

Appendix 4

Draft Homeowners Association
Agreement

January 20, 2005

Stephens, Baroni, Reilly & Lewis, LLP
Northcourt Building
175 Main Street
White Plains, NY 10301

RE: The Woodlands at North Salem/ Jo-Flo

Dear Mr. Baroni,

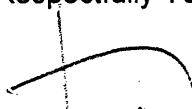
As discussed at our meeting of January 18, 2005, we anticipate using three (3) separate associations for governing and maintaining the above referenced project as follows:

1. PROPERTY OWNER'S ASSOCIATION (P.O.A.) This Association will be responsible for the maintenance of all the project's main infrastructure including: The water treatment plant, sewer treatment plant, storm water detention system, entry road, etc.
2. HOME OWNER'S ASSOCIATION (H.O.A.) This Association will be responsible for the maintenance of the roads, driveways, landscaping, and recreation complex for the 47 single-family homes.
3. CONDIMINUM ASSOCIATION This Association will be responsible for the maintenance of the roads, driveways, landscaping and recreation complex for the 76 adult condominiums.

As further discussed all of the above documents will be provided to your office for review and comment prior to our submission to the State Attorney General's Office.

Thank you for your time and consideration in this matter and should you have any further questions feel free to contact me at my office.

Respectfully Yours,



Anthony Miceli
cc: Ira Adler, Esq. Certilma Balin Attorneys
Richard Schunk, Wyndham Homes
Alvin Lukashok

XI. UMBRELLA ASSOCIATION

Declaration of The Woodlands Property Owners Association, Inc.

The Development is part of an overall plot of land ("Overall Development") containing approximately 160 acres as shown on the Exhibit D Site Plan. Sponsor presently anticipates that the Overall Development will have a total of 123 Homes to be comprised of 47 detached one-family Homes in the Development and 76 Condominium Homes in a condominium to be known as The Woodlands Club Condominium, which is being offered by Sponsor pursuant to a separate Offering Plan.

Prior to the closing of title to any Home in the Overall Development, the Sponsor will record the Declaration together with the By-Laws annexed thereto and made a part thereof, with the Office of the Clerk of Westchester County. This Declaration and the annexed By-Laws have been included in this Offering Plan as Exhibits I and K. Any land or construction mortgage on the Overall Development will be subordinate to the Declaration.

The Sponsor organized and incorporated The Woodlands Property Owners Association, Inc. ("Umbrella Association"), under the provisions of the New York Not-for-Profit Corporation Law, for the purpose of owning the Umbrella Association Common Areas. The Umbrella Association will be responsible for maintenance of the entrance road, gate house, sewer treatment plant and pumping station, the water treatment plant, storm water retention system on Lot 41, wetlands and open space areas. The Declaration provides the framework and procedures by which the Umbrella Association will maintain and administer said land and improvements. The Umbrella Common Properties will be conveyed to the Umbrella Association prior to the closing of title to the first Home, free and clear of any mortgage.

Upon the sale and conveyance of a Home by the Sponsor, the Purchaser thereof will automatically become a "Member" of the Umbrella Association (as membership is included in the price of the Home) subject to the Umbrella Association rules and regulations and liable for its assessments as hereinafter provided.

The Declaration gives each Member of the Umbrella Association an easement in and to the roadways located on the Umbrella Common Properties for himself and his guests. The instrument also makes provision for various easements in favor of the Umbrella Association and the Sponsor including, in the case of the Sponsor, the retention of easements necessary for the completion and sale of up to one hundred twenty-three (123) Homes in the Overall Development.

The Declaration does not have any provision permitting the Sponsor to annex other real estate to become part of the Umbrella Association.

The Members' right to the use and enjoyment of the Umbrella Association Common Properties, which expires on December 31, 2070, will be automatically

extended for successive ten (10) year periods, unless 66 2/3% of the Owners of Homes constructed on the Properties agree to change the Declaration in whole or in part.

**Management, Operation, Expenses
and Membership of the Association**

The affairs of the Umbrella Association shall be governed by a Board of Directors, consisting of six (6) members, each of whom, subsequent to those designated or elected by the Sponsor, must be a Member of the Umbrella Association. The Sponsor will designate an initial Board of Directors consisting of three Directors to serve until the first annual meeting of the Umbrella Association. The Sponsor has initially designated _____ and _____, each with a business address at 185 Route 312, Brewster, New York, as the first Board of Directors. The initial Board members are all affiliated with the Sponsor.

Directors may be removed for cause by an affirmative vote of a majority of the Members. No Director, other than a designee of the Developer, shall continue to serve on the Board if, during his/her term of office, he/she shall cease to be a Member or no longer reside in the Member's Home as part of the immediate family. In the event a Sponsor designee is removed for cause, the Sponsor shall have the sole right to designate a replacement.

