers shall review the amount of fire insurance annually.

The Roosevelt Savings Bank shall be the Insurance Trustee unless or until replaced by a bank or trust company in the State of New York, designated by the Board of Managers. In the event that the Insurance Trustee shall resign or not qualify, the new Insurance Trustee shall also be a bank or trust company in the State of New York designated by the Board of Managers. The Insurance Trustee shall hold all proceeds of insurance policies in accordance with Section 254.4 of the Real Property Law.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a common expense. The Board of Managers shall also obtain and maintain, to the extent obtainable: (1) fidelity insurance covering all employees of the Condominium who handle Condominium funds; (2) Workmen's Compensation insurance; and (3) in order to limit the liability of Home Owners for personal injury and tort, public liability insurance covering each member of the Board of Managers and each Home Owner, in such limits as the Board of Managers may deem proper. The Board of Managers shall review such limits once each year.

The public liability insurance policy to be maintained until the first meeting of the Board of Managers following the first annual meeting of the Home Owners will be a limit of \$2,000,000 per occurrence covering all claims for bodily injury and for property damage arising out of any one occurrence in the common elements. The public liability insurance shall also cover cross liability claims of one insured against another.

Home Owners shall not be prohibited from carrying other insurance for their own benefit provided such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Home Owner's other insurance.

The Board will arrange for repair of the Homes in the event of casualty loss. In the event the insurance proceeds are not sufficient to cover the cost of repairs to the Homes, the balance of the cost of such repairs will be assessed against all Home Owners. For further provisions regarding repair or reconstruction of Homes, after fire or casualty and condemnation provisions see Article VII and XII of the By-Laws. In the event of a casualty loss, the Home Owner will continue to pay the common charges on his Home.

Although there is no requirement for annual appraisals to ascertain whether the insurance coverage is adequate, such appraisals are required prior to renewal of any fire policy. See Schedule L for the estimated insurance costs of the Condominium.

#### Homes Acquired by the Board of Managers

All Homes which are acquired by the Board of Managers, or its designee, shall be held by it on behalf of all Home Owners whose respective interests shall be in proportion to the common interest to such Home Owners and the votes appurtenant to such Homes shall be cast by the Board of Managers or its designee at all meetings of the Home Owners, except that the Board will not vote in any election of members of the Board.

#### Liability of Board of Managers and Home Owners

In order to limit the liability of the Home Owners, any contract, agreement or commitment made by the Board of Managers

shall state that it is made by the Board of Managers as agent for the Home Owners as a group only and that no member of the Board of Managers nor individual Home Owner shall be liable for such contract, agreement or commitment except that every Home Owner shall be liable to the extent that his proportionate interest in the common elements bears to the total liability under such commitment. The Board of Managers shall have no liability to the Home Owners in the management of the Community except for wilful misconduct or bad faith and the Home Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties, except acts of wilful misconduct or acts made in bad faith. Such several liability of the Home Owners shall, however, be limited to the extent that his proportionate interest in the common elements bears to the total liability of the member of the Board of Managers.

#### Termination of Condominium

This property shall not be withdrawn from the provisions of Article 9-B of the Real Property Law unless at least 80% of the Home Owners in number and in common interest and the first mortgagees, if any, of these same Homes agree to the withdrawal of this property from the provisions of such Article. The Sponsor or its nominee will not cast any of its votes for withdrawal, unless 80% of Home Owners other than Sponsor so vote.

#### Reports to Home Owners

All Home Owners will receive within 4 months of the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement verified by an independent public accountant, a statement regarding any taxable income attributable to the Home Owners, and a notice of the holding of the annual Home Owners meeting.

### IX. GENERAL INFORMATION

#### Sponsor, Legal and Expert Opinions

The Sponsor, Southampton Associates, is a co-venture partnership, consisting of Rosouth, Inc., and Southampton Commons, Inc.

Rosouth, Inc. is a wholly-owned subsidiary of the Roosevelt Savings Bank, which is a New York State Chartered Savings Bank with principal offices at 1024 Gates Avenue, Brooklyn, New York 11221. The Bank maintains branches throughout Brooklyn, Queens, and Long Island and is active in real estate financing, both in New York State and elsewhere.

Southampton Commons, Inc. is a New York corporation whose stock is owned by Emmy Building Co., Gary Axelrod, Jack Campo, and Robert Gordon. The President of Southampton Commons, Inc., is Edward Flax. Mr. Flax has been actively engaged in the building of one-family homes and garden apartments, during the past 15 years. He was also a principal of the Sponsor of Springwood at Babylon Condominium, Springwood at Farmingdale Condominium, and Hidden Ridge at Syosset Condominiums.

Wofsey, Certilman, Haft & Lebow, Esqs., of 71 South Central Avenue, Valley Stream, NY 11580, counsel for the Sponsor, have been selected by the Sponsor to represent the Condominium in connection with all legal matters incident to the operation and management of the Condominium. No legal fee will be charged for such representation except for work actually performed after the formation of the Condominium. The Condominium can at any time choose to select different attorneys to represent it.

All legal matters in connection with the establishment of the Condominium, the opinions of counsel contained herein and the preparation of the Offering Plan have been passed upon for the Sponsor by Wofsey, Certilman, Haft & Lebow, Esqs. All legal matters with respect to zoning have been passed upon by Stanley Mishkin, Esq., Carle Place, New York. The estimated insurance rates have been passed upon by The Treiber Agency, Mineola, New York. The aforementioned estimate has been included in this Offering Plan in reliance upon the opinions of said agency and upon its authority as an expert but the Sponsor had no knowledge that this estimate is not correct.

#### Pending Litigation

At the date of this Offering Plan, there is no litigation pending against the Condominium or the Sponsor or any other party which would affect their ability to perform their obligations relating to this Offering, or which would in any way affect this Offering.

#### Profit

Although it is impossible to estimate the profits of the Sponsor in the construction of this Community because of many contingent factors, it is anticipated that the Sponsor will make a substantial profit in the construction and sale of the Homes.

#### Non-Discrimination

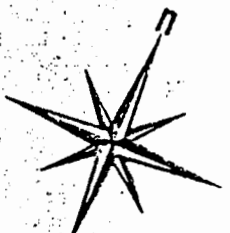
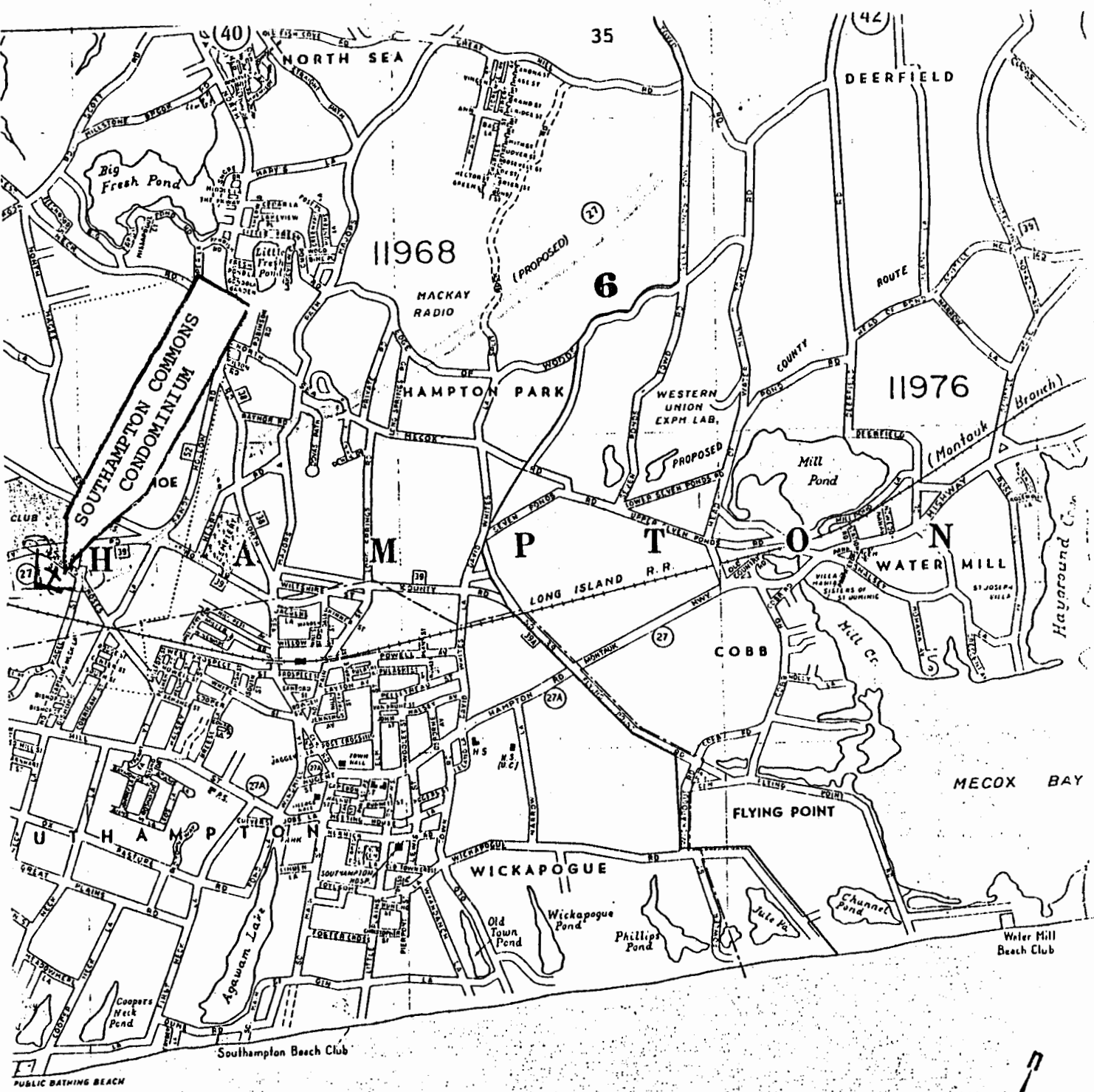
In accordance with the provisions of the laws of the State of New York, the Sponsor represents that it will not discriminate against any person because of his or her race, creed, sex, color, national origin or ancestry in the sale of Homes under this Plan.

#### Plan as Fair Summary

This Plan contains a fair summary of the pertinent provisions of the various documents referred to herein and does not knowingly omit any material fact or contain any untrue statement of a material fact relating to the offering. Any information or representation made, not contained in this Offering Plan must not be relied upon.

SOUTHAMPTON ASSOCIATES  
Sponsor

Dated: December 31, 1980



O C E A N

SCHEDULE A  
MAP OF SURROUNDING AREA

SCHEDULE C  
Prices, Types and Percentages of Common Interest

Building	Home Number	Model Type	Miscellaneous Features*	Section I 35 Homes	Section I and II 77 Homes	Section I, II and III 117 Homes	Basic Sales Price	Premium	Total Sales Price
1	1	Coventry	S, E	3.0111	1.3268	.8882	\$150,000.	\$10,000.	\$160,000.
	2	Coventry	S	3.0111	1.3268	.8882	150,000.	7,000.	157,000.
	3	Coventry	S	3.0111	1.3268	.8882	150,000.	7,000.	157,000.
	4	Andover	S	2.2819	1.0055	.6731	135,000.	7,000.	142,000.
	5	Andover	S	2.2819	1.0055	.6731	135,000.	7,000.	142,000.
	6	Bristol	S	2.5002	1.1019	.7376	140,000.	7,000.	147,000.
	7	Bristol	S	2.5002	1.1019	.7376	140,000.	7,000.	147,000.
	8	Devonport	S, E	3.4645	1.5266	1.0220	165,000.	10,000.	175,000.
2	9	Devonport	B, E	4.0252	1.7737	1.1874	173,000.	10,000.	183,000.
	10	Coventry	B	3.3812	1.4899	.9974	158,000.	7,000.	165,000.
	11	Coventry	B, E	3.3812	1.4899	.9974	158,000.	10,000.	168,000.
3	12	Coventry	S, E	3.0111	1.3268	.8882	150,000.	3,000.	153,000.
	13	Coventry	S	3.0111	1.3268	.8882	150,000.	-	150,000.
	14	Andover	S	2.2819	1.0055	.6731	135,000.	-	135,000.
	15	Andover	S	2.2819	1.0055	.6731	135,000.	-	135,000.
	16	Bristol	S	2.5002	1.1019	.7376	140,000.	-	140,000.
	17	Bristol	S	2.5002	1.1019	.7376	140,000.	-	140,000.
	18	Devonport	S, E	3.4645	1.5266	1.0220	165,000.	-	165,000.
	4	19	Coventry	S, E	3.0111	1.3268	.8882	150,000.	10,000.
20		Coventry	S	3.0111	1.3268	.8882	150,000.	7,000.	157,000.
21		Coventry	S	3.0111	1.3268	.8882	150,000.	7,000.	157,000.
22		Andover	S	2.2819	1.0055	.6731	135,000.	7,000.	142,000.
23		Andover	S	2.2819	1.0055	.6731	135,000.	7,000.	142,000.
24		Bristol	S	2.5002	1.1019	.7376	140,000.	7,000.	147,000.
25		Bristol	S	2.5002	1.1019	.7376	140,000.	7,000.	147,000.
26		Devonport	S, E	3.4645	1.5266	1.0220	165,000.	10,000.	175,000.
5		27	Bristol	B, E	2.8390	1.2511	.8374	148,000.	10,000.
	28	Bristol	B	2.8390	1.2511	.8374	148,000.	7,000.	155,000.
	29	Coventry	B	3.3812	1.4899	.9974	158,000.	7,000.	165,000.
	30	Coventry	B, E	3.3812	1.4899	.9974	158,000.	10,000.	168,000.

SCHEDULE C  
Prices, Types and Percentages of Common Interest

<u>Building</u>	<u>Home Number</u>	<u>Model Type</u>	<u>Miscellaneous Features*</u>	<u>Section I 35 Homes</u>	<u>Section I and II 77 Homes</u>	<u>Section I, II and III 117 Homes</u>	<u>Basic Sales Price</u>	<u>Premium</u>	<u>Total Sales Price</u>
6	31	Coventry	S, E	3.0111	1.3268	.8882	\$150,000.	\$10,000.	\$160,000.
	32	Coventry	S	3.0111	1.3268	.8882	150,000.	7,000.	157,000.
	33	Coventry	S	3.0111	1.3268	.8882	150,000.	7,000.	157,000.
	34	Andover	S	2.2819	1.0055	.6731	135,000.	7,000.	142,000.
	35	Andover	S, E	2.2819	1.0055	.6731	135,000.	10,000.	145,000.
7	36	Bristol	B, E		1.2511	.8374	148,000.	10,000.	158,000.
	37	Bristol	B		1.2511	.8374	148,000.	7,000.	155,000.
	38	Coventry	B		1.4899	.9974	158,000.	7,000.	165,000.
	39	Coventry	B, E		1.4899	.9974	158,000.	10,000.	168,000.
8	40	Coventry	S, E		1.3268	.8882	150,000.	10,000.	160,000.
	41	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	42	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	43	Andover	S		1.0055	.6731	135,000.	7,000.	142,000.
	44	Andover	S, E		1.0055	.6731	135,000.	10,000.	145,000.
9	45	Devonport	B, E		1.7737	1.1874	173,000.	10,000.	183,000.
	46	Coventry	B		1.4899	.9974	158,000.	7,000.	165,000.
	47	Coventry	B, E		1.4899	.9974	158,000.	10,000.	168,000.
10	48	Devonport	B, E		1.7737	1.1874	173,000.	10,000.	183,000.
	49	Coventry	B		1.4899	.9974	158,000.	7,000.	165,000.
	50	Coventry	B, E		1.4899	.9974	158,000.	10,000.	168,000.
11	51	Devonport	B, E		1.7737	1.1874	173,000.	10,000.	183,000.
	52	Coventry	B		1.4899	.9974	158,000.	7,000.	165,000.
	53	Coventry	B, E		1.4899	.9974	158,000.	10,000.	168,000.
12	54	Devonport	S, E		1.5266	1.0220	165,000.	10,000.	175,000.
	55	Bristol	S		1.1019	.7376	140,000.	7,000.	147,000.
	56	Bristol	S		1.1019	.7376	140,000.	7,000.	147,000.
	57	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	58	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	59	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	60	Coventry	S, E		1.3268	.8882	150,000.	7,000.	157,000.

SCHEDULE G  
Prices, Types and Percentages of Common Interest

Building	Home Number	Model Type	Miscellaneous Features*	Section I 35 Homes	Section I and II 77 Homes	Section I, II and III 117 Homes	Basic Sales Price	Premium	Total Sales Price
	61	Coventry	S		1.3268	.8882	\$150,000.	\$ 7,000.	\$157,000.
	62	Andover	S		1.0055	.6731	135,000.	7,000.	142,000.
	63	Andover	S		1.0055	.6731	135,000.	7,000.	142,000.
	64	Bristol	S		1.1019	.7376	140,000.	7,000.	147,000.
	65	Bristol	S		1.1019	.7376	140,000.	7,000.	147,000.
	66	Devonport	S, E		1.5266	1.0220	165,000.	10,000.	175,000.
13	67	Devonport	S, E		1.5266	1.0220	165,000.	10,000.	175,000.
	68	Bristol	S		1.1019	.7376	140,000.	7,000.	147,000.
	69	Bristol	S		1.1010	.7376	140,000.	7,000.	147,000.
	70	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	71	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	72	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	73	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	74	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	75	Bristol	S		1.1019	.7376	140,000.	7,000.	147,000.
	76	Bristol	S		1.1019	.7376	140,000.	7,000.	147,000.
	77	Devonport	S, E		1.5266	1.0220	165,000.	10,000.	175,000.
14	78	Coventry	S, E			.8882	150,000.	3,000.	153,000.
	79	Coventry	S			.8882	150,000.	-	150,000.
	80	Coventry	S			.8882	150,000.	7,000.	157,000.
	81	Andover	S			.6731	135,000.	7,000.	142,000.
	82	Andover	S			.6731	135,000.	7,000.	142,000.
	83	Bristol	S			.7376	140,000.	7,000.	147,000.
	84	Bristol	S			.7376	140,000.	-	140,000.
	85	Devonport	S, E			1.0220	165,000.	3,000.	168,000.
15	86	Coventry	S, E			.8882	150,000.	10,000.	160,000.
	87	Coventry	S			.8882	150,000.	7,000.	157,000.
	88	Andover	S			.6731	135,000.	7,000.	142,000.
	89	Andover	S			.6731	135,000.	7,000.	142,000.
	90	Bristol	S			.7376	140,000.	-	140,000.

SCHEDULE C  
Prices, Types and Percentages of Common Interest

<u>Building</u>	<u>Home Number</u>	<u>Model Type</u>	<u>Miscellaneous Features*</u>	<u>Section I 35 Homes</u>	<u>Section I and II 77 Homes</u>	<u>Section I, II and III 117 Homes</u>	<u>Basic Sales Price</u>	<u>Premium</u>	<u>T S P</u>
	91	Bristol	S			.7376	\$140,000.		\$140,000.
	92	Devonport	S, E			1.0220	165,000.	\$ 3,000.	168,000.
16	93	Coventry	S			.8882	150,000.	10,000.	160,000.
	94	Coventry	S			.8882	150,000.	7,000.	157,000.
	95	Andover	S			.6731	135,000.	7,000.	142,000.
	96	Andover	S			.6731	135,000.	7,000.	142,000.
	97	Bristol	S			.7376	140,000.	7,000.	147,000.
	98	Bristol	S			.7376	140,000.	7,000.	147,000.
	99	Devonport	S, E			1.0220	165,000.	10,000.	175,000.
17	100	Coventry	S, E			.8882	150,000.	10,000.	160,000.
	101	Coventry	S			.8882	150,000.	7,000.	157,000.
	102	Coventry	S			.8882	150,000.	7,000.	157,000.
	103	Andover	S			.6731	135,000.	7,000.	142,000.
	104	Andover	S			.6731	135,000.	7,000.	142,000.
	105	Bristol	S			.7376	140,000.	7,000.	147,000.
	106	Bristol	S			.7376	140,000.	7,000.	147,000.
	107	Devonport	S, E			1.0220	165,000.	10,000.	175,000.
18	108	Devonport	B, E			1.1874	173,000.	10,000.	183,000.
	109	Coventry	B			.9974	158,000.	7,000.	165,000.
	110	Coventry	B, E			.9974	158,000.	10,000.	168,000.
19	111	Coventry	S, E			.8882	150,000.	10,000.	160,000.
	112	Coventry	S			.8882	150,000.	7,000.	157,000.
	113	Andover	S			.6731	135,000.	7,000.	142,000.
	114	Andover	S			.6731	135,000.	7,000.	142,000.
	115	Bristol	S			.7376	140,000.	7,000.	147,000.
	116	Bristol	S			.7376	140,000.	7,000.	147,000.
	117	Devonport	S, E			1.0220	165,000.	10,000.	175,000.

\*S = Slab  
B = Basement  
E = End Unit

Prices, Types, Percentages of Common Interest  
and  
Estimated Individual Expenses for the First Full Year At  
SOUTHAMPTON COMMONS CONDOMINIUM  
Section I, II, and III Combined - 117 Homes

Model Type	(1) Selling Price	(2) Maximum Mortgage 13% 30 Years	(2) Monthly Mortgage Charge	(3) Estimate of Monthly Common Charges	(4) Estimate of Monthly Real Estate Taxes	(6) Total Estimate of Monthly Carrying Charge	(5) Total Average Monthly Reduction of Mortgage	(7) Total Estimate of Carrying Charges Deductible For Income Tax Purposes
Andover	\$135,000	\$108,000	\$1,195.56	\$103.33	\$116.28	\$1,415.17	\$27.00	\$1,284.84
Bristol	140,000	112,000	1,239.84	113.23	123.56	1,476.63	28.00	1,335.40
Coventry	150,000	120,000	1,328.40	136.35	140.58	1,605.33	30.00	1,438.98
Devonport	165,000	132,000	1,461.24	156.89	155.69	1,773.82	33.00	1,583.93

See Footnotes at end of Schedule C

Prices, Types, Percentages of Common Interest  
and  
Estimated Individual Expenses for the First Full Year At  
SOUTHAMPTON COMMONS CONDOMINIUM  
Section I and II Only - 77 Homes

Model Type	(1) Selling Price	(2) Maximum Mortgage 13% 30 Years	(2) Monthly Mortgage Charge	(3) Estimate of Monthly Common Charges	(4) Estimate of Monthly Real Estate Taxes	(6) Total Estimate of Monthly Carrying Charge	(5) Total Average Monthly Reduction of Mortgage	(7) Total Estimate of Carrying Charges Deductible For Income Tax Purposes
Andover	\$135,000	\$108,000	\$1,195.56	\$115.16	\$116.28	\$1,427.00	\$27.00	\$1,284.84
Bristol	140,000	112,000	1,239.84	121.02	123.56	1,484.42	28.00	1,335.40
Coventry	150,000	120,000	1,328.40	134.70	140.58	1,603.68	30.00	1,438.98
Devonport	165,000	132,000	1,461.24	146.86	155.69	1,763.79	33.00	1,583.43

See Footnotes at end of Schedule C

This Schedule is only applicable in the event Sponsor elects to exercise the option set forth at page 4 to reduce the size of the Condominium to Section I and II (77 Homes).

Prices, Types, Percentages of Common Interest  
and  
Estimated Individual Expenses for the First Full Year At  
SOUTHAMPTON COMMONS CONDOMINIUM  
Section I Only - 35 Homes

<u>Model Type</u>	<u>(1) Selling Price</u>	<u>(2) Maximum Mortgage 13% 30 Years</u>	<u>(2) Monthly Mortgage Charge</u>	<u>(3) Estimate of Monthly Common Charges</u>	<u>(4) Estimate of Monthly Real Estate Taxes</u>	<u>(6) Total Estimate of Monthly Carrying Charge</u>	<u>(5) Total Average Monthly Reduction of Mortgage</u>	<u>(7) Total Estimate of Carrying Charges Deductible For Income Tax Purposes</u>
Andover	\$135,000	\$108,000	\$1,195.56	\$119.94	\$116.28	\$1,431.78	\$27.00	\$1,284.84
Bristol	140,000	112,000	1,239.84	126.25	123.56	1,489.65	28.00	1,335.40
Coventry	150,000	120,000	1,328.40	141.02	140.58	1,610.00	30.00	1,438.98
Devonport	165,000	132,000	1,461.24	154.13	155.69	1,771.06	33.00	1,583.93

See Footnotes at end of Schedule C

This Schedule is only applicable in the event Sponsor elects to exercise the option set forth at page 4 to reduce the size of the Condominium to Section I Only (35 Homes).

