RXR

CONDOMINIUM OFFFERING PLAN FOR THE SALE OF UNITS IN A CONDOMINIUM TO BE KNOWN AS

THE RESIDENCES, NORTH HILLS PHASE I CONDOMINIUM

THE PURCHASE OF A CONDOMINIUM UNIT IN THE RESIDENCES, NORTH HILLS PHASE I CONDOMINIUM WILL ALSO INCLUDE MANDATORY MEMBERSHIP IN THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

(See Part I, Section D-1)

Location: 1000 and 2000 Royal Court, North Hills, Nassau County, NY, 11040

124 Residential Condominium Units – $242,000,000
124 Storage Bin Licenses - $2,480,000
Total Offering - $244,480,000

It is anticipated that the Homeowners Association will ultimately consist of 244 members, each of which would own a condominium unit in one of two (2) condominiums as described in this offering plan. This offering plan only offers the condominium units in The Residences, North Hills Phase I Condominium.

SPONSOR AND SELLING AGENT
RXR NORTH HILLS PHASE I OWNER LLC
625 RXR PLAZA
UNIONDALE, NEW YORK 11556

DATE OF ACCEPTANCE OF THIS OFFERING PLAN FOR FILING IS MAY ___, 2014.
THIS OFFERING PLAN MAY NOT BE USED AFTER MAY ___, 2015
UNLESS EXTENDED BY AMENDMENT.

FILE NUMBER CD-14-0036

THIS PLAN CONTAINS SPECIAL RISKS. SEE PAGE V FOR SPECIAL RISKS TO PURCHASERS.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. (SEE SPECIAL RISKS SECTION OF THE PLAN).

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

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SPECIAL RISKS

1. PURCHASE AGREEMENT MAY NOT BE ACCEPTED BY SPONSOR UNTIL THE PURCHASER HAS RECEIVED A COPY OF A PROPERTY REPORT WHICH THE SPONSOR HAS FILED WITH THE UNITED STATES CONSUMER FINANCIAL PROTECTION BUREAU.

A PURCHASE AGREEMENT MAY NOT BE EXECUTED UNTIL THE PURCHASER HAS RECEIVED A COPY OF A PROPERTY REPORT APPROVED BY THE UNITED STATES CONSUMER FINANCIAL PROTECTION BUREAU ("CFPB") PURSUANT TO THE FEDERAL INTERSTATE LAND SALES FULL DISCLOSURE ACT. THE UNITED STATES CONSUMER FINANCIAL PROTECTION BUREAU HAS APPROVED A PROPERTY REPORT FOR THE CONDOMINIUM.

2. THE COMMUNITY IS ANTICIPATED TO CONSIST OF TWO DISTINCT CONDOMINIUMS AND TWO DISTINCT CONDOMINIUM BOARDS OF MANAGERS WITH AN UMBRELLA HOMEOWNERS ASSOCIATION TO OPERATE AND MAINTAIN CERTAIN PROPERTY FOR THE BENEFIT OF THE TWO CONDOMINIUM ORGANIZATIONS.

Sponsor will construct one hundred twenty four (124) Units and RXR North Hills Phase II Owner LLC ("Phase II Owner LLC"), an entity which is owned by the same principals as Sponsor, is anticipated to construct one hundred twenty (120) condominium units for a total of two hundred forty four (244) condominium units in two separate condominium organizations. The site plan showing the locations of the Phase I Condominium and the Phase II Condominium is set forth on page 307 of this Plan. **THERE IS NO GUARANTY BY SPONSOR THAT THE PHASE II OWNER WILL BUILD THE UNITS IN OR DEVELOP THE PHASE II CONDOMINIUM.** In addition, there is a homeowners association, which is known as The Residences, North Hills Homeowners Association, Inc. (the "Association").

Sponsor is not presently offering any Condominium Units for sale other than one hundred twenty four (124) Condominium Units in the Phase I Condominium.

The Unit Owners in the Phase I Condominium and in the Phase II Condominium, if developed, will also become automatic mandatory members the Association. The Association will, among other functions described below, own, operate and maintain certain Association Common Areas also described herein.

Subject to Sponsor's right and the Phase II Owner's right to subdivide and combine condominium units and to change the number of condominiums to be developed or the number of condominium units in each condominium and subject to market conditions, Sponsor and the Phase II Owner are anticipated to develop the Community as follows:

It is anticipated that the Community will be developed in two phases. It is anticipated that Sponsor will develop the Phase I Condominium which will be constructed on the Phase I Property and will contain: the one hundred twenty four (124) residential condominium units constructed in buildings known as "Building 7", "Building 8", "Building 9" and "Building 10"; approximately 128 parking spaces on the first level on grade (125 regular parking spaces plus 3 handicapped parking spaces) in Buildings 7 and 8; approximately 124 parking spaces on the first level on grade (121 regular parking spaces plus 3 handicapped parking spaces) in Buildings 9 and 10, the HOA Recreational Facilities, but not including the Exterior Amenities which are anticipated to be developed in Phase II, the northern entry gatehouse from Power House Road into the Community, the western entry gatehouse from New Hyde Park Road into the Community and the roads within the Community, utilities infrastructure, extensions and connections to utilities servicing all of the Units in the Phase I.

It is anticipated that the Phase II Condominium will be developed by the Phase II Owner and is anticipated to contain one hundred twenty (120) residential condominium units constructed on the Phase II Property, parking spaces within such buildings, the common elements in the Phase II Condominium and the Exterior Amenities.

There is no guarantee that Phase II Owner or its affiliates will construct the Phase II Condominium. Sponsor makes no representations or guarantees regarding the number of condominiums or condominium units which will be developed in the Community, other than the one hundred twenty four (124) condominium units in the Phase I Condominium. There is no representations or guarantees what the ultimate design of the Community will be. During the construction of the Phase I Condominium, and if the Phase II Condominium is developed, it will take a number of years for the construction to be completed in the Community and Unit Owners can anticipate that there will be substantial disruptions in the Community, which are inherent in any large-scale development project.

3. PAYMENT OF COMMON CHARGES.

For a period of time in Sponsor's sole discretion, Sponsor may choose to pay the entire actual costs of operation of the Condominium (payment of all items set forth in the Condominium Budget, excluding reserves and contingencies) in which case the Common Charges will be set by the Sponsor controlled Board of Managers at zero and Unit Owners who have closed will not be required to pay Common Charges until such time as Sponsor, in its sole discretion, ceases paying all of the actual condominium expenses (Condominium Budget items) at which time all Unit Owners will begin to pay Common Charges based upon the condominium budget and the Unit Owner's percentage of Common Interest. Once Common Charges are collected by the Board of Managers from any Unit Owner, Sponsor will then pay Common Charges for all of the Unsold Units based upon the condominium budget and the percentage of Common Interest for the Unsold Units.

As real estate taxes are not included in Common Charges, Sponsor will not pay real estate taxes for Units that have been transferred to Purchasers. Unit Owners are responsible for paying their own real estate taxes from the date that they acquire their respective Unit. Sponsor will pay real estate taxes on each Unsold Unit until such time as title is transferred to a Purchaser. Once a Unit is transferred, Purchaser shall pay the real estate taxes for the Unit Owner's Unit.

Common Charges are distinct from Association Common Maintenance Charges. Purchasers will be required to pay Common Charges as set forth above, as well as Association Common Maintenance Charges. Please refer to Schedule B-1 and Schedule A to the Offering Plan for further details.

Sponsor reserves the right to delay the commencement of collection of condominium and Association Common Maintenance Charges. Purchasers should note that (i) the commencement date of the collection of common charges must be previously disclosed in an amendment to the plan; (ii) at such time as the common charges are collected, there will not be a special assessment of unit owners for expenses anticipated in the budget; (iii) during the delay period the Sponsor will continue to update the budget as required pursuant to 13 NYCRR Part 20; and (iv) during the delay period, the Sponsor will fund the contingency fund as set forth in the budget. If Sponsor delays the collection of common charges, Sponsor will pay the insurance premiums together with all other common expenses of the condominium.

4. PAYMENT OF ASSOCIATION COMMON MAINTENANCE CHARGES.

For a period of time in Sponsor's sole discretion, Sponsor may choose to pay the entire actual costs of operation of the Association (payment of all items set forth in the Association Budget) in which case the Association Common Maintenance Charges will be set by the Sponsor controlled Board of Directors at zero and Unit Owners who have closed will not be required to pay Association Common Maintenance Charges until such time as Sponsor, in its sole discretion, ceases paying all of the actual Association expenses (Association Budget items) at which time all Unit Owners will begin to pay Association Common Maintenance Charges based upon the Association budget and the Unit Owner's applicable Association Common Maintenance Charges. Once Association Common Maintenance Charges are collected by the Board of Directors from any Unit Owner, Sponsor will then pay any deficiency, if any, between the actual expenses of the Association (not including reserves) and the actual funds collected by the Board of Directors from Unit Owners.