At all annual meetings of the Umbrella Association after Sponsor turns over control, the Homeowner members in the Development will elect three (3) Directors and the Condominium Homeowner members in The Woodlands Club Condominium will elect three (3) Directors to serve for one (1) year terms. Notwithstanding the foregoing, the Sponsor will have the right to designate a majority of the Board of Directors until all Homes on the Properties are closed. The first meeting will be held within twelve (12) months of the closing of title to the first Home. Each Member of the Umbrella Association will be entitled to cast one (1) vote at any meeting irrespective of the number of Homes owned by such Member. The vote of eighty (80%) percent of the Members is required to amend the Declaration or By-Laws. The Sponsor will have the right to designate a majority of the Directors of the Umbrella Association until all Homes in the Overall Development are closed.

The costs and expenses of operating the Umbrella Association and of making capital improvements, if any, shall be allocated equally among all one hundred twenty three (123) Members in the Umbrella Association. The Developer's obligation for such assessments on untitled Homes (whether built or unbuilt) subject to the Declaration will be limited to the difference between the actual operating costs of the Umbrella Association, including reserves on completed Umbrella Common Properties, and on Homes to which title has not yet been conveyed, and the assessments levied on Owners who have closed title on their Homes based on a full occupancy, fully completed budget. In no event, however, will the Developer be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it

were paying assessments on untitled Homes. The amount of any deficiency shall not include uncollected maintenance charges from Homeowners and bad debt expenses.

By his acceptance of a deed, each home owner subject to the Declaration will be deemed to covenant and agree to pay to the Umbrella Association such assessments as are fixed by its Board of Directors. It is anticipated that the Umbrella Association maintenance charges will commence upon the closing of the first Home; however, Sponsor reserves the right to commence collection of Umbrella Association maintenance charges at any time while Sponsor is in control of the Board of Directors. During said period of time Sponsor shall be responsible to provide and pay for all the services of the Umbrella Association. Any sum assessed by the Board but unpaid, together with late fees, interest and reasonable collection costs including attorney's fees, will constitute a personal obligation of the person who was the owner of the property when the assessment fell due, as well as a charge on the land and a continuing lien on the property against which the assessment is made. The lien for unpaid Umbrella Association maintenance charges shall be superior to all other liens except: (a) tax or assessment liens on the Home by the taxing subdivision of any governmental authority, including but not limited to Town, School, State and County District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering the Home.

The rights of a Member or permitted occupant of a Home, and their respective family members, guests and invitees to the use and enjoyment of the Umbrella Association Common Areas are subject to the payment of Umbrella Association maintenance charges levied by the Board. If a Member shall be in default for the payment of the Umbrella Association maintenance charges assessed against such Member's Home, and fails to cure such default within five (5) days after receipt of written notice from the Board, the Board, in its sole discretion, shall have the option to prohibit all privileges of the Umbrella Association, including voting privileges, by such Member, permitted occupant, and the respective family Members, guests and invitees of the foregoing, and until such Member is reinstated in good standing in the Umbrella Association, to take such other legal action as may be permitted by applicable law or the By-Laws. In addition to the foregoing, any Member so in default shall be ineligible to be considered for membership to the Board; and if on the Board, shall be suspended thereto until such time as all Umbrella Association maintenance charges, together with late charges, attorneys fees, interest and expenses, if any, are paid to the Umbrella Association. In no event, however, shall a Member's right of ingress and egress be suspended for non-payment of Common Expenses. The Board of Directors shall have the right to impose fines and other penalties for violations of the rules and regulations promulgated by the Umbrella Association as provided for in Article VIII of the Declaration.

As the Umbrella Association will be an automatic Properties Association, no Member may exempt himself from contributing toward the expenses of the Association by waiver of the use of the improvements maintained by the Association.

Set forth as Schedule A-1, at page 14 is an estimate of the receipts and operating expenses of the Umbrella Association for its first full year of operation.

The Umbrella Association shall have one class of membership interest. The Owner of each Home in the Overall Development shall be a Member whether such ownership is joint, in common or tenants by the entirety. Notwithstanding, each home owner shall be considered one (1) Member irrespective of the number of Homes owned but each home owner will be responsible for Umbrella Association charges for each Home owned.

He HAS the RIGHT

See page 32 for Sponsor's ~~Right~~ ^{Right} to designate a majority of the Directors until all 123 Homes in the Overall Development are closed. No Member shall split or divide its votes on any motion, resolution or ballot.

Appendix 5

Wastewater Treatment Report/Water
Facilities Report