## FOOTNOTES TO SCHEDULE C

1. See page 13 for possible changes in these prices. Certain homes have location premiums and higher base purchase prices because they have a basement. See pages 36 through 39 for the exact prices of each home.
2. Based upon the first mortgage of 80% of the purchase price obtainable by a qualified purchaser from The Roosevelt Savings Bank, including principal and interest at 13% for thirty years, self-liquidating. See page 20 for details of Renegotiable Rate mortgages which are also available to purchasers.
3. Includes maintenance and operation of common areas, insurance and water, for each home and the common elements. Excludes individual consumption of electricity and interior repairs and decoration. Common charges have been estimated by the Sponsor. While Association assessments do not formally constitute common charges of the Condominium, they have been included in the estimated monthly common charge figures to show a composite picture. Certain homes have optional basements. As a result, the percentage of common interest applicable to such home will be higher resulting in a higher estimated monthly common charge for such home.
4. Real estate tax estimates are based upon information received from the Town of Southampton Assessor's Office by letter dated November 26, 1980. See page 28 for details. The following is the estimated assessed valuation for each home:

<u>Model Type</u>	<u>Estimated Assessed Valuation</u>
Andover	\$6,395
Bristol	6,795
Coventry	7,731
Devonport	8,562

Actual assessments for individual Homes may vary depending on such factors as optional features and premium locations.

5. Amortization of the mortgage increases and interest charges decrease as the mortgage term continues.
6. See Schedule C-1 for estimated heating and electrical charges for each home.
7. Subject to increase or decrease as mortgage interest payments decrease.

Although the Sponsor is under the obligation to provide accurate information to prospective purchasers, factors beyond its control may substantially effect the cost of heating and cooling after the purchase of a home or in subsequent years. Sponsor represents, however, that it has followed the plans and specifications provided by the manufacturer of the heating, hot water and colling units together with the recommendation of the utility company and other experts to enable these items of equipment to operate at optimum efficiency at the lowest cost. Further, that it has not been induced to select the heating system described herein on the basis of any financial inducement other than the cooperative advertising and price of the system made to it by the manufacturer or distributor of the system or by the supplier of energy to be used in connection thereof or by any of their agents or employees.

DESCRIPTION OF HOMES AND FACILITIES IN  
SOUTHAMPTON COMMONS CONDOMINIUM

The Condominium will consist of 117 two story townhouses located in 19 buildings. There are four different models as follows:

MODEL "A" - The Andover contains 1233 sq. ft. of living area on two floors. Two bedroom townhouse. Living room 19'4" x 13'4", country kitchen 17'8" x 12'0", foyer, guest closet, lavatory, master bedroom 16'4" x 12'0", bedroom #2, 11'2" x 10'8", two full baths, one walk-in closet, linen closet, one additional closet, laundry alcove, storage shed, 8' x 5'. 12'

MODEL "B" - The Bristol contains 1351 sq. ft. of living area on two floors. Two bedroom townhouse. Living/Dining room 19'4" x 19'0", eat-in kitchen 17'0" x 10'8", foyer, guest closet, lavatory, broom closet, master bedroom 15'4" x 13'0", bedroom #2, 11'8" x 10'8", two full baths, one walk-in closet, linen closet, one additional closet, laundry alcove, storage shed, 8' x 5'. Full basement optional on some units. 14'

MODEL "C" - The Coventry contains 1627 sq. ft. of living area on two floors. Two bedroom and den townhouse. Living room 19'4" x 13'4", Dining room 15'11" x 10'0", eat-in kitchen 17'8" x 9'8", foyer, walk-in guest closet, lavatory, laundry room, master bedroom 14'6" x 13'4", bedroom #2, 11'0" x 10'0", den 13'0" x 9'0" (if used as 3rd bedroom - 9'6" x 9'0"), two full baths, 3 walk-in closets (one offered as an optional sauna), linen closet, one additional closet. Storage shed 8' x 5". Full basement available on some units. Some units are end units. Some end units available with optional greenhouse 10'4" x 4'0", total sq.ft. of living area 1668 sq.ft. 13'

MODEL "D" - The Devonport contains 1872 sq. ft. of living area on two floors. Three bedroom townhouse. Living room 14'8" x 12'8", conversation pit 10'4" x 10'4", kitchen 10'4" x 10'0", dining area 11'2" x 8'8", foyer, lavatory, guest closet, laundry alcove, master bedroom (1st floor) 17'0" x 12'0", bedroom #2, 14'0" x 12'0", bedroom #3, 11'8" x 10'4", two full baths, one walk-in closet (available as an optional sauna), linen closet, 5 additional closets, unfinished storage room 12'0" x 10'0". Storage shed 8' x 5". Full basement available on some units. All units are end units. All units available with optional greenhouse 10'4" x 4'0", total sq.ft. of living area 1913 sq.ft. 10'

## I. GENERAL CONSTRUCTION

### A. Foundation and Slab

Foundations will be of either 8" or 10" poured concrete (as per plans) with 4" concrete floor slab. Optional unfinished basements will be 7' high running under the entire home.

All concrete shall be in accordance with ACI 381-71.

Footings to bear on undisturbed soil with a minimum allowable bearing capacity of 3000 P.S.F.

Slab on grade to be 4" concrete reinforced with a 6 + 6 - 10/10 W.W.M. wire mesh throughout on suitable compacted subgraded material. Provide 4 mil polyethylene vapor barrier under slabs for living areas.

Concrete for all footings, walls and slabs to be stone concrete with a minimum compressive strength of 2000 P.S.I. at 28 days.

### B. Masonry

Firewalls are to be 6" non-bearing hollow concrete units with a 2 hour fire rating per Sec. B402-2 of N.Y.S. Code; stone veneers or brick veneers (if used) are to be 4" nominal thickness laid in portland cement mortar conforming to ASTM C-270.

All masonry veneer to be anchored with min. 22 gauge non-corrosive ties, max. 300 square inches per tie.

### C. Wood Framing

Exterior and interior walls will be 2 x 4 wood stud construction 16" on center, including walls on either side of block firewalls. All other party walls to be of 2 individual 2 x 4 stud walls separated by a 2" air space.

All floor beams to be 2 x 8, 16" on center or 12" o.c. as noted. Sub-flooring to be 5/8" plywood nailed and glued to floor beams with screw type nails.

Sheathing will consist of 3/8" plywood under wood shingles, 1/2" nailbase fiberboard under other wood, vinyl or aluminum sidings or 1/2" gypsum board under brick or stone veneer.

Roofs will be constructed with roof trusses or rafters 24" on center. The roof trusses will be sheathed with 1/2" plywood rated 24-0 containing exterior glue. Roofing to be 235 lb., self-sealing asphalt shingles with an under layment of 15 lb. asphalt saturated felt.

D. Insulation

All exterior walls and in floors over basements to be minimum 3-1/2 fiberglass batts, R-11.

All ceilings at roof to be minimum 6" fiberglass batts, R-19.

Perimeter insulation under slabs to be 24" wide x 1-1/2" thick polystyrene or equal, R5.5.

Insulation in party walls, two sides, 3-1/2" fiberglass batts, sound transmission Class of 40, minimum per Section on B-206-3.

E. Windows and Skylites

Windows in all units will be double glazed thermal break aluminum single hung types having a minimum "U" value of 0.69 per N.Y. State Energy Code.

Skylites to be of comparable quality to Wasco, having a maximum "U" value of 0.69 per N.Y. State Energy Code.

F. Doors

Sliding glass doors to be aluminum with insulating safety, tempered glass "U" value of 0.69.

Front entrance doors to units to be metal faced with insulating core, fully weatherstripped, fitted with cylinder lock and door chime. Interior swing doors and closet doors to be hardboard faced, hollow core units. Bi-fold doors on laundry areas will be metal, louvre-faced units.

G. Drywall

All walls and ceilings to be covered with 1/2" thick Gypsum-board. All joints and nail holes to receive three coats of spackle. Waterproof sheetrock under tile in tubs and showers.

## H. Stairs

Stairs to be factory assembled 5/4" x 10" yellow pine stringers and 5/4" x 10 1/4" yellow pine treads and 1" x 8" risers. Stairwells and landings will be supplied with wrought iron handrails. Basement stairs to have 2" x 4" handrail.

Scuttle panel to common attic to be plywood backed with insulation and with a dead bolt latch.

## I. Flooring

All kitchens, entry foyers, lavatories and first floor laundry areas to have a 1/16" thick vinyl asbestos tile floor. Stair platforms to basements to have a plywood floor. All living rooms, entry foyers, laundry areas, dining rooms, bedrooms, dens, halls, first floor lavatories, main stairways and landings shall be covered with carpet over foam rubber padding (American Flyer 100% continuous filament nylon or equal). Washing machine and dryers on second floor to be installed over shower pan.

## J. Kitchens and Laundry Appliances

30" electric range - G.E. Model JBP-26 or equal.  
 Ductless range hood - Nutone M-4630 or equal.  
 24" x 22" stainless steel kitchen sink.

## K. Bathrooms and Powder Rooms

Bathrooms to have ceramic tiled floors. Walls at ends and sides of bathtubs with showers to have ceramic tile 5'0" above tub. Stall showers to have ceramic tile extending 6'0" above floor. All bathroom sinks shall be American Standard Model No. 3003.606 or equal installed in either a full vanity or vanity top. Powder rooms will contain a wall hung sink.

Medicine cabinets 14 x 18 in size will be installed in each bathroom together with a fixed glass mirror of 30" x 30" minimum.

The bathtubs will be American Standard 5' recessed, Model 0135.129 or 361 or equal and will contain an American Standard water closet Model No. 2122.059 or equal. In baths with no stall shower, over the bathtub will be a showerhead and curtain bar. One towel bar, one recessed soap and grab combination over the tub and one paper holder, all in polished chromium will be furnished.

Interior baths will be vented, by means of a Broan fan or equal, through the roof by means of an aluminum duct or equal.

L. Painting and Decorating

All exterior fascia, soffits and trim that is not pre-finished shall be painted with one primer coat and one coat of exterior latex house paint.

All interior walls, doors and trim shall receive one coat of interior latex house paint.

M. Patios and Storage Sheds and Balconies

Each unit will have a 4" poured concrete slab patio 8' x 10' on grade, plus an 8' 0" x 5' 0" storage shed at the rear. Optional second story balconies will be constructed of wolmanized wood supported by wooden posts. The balconies will be 6' x 10' on the Andover, Bristol, and Coventry models and 6' x 15' on the Devonport model.

MECHANICAL

1. General Conditions

Contractor to verify all work with mechanical and electrical contractors to coordinate the location of sleeves for piping ducts and conduit and frame for same. All contractors responsible for layout of own work. Sanitary disposal system as per Suffolk County Health Department approval. All plumbing to be installed in strict conformance with code. Electrical work to be underwriters approved.

2. Warranties

There will be manufacturer's warranties on heating equipment for a period of one year and contractor warranties for a period of one year on the heating, plumbing and roofing against any structural defect from poor workmanship and materials. There will be a manufacturer's warranty on all appliances for a period of 90 days.

3. Heating and Air Conditioning

Each unit will be centrally heated and air conditioned with an electric powered heat pump system and internal ductwork. Each home owner will be billed individually for the electric power consumed.

The heat pump systems will be General Electric Weathertron (or equal) and will vary in capacity depending on the size of the dwelling unit serviced. The heat pump system will provide a minimum of 70°F inside when the outside temperature is ~

10° dry bulb with a 15 mph wind. It will cool the homes to a minimum of 78°. Dry bulb at 50° R.H. when the outdoor temperature is 89° dry bulb at 75° wet bulb during periods of normal occupancy.

A fifty gallon double element electric hot water heater will be provided for each home (Bradford-White or equal).

In addition, as a back up to the heat pump systems, there will be electric baseboard in two models as follows: the "C" Model, as an end unit with a greenhouse, will have a 1000 watt electric heater and the "D" Model will have two 750 watt electric heaters in the dining room. Additionally, the "D" Model with a greenhouse will have a 1000 watt electric heater.

#### 4. Lighting

Kitchen - luminous ceiling.

Bathroom - surface incandescent or fluorescent ceiling or wall fixtures.

Dining Area and Conversation Pit - surface mounted fixtures.

Entry Halls and Stair Halls - ceiling and/or wall mounted glass enclosed single bulb fixtures.

Front and Rear Exterior Doors - glass enclosed fixture.

#### 5. Electric Equipment

Electric power will be provided by the Long Island Lighting Company with 175 amp service located in a 175 amp circuit breaker panel in the Andover and Bristol Models and 200 amp service in a 200 amp circuit breaker panel in the Coventry and Devonport Models. Electric consumption will be individually metered. Electric panels and meters will be located in various locations around the condominium premises.

Wiring will be Romex and Ser according to the New York Board of Fire Underwriters providing 110 volt lines throughout the units. All internal wiring will be copper Romex except the sub-feeder from the main disconnect to the circuit breaker panel. The sub-feeder will be a Ser feeder cable. Exterior service wire outside of homes will be XLPE-USE aluminium to be installed by LILCO or the electrical contractor. All switches will be single pole toggles with 220 volt wiring outlets installed where required. All electrical work will be done strictly in accordance with local regulations and codes and the National Electrical Code.

#### 6. T.V. Reception Facilities

Units will be wired to the cable television operated by Long Island Cable Company. Use of the cable television equipment is subject to the charges imposed by Long Island Cable Company and will be an individual expense of each home owner.

### 7. Water Supply

Water will be supplied by the Suffolk County Water Authority through underground pipes and common meters as necessary. Water supply piping in the buildings will be copper.

### 8. Refuse Storage and Collection

An adequate number of trash and garbage disposal stations will be provided adjacent to the buildings. Rollaway containers will be left to be picked up by the rubbish removal contractor periodically as necessary. Trash disposal areas will be connected to the roadways.

### 9. Sewage Disposal

All sewage from the units will be conveyed through underground pipes made of bituminized fiber, class 3300 to a private sewage treatment plant located on the property, all in accordance with plans on file and approved by the Suffolk County Sewer Agency.

### 10. Site Drainage

Site drainage will be collected and piped underground to leaching fields and/or a recharge basin along the southerly property line of the premises in accordance with the regulations of the Town of Southampton.

Gutters and leaders will be provided. Gutters will be 5" wide, 0.27 thick aluminum. There will be at least one aluminum leader per home.

### 11. Piping

Underground waste and drain piping will be cast iron. Above ground venting and drain piping will be PVC. Interior hot and cold water lines will be copper.

### 12. Fireplaces

Optional fireplaces will be Superior Brand #1000 with brick veneer as shown in the model homes. Chimneys will be double wall prefab metal with zero clearance.

## EXTERIOR DETAILS

### 1. Parking Areas and Walkways

Concrete paths 3' wide will be provided between the front entrance door and driveway parking area in front of all units.

The roads and parking areas will be asphalt paved and will consist of a 6" loam stabilized sub-base, a 2½" asphalt binder course and a 1½" N.Y.S. Type 1A asphalt wearing course. The roads and parking areas have a load bearing capacity of 12,000 pound axel load.

## 2. Exterior Lighting

Front entrances will be provided with lighting fixtures.

The walkways, grassy areas and parking facilities will be illuminated by post lights.

## 3. Landscaping

The landscape planting for Southampton Commons consists of common area, recreation area and perimeter plantings of 204 major deciduous trees - Acer platanoides and Gleditsia triacanthos, 2½ x 3" Cal; 95 ornamental trees - Amelanchier canadensis, Malus floribunda, 7 - 8' Ht; 528 Pinus thunbergi 4 - 5' Ht. and 1,728 evergreen and deciduous shrubs - Eleagnus angustifolia, Myrica pensylvanica, Rosa rugosa and Juniperus sargentii, varying in size from 15 - 18" to 3 - 3½'. The immediate house line plantings consist of 1,045 evergreen and deciduous shrubs - Chamaecyparis filifera aurea, Euonymus alatus, Euonymus patens, Ilex crenata hetzi, Juniperus chinensis hetzi and Taxus densiformis, varying in size from 15 - 18" to 2½ - 3'.

Lawn areas around units will be sodded and lawn areas at perimeter of site will be seeded.

## 4. Lawn Sprinkler System

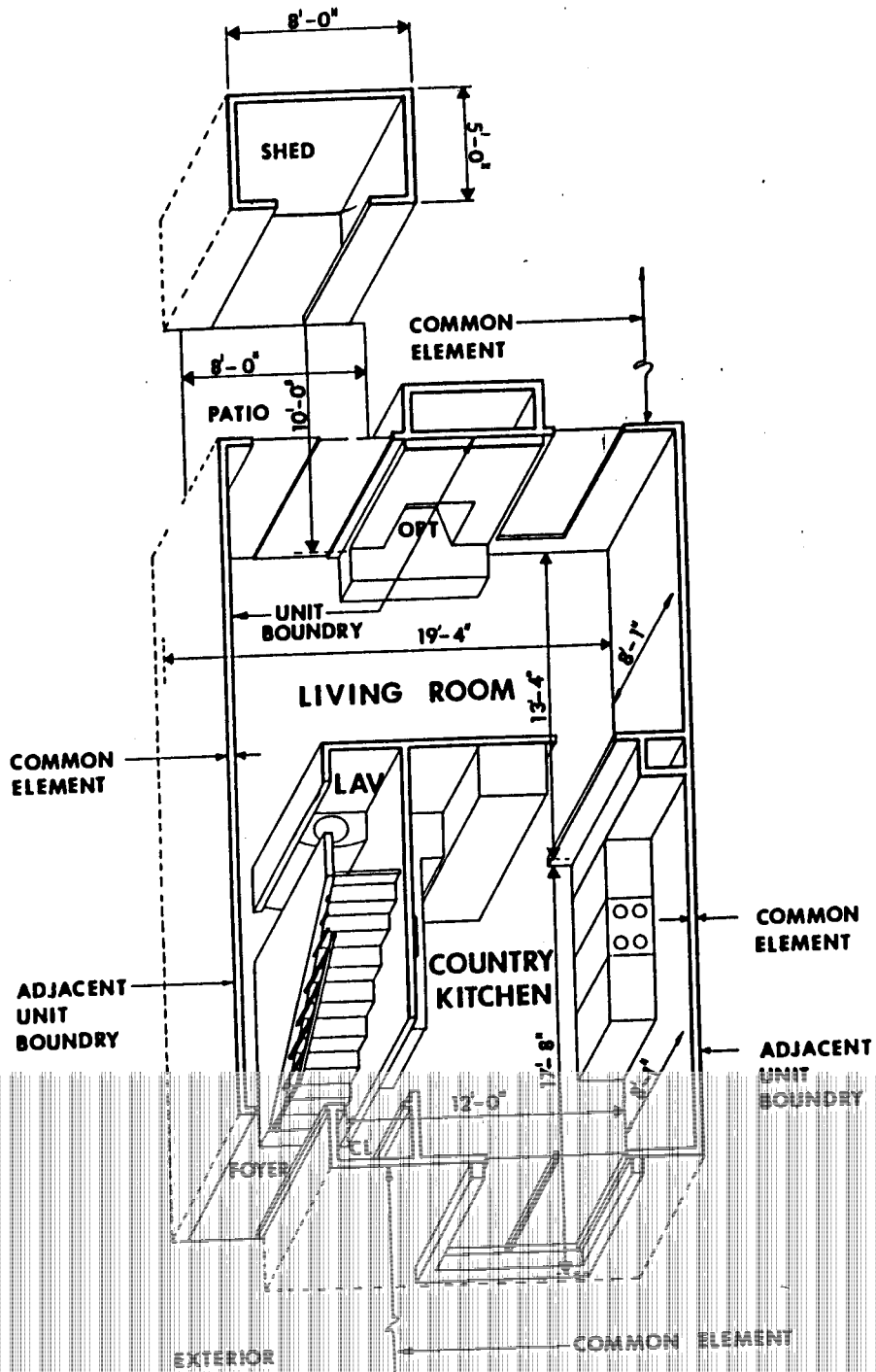
The seeded areas of the condominium premises will be watered by an automatic underground sprinkler system. 1" and 1½" polyethylene pipe will be used beneath the seeded areas. The entire sprinkler system is turned on and off at appropriate times by automatic electric time clocks.

## 5. Rear Yard Screen Fences - Yard Screens

Screen fences will be constructed at each party wall to extend ten feet to the rear of each unit. The material of the fence shall be complimentary to the exterior siding of the units.

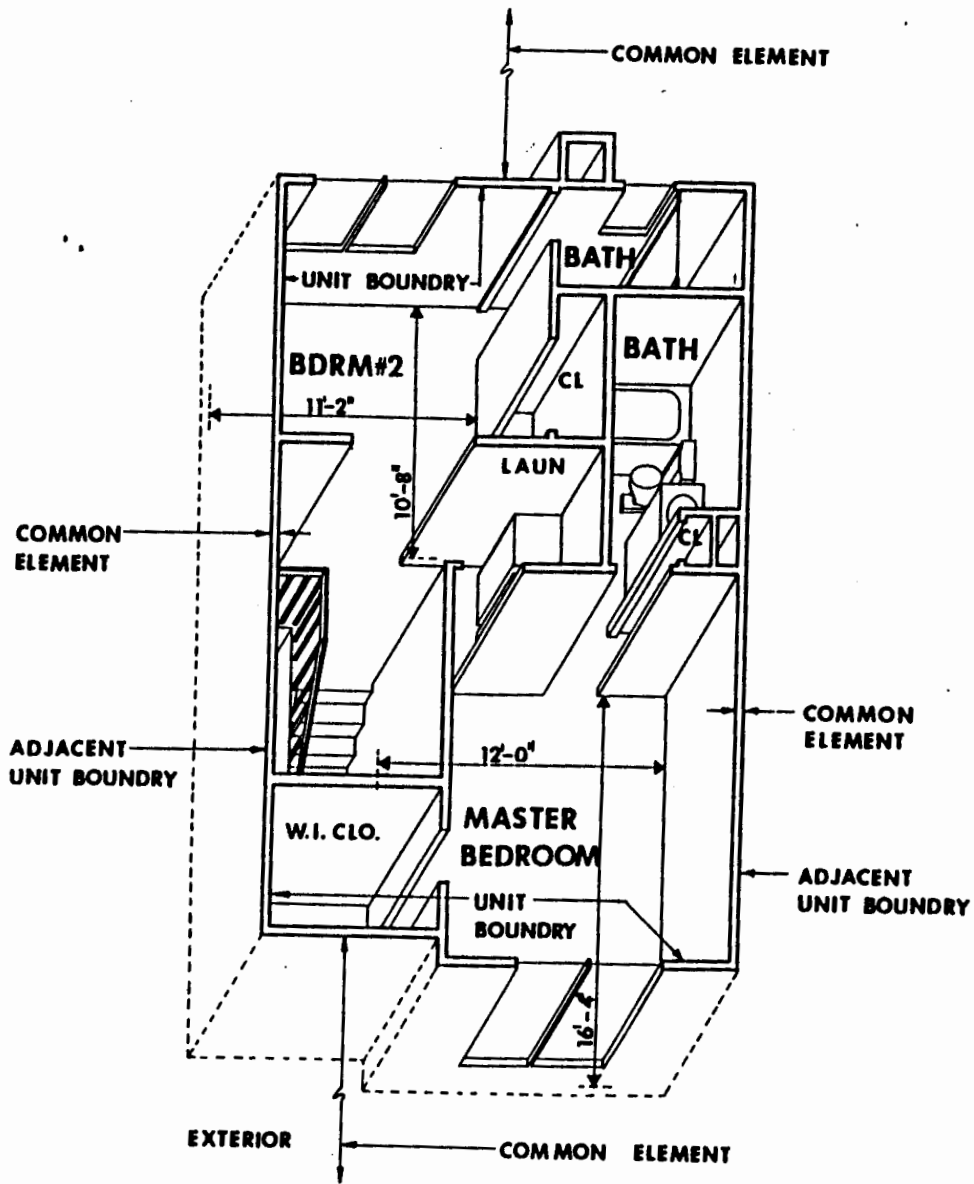
## 6. Storage Sheds and Patios

A wood framed outdoor storage shed 8' x 5' shall be provided at the rear of each unit together with a concrete patio 8' x 10'.



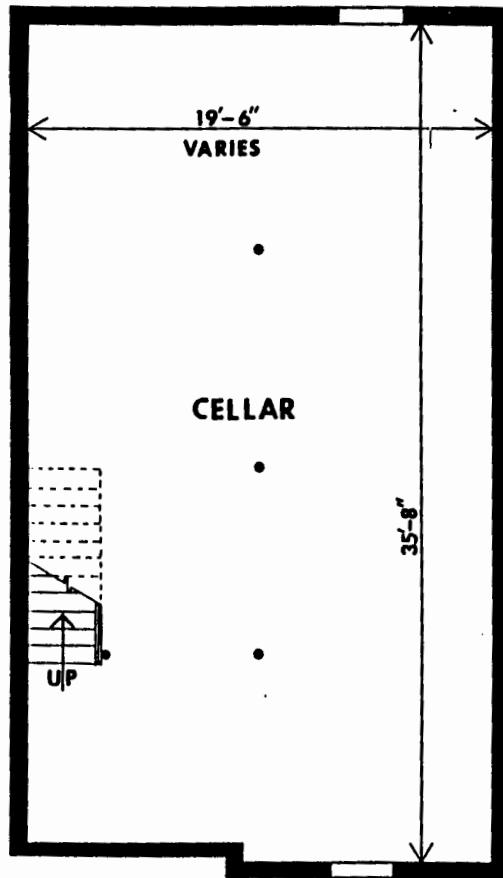
FIRST FLOOR UNIT A

See fee title description at end of Schedule E & F.