IF THE PHASE II CONDOMINIUM IS CONSTRUCTED BY THE PHASE II OWNER, THE ASSOCIATION COMMON MAINTENANCE CHARGES ARE ANTICIPATED TO DECREASE ON A PER UNIT BASIS. HOWEVER, (A) THERE IS NO GUARANTY THAT THE PHASE II OWNER WILL CONSTRUCT THE PHASE II CONDOMINIUM AND (B) THERE IS NO GUARANTY THAT ASSOCIATION

COMMON MAINTENANCE CHARGES WILL DECREASE IF THE PHASE II CONDOMINIUM IS CONSTRUCTED.

5. DEFICIENCY CONTRIBUTION TO THE ASSOCIATION BY SPONSOR.

Purchasers should note that Sponsor's obligation for Association Common Maintenance Charges (which Association Common Maintenance Charges are the costs to operate the homeowners association, and not the costs to operate the condominium) on Unsold Units (whether constructed or not yet constructed), pursuant to the Declaration of Covenants, Restrictions, Easements, Charges and Liens will be limited to the difference between the actual operating costs of the Association, excluding reserves, if any applicable to completed improvements as provided in the Association's budget, and the assessments levied against Unit Owners who have closed title to the Unit Owner's Unit based upon the Association budget contained in Schedule B-1 ("Deficiency Contribution").

The amount of any Deficiency Contribution shall not include uncollected Association Common Maintenance Charges from Unit Owners, except that if the Board of Directors imposes additional charges or assessments to cover unpaid Association Common Maintenance Charges of Unit Owners, then Sponsor will also contribute its share. The amount of any Deficiency Contribution shall not include contributions to reserves, if any.

Sponsor will not be required to make a Deficiency Contribution in an amount greater than it would otherwise be liable for if it were paying full pro-rata Association Common Maintenance Charges on Unsold Units. Any surplus funds in the Association budget from prior years, if any, shall first be applied against any Deficiency Contribution obligation of Sponsor. (See Part I, Section "D-1" and Part II, Section "NN-1").

6. SPONSOR'S RIGHT TO LEASE UNITS

Sponsor intends on offering all Units for sale. Notwithstanding the foregoing, Sponsor is reserving the unconditional right to rent rather than sell Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the fifteen percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. Sponsor has the right to control the Board of Managers of the Condominium, by maintaining a majority of the members of the Board of Managers of the Condominium, until the later of (i) a period ending on the date which is five (5) years from the First Closing or (ii) until the last Unit of the one hundred twenty four (124) Units offered for sale under this Offering Plan is sold and closed. The By-Laws do not include a provision that after the Sponsor Control Period, a majority of the Board of Managers must be Owner-Occupants or members of an Owner-Occupant's household who are unrelated to Sponsor or its principals.

Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment. **(See Part I, Section "P").**

Sponsor has obtained construction loan financing for the construction of the Phase I Condominium and for the construction of most of the Association Common Areas from German American Capital Corporation (the "Phase I Loan") (Certain Association Common Areas, including but not limited to driveways into the Phase II Condominium buildings, landscaping on the Association Common Areas adjacent to the Phase II Property, retention walls in Phase II and the Exterior Amenities will not be constructed with financing from the Phase I Loan). At the present time, German American Capital Corporation is the only lender for Phase I and the only mortgagee of the Phase I Property. Sponsor is obligated to pay to German American Capital Corporation the sum equal to (i) the greater of the Adjusted Minimum Release Price as defined in the loan agreement between Sponsor and German American Capital Corporation and (ii) the Net Sales Proceeds as defined in the loan agreement between Sponsor and German American Capital Corporation for the Unit being conveyed by Sponsor. Sponsor will obtain a partial release from the Phase I Lender prior to conveying a Unit to a Purchaser. In the event that the Phase I Lender assumes the role of Sponsor as a result of Sponsor's default on its loan, Purchasers shall not be granted an automatic right to rescind any Purchase Agreement it has entered into with Sponsor.

Phase II Owner has obtained land financing only from Norddeustsche Landesbank Girozentrale which is the only lender holding a mortgage on the Phase II Property. Norddeustsche Landesbank Girozentrale has not provided construction loan financing and the Phase II Owner has not obtained a construction loan for Phase II. Phase II Owner is required to repay the loans to Norddeustsche Landesbank Girozentrale encumbering the Phase II Property by on or about December 31, 2016. Phase II Owner has the right to extend the loan for two additional one year periods to a final maturity date of December 31, 2018.

There is no guaranty that the Phase II Owner will be able to obtain construction loan financing for the construction of Phase II.

Sponsor will promptly amend this Offering Plan to disclose any additional lenders or new loan terms with existing lenders for loans encumbering the Phase I Property.

In the event that Sponsor becomes aware that Phase II Owner obtains a construction loan, Sponsor will file an amendment to this Plan to apprise Purchasers of such facts.

Sponsor must obtain a release of any mortgage lien on any Unit being conveyed to a Purchaser prior to or at the time of conveyance of a Condominium Unit to Purchaser.

7. MATERIALS, WORKMANSHIP, ETC.

All Units and general and Limited Common Elements offered pursuant to this Offering Plan are sold subject to completion of the work specified in the Description of Property and Specifications. **(see Part II, Section "II").**

Each Unit Owner will be obligated to heat and cool their Unit so as to maintain the appropriate temperature and humidity in such Unit in order to avoid causing damage to the Common Elements or the Units, including, without limitation, freezing pipes and damage to the wood floors and moldings. Purchasers should note that wood floors as with all wood products (including without limitation, wood furniture and cabinetry) are susceptible to wide variations of temperature and humidity which can lead to shrinkage and expansion of the wood which in turn may cause damage to any such wood product.

WARRANTIES

Because the buildings in which the Units are being offered under this Plan are five (5) stories, Article 36-b of the General Business Law, which pertains to warranties on the sale of certain new homes applies. General Business Law §777, the Housing Merchant Implied Warranty Law is applicable to Units in buildings which are five stories and less. Sponsor will furnish a Limited Warranty as set forth in this Offering Plan in lieu of the Housing Merchant Implied Warranty. **(See Part I, Section "JJ").**

Pursuant to the terms of the Housing Merchant Implied Warranty Law, Sponsor is giving a Limited Warranty to Purchasers which provides for a Limited Warranty on certain items. Certain limitations contained in the Limited Warranty are noted as follows: (a) the Limited Warranty provides coverage for the First Unit Buyer only; (b) Sponsor's liability is limited to ten (10%) percent of the Purchase Price of the Unit, (c) any claim for damages made by a Purchaser is to be reduced by any insurance proceeds received by Purchaser with respect to that claim; (d) incidental, special, indirect consequential or other similar damages are excluded and; (e) detailed procedures must be followed for giving notice of a warranty claim to Sponsor and for commencing a lawsuit against Sponsor. **(See the complete terms of the Limited Warranty contained in Part II, Section "JJ").**

8. MANAGEMENT OF THE CONDOMINIUM AND HOMEOWNERS ASSOCIATION

As long as Ritz-Carlton is the licensor and manager of the condominium and Association, the Community may be called "The Ritz-Carlton Residences, Long Island, North Hills". The condominium plan, the Declaration of Condominium, the

Condominium By-Laws, the Association Declaration of Covenants, Restrictions, Easements, Charges and Liens and the Association By-Laws all refer to the condominium as The Residences, North Hills Phase I Condominium and The Residences North Hills Homeowners Association, Inc. In the event that Ritz-Carlton is not the licensor or the manager, the Community will not be referred to as The Ritz-Carlton Residences, Long Island, North Hills. The Condominium and Association documents specifically do not include the name "Ritz-Carlton" as same is prohibited by the Residential Condominium License and Development Agreement (the "License Agreement") between Sponsor and the Licensor.

In the event of the termination of the License Agreement, the Sponsor will still have the capacity to perform its obligations under the Plan. Termination of the License Agreement will not impact the Sponsor's capacity to perform its obligations to the condominium, the Association or to operate the properties.

Although the Condominium and Association will be affiliated with Ritz-Carlton, there will be no hotel constructed in the Condominium or Association. The property is not zoned for a hotel and there will be no hotel constructed on the Condominium Common Element or Association Common Areas.