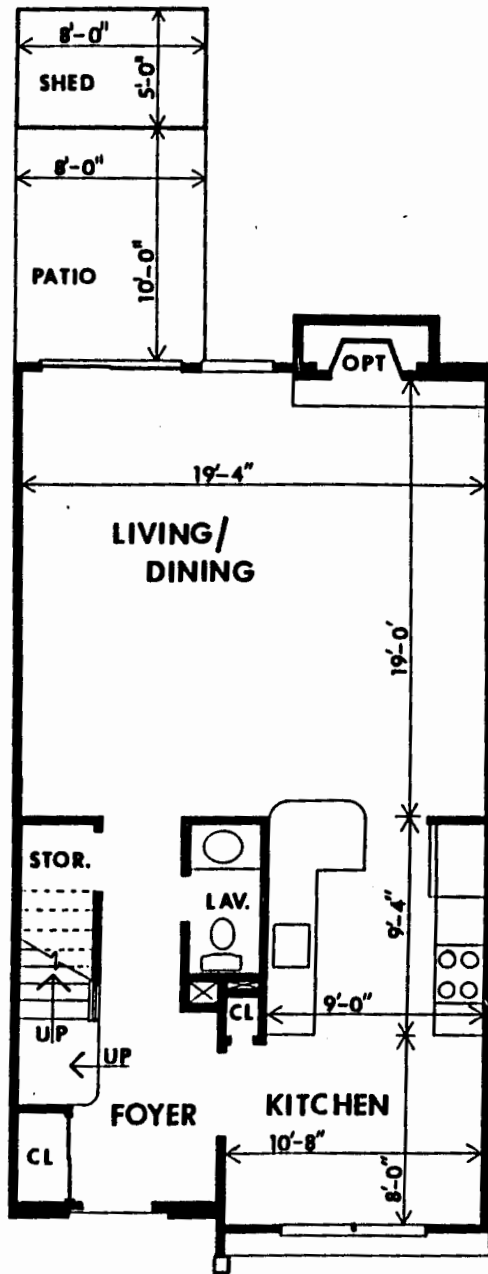
**SECOND FLOOR UNIT A**

See fee title description at end of Schedule E & F.



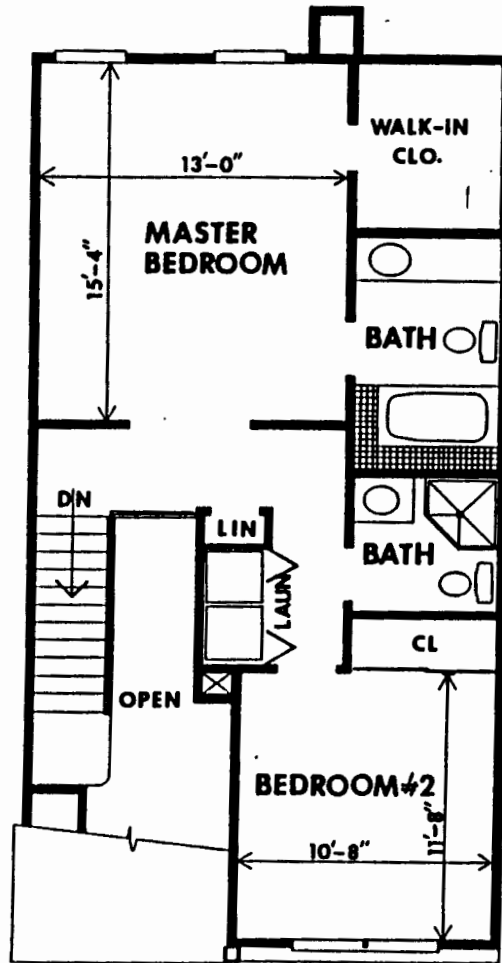
**OPT BASEMENT UNIT B**

See fee title description at  
end of Schedule E & F.



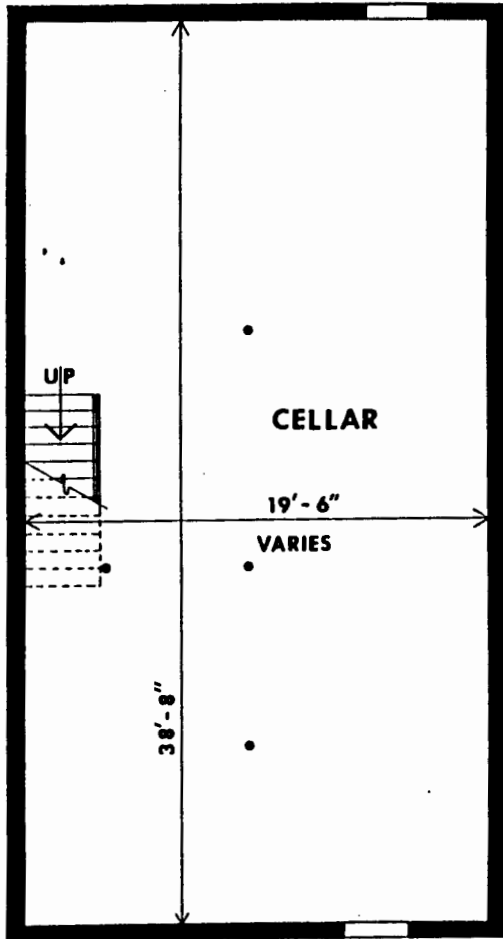
FIRST FLOOR UNIT B

See fee title description at end of Schedule E & F.

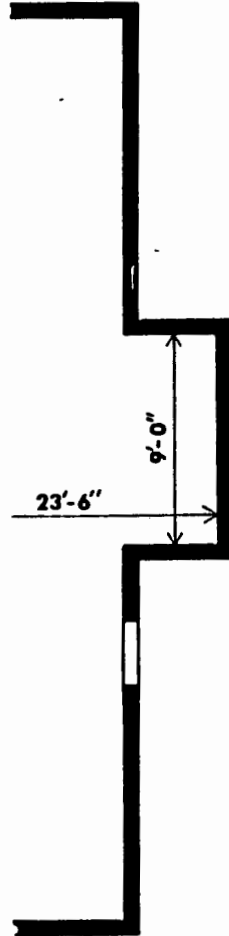
**SECOND FLOOR UNIT B**

See fee title description at  
end of Schedule E & F.

SCHEDULE E & F

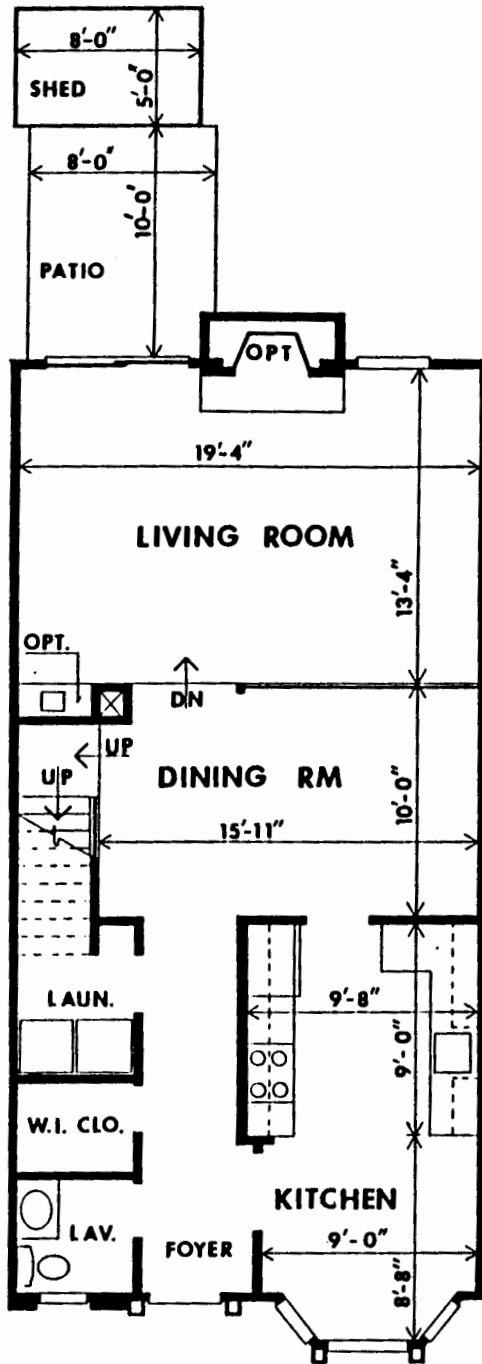


**OPT. BASEMENT UNIT C**

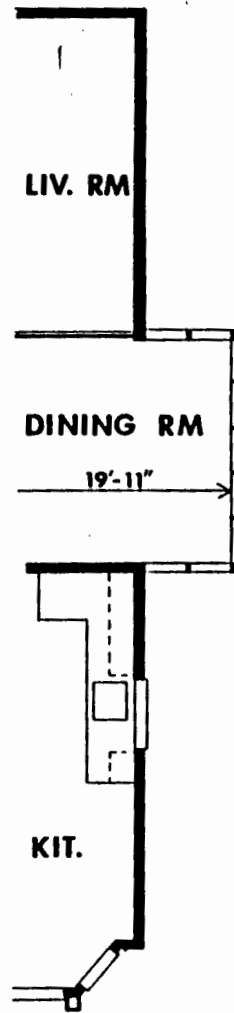


**OPT. END UNIT  
W/OPT. GREENHOUSE**

See fee title description at  
end of Schedule E & F.

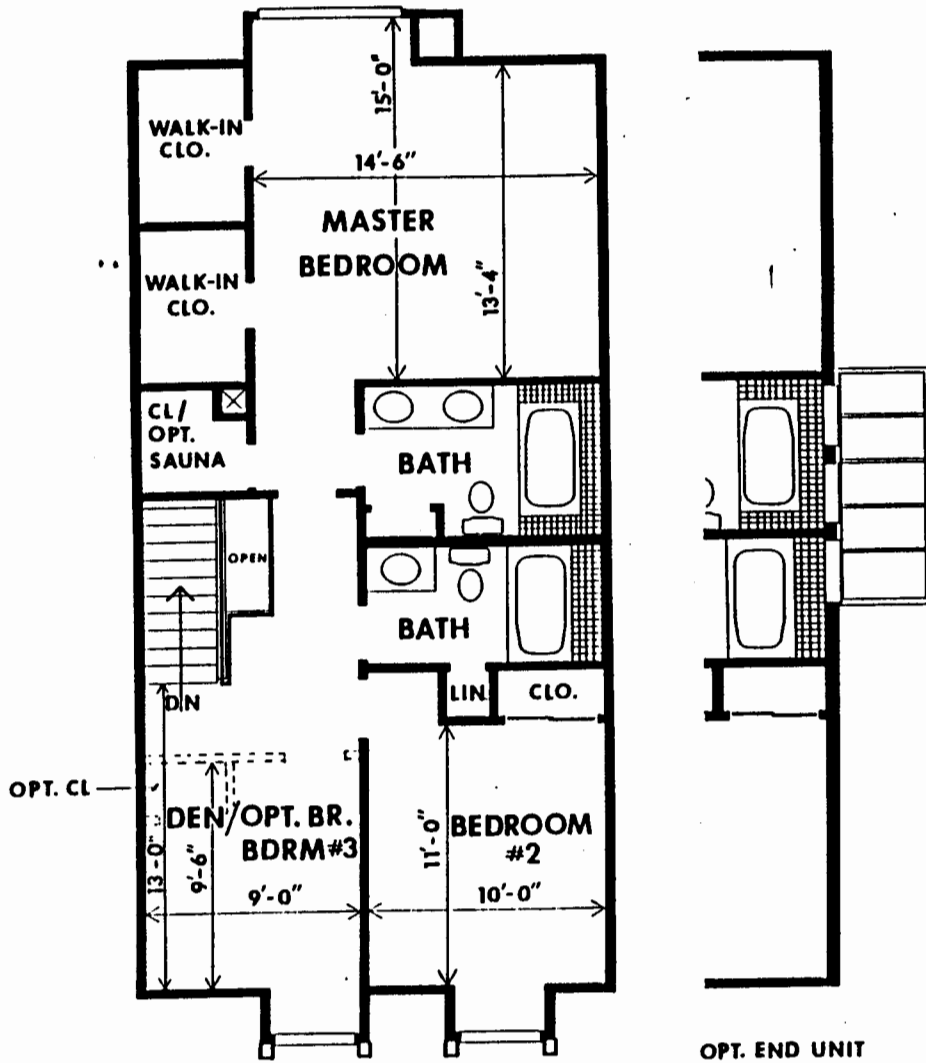


FIRST FLOOR UNIT C



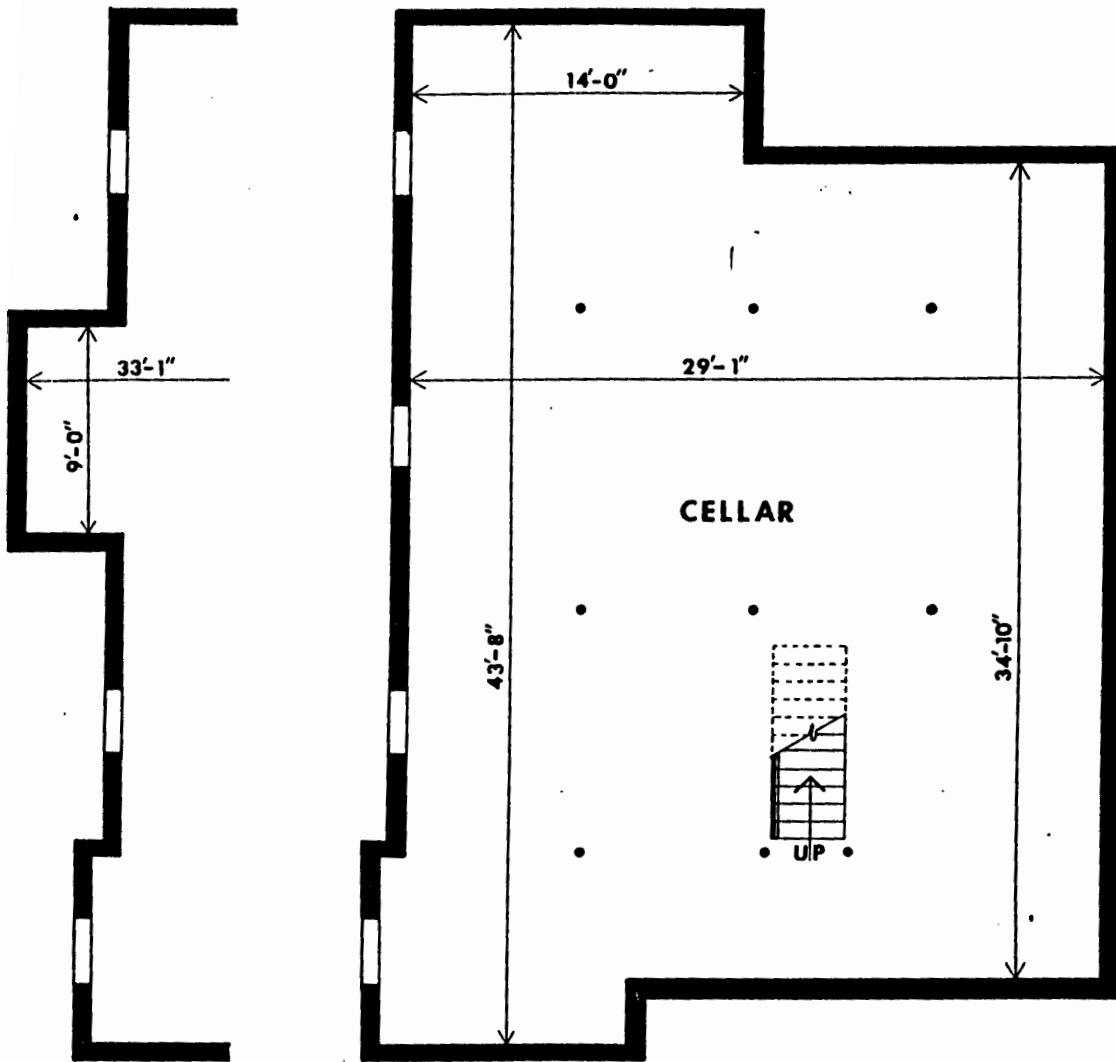
OPT END UNIT  
W OPT GREENHOUSE

See fee title description at-  
end of Schedule E & F.



SECOND FLOOR UNIT C

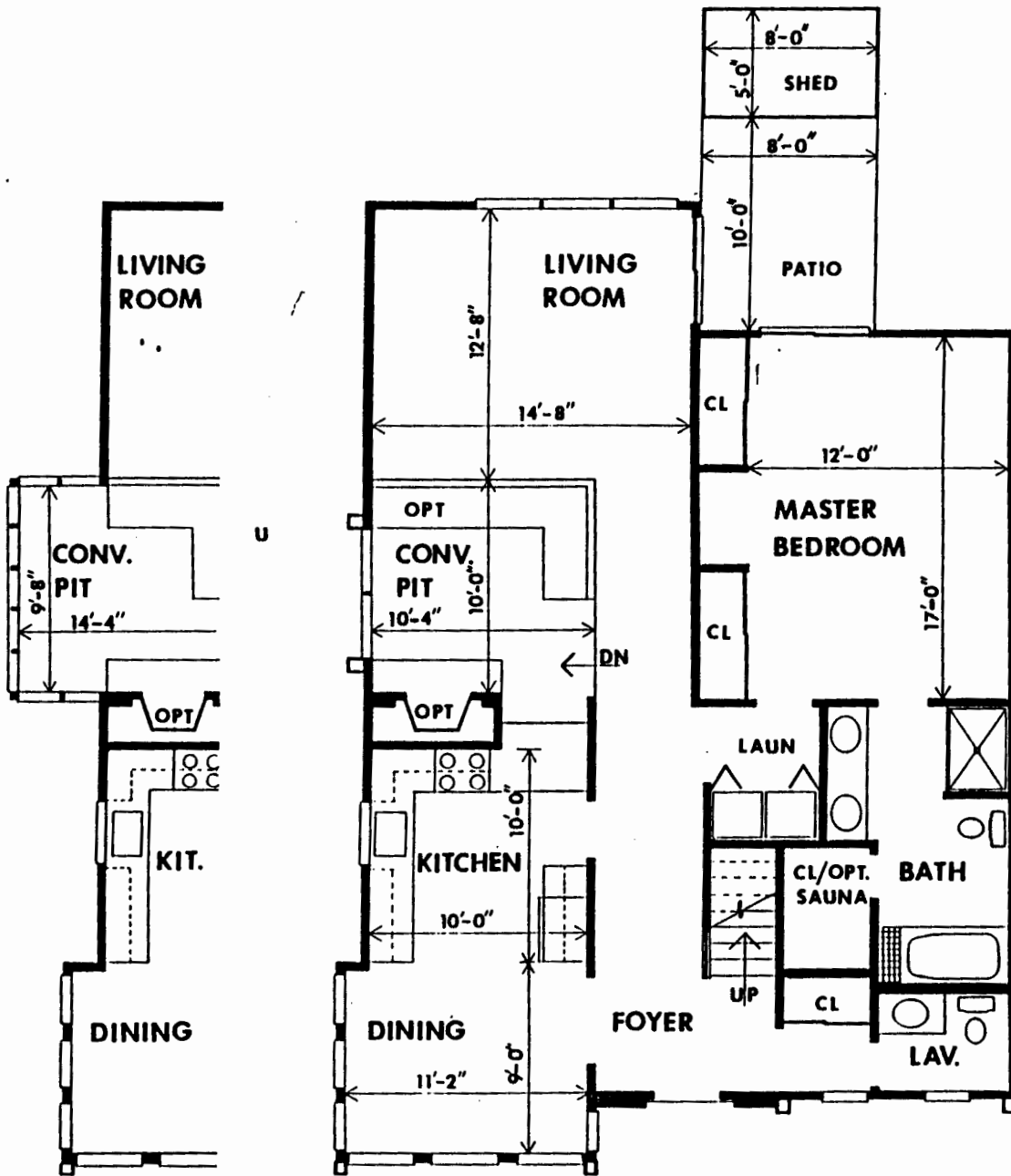
See fee title description at end of Schedule E & F.



W/OPT.  
GREENHOUSE

**OPT BASEMENT UNIT D**

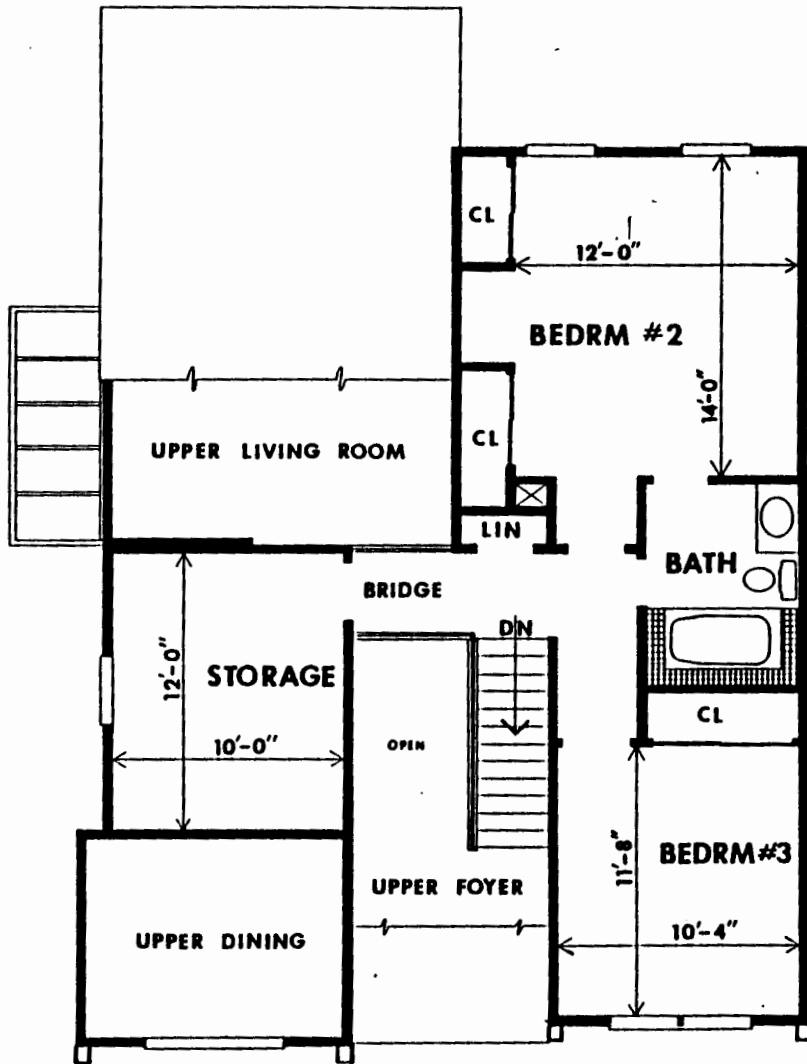
See fee title description at  
end of Schedule E & F.



w/OPT  
GREENHOUSE

FIRST FLOOR UNIT D

See fee title description at  
end of Schedule E & F.



SECOND FLOOR UNIT D

See fee title description at end of Schedule E & F.

### Fee Title Description

A "Home" as hereinafter referred to shall be defined as follows: Each Home is measured horizontally from the exterior surface of the sheetrock of all opposite walls and vertically from the lower surface of the concrete slab forming the basement or first floor of the Home to the upper surface of the sheetrock forming the ceiling of the Home. Doors, windows, interior walls, greenhouses, heat pump and electric fixtures which abut a Home are part of the Home. The description of the Homes set forth herein pertains to the location of the walls, floors and roof of the Homes as they are finally set forth in the building plans to be filed simultaneously with the recording of the Declaration.

## SOUTHAMPTON COMMONS CONDOMINIUM

## PURCHASE AGREEMENT

Agreement made and dated \_\_\_\_\_ between Southamp-  
ton Associates, a New York co-partnership having its offices at  
5040 Express Drive South, Ronkonkoma, New York, hereinafter called  
the Seller ("Sponsor") and  
residing at No. \_\_\_\_\_  
hereinafter called the Purchaser.

WHEREAS, the Seller, will prepare a Condominium Plan and  
desires to offer for sale, pursuant to Article 9-B of the Real  
Property Law of the State of New York, Condominium Homes to be  
situated on the land owned by it located in the Town of Southampton,  
County of Suffolk, State of New York and the Purchaser is desirous  
of purchasing a Condominium Home in such Condominium;

NOW, THEREFORE, in consideration of the mutual promises  
and obligations set forth in this Purchase Agreement, the parties  
mutually agree as follows:

1. Sale of Home. The Purchaser hereby agrees to purchase  
and the Seller agrees to sell the Condominium Home in Southampton  
Commons Condominium designated as No. \_\_\_\_\_, Model Type \_\_\_\_\_,  
as shown on the plot plan which forms a part of the Offering Plan  
attached hereto, together with a \_\_\_\_\_ undivided interest in the  
common elements appurtenant thereto.