Sponsor entered into a License Agreement) between Sponsor and MIF, L.L.C. which permits, among other things, the Community to be known as "The Ritz-Carlton Residences, Long Island, North Hills". MIF, L.L.C. is the Licensor of the Ritz Carlton Marks ("Licensor").

Sponsor intends to enter into a Residential Condominium Management Agreement ("Management Agreement") with The Ritz-Carlton Hotel Company, L.L.C. ("Ritz-Carlton"), substantially in the form as set forth in Part I, Section "RR" of this Plan, which provides that Ritz-Carlton will manage the affairs of the Phase I Condominium and The Residences, North Hills Homeowners Association, Inc., and the Phase II Owner will enter into a similar management agreement with Ritz-Carlton if the Phase II Condominium is developed. Ritz-Carlton shall manage the Phase I Condominium and the Association and the Phase II Condominium, if developed, under the Ritz-Carlton Marks pursuant to one or more written management agreements which provides that Ritz-Carlton will be the Manager. Ritz-Carlton is wholly owned by Marriott International Inc. ("Marriott").

MIF, L.L.C. HAS THE RIGHT TO TERMINATE THE LICENSE AGREEMENT AND RITZ-CARLTON HAS RIGHT TO TERMINATE THE MANAGEMENT AGREEMENT FOR A LIMITED NUMBER OF REASONS, AS SET FORTH IN THIS OFFERING PLAN AND AS OTHERWISE SET FORTH IN SUCH AGREEMENTS. IF RITZ-CARLTON OR AN AFFILIATE DOES NOT MANAGE THE PROPERTY, A MANAGEMENT COMPANY OF COMPARABLE QUALITY WILL BE SUBSTITUTED BY AMENDMENT TO MANAGE THE PROPERTY. EXAMPLES OF MANAGEMENT COMPANY BRAND NAMES THAT MAY BE SUBSTITUTED BY SPONSOR IF RITZ-CARLTON DOES NOT MANAGE THE PROPERTY INCLUDE

BUT ARE NOT LIMITED TO FOUR SEASONS HOTELS & RESORTS, CANYON RANCH, ST. REGIS, THE PENINSULA AND MANDARIN ORIENTAL HOTELS. Sponsor has not contacted and has no arrangements with the aforementioned possible substitutes and would only do so if Ritz-Carlton does not manage the Community.

MIF, L.L.C. may terminate the License Agreement: (i) upon thirty (30) days written notice to Licensee upon the occurrence of the failure to: (a) enter into signed contracts with prospective Unit Owners for at least a minimum of fifty (50) Units by June 30, 2018; or (b) enter into signed contracts with prospective Unit Owners for at least a minimum of one hundred (100) Units by December 31, 2019; or (c) close on the sale of one hundred percent (100%) of the Units to third-party purchasers in arm's length transactions on or before the tenth (10th) full Fiscal Year after the Phase I Opening Date; and (ii) upon ninety (90) days written notice to Licensee (and the failure to cure within such ninety (90) day period) upon the occurrence of Licensee's failure to close a construction loan for Phase I and Commencement of Construction of Phase I by December 31, 2014. Licensor, at its option, may terminate the License Agreement at any time during the term of the License Agreement if a circumstance, development or event occurs with respect to the Community or Licensee which would have a material adverse reflection on the Ritz-Carlton Marks which is not cured as provided in the License Agreement. In the event that any circumstance, development or event occurs which would cause a material adverse reflection on the Ritz-Carlton Marks, Licensor shall have the right to send notice thereof to Licensee and in the event that the same is not cured to Licensor's satisfaction within thirty (30) days after the date of such written notice, Licensor shall have the right to terminate the License Agreement by written notice to Licensee at any time thereafter; provided, however, that if such failure is not reasonably capable of being cured within such thirty (30) day period, then so long as Licensee has commenced curative action within such period and thereafter continues to pursue diligently such curative action, such thirty (30) day period shall be extended for the period reasonably necessary to cure such default, up to an additional period of sixty (60) days.

Licensor may terminate the License Agreement upon written notice to Licensee upon (i) termination of the Residential Condominium Management Agreement for the Phase I Condominium, the management agreement for the Phase II Condominium, or the Association, or (ii) upon the failure or refusal of the Board of Directors of the Association or the Board of Managers for the Phase I Condominium to execute the License Agreement or Management Agreement or upon the failure or refusal of the board of managers of the Phase II Condominium to execute the License Agreement or management agreement for the Phase II Condominium. The license to use the Ritz-Carlton Marks will be granted by Licensor to Licensee under the License Agreement so long as Licensor is the manager of the Phase I Condominium, the Phase II Condominium and the Association.

If any Condominium Amenities Operator makes unauthorized use of the Ritz-Carlton Marks or fails to operate the Condominium Amenities in a manner consistent

with Ritz-Carlton Standards, Licensor may terminate the License Agreement by delivery to Licensee with at least five (5) days prior written notice of such unauthorized use or failure, unless such unauthorized use has ceased or such failure has been cured within such 5-day period; provided, however, that if Licensee has notified the Condominium Amenities Operator in writing of a failure so to operate, such failure is incapable of cure within such 5-day period, the Condominium Amenities Operator has commenced to cure such failure and thereafter prosecutes such cure to completion with all due diligence, then such cure period shall be extended for an additional period reasonably necessary to cure such default, up to an additional period of sixty (60) days.

The Residential Condominium Management Agreement provides that Manager shall provide the following services for the Condominium, all of which may be modified by Manager from time to time:

(a) "Base Concierge Services". Manager shall provide hotel-type concierge services (such as arranging for seamstress, laundry, dry cleaning and transportation services by third party providers at additional cost to a Unit Owner), valet, day porter and business center services. Manager shall provide Base Concierge Services to Unit Owners as part of Association Common Maintenance Charges, however, all third party service charges shall be billed directly by the Board of Directors or Board of Managers to the Unit Owner utilizing such services. There will be no reduction in the Management Fees due to the cessation for any reason of any Base Concierge Services, so long as reasonably similar services continue to be provided.

(b) "Valet Service." Manager shall provide valet services for parking of guest's vehicles in the Parking Level. Each Unit will be assigned (i) one parking space, as Limited Common Element in the Parking Level for self-parking of one passenger automobile by the Unit Owner and (ii) one parking space for the parking of one passenger automobile in the Parking Level through the use of valet parking services. The cost of the valet service shall be paid by the Unit Owners through Association Common Maintenance Charges. The Sponsor and/or the Board of Directors may, at their sole discretion, grant permission to a Unit Owner, on a first come, first serve basis, to park one additional passenger automobile in the Parking Level using valet services, at an additional cost to the Unit Owner.

(c) "Additional Services". Manager shall make available to each Unit Owner, on an at-cost basis, certain additional services for which a price list shall be established from time to time, including but not limited to housekeeping services, maintenance and repair services, etc. (collectively "Additional Services"). Each Unit Owner will pay the Manager, the Board of Directors or the Board of Managers, as the case may be for all costs and expenses associated with providing and billing for the Additional Services to the Unit Owner, on a monthly basis. (See Part II, Exhibit "5" to this Plan for a schedule of current prices for Additional Services).

MIF L.L.C. and Ritz-Carlton have no interest in the Condominium or the Association and is hired as an independent manager.

In the event the Management Agreement or License Agreement is terminated for any reason, all use of the Ritz-Carlton Marks shall cease at the Condominium, all indicia of affiliation of the Condominium and Association with Ritz-Carlton, including all signs or other materials bearing any of the Ritz-Carlton Marks, shall be removed from the Condominium Buildings and Community, and all services to be provided by Ritz-Carlton to the Condominium shall cease.

So long as the Management Agreement is in effect, the Condominium shall have the right to be known as "The Ritz-Carlton Residences, Long Island, North Hills" or by any other name as may be approved by Ritz-Carlton. Use of the Ritz-Carlton Marks shall be limited to use of the approved name (i) on signage on or about the Condominium, and (ii) by the Condominium, the Board of Managers, Condominium executive committee, individual Unit Owners, and their agents, solely to identify the address of the Condominium or the Units. No other use will be permitted of the Ritz-Carlton Marks. All uses of the Ritz-Carlton Marks, including the approved name, are subject to removal upon the expiration or termination of the Management Agreement. The Condominium may use the name Ritz-Carlton, however, Ritz-Carlton is not the legal name of the Condominium or the Association.