2. Delivery of Deed; Adjustments. The Closing of Title  
shall take place at an office to be designated by Seller or by the  
lending institution at \_\_\_\_\_ o'clock on or about  
19 \_\_\_\_\_, or at another date and time designated by the Seller upon ten  
(10) days written notice mailed to the Purchasers at their address  
hereinabove set forth. The Seller shall be entitled to a reasonable  
adjournment in the closing of title in the event of delay by reason  
of weather conditions, strikes or material shortages, or delays in  
inspections and reports thereon, or other requirements. If the  
Purchaser is not ready to close title at the date and time fixed  
pursuant to the contract, any adjournment exceeding fourteen (14)  
days granted at the request of the Purchaser shall be upon the con-  
dition that all adjustments, including mortgage interest shall be  
made as of the date originally fixed for the closing of title.  
Nothing herein contained shall be construed to require Seller to  
grant any adjournment not reasonable in duration.

3. Purchase Price. The purchase price is \$ \_\_\_\_\_ pay-  
able as follows:

- § , on the signing of this agreement, the receipt whereof is hereby acknowledged;
- § , certified or bank cashier's check on closing of title;
- § , by obtaining a conventional mortgage loan in that amount, to be procured by the Purchasers from a lending institution designated by the Seller for a term of years, at the maximum annual rate of interest permitted by New York State law at the time of closing, the proceeds of which shall be turned over to the seller.

Any payment made by check is accepted by Seller subject to collection.

4. Recording of Condominium Declaration. The Declaration and By-Laws will be recorded by Seller in the Office of the Clerk of the County of Suffolk, prior to the conveyance of the first Condominium Home as set forth in the Offering Plan. The Seller shall file with the Declaration when it is recorded or shall amend the Declaration prior to the closing date and file at such time a verified statement of a registered architect or licensed professional engineer certifying that the plans theretofore filed or being filed simultaneously with such amendment fully and fairly depict the layout, location, Condominium Home designation and approximate dimensions of the Condominium Homes as built. The Declaration and By-Laws, when recorded by the Seller, will be substantially in the form and substance of the Declaration and By-Laws delivered to the Purchaser and any changes therein will not substantially adversely affect the Purchaser.

5. Seller's Failure to Convey. It is specifically understood and agreed that in the event the Seller shall be unable to deliver or cause to be delivered a deed to the premises to the Purchaser in accordance with this agreement because of the inability of the Seller to complete the filing of the premises as part and parcel of a condominium plan in accordance with the Offering Plan of Southampton Commons Condominium and any amendments thereto, then the Seller shall immediately notify the Purchaser and thereupon this agreement shall terminate and the sole liability between the parties shall be the return by the Seller to the Purchaser of the Purchaser's down payment without interest under this agreement.

6. Construction of Condominium. The Seller will be granted a building permit from the Town of Southampton which will permit the Seller to erect the Condominium Homes as residential dwellings on the property. Prior to the closing of title set forth herein, the Seller will declare the property and the Condominium Homes erected thereon to be a Condominium pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York.

7. Purchaser Bound by Offering Plan, etc. The Seller has exhibited and delivered to the Purchaser and the Purchaser has read and agrees to be bound by the proposed Declaration, By-Laws and Offering Plan of the said Condominium (and the Schedules, Plans and Exhibits attached thereto) all of which are incorporated by reference and made a part of this agreement with the same force and effect as if set forth in full herein. The Purchaser acknowledges that he is purchasing a Condominium Home in a Condominium to be formed, and that except as stated in this agreement (and as set forth in the Declaration, By-Laws, and Offering Plan), he has not relied on any representations or other statements of any kind or nature made by the Seller or otherwise, including but not limited to any relating to the description, size or dimensions of the Home or rooms therein, and the estimated common charges or other expense in connection therewith.

8. Purchase of Home Without a Mortgage Loan. The Purchaser may, at his option, pay the Purchase Price "all cash" without obtaining a mortgage provided Purchaser gives written notice to Seller thereof within 30 days from the date hereof. In the event Purchaser exercises this option, the provisions of this agreement which refer to the mortgage to be obtained by Purchaser (including provisions for mortgage costs) shall be deemed deleted. In the event this option is exercised after 30 days, a Purchaser must reimburse Sponsor for all actual costs incurred in obtaining said mortgage commitment.

9. Closing Costs and Adjustments. The Purchasers further agree to pay to the Seller at the closing of title, the actual cost of title examination, cost of mortgage insurance, bank attorneys' fees for preparation of the documents necessary for the mortgage loan, State transfer taxes, recording and filing charges paid or payable to public officials, mortgage recording taxes and other governmental charges assessed on the loan or on the transfer of title. In addition, if the Purchaser shall obtain a privately insured rather than a conventional mortgage loan, the cost of private mortgage insurance. Purchaser also agrees to pay \$100 to the Condominium at the closing of title representing purchasers share of the initial working capital of the Condominium. In addition, Purchaser will adjust with Seller such real estate taxes, common charges, and electricity based upon the last bill rendered for such charges.

10. Mortgage Loan - Manner of Payment. The conventional mortgage loan applied for by Purchasers herein shall be secured by a first mortgage on the Home herein described which shall be self-liquidating and payable in monthly installments of principal and interest, together with installments of taxes, insurance and common charges as the lending institution shall require. Said mortgage shall provide for the privilege of pre-payment in full without penalty after the first anniversary of said mortgage.

11. Contract Subject to Purchaser Receiving Mortgage Commitment. The Purchasers do hereby agree to furnish, deliver and/or execute all instruments whether application, affidavit, statement

or any other instrument in connection with the Purchasers' application for any such loan, to furnish all information required by the lending institution and/or the Seller and to render promptly a truthful and accurate statement of them, and if the application is approved, to execute at title closing all papers, statements or instruments which may be necessary to consummate the mortgage loan transaction (and if this agreement is executed by one spouse only on behalf of Purchasers, the spouse agrees that the other spouse will join in the application for and consummation of the mortgage loan and execution of deed). Failure to comply shall be deemed a material breach of this agreement. If, after compliance with the foregoing by the Purchasers, they are not approved by a lending institution designated by Seller within 90 days from the date hereof, then this agreement shall be deemed cancelled and the monies paid hereunder by the Purchasers shall be refunded to the Purchasers and the parties hereto shall be released from any liability hereunder except that the Seller reserves the right for a period of thirty days to designate another lending institution or to grant the mortgage loan itself on the same terms and conditions! The instruments furnished by the Purchasers are hereby made part of this agreement. The Purchasers agree to pay off any outstanding loans if required by the lending institution. In the event said mortgage shall be approved in a reduced amount, the Purchasers agree to accept said mortgage on condition that it be reduced by not more than \$2500.00. In the event of such reduction of the mortgage, the amount to be paid at title closing shall be correspondingly increased. In the event the lending institution cancels a firm commitment prior to the closing of title through no fault of the Purchaser, the Seller will refund all monies to Purchaser without interest or Sponsor may at its option attempt to secure alternate financing within 30 days on the same terms and conditions.

12. Escrow or Bonding of Deposits. The Seller will hold all monies received directly or through its agents or employees hereunder in trust until the closing of title to a home or Sponsor may use said funds prior to closing if a bond is posted to insure a return of such payment in the event a purchaser is entitled to a refund of such monies pursuant to the terms of this purchase agreement or the Offering Plan. If no bond is posted, such funds will be held as trust funds pursuant to Section 352-h and 352-e(2)(b) of the General Business Law, in a special account in The Roosevelt Savings Bank. The signature of a member of the firm of Balin, Weinberg, Pares, Soloway, Seaton & Kert, P.C., attorneys for Sponsor shall be required to withdraw such funds. The funds existing in the trust account will be payable to the Seller after the closing of title to the Home covered by this purchase agreement. In the event of default by the Purchaser under this purchase agreement, which default continues for ten days after notice of such default from the Seller to the Purchaser, the down payment may be released to the Seller from such account as liquidated damages and thereafter neither party shall have any rights or obligations against or to the other. If a bond has been posted, it may be withdrawn after such default and notice.

In the event the Seller cannot convey title to the Home, all monies advanced by the Purchaser hereunder shall be returned to the Purchaser without interest. The Seller will not record the

Declaration until it has purchase agreements for at least 25% in number of all the Homes. If the Seller does not record the Declaration within eighteen months of the date of the Offering Plan, all monies advanced by the Purchaser will be returned promptly thereafter without interest.

13. Subordination of Purchase Agreement to Building Loan Mortgage. The Purchaser agrees that all terms and provisions of this agreement are and shall be subject and subordinate to the lien of any building loan mortgage on the condominium property heretofore or hereafter made and any advances heretofore or hereafter made thereon, and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by the Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments. The Seller shall satisfy all such mortgages or obtain a release of the Home from the lien of such mortgages at or prior to the closing date, except for the individual mortgage of Purchaser thereon, whether same be by extension, assumption, consolidation or otherwise.

14. Construction of Home by Seller. The Seller agrees, at its own cost and expense to erect and complete the aforementioned Home in accordance with the requirements as to materials and workmanship of the Building Department of the Town of Southampton and with the requirements of the lending institution which shall make the mortgage loan herein set forth and further agrees that when completed, same will be in substantial accordance with the plans as filed with the Building Department.

15. Personal Property Included in Sale; Excluded Items. All articles of personal property, fixtures and equipment as set forth in the Offering Plan for the Model Type Condominium Home referred to herein are included in this sale, and same will be delivered free and clear of all liens and encumbrances save and except the lien of the mortgage applied for by Purchasers herein. Decorative lighting fixtures, special wood and ceramic floors, fireplace, special wall treatments and ceramic tiles, paints, carpeting, built ins, special landscaping, wallpapers, furniture, furnishings, burglar alarm system and optional balconies exhibited in the model homes, excepting those specifically set forth herein or in the Offering Plan, are for display purposes only and are not included in this sale.

16. Selection of Colors. It is further agreed that wherever the Purchaser has the right to make a selection of colors, fixtures and/or materials as set forth in the Offering Plan, he shall do so within seven (7) days after written demand therefor. In the event the Purchaser fails to make such selection within such period, the

Seller shall have the right to use its own judgment in the selection of colors, fixtures and materials and the Purchaser shall accept the same. Such written demand shall be by ordinary mail addressed to the Purchaser at the address herein set forth.

17. Sellers Right to Make Changes in Materials, etc.

The Seller reserves the right to: (a) make changes or substitutions of materials or construction for items as set forth in the Offering Plan or Building Plan, provided any such changes are of comparable value and quality and are required and/or approved by the lending institution; (b) determine the grading, elevation and design (including reversal of the home and building layout) of all plots, balconies, dwellings, and patios to fit into the general pattern of the community; and (c) determine elevation and location of foundations, walkways and streets to conform with topographical conditions; (d) determine the location of the meter panel and circuit breaker panel; (e) locate the various components of the heat pump and air conditioning system outside the home; (f) box out around duct work, wiring or plumbing even though it may cause a protrusion; (g) construct homes with optional patios and wooden balconies and decks and to determine the location of all patios and wooden decks and balconies; (h) determine the design, style, color, and materials of the facades of each home to fit into the general esthetic design of the Community.

18. Closing Deed; Power of Attorney. The closing deed shall be in proper statutory form for record; shall be Bargain and Sale with covenants against grantor's acts; shall be duly executed and acknowledged by the Seller at the Seller's expense, excluding the New York State Transfer Tax and any other transfer taxes which are payable; and shall contain such a description of the premises as shall be acceptable and/or approved by the lending institution or the title company insuring said lender so as to validly convey under the Condominium Act, the Home and the undivided interest in the common elements referred to herein. At the closing of title the Purchaser agrees to execute and deliver to Seller the Power Attorney in the form annexed hereto ( and made a part hereof) and designated "Schedule A."

19. Marketable Title, Subject To. The Seller shall give and Purchaser shall accept a good and marketable title (subject to the terms of the Declaration and By-Laws as filed and of the Offering Plan), free and clear of all liens and encumbrances except the lien of the mortgage applied for by Purchaser herein and except as set forth in the Offering Plan on pages 23 through 24 thereof; and such title as The Title Guarantee Company will approve and insure for mortgages and/or fee title insurance. Fee title insurance, if ordered by Purchaser, shall be purchased from said title company or any other reputable title company selected by Purchaser, at Purchaser's own cost and expense.

20. Seller's Failure to Convey. The Seller's liability under this agreement for failure to complete and/or deliver title for any reasons other than Seller's wilful default, shall be limited to the return of the money paid hereunder, and upon the return of said money, this agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Seller shall not be required to bring any action or proceeding or otherwise incur any unreasonable expense to render the title to the premises marketable or to cure any objection to title.

21. Acceptance of Deed - Full Compliance by Seller; Waiver of Jury Trial. Anything to the contrary herein contained notwithstanding, it is specifically understood and agreed by the parties hereto that the acceptance of the delivery of the deed at the time of the closing of title hereunder shall constitute full compliance by the Seller with the terms of this agreement and none of the terms hereof, except as otherwise herein expressly provided, shall survive the delivery and acceptance of the deed. All representations contained in the Offering Plan shall survive delivery of the deed. The parties hereto do hereby agree that trial by jury in any action, proceeding or counterclaim arising out of or from this agreement is hereby waived.

22. Limited One Year Warranty. At the closing of title the Seller will deliver the certificates and warranties delivered to them and transferable to Purchaser or to the Condominium or to the Home Owners Association and it is further agreed that title will not close without Purchaser's consent until a certificate of occupancy has been issued covering the Building in which the Home is located. Seller's liability pursuant to the manufacturers' warranties covering heating, air conditioning systems, appliances, electric, plumbing and roofing are limited solely to the extent that such warranties are delivered to Seller, transferable to the Purchaser or to the Condominium or to the Home Owners Association and then only as against such manufacturer. In addition, however, Seller will promptly correct any defects in the construction of the Condominium Home or the buildings containing such Home or in the installation or operation of any mechanical equipment therein due to materials or improper workmanship substantially at variance with the plans and specifications, provided only that it is notified of such defects in writing by certified mail within one year from the date of closing of title to the Home in which the alleged defect exists. The provisions of this paragraph shall survive the closing of title and the delivery of the deed.

23. Lack of Labor/Materials; Seller's Right to Cancel. The parties hereto do hereby agree that the Seller may cancel this agreement by forwarding its check in the full amount paid by the Purchaser, together with a notice in writing, addressed to the Purchaser, at their addresses hereinabove set forth in the event of the occurrence of either of the following: (1) that any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restriction shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (2) that the Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, or the installation of public utilities is restricted or curtailed.

24. Lien of Deposit; Risk of Loss. All sums paid on account of this agreement and the reasonable expense of the examination of the

title to the Home are hereby made liens hereon, but such liens shall not continue after default by the Purchasers under this agreement. The risk of loss or damage to the Home by fire or any other cause until the delivery of the deed is assumed by the Seller.

25. Liens Satisfied at Closing. The existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided the Seller shall deposit a sufficient amount with a title company so that said company shall be willing to insure against collection of same from the property herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property, not provided for in this agreement, out of the monies to be paid by the Purchaser at the time of closing title.

26. Possession Prior to Closing. It is expressly understood and agreed that the Purchaser shall in no event take possession of the premises prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this agreement and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove them from the premises as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and upon such election, the amount paid hereunder shall belong to the Seller as liquidated damages. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the property on or after the closing of title herein.

27. Execution of Required Documents. Purchasers agree to deliver to Seller all documents and to perform all acts required by the Seller to carry out the provisions of the Offering Plan, establish the Condominium and conform to the provisions of all applicable laws and regulations. This paragraph shall survive delivery of the deed.

28. Delay in Closing; Purchaser's Option to Cancel. In the event the Seller shall be unable to convey title to the Condominium Home on or before six months after the date of delivery of title set forth herein and except for delays due to strikes, acts of God, wars, lockouts, military operations, national emergencies, installation of public utilities, governmental restrictions preventing Sponsor from obtaining necessary supplies and/or materials, in which event the period shall be extended to nine months, except for the Purchaser's default, the Purchaser shall have the option to cancel this agreement and to have the down payment advanced by him returned to the Purchaser without interest. The Seller has the option not to close title to the Condominium Home described herein if less than 80% of all of the Condominium Homes to be constructed as part of the Condominium are sold within one year after the date of the initial filing of the Offering Plan so long as title to any Condominium Home has not been

conveyed and the Declaration has not been filed at such time. In the event Seller exercises such option, it shall forthwith return the Purchaser's down payment.

29. Options Ordered by Purchaser. Any extras or changes ordered by Purchaser shall be signed by the Purchaser and must be paid for in full within seven days of the order. If for any reason the Sponsor fails to install said extras in accordance with the work order, the limit of the Sponsors liability is a refund of the amount of the charge.

30. Breach of Purchase Agreement. Should Purchaser violate, repudiate, or fail to perform any of the terms of this agreement, Seller may, at its option, retain all or part of the moneys paid on account hereunder as liquidated damages, in which event the parties shall be discharged of all further liability hereunder, or Seller may otherwise avail itself of any legal or equitable rights which it may have under this agreement. This provisions shall apply whether or not construction has commenced and regardless of any sale of the Home subsequent to Purchaser's default.

31. Binding Nature of Purchase Agreement, Non-Assignability; Notice. The parties agree that the stipulations and agreements herein contained shall be binding upon them, their respective heirs, executors, administrators and/or assigns. The Purchasers agree that they will not record or assign this agreement or any of their rights hereunder without the written consent of the Seller. Any notice to be given hereunder shall be in writing and sent by certified mail to the parties at the address above given or at such address as either party may hereafter designate to the other in writing.

32. Broker. The parties agree that no broker brought about this sale and Purchaser agrees to indemnify Seller against any claim brought for brokerage based upon Purchaser's act by any broker.

33. Purchasers - Agents for Each Other. If two or more persons are named as the Purchaser herein, any one of them is hereby made agent for the other in all matters of any and every kind or nature affecting the premises herein or this agreement.

34. Entire Agreement.- This agreement states the entire understanding of the parties and the Seller shall not be bound by any oral representations and/or agreements.

SOUTHAMPTON ASSOCIATES  
(Seller)

By \_\_\_\_\_ (L.S.)

\_\_\_\_\_ (L.S.)

SCHEDULE A

POWER OF ATTORNEY

I (We),  
 residing at  
 the owner of Condominium Unit No.            in the Condominium known as  
 Southampton Commons Condominium with an office at Hubbard Lane,  
 Southampton,        New York, covering the property located in the Town  
 of Southampton, State of New York, do hereby nominate, constitute  
 and appoint the members of the Board of Managers of Southampton  
 Commons Condominium and their successors, jointly, my true and lawful  
 attorneys-in-fact, coupled with an interest, with power of substitu-  
 tion, in my name and on my behalf to acquire, in their own name or  
 in the name of their designee by deed on behalf of all owners of  
 Condominium Units in said property, any Condominium Unit whose owner  
 desires to abandon the same, or which shall be the subject of a fore-  
 closure sale or in lieu of a foreclosure sale, at such price and on  
 such terms as my said attorneys-in-fact shall, in their sole dis-  
 cretion deem proper and thereafter to convey, sell, lease sublease,  
 mortgage, vote or otherwise deal in such Condominium Unit so acquired,  
 at such terms as my attorneys-in-fact may in their sole discretion  
 determine, granting to my said attorneys-in-fact the power to do all  
 things in the said premises which I could do if I were personally  
 present.

I (we) do hereby further irrevocably nominate, constitute  
 and appoint Southampton Associates and its successors, my true and  
 lawful attorneys-in-fact coupled with an interest in my name and on  
 my behalf to vote at any Home Owners meeting for, and to file an  
 amendment to the Declaration of Southampton Commons Condominium  
 permitting the certification by a registered architect or profes-  
 sional engineer, certifying that the floor plans filed as part of an  
 amended Declaration are an accurate copy of portions of the plans of  
 the building and fully and fairly depict the layout, location, desig-  
 nation and approximate dimensions of the Units as built or amending  
 such Declaration to create any utility easements or to carry out any  
 of the provisions of the Offering Plan of such Condominium.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, I (we) have set my (our) hand(s) and  
 seal this            day of            , 19 .

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

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

On this                    day of                    , 19    , before me  
personally came                    , the person described  
in and who executed the within Power of Attorney and acknowledged  
to me that he executed the same.

\_\_\_\_\_



Together with the appurtenances and all the estate and rights of the party of the first part in and to said premises.

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, rules, regulations and easements all as set forth in the Condominium Documents filed and recorded as aforesaid.

SUBJECT TO:

1. A first mortgage in the sum of \$ \_\_\_\_\_ made by \_\_\_\_\_ to \_\_\_\_\_ and recorded on \_\_\_\_\_ in \_\_\_\_\_ dated \_\_\_\_\_ in Liber the office of the \_\_\_\_\_ on which there is now due the sum of \$ \_\_\_\_\_ of Mortgages, page \_\_\_\_\_ which the party of the second part hereby assumes and agrees to pay, such assumption being evidenced by the party of the second part executing this deed.

2. Declaration of Covenants, Restrictions, Easements, Charges and Liens and Association By-Laws.

TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the first part covenants that the party of the first part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purposes.

The use for which the home is intended is that of a one-family residence, subject to the applicable governmental regulations and the restrictions contained in the Declaration.

This conveyance is made in the regular course of business actually conducted by the party of the first part.

The word "party" shall be construed as if it read "parties" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed and the party of the second part acknowledges this deed, has duly assumed the mortgage therein referred to, the day and year first above written.

SOUTHAMPTON ASSOCIATES

By: \_\_\_\_\_  
Party of the First Part

\_\_\_\_\_ (L.S.)

\_\_\_\_\_ (L.S.)

In presence of:

(ACKNOWLEDGEMENT)

DECLARATION

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP  
OF PREMISES LOCATED AT HUBBARD LANE, COUNTY  
OF SUFFOLK, TOWN OF SOUTHAMPTON, STATE  
OF NEW YORK, PURSUANT TO ARTICLE 9-B OF THE  
REAL PROPERTY LAW OF THE STATE OF NEW YORK.

NAME: SOUTHAMPTON COMMONS CONDOMINIUM

SPONSOR: SOUTHAMPTON ASSOCIATES  
5040 Express Drive South  
Ronkonkoma, New York 11779

DATE OF DECLARATION:

---

WOFSEY, CERTILMAN, HAFT & LEBOW  
Attorneys for the Sponsor  
71 South Central Avenue  
Valley Stream, New York 11850

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PLAN OF CONDOMINIUM HOME OWNERSHIP

DECLARATION OF SOUTHAMPTON ASSOCIATES  
PURSUANT TO ARTICLE 9-B OF THE REAL  
PROPERTY LAW OF THE STATE OF NEW YORK

In Southampton, County of Suffolk and State of New York on this \_\_\_\_\_ day of \_\_\_\_\_, Southampton Associates, co-partnership organized and existing under the laws of the State of New York, whose principal office is situated in Ronkonkoma, County of Suffolk, State of New York, hereinafter referred to as the "Owner," represented in this Declaration by a partner, who is fully empowered and qualified to execute this Declaration on behalf of the said co-partnership, does hereby state:

**FIRST: Submission of Property.** By this Declaration the Owner submits the property described in this Declaration to the provisions of Article 9-B of the Real Property Law of the State of New York.

**SECOND: Description of Property.** The Owner owns ALL that certain plot, piece or parcel of land, situate, lying and being near the Village of Southampton, Town of Southampton, County of Suffolk and State of New York, more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of Hubbard Lane and the southeasterly side of County Road No. 39, formerly Tuckahoe Street; running thence easterly along the southerly side of Hubbard Lane, South 69 degrees 19 minutes 20 seconds east, a distance of 346.42 feet to the land now or formerly of R. Norman Felske; running thence southerly, easterly and northerly along the land now or formerly of R. Norman Felske the following three courses and distances: (1) South 21 degrees 07 minutes 50 seconds west, a distance of 139.72 feet; (2) South 67 degrees 56 minutes 00 seconds east, a distance of 223.10 feet; (3) North 27 degrees 12 minutes 40 seconds east, a distance of 136.16 feet to the southerly side of Hubbard Lane; running thence easterly along the southerly side of Hubbard Lane, South 66 degrees 57 minutes 10 seconds east, a distance of 673.16 feet; running thence southwesterly South 59 degrees 28 minutes 55 seconds west, a distance of 797.93 feet to land now or formerly of Leo and Constantine Rosko; running thence westerly along the northerly line of said land now or formerly of Leo and Constantine Rosko, the following two courses and distances: (1) North 69 degrees 37 minutes 50 seconds west, a distance of 415.17 feet; (2) North 69 degrees 31 minutes 30 seconds west, a distance of 327.38 feet to land now or formerly of Wilbur Hanson; running thence northerly along the easterly side of land now or formerly of Wilbur Hanson, North 8 degrees 54 minutes 40 seconds east, a distance of 364.44 feet to land now or one time of D. Duberman; running thence easterly along

the southerly side of land now or formerly of D. Duberman, South 89 degrees 19 minutes 00 seconds East, a distance of 87.22 feet to the southeasterly corner of Duberman's land; running thence northerly along the easterly line of said Duberman's land, North 00 degrees 41 minutes 00 seconds east, a distance of 247.86 feet to the southerly side of County Road No. 39; running thence northeasterly along the southeasterly side of County Road No. 39 and on an arc bearing to the right and having a radius of 1876.87 feet, a distance of 76.76 feet to the point or place of BEGINNING.