Sponsor represents to Purchasers that (i) the Units are being sold by Sponsor and not by Ritz-Carlton, and (ii) Ritz-Carlton is not part of or an agent for Sponsor and has not acted as broker, finder or agent in connection with the sale of the Units. A Purchaser, by executing a Purchase Agreement for a Unit agrees that Purchaser shall have no right to use or interest in the Ritz-Carlton Marks. The Purchase Agreement provides that Purchaser waives and releases Ritz-Carlton from and against any liability with respect to any representations or defects or any claim whatsoever, relating to the marketing to Purchaser and Purchaser acknowledges that in the event the Management Agreement with Ritz-Carlton is terminated for any reason, all use of the Ritz-Carlton Marks shall cease at the Condominium, all indicia of connection of the Condominium or the Association with Ritz-Carlton, including all signs or other materials bearing any of the Ritz-Carlton Marks, shall be removed from the Condominium Buildings and Community, and all services to be provided by Ritz-Carlton to the Condominium shall cease.

The Members of the Association may terminate the Management Agreement with Ritz-Carlton upon a vote of seventy-five percent (75%) of all Members to terminate the Management Agreement. See the specific terms and conditions in the Management Agreement.

The term of the Management Agreement shall be for a period commencing on the commencement date as defined in the Management Agreement and for a period of twenty (20) years from the said commencement date.

The approximate fees to Ritz-Carlton shall be $1,500 per Unit ($1,200 per Unit paid through common charges and $300 per unit paid through Association charges) per Unit per year, subject to periodic increases as provided in the Management Agreement, which fees are included in Common Charges and/or Association charges. The fees to be paid to Ritz-Carlton are prevailing rates based on the services that will be performed by Ritz-Carlton. For all specific fees, see the Management Agreement. A complete copy of the proposed Management Agreement is set forth in Part II, Section "RR" of this Offering Plan.

9. CONTRIBUTIONS TO WORKING CAPITAL FUNDS

At the time of closing, each Purchaser will be required to pay a sum equal to two months of Common Charges to the Condominium and two months of Association Common Maintenance Charges to the Association applicable to their Unit as working capital contributions for the Condominium and Association, respectively.

The Condominium Working Capital Contribution paid by each Purchaser may be used to pay Common Expenses of the Condominium and the Association Working Capital Contribution paid by each Purchaser may be used to pay Association Common Maintenance Charges during the time that Sponsor remains in control of the Board of Managers of the Condominium and the Board of Directors of the Association respectively **(See Part I, Sections "O"(VII) and "X").**

10. BONDING BY SPONSOR

No bond or other security has been posted to secure Sponsor's obligations under this Plan or to complete construction of the Buildings or other obligations under the Plan including the obligation to pay Common Charges or Association Common Maintenance Charges with respect to Unsold Units.

Sponsor, or its affiliates have, or will furnish a surety bond in the sum of Four Million Dollars ($4,000,000) as such amount as may be amended at the discretion of the Village of North Hills in favor of the Village of North Hills for site improvements.

Sponsor, or its affiliates have, or will furnish a surety bond in the amount of Two Million Five Hundred Thousand Dollars ($2,500,000) as such amount as may be amended at the discretion of the Village of North Hills, in favor of the Village of North Hills to guarantee Sponsor's completion of landscaping and lighting in the Community.

Sponsor, or its affiliates have, or will furnish a surety bond in the amount of Twelve Million Dollars ($12,000,000), as such amount as may be amended at the discretion of the Village of North Hills in favor of the Village of North Hills to guarantee Sponsor's completion of the HOA Recreational Facilities.

Purchasers have no right to demand that the bonds provided to the Village of North Hills remain in force as the bond amounts may be reduced or eliminated at the

sole discretion of the Village of North Hills. Sponsor is providing no bonds of any kind in favor of Purchasers.

All bonds as set forth above shall be subdivision bonds in favor of the Village of North Hills. See Special Risk # 34 below for additional details concerning these bonds. In the event that the Village of North Hills accepts a reduction of the bond amounts stated above, Sponsor, or its affiliates have, or will furnish the bonds as are or will be required by the Village of North Hills.

Sponsor's Predecessor has paid to the Village of North Hills the sum of Twenty One Million Dollars ($21,000,000) in lieu of a contribution to the Village park and recreation capital reserve fund, in accordance with the approval granted by the Village of North Hills to Sponsor on November 15, 2006 **(see Part I, Section "K" and "P" and Part II, Section "SS").**

11. SPONSOR DECLARING PLAN EFFECTIVE

Pursuant to existing law and regulation, Sponsor may declare the Offering Plan for the Phase I Condominium effective with executed Purchase Agreements for a minimum of fifteen percent (15%) of the Units in the Phase I Condominium, which fifteen percent (15%) is equal to nineteen (19) Condominium Units.

Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to create a Condominium with fewer than the minimum number of sales if Purchasers counted towards effectiveness do not ultimately purchase a Unit. **(See Part I, Section "M"),**

12. LENDER INFORMATION REGARDING CONDOMINIUMS IN GENERAL

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments in a building or group of building be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. **(see Part I, Section "L").**

13. ESCROW OF PURCHASER'S FUNDS

All funds received by Sponsor for the Purchase Price of the Unit must initially be placed in an escrow account. However, Purchasers shall note that any funds paid

by Purchasers for upgrades and/or extras shall be paid directly to Sponsor at the time of the execution of the Purchase Agreement and not placed into escrow. In the event Purchaser is entitled to rescission of the Purchase Agreement, Purchaser will not receive a refund of any funds used for extras unless the plan is not consummated **(see Part I, Section "EE").**

Down Payments are anticipated to be deposited by Escrow Agent with JP Morgan Chase Bank, 410 Northern Boulevard, Great Neck, New York 11021 ("Escrow Bank"). All Down Payments will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. Purchaser must deliver the applicable Form W-8 or Form W-9 executed by Purchaser or the designated interest-recipient, as applicable, together with the Purchase Agreement, Down Payment and the interest-recipient designation form, if applicable, before the Down Payment can be deposited into an interest-bearing sub-escrow savings account of the Master Escrow Account established pursuant to this Offering Plan. Subject to the conditions discussed in this paragraph, in accordance with regulations of the Federal Deposit Insurance Corporation ("FDIC"), and pursuant to the terms of the Dodd-Frank Wall Street Reform Act, as amended (the "Dodd-Frank Act"), as of the date of this Plan, deposits at Escrow Bank in a Purchaser's name are anticipated to be covered by FDIC insurance to a maximum of $250,000. Purchasers are advised that while the Down Payment is in the non-interest bearing checking portion of the Master Escrow Account, the Down Payment may not be fully federally insured even if the Down Payment does not exceed $250,000. Subject to the foregoing, Sponsor is advised that the FDIC advises consumers that for purpose of computing insurance coverage, all deposits in a party's name in a banking institution are added together and insured to a maximum of $250,000, in the aggregate. Accrued interest through the date of a financial institution's failure also is included when calculating insurance coverage. Thus, if a Purchaser already has or opens an account at Escrow Bank in the same name in which the Down Payment is deposited, and should the Escrow Bank fail and the FDIC insurance be called upon, the funds in that account will be aggregated with the Down Payment and insured to a maximum of $250,000. The FDIC further advises consumers that a depositor cannot increase FDIC insurance coverage by dividing funds owned in the same ownership category among different accounts in the same name. No representation is made by Escrow Agent or Sponsor regarding any further amendment of the Dodd-Frank Act after the date of this Plan or that the FDIC will insure depositor's funds, if and when called upon to do so. Neither Escrow Agent nor Sponsor will incur any liability whatsoever under this Plan or otherwise if the FDIC, when and if called upon, fails or refuses to insure the Down Payment (or any other funds maintained by Purchaser in Escrow Bank) or if the FDIC insures only a portion thereof. **(See Part I, Section "K").**

Sponsor has the right to change the Escrow Agent and the Escrow Bank upon the filing of an amendment to this Plan with the Department of Law.

In the event that the Plan is abandoned, funds paid by a Purchaser for unit upgrade and extras will be returned to the said Purchaser.

14. SPONSOR'S RETAINED VOTING POWERS

The Condominium

There is no limit on the length of time that Sponsor may control the Board of Managers. Sponsor has the right to control the Board of Managers, by maintaining a majority of the members of the Board of Managers, until the later of (i) a period ending on the date which is five (5) years from the First Closing or (ii) until the last Unit of the one hundred twenty four (124) Units offered for sale under this Offering Plan are sold and closed. Accordingly during the period ending on the date which is five (5) years from the First Closing, Sponsor could control the Board of Managers of the Condominium notwithstanding the fact that Sponsor no longer owns Units. Sponsor reserves the right to relinquish and regain voting control of the Board of Managers of the Condominium at any time.

Purchasers should also note that during the period of time that Sponsor retains a majority of the Board of Managers, the Unit Owners individually will be unable to enforce Sponsor's obligations to the Condominium. However, the Board of Managers has a fiduciary duty to the Unit Owners and the Condominium. The Board of Managers is required to enforce the obligations of the Sponsor under the Plan and otherwise.

So long as Sponsor owns as few as one (1) Unit of the one hundred twenty four (124) Units in the Condominium, for however long it may choose to retain ownership of as few as one Unit, financial and other decisions of the Board of Managers will be decided by Sponsor.

The Homeowners Association

There is no limit on the length of time that the Phase I Owner and the Phase II Owner may control the Board of Directors of the Association. All Units to be constructed in the Community include all units in the Phase I Condominium and the Phase II Condominium, if developed, that are brought into the Association. Purchaser's should also note that Sponsor has the right to control the Board of Directors, by maintaining a majority of the Members of the Board of Directors, until all of the Units to be constructed on the Property are sold.

Sponsor will relinquish control of the Board of Directors of the Association upon the expiration of the Association Control Period.

Purchasers should also note that during the period of time that Sponsor retains a majority of the Board of Directors, the Unit Owners individually will be unable to enforce Sponsor's obligations to the Association. However, the Board of Directors has a fiduciary duty to the Unit Owners and the Association. The Board of Directors is

required to enforce the obligations of the Sponsor under the Plan and otherwise.

Until such time as Sponsor and the Phase II Owner have developed two hundred forty four (244) Units on the Property (if the Phase II Owner develops units on the Property), financial and other decisions of the Board of Directors will be decided by Sponsor and the Phase II Owner. **(See Part I, Section "Q").**

15. MORTGAGE TAX CREDIT

Sponsor shall, upon the Closing of each Unit, have the right to receive a rebate or credit for mortgage recording taxes already paid, if any, which rebate or credit shall be credited to Sponsor from amounts any Purchaser otherwise would have paid in connection with the recording of a mortgage against the Unit Owner's Unit at the time of purchase. **(See Part I, Section "O"(1)(iii)).**

16. PAYMENT FOR THE BALANCE OF FUNDS DUE TO SPONSOR FOR THE PURCHASE PRICE MAY BE MADE TIME OF THE ESSENCE BY SPONSOR

In the event that Purchaser does not appear for Closing ready, willing and able to accept title from Sponsor, and pay Sponsor the balance of the Purchase Price and associated costs on the date set forth in the Purchase Agreement, provided that Sponsor is ready, willing and able to convey title to Purchaser, then, in that event, Sponsor may set a Closing Date with "time of the essence" no less than thirty (30) days after the Scheduled Closing Date. If Sponsor makes the Closing "time of the essence" and Purchaser fails to close on the "time of the essence" Closing Date, the Purchaser will be in default of the terms of the Purchase Agreement and Purchaser will forfeit his or her Down Payment together with any interest earned, if any, on the Down Payment. Sponsor must provide a Purchaser with a written demand for payment after default (including failing to close on the date scheduled for the Closing by the Sponsor) at least thirty (30) days before forfeiture of the Down Payment will be declared. **(See Part I, Section "N", "O", Part II, Section "EE").**

Purchasers will be required to pay an additional fee of $350 to Sponsor's Closing attorneys if Purchaser does not close title to the Unit on the date stated in the Notice For Closing because such Purchaser has not complied with the terms of the executed Purchase Agreement, or if Purchaser's lender, if any, requires the Closing to be at a place other than that indicated in the Notice For Closing. **(See Part II, Section "EE"(9)).**

17. PURCHASER'S PAYMENT OF TRANSFER TAXES

While the New York State Transfer Taxes are customarily paid for by the seller in single family home transactions, the burden of paying such taxes may be modified by contract. As is common with many other condominium developments in the State of New York, the Purchase Agreement for the Unit provides that the Purchaser of a Unit will be required to pay the New York State Transfer Taxes at the Closing. The

New York State Department of Taxation and Finance takes the position that where Purchaser pays the transfer taxes, the amount thereof will be added to the taxable consideration for determining the transfer taxes.

Purchaser will be responsible for paying the following taxes and fees: (i) The New York State Real Estate Transfer Tax, currently $2.00 for each five hundred dollars ($500) or fractional portion thereof, of the Purchase Price, (ii) local real property transfer taxes, if any, and (iii) the Mansion Tax (as discussed in this Plan). Because Purchaser, rather than the Sponsor is required to pay the New York State Transfer Taxes, the New York State Transfer Tax is deemed to be additional consideration, and therefore the total consideration for New York State Transfer Tax purposes and Mansion Tax purposes amounts to 1.004 times the Purchase Price of the Unit. **(See Part I, Section "N", "O", Part II, Section "EE").**

18. PAYMENT OF MANSION TAX

Purchaser of a Unit is required to pay the tax pursuant to Tax Law §1402-a, also known as the "Mansion Tax".

Tax Law §1402-a states that "a tax is hereby imposed on each conveyance of residential real property or interest therein when the consideration for the entire conveyance is one million dollars or more. For purposes of this section [Tax Law §1402-a], residential real property shall include any premises that is or may be used in whole or in part as a personal residence, and shall include a one, two, or three-family house, an individual condominium unit, or a cooperative apartment Unit. The rate of such tax shall be one percent of the consideration or part thereof attributable to the residential real property".

As all of the Units being sold under this Offering Plan exceed $1,000,000 Purchaser should be aware that they will be obligated to pay the "Mansion Tax" which is equal to one percent of the Purchase Price plus additional consideration. The Mansion Tax on the Units offered under this Offering Plan, will range from approximately $12,048 on the least expensive Unit priced at $1,200,000 to approximately $35,140 on the most expensive Unit priced at $3,500,000. The New York State Department of Taxation and Finance takes the position that where Purchaser pays the transfer taxes, the amount thereof will be added to the taxable consideration for determining the transfer taxes. Therefore, the taxable consideration for Mansion Tax purposes is 1.004 times the actual Purchase Price.

In the event that Sponsor increases the price of the Units being offered under this Offering Plan by filing an amendment with the New York State Department of Law, then the "Mansion Tax" may be higher than stated herein. **(See Part I, Section "N", "O", Part II, Section "EE").**

19. SPONSOR'S LIABILITY LIMITATIONS

Sponsor has no obligation to defend any suits or proceedings arising out of Sponsor's acts or omissions and no obligation to indemnify the Board of Managers, the Board of Directors or Unit Owners, except for claims arising out of the acts, omissions or representations of Sponsor.

Sponsor and its principals will remain liable notwithstanding any disclaimers or limitations of liability on the part of Sponsor or its principals for failure to perform any obligation imposed by applicable statute or regulation. This Offering Plan does not include any financial limitation on Sponsor's liability for failure to perform its obligations under the Offering Plan. **(See Part I, Section "P").**

20. CERTIFICATE OF OCCUPANCY

It should be noted by Purchasers that the Closing of individual Units under the Plan may occur prior to Sponsor obtaining a Permanent Certificate of Occupancy for the Unit or Building. If only a Temporary Certificate of Occupancy is issued by the Closing Date, Sponsor will, at Sponsor's sole cost and expense, do and perform or cause to be performed all work and supply or cause to be supplied all materials necessary to renew the Temporary Certificate of Occupancy and to obtain such Permanent Certificate of Occupancy. Complete details regarding the issuance of the Certificate of Occupancy are discussed in this Offering Plan. Sponsor will obtain a Permanent Certificate of Occupancy pursuant to the applicable building code of the Village of North Hills. Until a Permanent Certificate of Occupancy for the building in which the Unit is located has been obtained, no Unit Owner may perform work or cause work to be performed in the Unit Owner's Unit without Sponsor's prior written consent, which consent may be granted or withheld in Sponsor's sole and absolute discretion.

Purchasers are advised that in New York State, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the Village of North Hills Building Department ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCO's have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York State, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario may occur.

Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire building within two years from the date of the issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two year period. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing sponsor in these undertakings. Furthermore, because Sponsor and the by-laws of the condominium may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principal are obligated to procure the FCO. **(See Part I, Section "C"(4)).**

21. SPONSOR HAS THE RIGHT TO SELL UNITS FOR INVESTMENT OR RESALE

Sponsor has the right to sell Units to Purchasers for investment or for resale. It is possible that certain Unit Owners will not be residents of the Condominium. Sponsor has further reserved the right to enter into Interim Leases for any Unit prior to Closing of the sale with Purchaser thereof or with any other party, and residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or non-Sponsor Unit Owners. Individuals leasing Units from Sponsor will not, except as expressly provided in their respective Interim Leases have any special rights to purchase such Units. In addition, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at Closing free and clear of all leases and tenancies, except as may otherwise be agreed to in writing by the parties. There is no limit on the number of Unit Owners who may purchase for investment rather than personal occupancy. Consequently, there may always be Unit Owners who are non-residents. In the event that a Purchaser enters into an Interim Lease with Sponsor, a default by Purchaser under the Interim Lease shall be a default under the Purchase Agreement. Additionally, a default under the Purchase Agreement shall be a default by Purchaser under the Interim Lease, permitting the Sponsor to terminate the Interim Lease. **(See Part I, Section "C" and "S").**

22. SPONSOR MAY CONTINUE TO SHOW UNSOLD UNITS TO PROSPECTIVE PURCHASERS

While Units are being offered for sale or lease by Sponsor or its designees, there will be a greater number of visitors to the Condominium and the Community than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate.

No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee nor the Manager shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Condominium or Association's security systems and procedures, if any, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Manager or their respective agents.

While condominium units are being offered for sale or lease in the Phase II Condominium, if developed, there will be a greater number of visitors to the Community than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity on the Phase II Property will commence or terminate. **(See Part II, Section "LL").**

23. PURCHASERS SHOULD BE AWARE THAT THEY WILL BE PURCHASING A CONDOMINIUM UNIT IN AN ACTIVE CONSTRUCTION SITE

Purchasers should be aware that Purchasers will be living in an active construction site until the Phase I Condominium, the Phase II Condominium, if developed, and the Association Common Areas are constructed and completed. Sponsor does not guaranty that the Phase II Condominium will be constructed. Purchasers should be aware that upon the First Closing, it is anticipated that construction will not be completed in the Buildings or on the Property and that even after the Purchaser closes on the Unit, construction will still be ongoing. Sponsor will endeavor to and use its best efforts to minimize the disturbances to Unit Owners from the active construction site. During this period, which may be several years, Unit Owners in the Community are advised that there will be storage of construction materials and equipment on the site, construction vehicular traffic throughout the Community, construction noises, fumes, dirt, debris and dust in the roadways and throughout the Community, unfinished areas of the Community and other inconveniences which are normal in a new residential development or condominium development under construction until the completion of the Community.

It is contemplated that Sponsor will complete all Buildings in the Phase I Condominium by December 31, 2015. **(See Part II, Section "EE"(35) and Section "EE"(50)).** Notwithstanding the foregoing, it is anticipated that the First Closing may occur prior to completion of all of the Buildings and amenities in the Phase I Condominium.

24. SPONSOR MAY SEEK SPECIFIC PERFORMANCE OF THE PURCHASE AGREEMENT

Sponsor hereby advises Purchaser of the special risk that Sponsor may seek specific performance of the Purchase Agreement to compel Purchaser to purchase the subject Unit. **(See Part I, Section "K"(7)).**

25. INCREASE OR DECREASE IN COMMON INTEREST

The Common Interest of each of the Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act, based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. **(See Part I, Section "E", Schedule "A", Footnote "3").**

No change will be made in the size or number of units and/or their respective percentages of common interest, and that no material change will be made in the size or quality of common elements, except by amendment to the Plan and, when applicable, to the Declaration of Condominium.

Unless an affected Purchaser consents, no material change will be made in unit size, layout, or percentage of common interest if a purchase agreement has been executed and delivered to the sponsor for that Unit and the Purchaser is not in default.

Based upon final specifications, construction conditions and/or "as-built" Plans for the Building reflecting relative measurements, areas and uses of portions of the Building, application of such method of allocation of Common Interest may justify a minor increase or decrease in the aggregate Common Interest appurtenant to the Units. In such event, the Common Interest appurtenant to each individual Unit would be adjusted pro rata. Sponsor expressly reserves the right, from time to time, prior to the First Closing, to effect such a change in the Common Interests and to amend the Plan so as to reflect the same. In no event, however, will the Common Interest of any Unit be increased as result of any of the foregoing by more than 5%. **(See Part II, Section "LL", Article 15).**

26. MEASUREMENTS OF INTERIOR OF UNIT

As is typical in New York State, the approximate floor area of each Condominium Unit is measured as follows: (a) from the exterior side of the exterior building walls to the centerline of the interior walls and partitions separating the Unit from adjacent units, stairs, elevators, or any other common elements, and to the corridor side of the wall between the Unit and the public / service corridor; and (b) vertically from the lower surface of the concrete slab or sub-floor forming the floor of the Unit up to the exterior surface of the sheetrock or other material forming the ceiling of the Unit. Such measurements significantly exceed the actual floor area of the Unit. Columns, pipe chases and mechanical shafts are not deducted for the purpose of floor area measurements. The areas listed in Schedule A therefore do not reflect the useable floor area of the Units. The square footage set forth in the offering plan exceeds the actual usable floor area of the Unit. **(See Part I, Section "E", Footnote "1" and Part II, Section "LL" – Article "5").**

27. RESTRICTIVE COVENANTS APPLICABLE TO THE CONDOMINIUM

There are certain restrictive covenants and declarations, which Purchasers are subjected to, including but not limited to:

(a) The Phase I Condominium, the Phase II Property and The Residences, North Hills Homeowners Association, Inc. are subject to the Declaration of Covenants, Restrictions, Easements, Charges and Liens which have been recorded in the Office of the Nassau County Clerk, a copy of which is included in this Plan in Part I, Section "NN-1";

(b) The Declaration of Covenants and Restrictions in accordance with the Approval of Incentive Zoning Permit, Subdivision and Site Plan and Architectural Review is set forth in **Part II, Section "SS"** this Offering Plan. **(See Part I, Section "C" and Part II, Section "SS");**

(c) The Declaration Creating an Easement dated May 25, 2006 wherein Sponsor has agreed to create and give access to a seating area on the land known as Section 8, Block A, Lot 302 on the Land and Tax Map of Nassau County (previously owned by the Seventh Day Adventist Church), adjacent to the Community and install four (4) park benches, landscaping and parking spaces for three (3) motor vehicles and a monument with a brass memorial plaque memorializing that the site was the headquarters of the Seventh Day Adventists in wording to be provided by the Seventh Day Adventist Church (the "Seating Area") is set forth in Part II, Section "VV". The Seating Area will be located approximately 112 feet from the Condominium Building. The access point to the Seating Area will be through a driveway located on the adjacent property. There will be no access to or from the Seating Area from the Condominium Property or from the Association Common Areas. The Association shall be required to maintain the Seating Area and all components thereof in good order and condition and in compliance with all applicable laws, ordinances, governmental rules and regulations and shall keep same free from debris and obstructions and shall when appropriate remove snow and ice and sand the Seating Area when appropriate. Costs for the aforementioned repairs and maintenance are included in Association Budget. **(See Part I, Section "C" and Part II, Section "UU")**, and

(d) Sponsor has entered into a Reciprocal Easement Agreement as follows:

Sponsor has entered into a Reciprocal Easement Agreement which is between Sponsor, X-Cell III Realty Associates LLC ("X-Cell") and Board of Commissioners of the Manhasset Lakeville Water District ("Water District") dated September 25, 2006. X-Cell is an adjoining property owner who intends to build an office building adjacent to Sponsor's property on Section 8, Block A, Lot 880 on the Land and Tax Map of

Nassau County. The anticipated building on the X-Cell III Realty Associates LLC property will be approximately 225 feet from the Condominium Buildings.

X-Cell and the Manhasset Lakeville Water District ("Water District") have granted an easement to Sponsor and to each other to use a portion of their respective properties to provide access from New Hyde Park Road through a portion of the X-Cell property and a portion of the Water District property back to Sponsor's property.

Sponsor has granted an easement to X-Cell over the Northeast corner of Sponsor's property for parking and landscaping. Sponsor is granting to X-Cell and the Water District an easement so that all stormwater from the Access Road will be transported to stormwater management facilities on Sponsor's property.

The Water District conveyed the majority of its property to Sponsor. However, the Water District has built a well site on their former property, and to stay in compliance with State Regulations, the Water District had to retain possession of all property within a 100 foot radius around the well site. The new Access Road that is the subject of this Reciprocal Easement Agreement must provide the Water District with access to the property surrounding the well site.

X-Cell's easement to Sponsor grants to Sponsor the use of the easement for pedestrian and vehicular traffic, but does not permit commercial vehicles, such as trucks and vans and vehicles used for the construction of Sponsor' project to use the easement. However, commercial and construction vehicles may use the easement to access the well site.

The Water District grants an easement to Sponsor and to X-Cell to use the Water District Easement Area for the purposes of pedestrian and vehicular use as well as landscaping.