THIRD: Definitions.

(a) The Owner of each Home is hereinafter referred to as the "Home Owner." Every Home Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common or tenancy by the entirety. Where such ownership is joint, in common or tenancy by the entirety, majority vote of such owners shall be necessary to cast the Home Owner's vote referred to in paragraph "EIGHTH" of this Declaration.

(b) A "Home" as hereinafter referred to shall be defined as follows: Each Home is measured horizontally from the exterior surface of the sheetrock of all opposite walls and vertically from the lower surface of the concrete slab forming the basement or first floor of the Home to the upper surface of the sheetrock forming the ceiling of the Home. Doors, windows, interior walls, greenhouses, heat pump and electric fixtures which abut a Home are part of the Home. The description of the Homes set forth herein pertains to the location of the walls, floors and roof of the Homes as they are finally set forth in the building plans to be filed simultaneously with the recording of the Declaration.

(c) A "Building" as hereinafter referred to shall be defined as a number of Homes all of which are constructed under a continuous roof.

(d) "Party Wall" as hereinafter referred to shall be defined as a wall which is common to and separates two Homes.

(e) "Condominium" as hereinafter referred to shall mean Southampton Commons Condominium which is composed of the Home Owners.

(f) The term "Home" and "Home Owner" as used herein shall be construed to mean Unit and Unit Owner as defined in Section 339-e of Article 9-B of the Real Property Law of the State of New York.

**FOURTH: Community.** The Owner is constructing on the parcels of land described above a Condominium Home Community known as Southampton Commons Condominium according to the plans filed simultaneously with the recording of this Declaration in the Office of the Clerk of the County of Suffolk. The Homes are constructed of concrete foundations, wood framing, vinyl, aluminum, brick and stone veneers and asphalt roofs.

The Community will consist of 117 Homes to be located in 19 buildings, as set forth on the Plot Plan filed simultaneously herewith. Each of the Homes has access to each other Home or to any other portion of the Community or to a public street upon which the Community abuts by means of a walk, roadway, or grass area which forms a part of the common elements of the Community. For the purposes of describing the location of the buildings, approximate area, type and number of rooms of each Home and the common elements to which each Home has immediate access, each Home is described on the attached Plot Plan and Schedule A as Home No. 1 through 117. Each Home will be sold to one or more Owners, each Owner obtaining fee ownership, together with an undivided interest in the common elements of the Community, as listed hereinafter in this Declaration and referred to as the "common elements", all of the above in accordance with Article 9-B of the Real Property Law of the State of New York. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities may be changed by mutual consent of the Owner and the Home Owner at the time of construction of the Home.

The aforesaid Community has a total plot area of approximately 14.71 acres.

**FIFTH: Common Elements.** The common elements of the Community will consist of all of the Community, except the Homes, including, but without limitation, outside walls and roofs of Homes, the land, buildings and improvements (other than the Homes) comprising the Community (including the land under the Homes and under the improvements), all utility or other pipes and material located outside of the Homes, roadways, grass areas, walks, recreation areas, sewage treatment facility and recharge basin.

#### IRREVOCABLY RESTRICTED AREAS

Certain portions of the common elements are irrevocably restricted in use to specified Home Owners, subject to the right of the Board of Managers to enter upon any restricted area for maintenance, repair or improvement of a Home or common element and subject to the rules of the Board of Managers (see By-Laws, Article VIII). Any portion of the common elements which is not restricted in use may be used by any Home Owner. The common elements are not subject to partition nor are they severable from the Homes except in accordance with the Real Property Law. Following are detailed descriptions of the irrevocably restricted common elements:

1. The land which is located directly beneath each Home is restricted in use to the owner of such Home.
2. The rear yard patio area including storage sheds in each home enclosed on two sides by fencing as originally installed by Sponsor is restricted in use to the owner of such home.
3. The wooden balconies constructed on certain Homes is restricted in use to the owner of such Home.

The Home Owner cannot change the landscaping of any land located in an unrestricted common area or in any area restricted to any other Home Owner.

The common elements shall remain undivided and no Home Owner shall bring any action for partition or division unless otherwise provided by law.

The percentage of the undivided interest in the common elements established herein shall not be changed except with the consent of all of the Home Owners affected expressed in a duly recorded amendment to this Declaration.

The undivided interest in the common elements shall not be separated from the Home to which it appertains and shall be deemed conveyed or encumbered with the Home even though such interest is not expressly mentioned or described in the conveyance or other instrument.

**SIXTH: Easements.** All pipes, wires, conduits and public utility lines located within each Home other than such as form a portion of the fire alarm system shall be owned by such Home Owner. Any portion of such pipes, wires, conduits and public utility lines located in the common elements will be owned in common by the Home Owners. Every Home Owner shall have an easement in common with the owners of other Homes to maintain and use all pipes, wires, conduits and public utility lines located in other Homes and servicing such Home Owner's Home. Each Home shall be subject to an easement in favor of the Home Owners of other Homes to maintain and use the pipes, wires, conduits and public utility lines servicing such other Homes and located in such Home. The Board of Managers shall have a right of access to each Home for maintenance, repair or improvements to any pipes, wires, conduits and public utility lines located in any Home and servicing any other Home. The cost of such repairs shall be a common expense. The Board of Managers shall have a right of access to all common elements for maintenance, repair or improvement whether such common elements are restricted or not.

The Owner, its successors, assigns and purchasers, reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the common elements of the Condominium for the purpose of completing construction and sale of Homes and facilities in the Condominium and, towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the common elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Owner, its successors, assigns, and purchasers, also reserve the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the common elements. Finally, the Owners, its successors, assigns and purchasers reserve the right to continue to use the common elements and any facilities, sales offices, model homes, signs and parking spaces located on the common elements, in its efforts to market homes constructed in the Condominium. This paragraph shall not be amended without the consent of the Owner.

SEVENTH: Service of Process. Service of process on the home owners in any action with relation to the common elements or more than one home shall be made upon the Board of Managers of Southampton Commons Condominium at Hubbard Lane, Southampton, New York.

EIGHTH: Common Interest. Each Home Owner shall have such percentage interest in the common elements as is set forth in Schedule A attached hereto and shall bear such percentage of the common expenses of the Condominium. Each Home Owner shall have one vote for all voting purposes at any meeting of the Home Owners. The percentage of interest of each Home in the common elements has been based on equal percentages within separate classifications of homes as of the date of recording this Declaration.

NINTH: Administration. The administration of the Condominium, the Community and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto as Exhibit "B".

TENTH: Amendment and Withdrawal:

(a) The dedication of the property to Condominium ownership herein shall not be revoked or the property withdrawn from Condominium ownership unless 80% of the Home Owners in number and

in common interest and the first mortgagees, if any, of each of these same homes agree to such revocation or removal of the property from the Plan by duly recorded instruments.

(b) The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of 80% of the Home Owners in number held at a duly called meeting of the Home Owners, provided however, that:

- (i) No amendment shall change any condominium parcel, add or divest condominium property, nor a home owner's proportionate share of the common charges, nor the voting rights appurtenant to any home, unless 80% of record owner(s) in number and common interest thereof and the first mortgagees, if any, of each of these same homes agree to such revocation by recorded instrument.
- (ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees.

There shall be a presumption for a period of 60 days subsequent to the recording of the amendment that the vote of the home owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the 60 day period such presumption will be deemed conclusive.

(c) Any amendment to this Declaration shall not take effect until it is recorded in the office of the Clerk of Nassau County.

Irrespective of any other provision of this Declaration, no action for partition or division of the common elements shall be brought nor shall this plan of condominium ownership be terminated where such partition, division or termination will result in a violation of the then existing local zoning and building laws and codes.

**ELEVENTH: Subject to Declaration, By-Laws, etc.** All present or future Home Owners, tenants, future tenants, or any other person that might use the facilities of the Community in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Homes of the Community or the mere act of occupancy of any of said Homes shall signify that the provisions of this Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with land and shall bind any person having at any time any interest or estate in such Home, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

**TWELFTH: Common Charges.** All sums assessed as common charges by the Board of Managers of the Condominium but unpaid together with the 6% interest or the maximum permitted rate thereon, chargeable to any Home Owner shall constitute a lien on his Home prior to all other liens except: (a) tax or assessment liens on the Home by the taxing subdivisions of any governmental authority, including but not limited to State, County, and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Home. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorneys' fees (but such right shall not be a lien against the Home). The Board of Managers may not commence foreclosure proceedings until thirty days after the first mortgagee of the delinquent Home, if any, has received written notice of the Board's intention to commence foreclosure proceedings for failure to pay common charges. In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid common charges, the unpaid balance shall be charged to all Home Owners as a common expense. However, where the holder of an institutional mortgage of record, or other purchaser of a Home at a foreclosure sale of an institutional mortgage, obtains title to the Home as a result of foreclosure, or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall not be liable and the Home shall not be subject to a lien for the payment of common charges chargeable to such Home which were assessed and became due prior to the acquisition of title to such Home by such acquirer and the Board of Managers was made a party to the foreclosure action. In such event, the unpaid balance of common charges may be charged to all other Home Owners as a common expense when it is determined to be uncollectable from the previous title holder. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Owner to a purchaser of a Home or in which the Owner participates with one of the above.

Every Home Owner shall pay the common charges assessed against him when due and no Home Owner may exempt himself from liability for the payment of the common charges assessed against him by waiver of the use or enjoyment of any of the common elements or by the abandonment of his Home. However, no Home Owner shall be liable for the payment of any common charges accruing subsequent to a sale, transfer or other conveyance by him of such Home made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

THIRTEENTH: Homes Acquired by the Board. In the event any Home Owner shall convey his Home to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Home at a foreclosure sale in accordance with Article IX of the By-Laws, title to such Home or the rights to the lease of such Home shall be held by the Board of Managers or its designee on behalf of all of the other Home Owners.

In order to carry out the provisions of this paragraph each Home Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest to the Board of Managers and their successors to acquire title or lease any such Home under whatever terms the Board may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Home under such terms as the Board in its sole discretion shall deem proper.

FOURTEENTH: Encroachments. The Home Owners agree that if any portion of a Home or the common elements (whether restricted in use to an individual Home Owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of the Buildings, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Buildings are partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and are rebuilt, the Home Owners agree that encroachments of any portion of the Home or the common elements as aforescribed due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Buildings or reconstructed Buildings shall stand.

FIFTEENTH: Home Ownership. Upon the closing of title to a Home, a purchaser shall automatically become a Home Owner in the Condominium and shall remain such until such time he ceases to own the Home for any reason.

SIXTEENTH: Conveyance of a Home. In any conveyance of a Home, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the Grantee of the Home shall be jointly and severally liable with the Grantor for any unpaid common charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid common charge against the Grantor and such Grantee shall not be liable for, nor shall the Home conveyed be subject to a lien for

any unpaid common charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a Home at a foreclosure sale of an institutional mortgage.

**SEVENTEENTH: Covenants and Restrictions.** The use of the Home by the Home Owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

(a) The Home and area restricted to the Home Owner's use shall be maintained in good repair and overall appearance.

(b) No alterations to the exterior of the Home or any part of the common elements may be made without the written consent of the Board of Managers. No alterations to the inside of a Home which would impair the structural soundness of the Building may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested to the Management Agent, if any, or to the President of the Board of Managers, if no Management Agent is employed. The Board of Managers shall have the obligation to answer within sixty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. The provisions of this paragraph shall not apply to Owner.

(c) The Board of Managers shall, at the request of the mortgagee of the Home, report any unpaid common charges due from the Home Owner of such Home.

(d) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents.

(e) 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.

(f) Regulations promulgated by the Board of Managers concerning the use of the property shall be observed by the Home Owners, provided, however, that copies of such regulations are furnished to each Home Owner prior to the time the said regulations become effective.

(g) The common charges shall be paid when due.

(h) Occupancy of the Homes shall be restricted to Residential Occupancy in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Community.

**EIGHTEENTH: Utilities.** The electricity consumed in each Home shall be an expense of each individual Home Owner.

NINETEENTH: Invalidity. Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no wise affect any of the remaining part or parts hereof, and the same shall continue in full force and effect.

SOUTHAMPTON ASSOCIATES

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

(ACKNOWLEDGEMENT)

SCHEDULE A

<u>Model Type</u>	<u>Home Number</u>	<u>Percentage of Common Interest</u>	<u>Approximate Area in Square Feet</u>	<u>Type and Number of Rooms</u>
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BY-LAWS  
OF  
SOUTHAMPTON COMMONS CONDOMINIUM

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WOFSEY, CERTILMAN, HAFT & LEBOW  
Attorneys for the Sponsor  
71 South Central Avenue  
Valley Stream, New York 11580

BY-LAWS

OF

SOUTHAMPTON COMMONS CONDOMINIUM

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BY-LAWS  
OF  
SOUTHAMPTON COMMONS CONDOMINIUM

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Home Ownership. The property located at Hubbard Lane, in Southampton, County of Suffolk as specifically set forth in the Declaration and more commonly known as Southampton Commons Condominium has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and all buildings and improvements thereon including the Condominium Homes (hereinafter referred to as "Homes"), and the common elements and the use and occupancy thereof. The term "Building" as hereinafter used shall be defined as the exterior walls and roof of a Home or number of Homes all of which are constructed under a continuous roof or the entire interior and exterior of any building or structure which shall form a portion of the Condominium but which does not contain any of the Homes.

Section 3. Personal Application. All present or future Home Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Community in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Homes or the mere act of occupancy of any of said Homes will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

ARTICLE II. CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium. The condominium shall be limited to Home Owners. "Home Owner" as referred to herein shall mean all of the owners of each Home.

Section 2. Voting. Each Home Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Homes) shall be entitled

to cast one vote at all Home Owners' meetings for each Home or Homes owned by such Home Owner, but the Board of Managers shall not cast any of its votes for the election of any member to the Board.

Section 3. Quorum. So many Home Owners as shall represent at least 51% of the total authorized votes of all Home Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Home Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Home Owners, the Home Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Home Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Home Owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Home Owners, every Home Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever the vote of Home Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Home Owners may be dispensed with if all Home Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Home Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings - Control of Board of Managers by Sponsor. Within one year after the transfer of title to the first Home, the Sponsor shall call the first annual Home Owners meeting. At such meeting a new Board of Managers shall be elected by the Home Owners and the former members of the Board shall thereupon resign. Thereafter annual meetings shall be held on the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the Home Owners a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Home Owners may also transact such other business of the Condominium as may properly come before them. In the event Sponsor is owner of more than 50% of the Homes at the first annual meeting, it may cast such votes to elect a majority of the Board of Managers. At the second annual meeting, and at all successive meetings, Sponsor may not cast its votes to elect a majority of the Board of Managers but may cast its votes to elect no more than four members of the Board of Managers. During the second year the Board of Managers may not decrease the services set forth in Schedule L of the Offering Plan of Southampton Commons Condominium nor may they increase the reserves set forth in said Schedule L without the written consent of Sponsor.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Home Owners as directed by the Board of Managers or upon a petition signed by a majority of the Home Owners having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Home Owner of record, at least ~~five~~ <sup>10-20</sup> but not more than ~~ten~~ days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

- (a) Roll Call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Report of officers
- (e) Report of committees
- (f) Election of inspectors of election (in the event there is an election)
- (g) Election of managers (in the event there is an election)
- (h) Unfinished business
- (i) New business

## ARTICLE III. BOARD OF MANAGERS

Section 1. Number and Term. The affairs of the Condominium shall be governed by a Board of Managers. The first Board of Managers shall consist of three Managers designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Home Owners. Within 60 days of the closing of title to the first Home, a meeting of the Home Owners shall be held at which a Home Owner who is independent of the Sponsor shall be elected to the first Board of Managers by majority vote of the Home Owners other than the Sponsor, to serve until the first annual meeting of the Home Owners. Until succeeded by the Managers elected at the first annual meeting of Home Owners, Managers need not be Home Owners; thereafter, all Managers other than designees or nominees of the Sponsor shall be Home Owners. The Managers shall be elected at the annual meeting of the Home Owners. At the first annual meeting of Home Owners called pursuant to Section 9 of Article II, nine (9) Managers shall be elected by the Home Owners. The term of office of three of the Managers shall be fixed for three (3) years, the term of office of three of the Managers shall be fixed at two (2) years, and the term of office of three of the Managers shall be fixed at one (1) year. Separate ballots shall be conducted for each of the three terms of office. Each Home Owner shall be entitled to cast one vote on each ballot for each Home he owns. The three nominees on each of the ballots receiving the highest number of votes on their ballot shall constitute the duly elected Board of Managers. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. The Managers shall hold office until their successors have been elected and hold their first meeting. But in any event, at least one-third of the terms of the members of the Board of Managers shall expire annually. Notwithstanding the foregoing, to assure the Sponsor minimum representation on the Board of Managers after it turns over control of the Board to Home Owners independent of the Sponsor, the Sponsor shall have the right to designate three members of the Board of Managers so long as it owns 35% or more of the Homes in number, two members of the Board so long as it owns less than 35% but more than 10% of the Homes in number, and one member of the Board so long as the Sponsor continues to own one or more Homes.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reasons of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining managers, though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. If the vacancy occurs with respect to any member of the First Board of Managers (see Section 4 of this Article III) who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such Manager's successor to fill the unexpired portion of his term.

Section 3. Removal. Managers may be removed for cause by an affirmative vote of a majority of the Home Owners. No manager other than a member of the First Board of Managers shall continue to serve on the Board if, during his term of office, he shall cease to be a Home Owner.

Section 4. First Board of Managers. The first Board of Managers shall consist of Edward Flax, Gary Axelrod, and Vincent Bollinger who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Home Owners. A Home Owner, who is independent of the Sponsor, shall be elected by a majority of the Home Owners other than Sponsor to the first Board at a meeting held within 60 days of the closing of title to the first Home. If no such election has been made, then Sponsor may designate such member. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 5. Powers.

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws, directed or required to be exercised or done by the Home Owners personally. These powers shall specifically include, but not be limited to the following items:

1. To determine and levy monthly assessments ("common charges") to cover the cost of common expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Home Owners pro-rata according to their respective common interests;
2. To collect, use, and expend the assessments collected to maintain, care for and preserve the Homes, Buildings, and other common elements;
3. To make repairs, restore or alter any Homes or the common elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;
4. To enter into and upon the Homes when necessary and at as little inconvenience to the Home Owners as possible in connection with the maintenance, care, and preservation of the property.

5. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts;

6. To insure and keep insured the common elements and Home in accordance with Article VII of these By-Laws;

7. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Home Owners of the property for violations of the house rules or rules and regulations herein referred to;

8. To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Home Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Home.

9. To employ workmen, janitors and gardeners and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters hereinabove set forth.

10. To bring and defend actions by or against more than one Home Owner and pertinent to the operation of the Condominium and to levy special assessments to pay for the cost of such litigation.

11. To acquire Homes for the employees of the Condominium or as a result of abandonment and to take any or all steps necessary to repair or renovate any Home so acquired and to vote as a Home Owner, offer such Home for sale or lease or take any other steps regarding such Home as shall be deemed proper by the Board of Managers;

12. To exercise the option to buy or lease Homes and to take any other steps necessary to repair or renovate any Home acquired or leased as a result of such option and to vote as Home Owner, offer for sale or lease such Home or take any other steps regarding such Home as shall be deemed proper by the Board of Managers.

13. To make additions, alterations, or improvements to the common elements of the Community, the cost of which addition, alteration, or improvement does not exceed \$10,000. The Board of Managers may make additions, alterations or improvements to the common elements costing in excess of \$10,000 only with the approval of a majority of the Home Owners. While the Sponsor is in control of the Board of Managers, the Board may make additions, alterations, or improvements to the common elements costing in excess of \$5,000 or enter into service or maintenance contracts the duration of which will extend more than one year after the

Sponsor loses control of the Board of Managers, only with the approval of a majority of the Home Owners, excluding the Sponsor, voting at a duly held meeting of the Home Owners.

14. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that (i) the consent of at least 66 2/3% in number of all Home Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of \$10,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Home or its appurtenant interest in the common elements without the written consent of the Owner of said Home.

15. To act as an agent of each Home Owner who has given his written authorization to complain or apply to the local and county real estate tax assessment agency board of review by filing a single complaint on behalf of all such Home Owners pursuant to the applicable sections of the Real Property Tax Law and to commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Home Owners for which it is acting as agent and charge all such Home Owners a pro-rata share of expenses, disbursements, and legal fees for which charges the Board of Managers shall have a lien pursuant to Article VI of these By-Laws.

(b) The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least three (3) managers or Home Owners one of whom shall be a manager, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business and affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

(c) Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or its designee shall continue to own Homes representing 20% or more in common interest, the Board of Managers may not, without the Sponsor's prior written consent: (i) make any addition, alteration or improvements to the common elements or to any Home, costing cumulatively more than \$5,000, the foregoing not to include necessary repairs and maintenance work, 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, or (iii) hire any employee in addition to the employees referred to in the Plan of Condominium ownership, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date the said Plan is declared effective or (v) borrow money on behalf of the Condominium.

Section 6. Repairs and Maintenance. All maintenance, repairs and replacements to the common elements of the property including but not limited to exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any public utility lines as are located in the common elements and serve one or more Homes, maintenance of the retention basin, and exterior maintenance shall be a common expense. All maintenance (including electrical and plumbing repairs in the Homes and painting and decorating of the inside of the Homes), repairs and replacements to the Homes including windows (including all glass breakage), doors, windows and doors which open from a Home' (except painting and maintenance of the exterior surface which is performed by the Board of Managers), and repairs to pipes, wires and conduits located within or without the same Home other than as set forth above shall be made by the respective Home Owners at their own expense. All irrevocably restricted common elements shall be maintained and repaired by the Home Owner to whom such common element is restricted in use. However, the Board of Managers shall repair and replace any public utility lines located underground or overhead of any irrevocably restricted common element except where such repair or replacement is necessitated because of the negligence or misuse or neglect of the Home Owner to which the common element is restricted in use, in which event such Home Owner shall make such repairs or replacements at his own expense. The Board of Managers and its agents, employees and contractors shall have a right of access to any Home and to all portions of the common elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of the Condominium. The Board of Managers will provide snow plowing for the roadways located on the property. All replacements, repairs, painting or maintenance, whether made by the Home Owner or by the Board of Managers to the doors, windows, fences, gates or the exterior surface of any Building, including roofs, or to any generally visible portion of the common elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor. In the event that a Home Owner fails to make any maintenance or repair which maintenance or repair is necessary to protect any of the common elements or any other Home, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Home Owner to do so after 10 days written notice, or written or oral notice of a shorter duration in the event of any emergency situation) and to charge the Home Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Home Owner for repairs or maintenance to his Home or for repairs to any common element restricted in use to such Home Owner, and the Home Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Home Owner shall be liable for the reasonable Attorneys fees and costs of such suit or proceeding together with interest on all sums due.

Section 7. Compensation. Managers and committees, as such, shall receive no compensation for their services.

Section 8. (a) The first meeting of each Board newly elected by the Home Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Home Owners meetings, and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board shall be set.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each manager either personally or by mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least three (3) managers.

(d) At all meetings of the Board, a majority of the managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meetings of managers, the managers present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Annual Statement. The Board of Managers shall furnish to all Home Owners, their mortgagees and the Department of Law of the State of New York and shall present annually (at the annual meeting, but in no event later than four months after the close of the fiscal year) and when called for by a vote of the Home Owners at any special meeting of the Home Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Home Owner and a notice of the holding of the annual Home Owners meeting.

Section 10. Fidelity Bonds. The Board of Managers shall require that all officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

Section 11. Management Agent. The Board of Managers may employ for the Condominium a management agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to all of the delegable duties of the Board listed in this Article. While Sponsor is in control of the Board of Managers it will not enter into contracts which bind the Condominium for a period of more than three years (except Cable Television agreements) after the recording of the Declaration or if for a longer period, the contract must be voidable upon 60 days written notice after the three year period upon a majority vote of the Home Owners.

Section 12. Liability of the Board of Managers and Home Owners. Any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers, as agent for the Home Owners as a group only and that no member of the Board of Managers nor individual Home Owners shall be liable for such contract, agreement or commitment. The Home Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Home Owner shall be limited to such proportion of the total liability thereunder as his common interest bears to the common interest of all Home Owners. The Board of Managers shall have no liability to the Home Owners in the management of the Community except for wilful misconduct or bad faith and the Home Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties as such member except acts of wilful misconduct or acts made in bad faith. Such several liability of the Home Owners shall, however, be limited as to each Home Owner to such proportion of the total liability thereunder as such Home Owner's common interest bears to the common interest of all Home Owners.

#### ARTICLE IV. OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. All officers must be Home Owners or members of the First Board of Managers. Two or more offices may not be held by the same person.

Section 2. Election. The Board of Managers at its first meeting after each annual Home Owners Meeting shall elect a president, a vice president, a secretary and a treasurer. Only the president must be a member of the Board.

Section 3. Appointive Officers. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Home Owners and Managers, shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 6. The Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Home Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all Home Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision he shall be.

Section 8. The Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the condominium in such depositories as may be designated by the Board of Managers.

He shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Managers, at the regular meeting of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

He shall keep detailed financial records and books of account of the Condominium, including a separate account for each Home which,

among other things, shall contain the amount of each assessment of common charges against such Home, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 9. Agreements, etc. All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

#### ARTICLE V. NOTICES

Section 1. Definition. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager or Home Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Managers, such manager or Home Owner at such address as appears on the books of the Condominium.

Section 2. Service of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

#### ARTICLE VI. FINANCES

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other officer or officers or such other person or persons as the Board of Managers may from time to time designate.

Section 2. Assessments. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and any supplement to the budget to every Home Owner and mortgagee. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the common elements and other operating expenses as well as charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Homes and prorated against each of said Homes according to the respective common interest appurtenant to such Homes. This proration of assessments shall remain constant regardless of the percentage of the building square footage included in each Home or the common elements restricted to the use of the Home Owner of said Home. Said assessments shall be payable monthly in advance as ordered by the Board of Managers. Special assessments,

should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments. The Home Owner agrees to pay promptly when due the monthly and all special assessments assessed against his own Home. Any Home Owner who fails to pay the monthly assessment imposed by the Condominium to meet any community expense shall be liable for any expenses incurred by the Condominium in collecting said monthly assessment including interest at the rate of 6% per annum and reasonable attorney's fees. The Board shall take action to collect any common charges due from any Home Owner which remains unpaid 90 days from its due date by way of foreclosure of the lien on such Home in accordance with Section 339 of the Real Property Law or otherwise.

No Home Owner shall be liable for any common charges which accrue against his Home subsequent to a sale, transfer or other conveyance by him of his Home in accordance with these By-Laws and the Declaration. A purchaser of a Home (other than a mortgagee or a purchaser at a foreclosure sale) shall be liable for the payment of all common charges assessed against the Home and unpaid at the time of the purchase.

Section 3. Foreclosures of Liens for Unpaid Common Charges.

The Board shall have the power to purchase any Home at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Home because of unpaid common charges. In the event of such purchase, the Board shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Home. A suit to recover a money judgment for unpaid common charges shall also be obtainable separately without waiving the lien on the Home.

Section 4. Statement of Common Charges. Upon the written request of any Home Owner or his mortgagee, the Board shall promptly furnish such Home Owner or his mortgagee with a written statement of the unpaid common charges due from such Home Owner.

Section 5. Liability for Electricity. All electricity consumed in the Homes shall be an expense of each individual Home Owner.

Section 6. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Homes. Disbursements from said account shall be for the general needs of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the common elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Homes.

Section 7. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purpose.

## ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring all of the Buildings in the Condominium (but not including furniture, furnishings or other personal property supplied or installed by Home Owners), together with all heating, air-conditioning and other service machinery, contained therein, covering the interest of the Condominium, the Board of Managers and all Home Owners and their mortgagees, as interest may appear, in an amount equal to the full replacement value of the Buildings. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Home which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, and that the net proceeds thereof, if \$40,000 or less, shall be payable to the Board of Managers, and if more than \$40,000 shall be payable to the Insurance Trustee.

The fire insurance will commence with the closing of title to the first Home in an amount as required by the mortgagee of such Home and such amount will be increased upon the closing of title to all Homes and until the first meeting of the Board of Managers following the first Home Owners meeting, such amount shall be at least in the sum of \$13,200,000. if all buildings are completed.

\* All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Home Owners or of the invalidity arising from any acts of the insureds or any Home Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Homes. Duplicate originals of all policies of physical damage insurance and of all renewals thereof together with proof of payment of premiums, shall be delivered to all mortgagees of Homes at least ten (10) days prior to expiration of then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Buildings, including all of the common elements appurtenant thereto for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent and each Home Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Home Owners meeting, such public liability insurance shall be in a single limit of \$2,000,000 covering all claims for bodily injury and property damage arising out of once occurrence. Such public liability insurance shall commence on the closing of title to the first Home.

Home Owners shall not be prohibited from carrying other insurance for their own benefit provided that such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Home Owner.

Section 2. The Insurance Trustee. The Insurance Trustee shall be The Roosevelt Savings Bank, Queens, New York unless and until it shall be replaced by a bank or trust company located in the State of New York, designated by the Board of Managers and shall constitute a common expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Buildings as a result of fire or other casualty (unless 75% or more of the Homes are destroyed or substantially damaged and 75% or more of the Home Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Buildings (including any damaged Homes, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Home Owners in the Homes), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Home Owners for such deficit as part of the common charges.

} in case  
of loss  
if covered  
by insurance

If 75% or more of the Homes are destroyed or substantially damaged and 75% or more of the Home Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Home Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration) then the excess of such insurance proceeds shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Home Owners in proportion to their respective common interests, after first paying out of the share of each Home Owner the amount of any unpaid liens on his Home, in the order of the priority of such liens.

#### ARTICLE VIII. HOUSE RULES

Section 1. In addition to the other provisions of these By-Laws, the following house rules and regulations together with such additional rules and regulations as may hereafter be adopted by the Board of Managers shall govern the use of the Homes and the conduct of all residents thereof.

Section 2. Occupancy of the Homes shall be restricted to Residential Occupancy in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Community.

Section 3. Owners of a Home, members of their families, their employees, guests and their pets shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other said owners, or in such a way as to be injurious to the reputation of the Condominium.

Section 4. The common elements shall not be obstructed, littered, defaced or misused in any manner.

Section 5. Every Home Owner shall be liable for any and all damage to the common elements and the property of the Condominium, which shall be caused by said Home Owner or such other person for whose conduct he is legally responsible.

#### Section 6.

(a) Every Home Owner must perform promptly all maintenance and repair work to his own Home which, if omitted, would affect the Community in its entirety or in a part belonging to other Home Owners, or the building of which his Home forms a part, he being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs to internal installations of the Home located in and servicing only that Home, such as telephones and sanitary installations shall be at the Home Owner's expense.

Section 7. A Home Owner may not make any alterations to the exterior of the Home or any part of the common elements without the written consent of the Board of Managers. An owner shall not make structural modifications to the Home or other alterations which would impair the structural soundness of the Home without the written consent of a majority in common interest of the Home Owners. Consent may be requested through the management agent, if any, or through the President of the Board of Managers, if no management agent is employed. The Board of Managers shall have the obligation to answer within sixty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. This paragraph shall not apply to Sponsor.

#### Section 8.

(a) No resident of the Community shall post any advertisement or posters of any kind in or on the Community except as authorized by the Board of Managers.

(b) It is prohibited to hang garments, rugs, etc., from the windows or from any of the Buildings or to string clothes lines on or over the common elements (including the irrevocably restricted areas).

(c) No fence or gate shall be erected in the Community without the prior written consent of the Board of Managers.

(d) No Home Owner shall move, remove, add or otherwise change the landscaping in the unrestricted common elements.

(e) No Home Owner shall paint the exterior surfaces of the windows, walls or doors opening out of his Home.

(f) No repair of motor vehicles shall be made in any of the roadways or driveways of the Condominium nor shall such areas be used for storage of any boat, trailer, camper, bus, truck or commercial vehicle. Any such parking shall be subject, in addition, to any restriction due to zoning or local ordinance requirements.

## ARTICLE IX. DEFAULT

In the event a Home Owner does not pay any sums, charges or assessments required to be paid when due, the Board of Managers, acting in behalf of the Board shall notify the Home Owner and the mortgagee, if any, of such Home. If such sum, charge or assessment shall remain unpaid for 30 days after the giving of such notice, the Board may foreclose the lien encumbering the Home as a result of the non-payment of the required monies as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure of a mortgage. In the event the owner of a Home does not pay the assessment required to be paid by him with thirty (30) days of its due date, said sum shall bear interest at the rate of six percent (6%) per annum from its due date and said Home Owner shall be liable for the Condominium's reasonable costs and a reasonable attorney's fee incurred by it incident to the collection or enforcement of such lien.

## ARTICLE X. AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Home Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by eighty percent (80%) of the Home Owners in number and common interest and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Home Owners' interest and the interests of holders of a mortgage encumbering a Home or Homes.

## ARTICLE XI. SELLING, MORTGAGING AND LEASING HOMES

Section 1. Selling and Leasing Homes. Any Home may be conveyed or leased by its Home Owner free of any restrictions except that no Home Owner shall convey, mortgage, pledge, hypothecate, sell or lease his Home unless and until all unpaid common charges assessed against his Home shall have been paid to the Board of Managers. However, such unpaid common charges can be paid out of the proceeds from the sale of a Home, or by the Grantee. Further, a Home Owner may convey his Home and his common interest appurtenant thereto, to the Board of Managers on behalf of all Home Owners free of any cost to the Board or the Home Owners and upon such conveyance such Home Owner shall not be liable for any common charges thereafter accruing against such Home. Any sale or lease of any Home in violation of this section shall be voidable at the election of the Board of Managers.

The provisions of this section shall not apply to the acquisition or sale of a Home by a mortgagee who shall acquire title to such Home by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagees.

Whenever the term "Home" is referred to in this section, it shall include the Home, the Home Owners undivided interest in the common elements and the Home Owners interest in any Homes acquired by the Board of Managers.

Section 2. Waiver of Partition Rights. The Home Owners waive all of their voting rights concerning partition respecting any Home acquired by the Board of Managers in accordance with this Article.

Section 3. Mortgaging of Homes. No Home Owner shall mortgage his Home except by a mortgage loan granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, union pension fund, agency of the United States Government or agency of the State of New York or a purchase money mortgage loan granted by the Seller or in participation with one of the above institutions.

Section 4. Gifts., etc. Any Home Owner may convey or transfer his Home by gift during his lifetime or devise his Home by will or pass the same by intestacy, without restriction.

## ARTICLE XII. CONDEMNATION

In the event all or part of the common elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than \$40,000 and to the Board of Managers if the award is \$40,000 or less, to be distributed in accordance with Section 3 of Article VII but in the following amounts:

(a) so much of the award as is applicable to unrestricted common elements, to the Home Owners pro rata according to the respective common interests appurtenant to the Homes owned by such Home Owners.

(b) So much of the award as is applicable to irrevocably restricted common elements to the Home Owner having general use of such common element.

In such eminent domain or condemnation proceeding the Board shall request that the award shall set forth the amount allocated to unrestricted common elements and to each irrevocably restricted common element. In the event the award does not set forth such allocation then the question of such allocation shall be submitted to the arbitration in accordance with the Arbitration Statutes of the State of New York.

## ARTICLE XIII. MISCELLANEOUS

Section 1. Insurance. Under no circumstances shall a Home Owner permit or suffer anything to be done or left in his Home which will increase the insurance rates on his Home or any other Home or on the common elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Home Owner who mortgages his Home, shall notify the Condominium through the management agent, if any, or the President of the Board of Managers in the event there is no management agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Homes".

Section 4. Notice of Unpaid Assessments. The Board of Managers shall at the request of a mortgagee of a Home, report any unpaid assessments due from the Home Owners of such Home.

Section 5. Examination of Books and Records. Every Home Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month.

Section 6. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural; wherever the context so requires.

Section 7. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

## ESTIMATE OF RECEIPTS AND EXPENSES FOR THE FIRST YEAR OF OPERATION

AT SOUTHAMPTON COMMONS CONDOMINIUM  
Section I, II and III Combined (117 Homes)

## RECEIPTS

Annual Common Charges (117 Homes)	\$184,218
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## EXPENSES

## Services

Insurance	\$58,683	(1)
Management	13,224	(2) (3)
Lifeguards	6,000	(4)
Audit	1,500	
Legal	1,000	
Jitney Service	7,211	(12)

## Maintenance

Landscape Maintenance	19,200	(5)
Sewage Treatment Plant	16,000	(6)
Snow Clearing	9,200	(7)
Pool, Tennis and Recreation Area	7,500	(8)
Refuse Removal	7,200	(9)
Miscellaneous Common Area Maint.	2,000	(13)
Telephone	1,800	
Sprinkler System	1,500	
Street Cleaning	1,200	
Common Area Plumbing and Electrical	1,000	

## Utilities

Common Area Lighting and Electric	12,000	(10)
Domestic and Common Water	10,000	(11)

## Reserves

<u>8,000</u>
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## Total Expenses

\$184,218
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See Footnotes at end of Schedule L and M

## SCHEDULE L

ESTIMATE OF RECEIPTS AND EXPENSES FOR THE FIRST YEAR OF OPERATION  
 AT SOUTHAMPTON COMMONS CONDOMINIUM  
 Section I only (35 Homes)

## RECEIPTS

Annual Common Charges (35 Homes)	\$34,689
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## EXPENSES

## Services

Insurance	\$17,179	(1)
Management	1,680	(2) (3)
Audit	500	
Legal	500	

## Maintenance

Landscape Maintenance	4,600	(5)
Snow Clearing	2,500	(7)
Refuse Removal	1,680	(9)
Miscellaneous Common Area Maint.	500	(13)
Sprinkler System	400	
Street Cleaning	400	
Common Area Plumbing & Electrical	250	

## Utilities

Common Area Lighting & Electrical	2,000	(10)
Domestic and Common Water	1,500	(11)

## Reserves

	<u>1,000</u>	
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Total Expenses	\$34,689
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See footnotes at end of Schedule L and M

This budget is only applicable in the event Sponsor elects to exercise the option set forth at page 4 to reduce the size of the Condominium to Section I (35 Homes).

SCHEDULE L

## ESTIMATE OF RECEIPTS AND EXPENSES FOR THE FIRST YEAR OF OPERATION

AT SOUTHAMPTON COMMONS CONDOMINIUM  
Section I and II only (77 Homes)

## RECEIPTS

Annual Common Charges (77 Homes)	\$73,009
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## EXPENSES.

## Services

Insurance	\$ 35,950 (1)
Management	3,792 (2) (3)
Audit	750
Legal	750

## Maintenance

Landscape Maintenance	10,800 (5)
Snow Clearing	5,075 (7)
Refuse Removal	3,792 (9)
Miscellaneous Common Area Maint.	1,000 (13)
Sprinkler System	800
Street Cleaning	800
Common Area Plumbing and Electrical	500

## Utilities

Common Area Lighting and Electrical	2,500 (10)
Domestic and Common Water	3,000 (11)

## Reserves

<u>3,500</u>
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## Total Expenses

\$73,009
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See footnotes at end of Schedule L and M

This budget is only applicable in the event Sponsor elects to exercise the option set forth at page 4 to reduce the size of the Condominium to Section I and II (77 Homes).

## SCHEDULE L

ESTIMATE OF RECEIPTS AND EXPENSES FOR THE FIRST YEAR OF OPERATION  
AT THE SOUTHAMPTON COMMONS HOMEOWNERS ASSOCIATION, INC.

## RECEIPTS

Annual Assessments (117 Members)	\$75,780
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## EXPENSES

## Services

Insurance	\$4,954 (1)
Management	7,200 (2) (3)
Lifeguards	6,000 (4)
Audit	750
Legal	500
Jitney Service	7,211 (2)

## Maintenance

Sewage Treatment Plant	16,000 (6)
Landscape Maintenance	3,250 (5)
Snow Clearing	1,625 (7)
Pool, Tennis and Recreation Area	7,500 (8)
Refuse Removal	1,440 (9)
Miscellaneous Common Area Maint.	500
Telephone	1,800
Sprinkler System	300
Common Area Plumbing & Electrical	250

## Utilities

Common Area Lighting & Elect.	10,000 (10)
Domestic and Common Water	5,500 (11)

## Reserves

	<u>1,000</u>
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## Total Expenses

	\$75,780
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Cost per member per month - \$53.98

See footnotes at end of Schedule M

This budget is only applicable in the event Sponsor elects to exercise the option set forth at page 4 to reduce the size of the Condominium to Section I (35 Homes) or Section I and II (77 Homes).

## FOOTNOTES TO SCHEDULE L AND M

(1) The insurance will include fire and extended coverage in the sum of \$13,200,000 for 117 Homes, and \$650,000 on the recreation complex and the sewage treatment plant, \$2,000,000 comprehensive general liability, Officers and Directors liability, Blanket Fidelity bond, auto non-ownership, and personal injury coverage. IN RECENT YEARS, PREMIUMS FOR INSURANCE (ESPECIALLY FIRE AND LIABILITY) HAVE INCREASED EXCESSIVELY. IT IS NOT POSSIBLE TO PREDICT WHETHER FUTURE PREMIUMS WILL CONTINUE TO ESCALATE AT THE SAME INORDINATE RATE. IF RECENT TRENDS CONTINUE, IT MAY BE NECESSARY TO UTILIZE THE RESERVE FUND OR INSTITUTE A SPECIAL ASSESSMENT TO THE EXTENT SUFFICIENT TO COVER ANY SHORT-FALL IN THE PROJECTED INSURANCE PREMIUM.

(2) No contract has been entered into at the present time. However, Sponsor reserves the right to enter into a management contract with an independent management company. In the event, however, that such management contract is entered into the term of such contract will be no longer than three years from the date of closing of title to the first home and in any event will be terminable upon the vote of a majority of the home owners, including the Sponsor voting as a Home Owner, upon turning over of control of the Board of Managers by the Sponsor to the Home Owners.

(3) This represents the cost of management services, based on a proposal received by the Sponsor from We'll Manage, Inc. Services included under this proposal are: billing and collecting common charges, bookkeeping, records keeping, home owner relations and liaison with maintenance functions, preparation of contract specifications, negotiation of contracts, maintenance and work flow scheduling, and generally perform the duties of a managing agent of a condominium.

(4) This represents the cost of lifeguard services for a pool season from Memorial Day to Labor Day, based on a proposal received by the Sponsor from We'll Manage, Inc.

(5) This represents the cost of landscape maintenance from April 1 through November 1 and includes: mowing, edging, trimming, weeding planting beds, fertilizing three times, seeding bare areas as required, Spring and Fall clean-up, based on a proposal received by the Sponsor from We'll Manage, Inc.

(6) This is based on a proposal received by the Sponsor from Nelson & Pope, Inc., for the operation and maintenance of the sewage treatment plant, including: operating personnel in accordance with the current requirements of the Suffolk County Department of Environmental Control, chemicals, sludge removal, equipment maintenance, and operating reserve.

(7) Based upon a proposal received by the Sponsor from We'll Manage, Inc., for snow clearing of sidewalks, parking lots, and roadways, when a depth of two inches of snow is officially recorded.

(8) Based on a proposal received by the Sponsor from We'll Manage, Inc., provided for Summerizing and Winterizing of the pool and tennis courts, supplying pool chemicals, and routine maintenance of recreation areas.

(9) Based on an estimate of anticipated refuse removal expenses received by the Sponsor from We'll Manage, Inc.

(10) Based on an estimate dated November 14, 1980 of common area electrical consumption prepared from the latest rate schedule of the Long Island Lighting Company. Includes estimated consumption of 80,976 KWH per year for the sewage treatment plant, 7,680 KWH per year for the swimming pool, and 16,000 KWH per year for site lighting.

(11) Based on an estimate of domestic and common area water consumption expenses prepared from the latest rate schedule of the Suffolk County Water Authority.

(12) Provides for private "jitney" service to transport home owners of the Condominium to the Southampton public beach by means of a van type vehicle which Sponsor will purchase for the condominium. Estimate includes cost of gasoline, insurance and driver for the vehicle as follows: \$1,095.00 for gasoline (based on current estimates on the price of gasoline at \$1.50/gallon for 1981, with 450 miles per week average usage for each of fourteen weeks from Memorial Day through Labor Day, including eight trips per day Monday thru Friday, and ten trips per day on Saturday and Sunday; seven mile round trip at 10 MPG, plus 15% for routine servicing, inspection and registration). \$5,376.00 for drivers (based on sixty-four manhours per week, including salary, employers share of withholding, workman's compensation, NYS Disability Benefits, as supplied under a contract from We'll Manage, Inc.). \$740.00 insurance (including PD at 100,000/300,000 limits with PI at 50,000 limits, and \$250 deductible collision/ comprehensive).

(13) Includes maintenance of the exterior walls and roofs of the buildings. Repairs and decoration to the interior of a Home including repairs other than exterior painting to windows and doors which open from a home are the responsibility of each individual home owner. See pages 28 and 30 for details.

# WE'LL Manage, Inc.

82 N. BROADWAY, HICKSVILLE, N.Y. 11801 • (516) 935-1330

August 1, 1980

Southampton Associates  
5040 Expressway Drive S.  
Ronkonkoma NY 11779

Subject: Southampton Commons Condominium and Southampton Commons Homeowners Association, Inc.

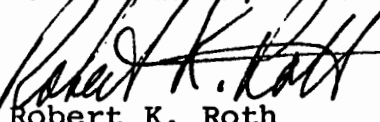
Gentlemen:

We have reviewed the annexed schedules of the estimated receipts and expenses of the Southampton Commons Condominium and the Southampton Commons Homeowners Association, Inc., for the first year of their operation, and we understand that same will be included in the Offering Plan.

In my opinion, the estimates are reasonable and adequate under existing circumstances and the estimated receipts shown therein will be sufficient to meet the normal anticipated operating expenses of the first year of operation. However, because of the possibility of unforeseeable changes in the economy, or increases or decreases in the expenses of operation, these estimates are not to be taken as representations, guarantees, or warranties of any kind whatsoever, or as any assurance that the actual expenses or income of the Condominium and Homeowners Association for any period of operation may not vary from the amounts shown therein. It may be expected, based on current trends, that such items as real estate taxes, fuel costs, maintenance, repairs, labor and other related expenses will change in the future.

The opinion expressed herein is based on my experience in the management of Condominium projects and Homeowners Associations similar in nature to Southampton Commons for eight years.

Very truly yours,  
WE'LL MANAGE, INC.



Robert K. Roth  
President

Enclosure

CONDOMINIUM MORTGAGE

**THIS MORTGAGE,**

made the \_\_\_\_\_ day of \_\_\_\_\_  
 one thousand nine hundred and \_\_\_\_\_ between \_\_\_\_\_

and ROOSEVELT SAVINGS BANK, a New York Banking Corporation, organized and existing \_\_\_\_\_, the mortgagor,  
 under the laws of the State of New York and having its principal place of business  
 at 1024 Gates Avenue, Borough of Brooklyn, City and State of New York, the Mortgagee,

WITNESSETH, that to secure the payment of an indebtedness in the sum of \_\_\_\_\_

dollars,

lawful money of the United States, with interest thereon, to be paid according to a certain bond or obligation bearing even date herewith, the mortgagor hereby mortgages to the mortgagee ALL that certain piece or parcel of real property with the improvements therein contained and erected, situate, lying and being a part of a condominium filed and recorded in the County of \_\_\_\_\_, State of New York, as more fully described and set forth on Schedule A hereto annexed and made a part hereof.

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, rules, regulations and easements all as set forth in the Condominium Documents filed and recorded as aforesaid.

TOGETHER with all chattels, fixtures and articles of personal property, and all additions and replacements, now or hereafter attached to, or used in connection with the premises as hereinafter in this mortgage set forth.

TOGETHER with any and all awards for any reason whatsoever heretofore made and hereafter to be made by any governmental body, sub-division, authority or agency thereof, to the present and all subsequent owners of the premises herein described including any award or awards for any change or changes of grade of streets affecting or abutting said premises, which said award or awards are hereby assigned to said mortgagee.

AND the mortgagor covenants with the mortgagee as follows:

1. That the mortgagor will pay the indebtedness as hereinbefore provided.
2. A. That the mortgagor will keep the buildings on the premises insured against loss by fire and flood for the benefit of the mortgagee; that he will assign and deliver the policies to the mortgagee; and that he will reimburse the mortgagee for any premiums paid for insurance made by the mortgagee on the mortgagor's default in so insuring the buildings or in so assigning and delivering the policies, as provided in the condominium declaration.  
 B. In addition to the foregoing insurance the mortgagor will, at his expense, deliver to the mortgagee additional insurance policies and endorsements including but not limited to, flood insurance and war damage insurance, if any be required by the mortgagee, to cover all risks to the mortgagee or hazard to any building or improvements erected upon the mortgaged premises, of every kind, type, and description, for such periods, in such amounts, and by such method of payment therefor, satisfactory to the mortgagee. It is hereby agreed that if the mortgagee shall accept a multiple peril insurance policy or any other policy containing coverages not required by the mortgagee, with or without an installment premium endorsement, such acceptance shall not constitute the mortgagee an agent of the mortgagor in the procurement, renewal or replacement of all or any of the coverages included in said policy, or in the collection of losses or filing proofs of loss, and the mortgagee is hereby released and discharged from all claims and demands whatsoever arising by reason of any matter relative to, or incident to the said policy or policies, during the term or terms thereof, or in renewing or replacing said policy or policies, as provided in the condominium declaration.  
 C. Compliance is made with the provisions of this mortgage relating to hazard insurance by delivery of a copy of the master policy obtained by the board of managers of the condominium together with the original certificate issued to the unit owner thereunder with loss payable to the mortgagee and the proof of payment for such insurance furnished by the board of managers as provided in the condominium declaration.
3. That no building on the premises shall be removed, altered or demolished without the consent of the mortgagee.
4. That the whole of said principal sum shall become due, at the option of the mortgagee after default in the payment of any installment of interest and principal, or in any monthly payment to cover carrying charges of the mortgaged premises, or in the payment of any deficiency existing in the amount necessary to cover any particular item in the fund held to cover such carrying charges, or in the payment of service or late charge, as herein provided for 15 days; or after default in the payment of any tax, water or sewer rate or assessment for a period of 30 days after notice and demand, unless provision for total payment thereof has been made pursuant to this agreement, or after default after notice and demand either in assigning and delivering the policies insuring the building against loss by fire or other hazards or in reimbursing the mortgagee for premiums paid on such insurance, as hereinbefore provided; or after default upon request in furnishing a statement of the amount due on the mortgage and whether any offsets or defenses exist against the mortgage debt, as hereinafter provided. The term "assessment" as used herein shall include governmental or private assessments or assessments for maintenance of other charges.
5. That the holder of this mortgage, in an action to foreclose it, shall be entitled to the appointment of a receiver.
6. That the mortgagor will pay all taxes, assessments or water rates, and in default thereof, the mortgagee may pay the same.
7. That the mortgagor within five days upon request in person or within ten days upon request by mail will furnish a written statement duly acknowledged of the amount due on this mortgage and whether any offsets or defenses exist against the mortgage debt.
8. That notice and demand or request may be in writing and may be served in person or by mail.
9. That the mortgagor warrants the title to the premises.
10. That in case of a foreclosure sale, said premises, or so much thereof as may be affected by this mortgage, may be sold in one parcel.
11. That the whole of the principal sum shall become due at the option of the mortgagee after default for thirty days after notice and demand in the payment of any installment of any assessment for local improvement heretofore or hereafter levied which is or may become payable in annual installments, and which has affected, now affects or hereafter may affect the said premises, notwithstanding that such installments be not due and payable at the time of such notice and demand; that the whole of said principal sum shall become due at the option of the mortgagee upon the actual or threatened demolition or removal of any building erected, or to be erected upon said premises, and in the event of such demolition or removal of any building the interest on the indebtedness secured by this mortgage shall be at the maximum statutory rate of interest per annum from the date of the commencement of such demolition or removal, if such interest rate at that time be less than the maximum statutory rate of interest per annum; and also that the whole of said principal sum shall become due at the option of the mortgagee upon any default in keeping the buildings on the premises insured against loss by fire as required by paragraph numbered "2" above.

12. In the event of the passage after the date of this mortgage of any law of the State of New York, deducting from the value of land for the purpose of taxation any lien thereon, or changing in any way the laws for the taxation of mortgages or debts secured by mortgage for State or local purposes, or the manner of the collection of any such taxes, so as to affect this mortgage, the holder of this mortgage and of the debt which it secures, shall have the right to give thirty days' written notice to the owner of the land requiring the payment of the mortgage debt. If such notice be given, the said debt shall become due, payable and collectible at the expiration of said thirty days.

13. If any action or proceeding be commenced (except an action to foreclose this mortgage or to collect the debt secured thereby), to which action or proceeding the holder of this mortgage is made a party, or in which it becomes necessary to defend or uphold the lien of this mortgage, all sums paid by the holder of this mortgage for the expense of any litigation to prosecute or defend the rights and lien created by this mortgage (including reasonable counsel fees), shall be paid by the mortgagor, together with interest thereon at the maximum statutory rate of interest per annum, and any such sum and the interest thereon shall be a lien on said premises, prior to any right, or title, or interest in or claim upon said premises attaching or accruing subsequent to the lien of this mortgage, and shall be deemed to be secured by this mortgage and by the bond or note which it secures. In any action or proceeding to foreclose this mortgage, or to recover or collect the debt secured thereby, the provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

14. That the whole of said principal sum shall become due at the option of the mortgagee if the buildings on said premises are not maintained in reasonably good repair, after notice of the condition of the building is given to the mortgagor, or upon the failure of any owner of said premises to comply with the requirements of any governmental department claiming jurisdiction within three months after an order making such requirement has been issued by said Department, or upon the failure of any owner of said premises or any person holding under said owner as tenant, lessee, or otherwise to comply with all statutes, orders, requirements or decrees relating to said premises by any Federal, State or Municipal authority, or upon the mortgagor's unreasonable refusal to permit the mortgagee, its agents or employees to make an inspection of the premises.

15. That upon and after any default in the terms of this mortgage or of its accompanying note, bond or obligations, the mortgagee shall have the right forthwith without notice or demand and without the commencement of any action to foreclose this mortgage and, without the appointment of any Receiver, to enter upon and take possession of the said mortgaged premises and thereby become mortgagee in possession thereof or agent of the then owner of the mortgaged premises, with the right to let the said premises and receive all the rents, issues and profits thereof, which are overdue, due or to become due, and to apply the same, after payment of all necessary charges and expenses, on account of the amount hereby secured; and in any of the events aforesaid, the mortgagor hereby unconditionally surrenders his possession and all the rents, issues and profits of said mortgaged premises to the mortgagee; and under the circumstances aforesaid, the mortgagor for himself and any subsequent owner of said premises, hereby agrees to pay to the mortgagee in advance a reasonable rent for the premises occupied by him and in default of so doing, hereby agrees that he may be dispossessed by the usual summary proceedings or an order of eviction in any action to foreclose this mortgage, and further that any tenant defaulting in the payment to the mortgagee of any rent may be likewise dispossessed by the mortgagee as mortgagee in possession of said mortgaged premises, or as agent of the then owner of aforesaid premises. The rights and remedies herein afforded to the mortgagee shall be cumulative and supplementary to and not exclusive of any other rights and remedies afforded the holder of this mortgage and its accompanying note, bond or obligation.

16. That in compliance with Section 13 of the Lien Law, the mortgagor will receive the advances secured by this mortgage and will hold the right to receive such advances as a trust fund to be applied first to the purpose of paying the cost of the improvement, and that the mortgagor will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

17. That, if this mortgage is payable in monthly installments, then, notwithstanding any contrary provision of this mortgage in order to more fully protect the security of the mortgage, the mortgagor further agrees to pay to the mortgagee on each monthly installment date a sum equal to  $\frac{1}{12}$  of the amount, as estimated from time to time by the mortgagee of the annual real estate and school taxes, water and sewer rates, and assessments, if any, becoming due as charges on or with respect to the premises described in the mortgage securing said note, bond or other obligation during the 12 calendar months following the date of the first monthly installment due hereunder, and during the 12 calendar months following each anniversary of such date; and  $\frac{1}{12}$  of the amount of the annual premium for the hazard insurance required to be carried by the terms of said mortgage, and for any additional coverage included by the mortgagor in the policy provided by him pursuant to the terms of said mortgage, which payment shall be known for the purposes hereof as the monthly payment to cover carrying charges of the mortgaged premises, so that not later than one month prior to the respective due dates for each of said items embraced in such monthly payment there shall be in the hands of the mortgagee amounts sufficient to pay such item in full. Although each such monthly payment is to be in a lump sum, each component thereof shall be held separately by the mortgagee, without interest, for, and applied only to, the particular item for which it was paid over by the mortgagor, unless the mortgagee in its sole discretion elects otherwise.

If at any time prior to the due date of any particular item of such carrying charges, the mortgagee calculates that there will not be in its hands one month prior to such due date a sum sufficient for the payment of such item in full, the mortgagor upon demand shall pay the amount of any such deficiency to the mortgagee and upon failure of the mortgagor to pay such deficiency, the unpaid balance of the principal sum hereof, shall, at the option of the mortgagee become immediately due and payable, notwithstanding that sums for the payment of other items of such carrying charges not yet due may be in the hands of the mortgagee.

If there shall be a default hereunder resulting in a judicial sale of the premises described in this mortgage, or if the mortgagee acquires the said premises in any other way after such default, the mortgagee shall have the right to apply the balance then remaining in the said fund to cover such carrying charges against the balance of the principal sum hereof then unpaid, or to the payment of any or all of such carrying charges without obligation to account therefor to the mortgagor.

18. In the event that any payment shall not be received by the mortgagee within fifteen (15) days from its due date, a late charge of two cents for each dollar (\$1.00) so overdue may be charged by the mortgagee for the purpose of defraying the expense incident to handling such delinquent payment. Also, where a check delivered to the mortgagee for any monies due hereunder is dishonored, a reasonable service charge may be made for the handling of such check.

19. Where the rate of interest charged, taken or received hereunder exceeds six (6%) per centum per annum and the mortgaged premises is improved by a one to six family residence occupied in whole or part by the owner, and provided that the mortgagor is not a corporation, this loan may be prepaid, in whole or in part, at any time provided however that the mortgagor shall give to the mortgagee, in writing, at least thirty days prior notice of his intent to exercise said privilege of prepayment, and provided further that if said privilege is exercised any time prior to one year from the date hereof, a penalty equal to the interest for the remaining months of the first contract year on the principal so prepaid shall be imposed for the exercise of said privilege.

20. In the event of a default under any of the terms, covenants and conditions of the note or of this mortgage, and acceleration by the mortgagee of the unpaid principal sum hereof, it is agreed that interest shall be payable at the rate charged hereunder or at the maximum rate prescribed by statutory law governing interest on loans and forebearances, whichever is greater, computed from the date that such default occurred or the date that such installment in default became due and payable.

CONDOMINIUM MORTGAGE

21. The mortgagor covenants and agrees that any and all awards in condemnation, including any awards for any change of grade of streets affecting or abutting said premises, are hereby assigned to the mortgagee, and the mortgagee is hereby authorized, directed and empowered to collect and receive the proceeds of any such awards from the authorities making the same and to give proper receipts and acquittances therefor, and to apply the same toward the payment of the amount owing on account of this mortgage and the instrument it secures, notwithstanding the fact that the amount owing thereon may not be then due and payable; and, upon request by the holder of this mortgage, he agrees to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning the aforesaid awards to the holder of this mortgage, free, clear and discharged of any and all encumbrances of any kind or nature whatsoever; and, in case of a condemnation or taking of the mortgaged premises by any of the aforementioned authorities prior to the maturity of this loan, he covenants and agrees to pay the difference in the interest received by the said mortgagee from the aforesaid condemnor or taking authority and the interest provided for herein from the date of such condemnation or taking to the date and in the manner payment can be made pursuant to the privileges and terms hereof, as if no condemnation had taken place.

22. That the exercise or the failure to exercise by the mortgagee of any of its rights hereunder or under the accompanying note, bond or other obligation or of any of its options under the terms or covenants contained herein or therein shall not preclude or prejudice the mortgagee from thereafter exercising the same or any other right it may have under this mortgage or said note, bond or other obligation irrespective of any previous action or proceeding taken by the mortgagee hereunder or thereunder.

23. The mortgagor covenants that the lien of this mortgage covers all chattels, fixtures and articles of personal property including but not limited to furnaces, steam boilers, hot-water boilers, oilburners, pipes, radiators, coal stokers, bath-tubs, water closets, all other plumbing and bathroom fixtures, refrigeration, air-conditioning and sprinkler systems, gas and electric fixtures, sinks, stoves, ranges, refrigerators, air-conditioners, dish washers, washing machines and clothes dryers, carpets, rugs, shades, awnings, screens, elevators, motors, dynamos, kitchen cabinets, incinerators, lawn plants and shrubbery and all other furnishings, equipment and machinery, appliances, fittings and fixtures of every kind in the buildings erected upon the premises, now in or hereafter attached to or used in connection with the premises, all of which shall be deemed to be, remain and form a part of the realty and are covered by the lien of said mortgage, together with all replacements of any of the above described articles of personal property, chattels or fixtures, and all additions thereto to be permanently installed in and integrated into the building(s) as part of the real property. The mortgagor hereby authorizes the mortgagee to file any financing statement necessary under the Uniform Commercial Code in order to perfect the security interest of the mortgagee without requiring the signature of the mortgagor. The mortgagor covenants that it will not make any other financing statement, lien, encumbrance, and/or reservation of title as to any additions or replacements of such chattels, fixtures or personal property so covered by this mortgage without the consent in writing of the mortgagee.

24. The covenants contained in this mortgage shall run with the land and bind the mortgagor, the heirs, personal representatives, successors and assigns of the mortgagor and all subsequent owners, encumbrances, tenants and sub-tenants of the premises and shall inure to the benefit of the mortgagee, the personal representatives, successors and assigns of the mortgagee and all subsequent holders of this mortgage. All of the pronouns and relative words herein used shall be read as if written in the same gender as the mortgagor and if there be more than one mortgagor, then, in the plural whenever the sense of the mortgage so requires.

25. It is agreed that wherever in this instrument the word "building" is used it shall be construed to mean and shall include the unit and building. The provisions of the declaration of condominium shall prevail if there be any variance between the provisions of this instrument and the declaration of condominium.

26. The mortgagor for itself, its grantees, successors and assigns covenants and agrees with the mortgagee that it and every future owner of the unit will faithfully observe the covenants and restrictions and comply and perform the obligations and duties imposed upon the owner of the unit by the declaration of condominium and the whole of the principal sum secured by this mortgage shall at the option of the mortgagee become due in the event of a default hereunder.

27. It is understood that the taxing authorities may, in the interim, levy taxes, water rates, sewer rents, and assessments against the condominium property. Upon proof shown of the payment of the aforesaid items by the board of managers, the mortgagee is empowered at its option and may apply the fund accumulated as set forth above towards the reimbursement of the board of managers of the proportionate share thereof required to be paid by the unit owner.

28. Wherever in this instrument the term "bond" is used it shall be construed to mean the note, bond or other obligation as the case may be secured by this mortgage.

29. The mortgagee may charge the mortgagor and the mortgagor agrees to pay reasonable fees and costs for its obtaining tax searches and proper bills (where realty taxes are budgeted herein) and its services in processing any ownership transfers on its records, fire loss payments, substitutions of bondsmen, releases, modifications, extensions, consents, easements, special agreements, assignments, reduction certificates, and satisfaction of mortgage. At the mortgagee's option, charges for these items, as well as late charges provided for in paragraph numbered 18 above, may be deducted from the funds in the budget account provided for in paragraph numbered 17 above.

30. The bond, note or obligation and the mortgage which it secures shall become due and payable at the option of the mortgagee in the event the mortgagor sells, conveys or transfers title to the mortgaged premises.

**FOR MORTGAGE TAX PURPOSES ONLY, THE MORTGAGOR HEREBY REPRESENTS AND CERTIFIES TO THE STATE OF NEW YORK, DEPARTMENT OF TAX AND FINANCE, THAT THE ABOVE DESCRIBED PREMISES IS IMPROVED, OR WILL BE IMPROVED, BY A ONE OR TWO-FAMILY RESIDENCE OR DWELLING ONLY AND THAT THERE ARE, OR WILL BE, NO OTHER IMPROVEMENTS THE COST OR FAIR MARKET VALUE OF WHICH EXCEEDS, OR WILL EXCEED, THE COST OR FAIR MARKET VALUE OF THE ONE OR TWO-FAMILY RESIDENCE OR DWELLING.**

This mortgage contains the entire agreement between the parties and the same cannot be modified or changed except by an instrument in writing executed on behalf of the mortgagee and signed by one of its officers and bearing its official seal.

IN WITNESS WHEREOF, this mortgage has been duly executed by the mortgagor.

IN THE PRESENCE OF:

\_\_\_\_\_  
(L. S.)  
  
\_\_\_\_\_  
(L. S.)  
  
\_\_\_\_\_  
(L. S.)  
  
\_\_\_\_\_  
(L. S.)

STATE OF NEW YORK, }  
COUNTY OF } ss.:

127

On the \_\_\_\_\_ day of \_\_\_\_\_  
before me came

to me known to be the individual described in, and who executed the foregoing instrument, and acknowledged that he executed the same.

STATE OF NEW YORK, }  
COUNTY OF } ss.:

On the \_\_\_\_\_ day of \_\_\_\_\_  
before me came  
to me known, who, being by me duly sworn, did depose and say that he resides at \_\_\_\_\_

; that he is the \_\_\_\_\_ of the corporation described in and which executed, the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it is so affixed by order of the Board of \_\_\_\_\_ of said corporation; and that he signed his name thereto by like order.

STATE OF NEW YORK, }  
COUNTY OF } ss.:

On the \_\_\_\_\_ day of \_\_\_\_\_  
before me came

to me known to be the individual described in, and who executed the foregoing instrument, and acknowledged that he executed the same.

STATE OF NEW YORK, }  
COUNTY OF } ss.:

On the \_\_\_\_\_ day of \_\_\_\_\_  
before me came  
the subscribing witness to the foregoing instrument, with whom I am personally acquainted, who, being by me duly sworn, did depose and say that he resides at \_\_\_\_\_, that he knows

to be the individual described in, and who executed, the foregoing instrument; that he, said subscribing witness, was present and saw \_\_\_\_\_ execute the same; and that he, said witness, at the same time subscribed \_\_\_\_\_ name as witness thereto.

**CONDOMINIUM  
MORTGAGE**

SECTION \_\_\_\_\_  
BLOCK \_\_\_\_\_  
LOT \_\_\_\_\_  
COUNTY OR TOWN \_\_\_\_\_

TO

ROOSEVELT SAVINGS BANK

Return by Mail to

No. \_\_\_\_\_

Dated \_\_\_\_\_

\$ \_\_\_\_\_

[Empty rectangular box for return address]

RESERVE THIS SPACE  
FOR USE OF RECORDING OFFICE

COMPARED  
  
LIBER  
PAGE

## Know all Men by these Presents, That

hereinafter designated as the Obligor, does hereby acknowledge that he is indebted to ROOSEVELT SAVINGS BANK a New York Banking Corporation, organized and existing under the laws of the State of New York and having its principal place of business at 1024 Gates Avenue, Borough of Brooklyn, City and State of New York, hereinafter designated as the Obligee, in the principal sum of

Dollars,

lawful money of the United States, which sum, with interest on the unpaid balance thereof to be computed from the day of the date hereof, at the rate of \_\_\_\_\_ per centum per annum, the Obligor does hereby covenant to pay to the Obligee at its office in Brooklyn, New York, or at such other place as the holder hereof shall designate in writing, as follows:

Interest only on the first day of \_\_\_\_\_

Installments of \$ \_\_\_\_\_ each on the first day of each succeeding month to the first day of \_\_\_\_\_ when the balance of principal plus accrued interest shall be due and payable.

The monthly installments when received by the holder hereof shall be applied

- 1st — In payment of interest
- 2nd — In reduction of principal indebtedness

If the premises covered by the mortgage to secure which this bond is executed and delivered is owner occupied the indebtedness due hereunder may be prepaid without penalty in whole or in part after one (1) year from the date hereof. If prepaid on or before one year from the date hereof, a penalty of one (1%) percent must be added.

This indebtedness secured hereby may at the option of the holder hereof, become due and payable on a sale or conveyance of the property.

The whole of the principal sum or any part thereof, and of any other sums of money secured by the mortgage given to secure this bond, shall forthwith or thereafter, at the option of the Obligee, become due and payable after default in the payment of any monthly payment for thirty days after the due date of such payment or upon the happening of any default, which, by the terms of the mortgage given to secure this bond, shall entitle the Mortgagee to declare the same, or any part thereof, to be due and payable; and all of the covenants, agreements, terms and conditions of said mortgage are hereby incorporated herein with the same force and effect as if herein set forth at length.

AND IT IS FURTHER EXPRESSLY AGREED that the obligation of this bond shall continue until said indebtedness shall be fully paid, notwithstanding any waiver by the Obligee of any breach of any agreement, condition or covenant contained in this bond or in the mortgage accompanying the same and notwithstanding any action or proceeding to foreclose said mortgage and/or the settlement and/or discontinuance of such action and regardless of whether the due date of this bond shall have been extended or the terms modified by such settlement and/or discontinuance.

If more than one person joins in the execution of this bond and if any be of the feminine sex, the relative words herein shall be read as if written in the plural, or in the feminine gender, as the case may be, and the words "Obligor" and "Obligee" shall include their heirs, executors, administrators, successors and assigns.

Signed and sealed this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

In the Presence of:

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

STATE OF NEW YORK, COUNTY OF KINGS, ss.:

On the            day of            , nineteen hundred and  
before me personally came

to me known to be the individual    described in and who executed the foregoing instrument, and acknowl-  
edged that    he    executed the same.

STATE OF NEW YORK, COUNTY OF KINGS, ss.:

On the    day of            , nineteen hundred and  
before me personally came

to me known to be the individual    described in and who executed the foregoing instrument, and acknowl-  
edged that    he    executed the same.

LOAN No.

DATED:

TITLE No.

\$

---

---

**Bond**

---

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TO  
**ROOSEVELT SAVINGS BANK**

**GARFUNKEL & HYDE**  
*Attorneys-at-Law*  
1122 Franklin Avenue  
Garden City, New York 11530

**WOFSEY, CERTILMAN, HAFT & LEBOW**

ATTORNEYS AND COUNSELLORS AT LAW

71 SOUTH CENTRAL AVENUE

VALLEY STREAM, NEW YORK 11580

(516) 872-6222

MICHAEL J. LAZAR  
JESSE SAFIR  
COUNSEL

CABLE: WOFCERTLAW

MANHATTAN OFFICES:  
55 BROAD STREET  
NEW YORK, N.Y. 10004  
(212) 428-4320

November 11, 1980

Southampton Associates  
5040 Express Drive South  
Ronkonkoma, NY 11779

RE: Southampton Commons Condominium

Gentlemen:

We note that the Offering Plan states that it is believed that the monthly payments of interest on any mortgage which becomes a lien on a Condominium Home and real estate taxes payable by a Home Owner which are assessed against his Home by any governmental taxing authority, are a proper deduction in connection with Federal and New York State Income Taxes payable by the owner of such Condominium Home.

We have given this matter careful study and it is our opinion that, pursuant to the provisions of the Internal Revenue Code of 1954 (the "Code") (See Revenue Ruling 64-31, C.B. 1964-300) and the corresponding provision of the New York State Law (See Section 615 of the Tax Law), such interest payments and the aforesaid real estate payments are proper deductions by the owner of a Condominium Home, in connection with his Federal and New York State income taxes.

In adding a new Section 528 to the Code, the Tax Reform Act of 1976 affords certain Condominiums and Home Owner Associations, substantially all of whose Homes are used for residences, the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Home Owners and ninety percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium and Home Owners Association properties, which properties, as defined in Section 528 of the Code, include property held by the Condominium or Home Owners Association, property commonly held by the members of the Condominium or Home Owners Association or property within the Condominium or Home Owners Association held by the members of the Condominium or Home Owners

WOFSEY, CERTILMAN, HAFT & LEBOW

Association. Based upon our examination of the Offering Plan and subject to the Condominium and the Home Owners Association actually satisfying the minimum percentage income and expenditure criteria set forth above, it is our opinion that the Condominium and Home Owners Association will be eligible to be treated as a tax exempt organization under Section 528 of the Code.

Such an election may entail the filing of tax returns and will exempt from Federal and New York State Income Taxation all amounts received by the Condominium and the Home Owners Association from the Home Owners as membership dues, fees or assessments. The Condominium and the Home Owners Association will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated sources income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the Home Owners. In the event either the Condominium or the Home Owners Association fails to qualify for and elect Section 528 taxation status in any year, it may, to the extent it has any income from unrelated sources or from accumulated revenues received by virtue of dues, fees and assessments received from Home Owners not expended in any taxable year, be subject to Federal and New York State Income Taxation (see Rev. Ruling 74-99, 1974-1 C.B. 131).

We have examined the exceptions to title set forth on pages 23 through 24 of the Offering Plan and we are of the opinion that none of such exceptions of title are contrary to the terms of the purchase agreement nor do they interfere with the quiet use or enjoyment of the purchaser's home as set forth in the Offering Plan.

We have examined the Declaration and By-Laws pertaining to the proposed Condominium. It is our opinion that the Declaration and By-Laws, when recorded, will validly create a Condominium in accordance with Article 9-B of the Real Property Law of the State of New York.

Very truly yours,

WOFSEY, CERTILMAN, HAFT & LEBOW

# Southampton Commons

186-D8 West Montauk Highway  
Hampton Bays, New York 11946  
(516) 728-4400

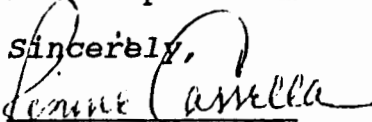
August 29, 1997

To: All Southampton Commons I Unitowners

Re: Amendment to the Declaration and By-laws

Please put the enclosed amendment copy with the rest of your Southampton Commons I By-laws and House Rules paperwork.

Sincerely,



Rosane Cassella  
Property Manager

Amended  
2 9018 ✓  
CP 1-38

AMENDMENT TO DECLARATION AND BY-LAWS  
OF SOUTHAMPTON COMMONS CONDOMINIUM

Establishing a Plan of Condominium  
Ownership of premises located at  
Southampton, New York adjacent to  
Hubbard Lane, Town of Southampton,  
Suffolk County, New York, pursuant  
to Real Property Law Article 9-B.