Presently neither the X-Cell property nor Sponsor property is improved. If Sponsor's project is built prior to X-Cell improving their property, Sponsor will be responsible for building the Access Road in accordance with Sponsor's Site Plan submitted to Nassau County. If X-Cell improves their property first, X-Cell will be responsible for building the Access Road either in the Preferred Access Easement Area or in accordance with the Stormwater Management Plan submitted to Nassau County.

If Sponsor builds the Access Road, it will be at Sponsor's sole cost and expense, and will require X-Cell's advance written approval. The right to construct the Access Road includes the right to construct curbs, drainage, lighting, landscape buffers, to install a base and blacktop, and strip directional markers.

Sponsor's construction rights are subject to Sponsor using its best efforts, and at Sponsor's sole cost and expense, to secure approval of a left turn lane into the X-

Cell property from New Hyde Park Road and Sponsor's paying for the construction of the left turn lane and any additional traffic signals associated with the left turn lane.

If Sponsor builds the Access Road, any damage caused to the underlying and surrounding Access Road property in connection with the construction will be repaired by Sponsor. Sponsor will also indemnify X-Cell and the Water District for any cost incurred by either party as a result of construction of the Access Road.

X-Cell must approve the construction contractor used by Sponsor to construct the Access Road.

Sponsor cannot begin construction until it has made an escrow deposit, to be held by X-Cell's attorney, for costs related to construction of the Access Road. The escrow amount will be calculated from an estimate of Access Road construction costs provided by Sponsor's construction contractor.

If X-Cell constructs the Access Road, Sponsor shall pay all costs associated with the design and construction. This includes all municipal permitting costs, design costs of the surveyors, site Planners and landscape architects. Sponsor will pay 50% of these costs (based on X-Cell's estimate of costs) within 30 days of X-Cell having received a permit to start construction. The balance will be paid to X-Cell as X-Cell directs for "work in place" after construction of the Access Road has started.

If X-Cell constructs the Access Road they will be responsible for any repairs necessary to the underlying and surrounding Access Road property created in connection with the construction. X-Cell will also indemnify Sponsor or the Water District for any costs incurred by either party as a result of construction of the Access Road.

X-Cell has the right to temporarily relocate the easement area during any construction X-Cell performs to complete the development of the X-Cell property. However, access to Sponsor and Water District properties cannot be cut off.

Sponsor can place temporary signage at the entrance to the Access Road until the Office Project on the X-Cell property is fifty percent occupied. The signage will require X-Cell's prior written approval, and the exact location of the signage is within X-Cell's sole discretion. Once the X-Cell office building is fifty percent occupied the temporary signage will be removed and X-Cell and Sponsor will share equally in the cost of replacing the temporary signage with signage that will identify both Sponsor and X-Cell projects.

If Sponsor improves its property first, Sponsor will be responsible for the cost of maintaining the Access Road until X-Cell receives permanent or temporary certificates of occupancy for all of the buildings being constructed on the X-Cell property and fifty (50%) percent of the tenantable space in the structures on the X-Cell property are occupied. Thereafter X-Cell shall assume the responsibility of

performing the Access Road maintenance, and the cost of the maintenance shall be shared equally between Sponsor and X-Cell.

If X-Cell improves its property first, X-Cell will be responsible for the cost of maintaining the Access Road until Sponsor receives certificates of occupancy for at least 20% of the Condominium Units to be built on Sponsor's property. Thereafter the cost of maintenance shall be shared equally between Sponsor and X-Cell.

Whoever is responsible for construction of the Access Road, the general contractor hired by that party must maintain comprehensive general liability insurance in the amount of $5,000,000. Once construction is complete the Owners of the X-Cell property, the Water District property, and Sponsor property shall maintain at all times comprehensive general liability insurance in the amount of $5,000,000.

X-Cell may make any modifications to the contemplated use or expansion of the X-Cell property that it chooses and Sponsor agrees not to oppose those changes. Sponsor however, can only use its property to construct a luxury residential project.

Sponsor grants an easement to X-Cell to use the Northeast corner of Sponsor's property for the purposes of landscaping and vehicle parking to be constructed and maintained at X-Cell's sole cost and expense. No motorcycles or commercial vehicles shall be parked in this Northeast Corner and X-Cell must maintain comprehensive general liability insurance in the amount of $5,000,000.

Sponsor grants both X-Cell and the Water District the right to construct and maintain easements across Sponsor's property (that are consistent with the Stormwater Management Plan) to allow stormwater from the Access Road to be transported to Sponsor property for treatment/discharge. Sponsor shall bear all expenses related to this Stormwater Easement.

Neither X-Cell nor Sponsor shall be permitted to install any drainage structure which recharges water directly into the ground, within 200 feet of the center of the proposed well site.

Sponsor or Sponsor's Predecessor may not assign any of its rights under the Reciprocal Easement Agreement, before completion of construction of the Access Road without prior written consent of X-Cell, except to an affiliate of Sponsor. The Reciprocal Easement Agreement may only be amended upon the written consent of the Board of Trustees of the Village of North Hills and the respective Owners of Sponsor, X-Cell, and Water District properties.

The complete Reciprocal Easement Agreement is set forth in Part II, Section "VV" of this Offering Plan. **(See Part I, Section "C(1)" and Part II, Section "VV"). The Reciprocal Easement Agreement does not require the payment of any monies by the Condominium or the Association.**

28. THERE IS A MANDATORY MEMBERSHIP REQUIREMENT FOR ALL PURCHASERS IN THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

The Community will consist of the Phase I Condominium, the Phase II Condominium, if developed, and The Residences, North Hills Homeowners Association, Inc.

The Phase I Condominium and the Phase II Condominium, if developed will each have its own Board of Managers. The Residences, North Hills Homeowners Association, Inc. will have a Board of Directors.

The Phase I Board of Managers and the Phase II Board of Managers (if the Phase II Condominium is developed) will be responsible for the governing of their respective communities, subject to and in accordance with their respective declarations of condominium and by-laws. **(See Part I, Section "D-1")**

The Board of Directors of The Residences, North Hills Homeowners Association, Inc. will be responsible for governing the Association, subject to and in accordance with the Declaration of Covenants, Restrictions, Easements, Charges and Liens. **(See Part I, Section "D-1")**

29. PURCHASE AGREEMENT IS NOT CONDITIONED UPON PURCHASER OBTAINING MORTGAGE FINANCING

The Purchase Agreement is not conditioned upon a Purchaser securing any mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser if he, she or they wish to obtain financing. However, in no event will Sponsor be obligated to return a Purchaser's Down Payment in the event a Purchaser is unable to obtain a mortgage or financing. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the Purchase Price at Closing regardless of the availability of financing. In the event a Purchaser does not close title to the Unit as a result of Purchaser's inability to obtain a mortgage, the Down Payment plus the cost of any custom work ordered, will be retained by Sponsor as liquidated damages or alternatively, Sponsor may seek specific performance and require purchaser to close on the Unit and pay the balance of the Purchase Price plus adjustments. In the event that a Purchaser obtains a mortgage commitment and the mortgage commitment expires prior to the date on which Sponsor is ready and able to convey title, Sponsor will not be responsible or liable to Purchaser for any extension fees or costs of any kind as a result of an expiring or expired mortgage commitment. **(See Part I, Section "K"(16) and Part I, Section "L").**

30. PURCHASER TO PAY LATE FEES FOR DELAYED CLOSINGS

If Purchaser fails any reason to close title within seven (7) days after the date originally scheduled in Sponsor's Notice For Closing or such later date (if applicable) to which Sponsor, in a subsequent Notice For Closing, adjourned the Closing, all of the Closing apportionments shall be made as of midnight of the day preceding (i) the date originally scheduled for Closing or (ii) Sponsor's adjourned Closing Date (as the case may be). In addition, Purchaser shall pay to Sponsor at or prior to the actual Closing an amount equal to four one-hundredths of one percent (.04%) (which equals an annual rate of 14.6%) of the Purchase Price for the Unit for each day beyond such originally scheduled or Sponsor adjourned Closing date, to and including the date of actual Closing, for reimbursement and defraying of Sponsor's carrying costs and other charges. **(See Part I, Section "O"(1)(i)(XI)).**

31. PURCHASER'S RIGHT TO CANCEL THE PURCHASE AGREEMENT IF SPONSOR IS UNABLE TO CONVEY TITLE WITHIN TWELVE (12) MONTHS OF ANTICIPATED DATE OF FIRST YEAR OF OPERATIONS OF THE CONDOMINIUM