SB  
6/17/83



C. 900

Amendment to Declaration and By-Laws made this  
14th day of May, 1983, by Southampton Commons Condominium, a  
condominium formed pursuant to Real Property Law, Article 9-B  
by Declaration filed and recorded in the Office of the Clerk  
of the County of Suffolk, in Liber 9018 p. 1<sup>38</sup> on 6-15-80

WHEREAS, the Declaration and By-Laws of  
Southampton Commons Condominium, which Declaration and  
By-Laws were recorded in the Office of the Clerk of the  
County of Suffolk provide that with respect to the selling  
and leasing of homes and the use of the said homes, the Board  
of Managers thereof has certain rights and powers and the  
homeowners and tenants thereof must obey and comply with  
certain procedures; and

WHEREAS, Southampton Commons Condominium is  
desirous of amending the Declaration and By-Laws to modify,  
limit and/or restrict the ownership and leasing of condominium

2/10

units and to subject the homeowners and lessees (tenants) to certain rules and regulations.

NOW, THEREFORE, Southampton Commons Condominium, by more than 66-2/3% in number and common interest approving such amendment, the Declaration and By-Laws are amended in the following manner:

By-Laws:

"Article VIII. HOUSE RULES

Section 9. POLICIES GOVERNING OWNERS AND TENANTS

- (a) Each owner is restricted, regardless of the duration of the lease to one (1) lease per season, except with the permission of the Board of Managers. The summer season is defined to be May 15 through September 15. The winter season is defined to be balance of the year.
- (b) A lease of any unit entails the lease of the homeowner's interest in common elements of Southampton Commons. Therefore, no homeowner may use any part of the common elements at any time during the term of the lease. This provision does not abridge a homeowner's right to enter the property to inspect the home according to the terms of the lease.
- (c) Leases are restricted to families and household staff of not more than a total of six people, except that not more than two (2) persons unrelated by blood, marriage or legal adoption shall be considered a family.
- (d) Each lease shall contain a rider in the following language:
  - 1. This lease is in all respects subject to

*the Declaration, By-Laws and Rules  
of Southampton Commons Condominium.*

2. *The Board of Managers of Southampton Commons Condominium expressly asserts a claim to all rental security deposits to be set-off against any damage to the common elements of Southampton Commons Condominium.*
3. *The tenant covenants that no pets will be brought onto any part of Southampton Commons Condominium by the tenant or by any guest of the tenant at any time during the term of the lease.*
4. *The tenant expressly agrees to accompany and supervise any child of under twelve (12) years of age while any such child is using the swimming pool, the tennis courts or the jitney.*

*(e) All prospective tenants, whether produced by the owner or by a Broker, shall be interviewed by the designated managing agent on behalf of the Board of Managers prior to the execution of a lease agreement.*

*(f) Guests- A guest is defined as a person who is intended to be an occupant of the premises or who is intended to be in the active company of the owner or tenant.*

Invitees- An invitee is defined as a person who is neither an occupant of the premises nor intended to be in the active company of the tenant or owner.

1. No invitee is permitted at any time.
2. There are no restrictions on the number of guests an owner or tenant may have in a home or on or in any part of the common elements, except that no owner or tenant may have more than four (4) guests at the pool or on the tennis courts in any one day.

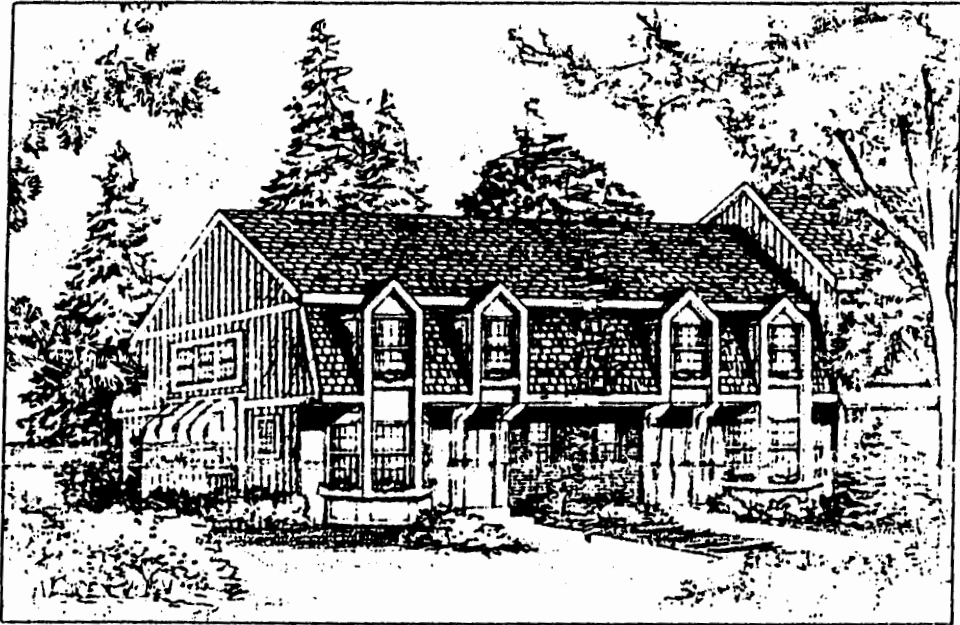
- (g) No vehicle of any kind is permitted to be ridden, driven or parked on that portion of the common grounds which is defined and circumscribed by the inside border of the road.
- (h) No boats, vans, campers or recreational vehicles are permitted on any part of Southampton Commons Condominium without the prior consent of the Board of Managers.
- (i) All homeowners' pets while on any part of the common grounds shall be leashed and in the control of its owner.
- (j) All homeowners' pets shall be "curbed" only on that portion of the common grounds which is defined by the outside border of the road and the property boundary. Owner must clean up after his/her pet."

"Article XI. SELLING, MORTGAGING AND LEASING HOMES

Section 1. Selling and Leasing Homes. Any Home may be conveyed by its Home Owner free of any restrictions except that no Home Owner shall convey, mortgage, pledge, hypothecate, sell or lease his Home unless and until all unpaid common charges assessed against his home shall have been paid to the Board of Managers. However, such unpaid common charges can be paid out of the proceeds from the sale of a Home, or by the Grantee. Further, a Home Owner may convey his Home and his common interest appurtenant thereto, to the Board of Managers on behalf of all Home Owners free of any cost to the Board or the Home Owners and upon such conveyance such Home Owner shall not be liable for any common charges thereafter accruing against such Home. Any Home may be leased by its Home Owner free of any restrictions, except that no Home shall be leased unless said lease complies with the provisions of Article VI, section 11 of these bylaws. Any sale or lease of any Home in violation of this section shall be voidable at the election of the Board of Managers.

The provisions of this section shall not apply to the acquisition or sale of a Home by a mortgagee who shall acquire title to such Home by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagees.

# Southampton Commons



Amended  
2 9018 ✓  
CP 1-38

AMENDMENT TO DECLARATION AND BY-LAWS  
OF SOUTHAMPTON COMMONS CONDOMINIUM

*Establishing a Plan of Condominium  
Ownership of premises located at  
Southampton, New York adjacent to  
Hubbard Lane, Town of Southampton,  
Suffolk County, New York, pursuant  
to Real Property Law Article 9-B.*

SB  
6/17/83  


C. G. C.  
11-11  
11-11  
11-11

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14th day of May, 1983, by Southampton Commons Condominium, a  
condominium formed pursuant to Real Property Law, Article 9-B  
by Declaration filed and recorded in the Office of the Clerk  
of the County of Suffolk, in Liber 9018 p. 1 on 6-15-80

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Southampton Commons Condominium, which Declaration and  
By-Laws were recorded in the Office of the Clerk of the  
County of Suffolk provide that with respect to the selling  
and leasing of homes and the use of the said homes, the Board  
of Managers thereof has certain rights and powers and the  
homeowners and tenants thereof must obey and comply with  
certain procedures; and

WHEREAS, Southampton Commons Condominium is  
desirous of amending the Declaration and By-Laws to modify,  
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11-11

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Section 9. POLICIES GOVERNING OWNERS AND TENANTS

- (a) Each owner is restricted, regardless of the duration of the lease to one (1) lease per season, except with the permission of the Board of Managers. The summer season is defined to be May 15 through September 15. The winter season is defined to be balance of the year.
- (b) A lease of any unit entails the lease of the homeowner's interest in common elements of Southampton Commons. Therefore, no homeowner may use any part of the common elements at any time during the term of the lease. This provision does not abridge a homeowner's right to enter the property to inspect the home according to the terms of the lease.
- (c) Leases are restricted to families and household staff of not more than a total of six people, except that not more than two (2) persons unrelated by blood, marriage or legal adoption shall be considered a family.
- (d) Each lease shall contain a rider in the following language:
  - 1. This lease is in all respects subject to

*the Declaration, By-Laws and Rules of Southampton Commons Condominium.*

2. *The Board of Managers of Southampton Commons Condominium expressly asserts a claim to all rental security deposits to be set-off against any damage to the common elements of Southampton Commons Condominium.*
3. *The tenant covenants that no pets will be brought onto any part of Southampton Commons Condominium by the tenant or by any guest of the tenant at any time during the term of the lease.*
4. *The tenant expressly agrees to accompany and supervise any child of under twelve (12) years of age while any such child is using the swimming pool, the tennis courts or the jitney.*

*(e) All prospective tenants, whether produced by the owner or by a Broker, shall be interviewed by the designated managing agent on behalf of the Board of Managers prior to the execution of a lease agreement.*

*(f) Guests- A guest is defined as a person who is intended to be an occupant of the premises or who is intended to be in the active company of the owner or tenant.*

Invitees- An invitee is defined as a person who is neither an occupant of the premises nor intended to be in the active company of the tenant or owner.

1. No invitee is permitted at any time.
2. There are no restrictions on the number of guests an owner or tenant may have in a home or on or in any part of the common elements, except that no owner or tenant may have more than four (4) guests at the pool or on the tennis courts in any one day.

- (g) No vehicle of any kind is permitted to be ridden, driven or parked on that portion of the common grounds which is defined and circumscribed by the inside border of the road.
- (h) No boats, vans, campers or recreational vehicles are permitted on any part of Southampton Commons Condominium without the prior consent of the Board of Managers.
- (i) All homeowners' pets while on any part of the common grounds shall be leashed and in the control of its owner.
- (j) All homeowners' pets shall be "curbed" only on that portion of the common grounds which is defined by the outside border of the road and the property boundary. Owner must clean up after his/her pet."

"Article XI. SELLING, MORTGAGING AND LEASING HOMES

Section 1. Selling and Leasing Homes. Any Home may be conveyed by its Home Owner free of any restrictions except that no Home Owner shall convey, mortgage, pledge, hypothecate, sell or lease his Home unless and until all unpaid common charges assessed against his home shall have been paid to the Board of Managers. However, such unpaid common charges can be paid out of the proceeds from the sale of a Home, or by the Grantee. Further, a Home Owner may convey his Home and his common interest appurtenant thereto, to the Board of Managers on behalf of all Home Owners free of any cost to the Board or the Home Owners and upon such conveyance such Home Owner shall not be liable for any common charges thereafter accruing against such Home. Any Home may be leased by its Home Owner free of any restrictions, except that no Home shall be leased unless said lease complies with the provisions of Article VI, section 11 of these bylaws. Any sale or lease of any Home in violation of this section shall be voidable at the election of the Board of Managers.

The provisions of this section shall not apply to the acquisition or sale of a Home by a mortgagee who shall acquire title to such Home by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagees.

SOUTHAMPTON COMMONS

PLAN OF CONDOMINIUM OWNERSHIP

I. INTRODUCTION

Sponsor and Offer to Sell

Southampton Associates, a New York Co-Partnership (the "Sponsor") with this Offering Plan is offering for sale the 117 Condominium homes (the "Homes")\* being constructed on the approximate 14.71 acres constituting the property as a Condominium to be known as Southampton Commons Condominium. The Sponsor is not obligated to construct more than 35 Homes if only Section I is completed or 77 Homes if only Sections I and II are completed. See page 4 for a description of the options and obligations of the Sponsor in this regard. The land and all improvements to be erected thereon are hereinafter referred to as the "Community"\*\* or the "Condominium".

The Community is owned by Sponsor who acquired title by deed dated April 18, 1980 and recorded in the Suffolk County Clerk's office on May 8, 1980 in Liber 8818 p 488.

Submission of Property to  
Condominium Statute

A Declaration submitting the property to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") and By-Laws will be recorded prior to conveyance of title to the first Home by the Sponsor. The Declaration and By-Laws will be substantially similar to those set forth in this Offering Plan and will not be changed so as to adversely affect the purchaser. THIS OFFERING PLAN AND THE ACCOMPANYING DOCUMENTATION SHOULD BE CAREFULLY STUDIED BY PROSPECTIVE PURCHASERS AND THEIR ATTORNEYS PRIOR TO THE PURCHASE OF A HOME.

\* The term "Homes" as used herein is equivalent to the term "Units" as used in Article 9-B of the Real Property Law.

\*\* The term "Community" as used herein is equivalent in meaning to the term "Condominium" as same is used in Article 9-B of the Real Property Law.

of a Home or a Section II or III property unit to which membership in the Association attaches. Upon such a sale or conveyance the previously outstanding membership certificate shall be automatically cancelled. In the event a member leases his Home, he may permit his lessee to enjoy the use of the Community Area in lieu of himself and may, in addition, permit the lessee to exercise his right to vote at Association meetings. The Sponsor shall have the right to extend similar privileges to his tenants should he elect to develop any portion of the Section II or III property as rental units. In no event, however, may the privileges of the Association be extended to purchasers or lessees of more than 82 Section II and III property units.

B. Community and  
Recreation Facilities

The Recreation Area and facilities are described at page 10. At or before the time of the closing of title to the first Home, the Sponsor will convey title to the tracts of land comprising the pool house, swimming pool, retention basin, sewage treatment plant, and three tennis courts to the Association without charge and free and clear of any mortgage.

C. Management and Operation of  
the Association

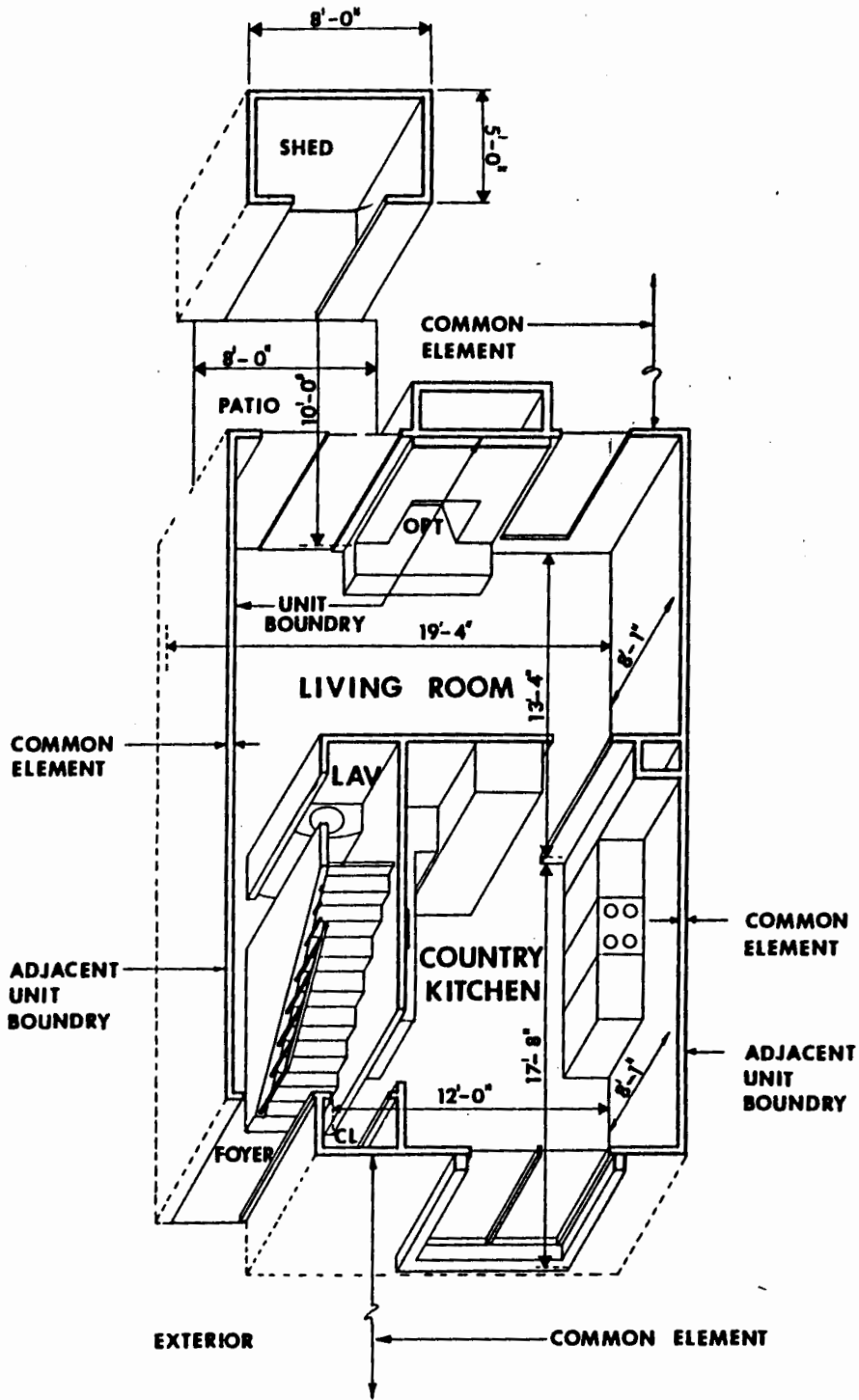
The affairs of the Association shall be governed by a Board of Directors, consisting of no less than three, nor more than nine members, each of whom, subsequent to those designated or elected by the Sponsor, must be either a member of the Association or a lessee entitled to the use of the Association facilities in lieu of the member renting the home to him. Upon its formation the Association will issue 117 membership certificates to the Sponsor, reflecting the initial permissible membership in the Association. See page 5 for the right of Sponsor to bring an additional 35 units within the Association. The Sponsor will designate an initial Board of Directors consisting of three Directors to serve until the first annual meeting of the Association.

At the first annual meeting and at all subsequent annual meetings the membership will elect nine Directors to serve for one year terms. While each membership in the Association will carry with it one vote, cumulative voting will be employed in the election of Directors. Each member will be entitled to cast as many votes as equal the number of Directors to be elected and a member may cast all of such votes for a single Director or may distribute them among two or more of them as he sees fit.

Notwithstanding the foregoing, the Sponsor will have the right to designate five Directors at any annual meeting of the Association members until the third anniversary date of the filing of the Declaration establishing the Section I or Section I and II Condominium. Thereafter, the Sponsor, for so long as it holds less than a majority but more than ten memberships, shall have the right to designate three Directors, and one Director for so long as it holds at least one of its original membership certificates. In

SCHEDULE C  
Prices, Types and Percentages of Common Interest

<u>Building</u>	<u>Home Number</u>	<u>Model Type</u>	<u>Miscellaneous Features*</u>	<u>Section I 35 Homes</u>	<u>Section I and II 77 Homes</u>	<u>Section I, II and III 117 Homes</u>	<u>Basic Sales Price</u>	<u>Premium</u>	<u>Total Sales Price</u>
	61	Coventry	S		1.3268	.8882	\$150,000.	\$ 7,000.	\$157,000.
	62	Andover	S		1.0055	.6731	135,000.	7,000.	142,000.
	63	Andover	S		1.0055	.6731	135,000.	7,000.	142,000.
	64	Bristol	S		1.1019	.7376	140,000.	7,000.	147,000.
	65	Bristol	S		1.1019	.7376	140,000.	7,000.	147,000.
	66	Devonport	S, E		1.5266	1.0220	165,000.	10,000.	175,000.
13	67	Devonport	S, E		1.5266	1.0220	165,000.	10,000.	175,000.
	68	Bristol	S		1.1019	.7376	140,000.	7,000.	147,000.
	69	Bristol	S		1.1010	.7376	140,000.	7,000.	147,000.
	70	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	71	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	72	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	73	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	74	Coventry	S		1.3268	.8882	150,000.	7,000.	157,000.
	75	Bristol	S		1.1019	.7376	140,000.	7,000.	147,000.
	76	Bristol	S		1.1019	.7376	140,000.	7,000.	147,000.
	77	Devonport	S, E		1.5266	1.0220	165,000.	10,000.	175,000.
14	78	Coventry	S, E			.8882	150,000.	3,000.	153,000.
	79	Coventry	S			.8882	150,000.	-	150,000.
	80	Coventry	S			.8882	150,000.	7,000.	157,000.
	81	Andover	S			.6731	135,000.	7,000.	142,000.
	82	Andover	S			.6731	135,000.	7,000.	142,000.
	83	Bristol	S			.7376	140,000.	7,000.	147,000.
	84	Bristol	S			.7376	140,000.	-	140,000.
	85	Devonport	S, E			1.0220	165,000.	3,000.	168,000.
15	86	Coventry	S, E			.8882	150,000.	10,000.	160,000.
	87	Coventry	S			.8882	150,000.	7,000.	157,000.
	88	Andover	S			.6731	135,000.	7,000.	142,000.
	89	Andover	S			.6731	135,000.	7,000.	142,000.
	90	Bristol	S			.7376	140,000.	-	140,000.



FIRST FLOOR UNIT A

See fee title description at end of Schedule E & F.

BY-LAWS  
OF  
SOUTHAMPTON COMMONS CONDOMINIUM  
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## Know all Men by these Presents, That

hereinafter designated as the Obligor, does hereby acknowledge that he is indebted to ROOSEVELT SAVINGS BANK a New York Banking Corporation, organized and existing under the laws of the State of New York and having its principal place of business at 1024 Gates Avenue, Borough of Brooklyn, City and State of New York, hereinafter designated as the Obligee, in the principal sum of

Dollars,

lawful money of the United States, which sum, with interest on the unpaid balance thereof to be computed from the day of the date hereof, at the rate of \_\_\_\_\_ per centum per annum, the Obligor does hereby covenant to pay to the Obligee at its office in Brooklyn, New York, or at such other place as the holder hereof shall designate in writing, as follows:

Interest only on the first day of \_\_\_\_\_

Installments of \$ \_\_\_\_\_ each on the first day of each succeeding month to the first day of \_\_\_\_\_ when the balance of principal plus accrued interest shall be due and payable.

The monthly installments when received by the holder hereof shall be applied

- 1st — In payment of interest
- 2nd — In reduction of principal indebtedness

If the premises covered by the mortgage to secure which this bond is executed and delivered is owner occupied the indebtedness due hereunder may be prepaid without penalty in whole or in part after one (1) year from the date hereof. If prepaid on or before one year from the date hereof, a penalty of one (1%) percent must be added.

This indebtedness secured hereby may at the option of the holder hereof, become due and payable on a sale or conveyance of the property.

The whole of the principal sum or any part thereof, and of any other sums of money secured by the mortgage given to secure this bond, shall forthwith or thereafter, at the option of the Obligee, become due and payable after default in the payment of any monthly payment for thirty days after the due date of such payment or upon the happening of any default, which, by the terms of the mortgage given to secure this bond, shall entitle the Mortgagee to declare the same, or any part thereof, to be due and payable; and all of the covenants, agreements, terms and conditions of said mortgage are hereby incorporated herein with the same force and effect as if herein set forth at length.

AND IT IS FURTHER EXPRESSLY AGREED that the obligation of this bond shall continue until said indebtedness shall be fully paid, notwithstanding any waiver by the Obligee of any breach of any agreement, condition or covenant contained in this bond or in the mortgage accompanying the same and notwithstanding any action or proceeding to foreclose said mortgage and/or the settlement and/or discontinuance of such action and regardless of whether the due date of this bond shall have been extended or the terms modified by such settlement and/or discontinuance.

If more than one person joins in the execution of this bond and if any be of the feminine sex, the relative words herein shall be read as if written in the plural, or in the feminine gender, as the case may be, and the words "Obligor" and "Obligee" shall include their heirs, executors, administrators, successors and assigns.

Signed and sealed this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

In the Presence of:

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

Amended  
2 9018 ✓  
CP 1-38

AMENDMENT TO DECLARATION AND BY-LAWS  
OF SOUTHAMPTON COMMONS CONDOMINIUM

Establishing a Plan of Condominium  
Ownership of premises located at  
Southampton, New York adjacent to  
Hubbard Lane, Town of Southampton,  
Suffolk County, New York, pursuant  
to Real Property Law Article 9-B.

SB  
6/17/83



C. G. C.

...

...

...

Amendment to Declaration and By-Laws made this  
14th day of May, 1983, by Southampton Commons Condominium, a  
condominium formed pursuant to Real Property Law, Article 9-B  
by Declaration filed and recorded in the Office of the Clerk  
of the County of Suffolk, in Liber 9018 p. 1<sup>38</sup> on 6-15-80

WHEREAS, the Declaration and By-Laws of  
Southampton Commons Condominium, which Declaration and  
By-Laws were recorded in the Office of the Clerk of the  
County of Suffolk provide that with respect to the selling  
and leasing of homes and the use of the said homes, the Board  
of Managers thereof has certain rights and powers and the  
homeowners and tenants thereof must obey and comply with  
certain procedures; and

WHEREAS, Southampton Commons Condominium is  
desirous of amending the Declaration and By-Laws to modify,  
limit and/or restrict the ownership and leasing of condominium

...