Sponsor anticipates that the First Year of Operations of the Condominium shall begin on the Condominium Commencement Date. If the First Year of Operations of the Condominium is delayed 12 months or more, or if Sponsor cannot convey title to the First Unit within twelve (12) months or more after the First Year of Operations which is projected in this offering plan, purchasers shall have a right of rescission. Purchaser shall be obligated to notify Sponsor in writing of its intent to exercise said option no later than fifteen (15) days after the aforementioned twelve (12) month period. Failure to so notify Sponsor shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. **(See Part I, Section "K"(10)).**

32. SPONSOR MAY USE COMMON ELEMENTS FOR SELLING PURPOSES

Sponsor reserves the right to use Unsold Units, the Common Elements of The Phase I Condominium and the Association Common Areas (including all HOA Recreational Facilities), without charge, for offices, exhibitions or for other promotional functions with respect to Sponsor's sales program, until such time as all of the Units in the Phase I Condominium are sold. **(See Part I, Section "D-1").**

33. PURCHASER TO REIMBURSE OR PAY CERTAIN COSTS TO SPONSOR

As part of their Closing costs Purchasers shall each also pay to Sponsor the following charges: survey and surveying services in the amount of $200 and Sponsor's attorney's fees of $2,750 per Unit. **(See Part I, Section "O"(1)(i)(IX)).**

34. SPONSOR REQUIRED TO COMPLY WITH VILLAGE OF NORTH HILLS CONDITIONS FOR GRANTING AN INCENTIVE ZONING PERMIT.

Sponsor was granted, by the Board of Trustees of the Village of North Hills, an incentive zoning approval, under Case Number 04-26iz, pursuant to Village Local Law 1-2004, for enhanced development with respect to the premises known on the Nassau County Land and Tax Map as Section 8, Block A, Lots 889, 892, 893, 894, 895, 896, 897B, 897C and 900.

The purpose of Sponsor's application to the Board of Trustees of the Village of North Hill was so that Sponsor could construct 244 Condominium Units on the subject property. Sponsor must comply with the terms and conditions of an approval granted by the Village of North Hills on November 15, 2006, which requires the following as a condition precedent to the approval of the site Plan application submitted by Sponsor:

1. Street rights of way shall be graded between property lines;

2. Traveled ways within the boundaries of the site shall be paved in accordance with the requirements of law and cross-sections shown on the application submitted to the Village of North Hills;

3. Sidewalks, curbs and driveway aprons shall be installed on all streets as shown on the application, in accordance with law;

4. Water mains shall be installed, as shown on the application, in accordance with the specifications of any public agency or private water company which will be responsible for supply of water to the area shown on the application;

5. Storm drains and catch basins, including impounding and recharge basins, if any, of size and design as shown on the application and as approved by the Nassau County Commissioner of Public Works shall be installed;

6. Street signs and monuments shall be installed, as directed by the Village Code Official;

7. The site Plan improvements (excluding landscaping and lighting, and the recreational facilities) to be installed in the site, shall be accomplished in accordance with the approval of the Board of Trustees of the Village of North Hills and in accordance with applicable law;

Sponsor anticipates that it will comply with or has complied with the following requirements of the incentive zoning approval as follows:

(a) Prior to construction of the sewer system, Sponsor shall supply The Village of North Hills Building Department a copy of the Nassau County Department of Public Works permit for sewer connection (anticipated to be complied with by May 31, 2014);

(b) Prior to construction of curb cuts, Sponsor shall supply The Village of North Hills Building Department a copy of the Nassau County Department of Public Works permit for road openings (anticipated to be complied with by May 31, 2014);

(c) If necessary, Sponsor shall apply for an extension of time to complete any of the required improvements under the Incentive Zoning Approval and, if required, will post additional bonds to obtain such extensions;

(d) Sponsor will obtain a permit for sewer connection from Nassau County Department of Public Works (anticipated to be complied with by May 31, 2014);

(e) Sponsor will obtain a permit for road openings from Nassau County Department of Public Works (anticipated to be complied with by May 31, 2014);

(f) Sponsor has already complied with plans approved by the Board of Trustees for landscaping on the property;

The Sponsor has already complied with the following requirements of the Incentive Zoning Approval:

(a) Application for final site plan approval and subdivision was granted by Village of North Hills (complied with by Sponsor);

(b) Sponsor provided a $10,000,000 subdivision bond to guaranty completion of the clubhouse for the benefit of Village of North Hills (complied with by Sponsor);

(c) Sponsor provided a $2,500,000 bond to guaranty completion of the landscaping and lighting for the benefit of Village of North Hills (complied with by Sponsor);

(d) Sponsor provided a $4,000,000 subdivision bond to guaranty completion of the site improvements for the benefit of Village of North Hills (complied with by Sponsor);

(e) Sponsor paid the sum of $21,000,000 to the Village of North Hills as a contribution to the Village of North Hills park and recreation capital reserve fund (complied with by Sponsor);

Purchasers have no right to demand that the bonds provided to the Village of North Hills remain in force as the bond amounts may be reduced or eliminated at the sole discretion of the Village of North Hills. Sponsor is providing no bonds of any kind in favor of Purchasers.

All bonds as set forth above shall be subdivision bonds in favor of the Village of North Hills. In the event that the Village of North Hills accepts a reduction of the bond amounts stated above, Sponsor, or its affiliates have, or will furnish the bonds as are or will be required by the Village of North Hills.

The approval by the Village of North Hills was additionally conditioned upon Sponsor filing a Declaration of Covenants and Restrictions with the Nassau County Clerk's Office.

A true copy of the Approval of Incentive Zoning Permit, Subdivision and Site Plan and Architectural Review is set forth in **Part II, Section "RR"** to this Offering Plan. **(See Part II, Section "RR").**

Purchasers should be aware that the Village of North Hills has the right and discretion to alter the terms of its agreements, including the amount of bonds, with the Sponsor. Purchasers have no right to interfere with the relationship between the Sponsor and the Village of North Hills in connection with the Incentive Zoning Permit, amounts of bonds or any other matter.

A true copy of the Declaration of Covenants and Restrictions in accordance with the Approval of Incentive Zoning Permit, Subdivision and Site Plan and Architectural Review is set forth in **Part II, Section "SS"** to this Offering Plan. **(See Part II, Section "SS").**

35. NO RESERVE FUND FOR THE CONDOMINIUM OR THE HOMEOWNERS ASSOCIATION.

There has been no provision for reserve funds in the Condominium budget or the Association budget. The Board of Managers of the Condominium and the Board of Directors of the Association may, in their discretion, create reserve funds in the future by special assessment or by increases in the Common Charges and/or Association Common Maintenance Charges. **(See Part I, Section "W").**

36. FOREIGN GOVERNMENT PURCHASERS OR RESIDENT REPRESENTATIVES FROM A FOREIGN GOVERNMENT MUST WAIVE IMMUNITY.

The Condominium Board has the right, but not the obligation, to require that before any Unit is conveyed to a Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (examples are diplomatic

immunity or sovereign immunity) shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement, the Condominium Documents or this Offering Plan being brought in any State or Federal Court in the State of New York. Any such Purchaser and any other Purchaser who is not a resident of New York State shall designate and authorize a lawful agent to receive process. The foregoing provision does not apply to the sale of Unsold Units by Sponsor. **(See Part I, Section "K"(22) and Part II, Section "EE").**

37. SERVICES TO BE PROVIDED BY THE CONDOMINIUM AND HOMEOWNERS ASSOCIATION.

Purchasers are advised that some of the services and facilities as described in this Offering Plan may not be available until the Condominium is occupied by 75% of the Unit Owners. All of the landscaping in the Community will not be completed until the Phase II Condominium is constructed, if developed.

38. WINDOW TREATMENTS.

All Unit Owners shall be obligated, regardless of the type of window treatments that they use, to provide for a white backing on the window treatment so that when the shades are down or the curtains are drawn closed, the effect from the outdoors is a visually harmonious white appearance. **(See Part I, Section "MM").**

39. OBSTRUCTION OF VIEWS.

Purchasers are advised that the future construction of other buildings in the Community may result in the obstruction of views from windows in the Condominium Building and from Units in the Condominium.

40. A TWENTY PERCENT (20%) DOWN PAYMENT IS REQUIRED TO PURCHASE A CONDOMINIUM UNIT.

The Purchase Agreement requires Purchasers to pay a Down Payment equal to twenty percent (20%) of the Purchase Price of the Unit. The Sponsor has agreed to allow Purchasers to pay the twenty percent (20%) Down Payment as follows:

(a) The sum of twenty percent (20%) of the Purchase Price upon execution of the Purchase Agreement, or

(b) Down Payment paid over a period of time as follows:

(i) A first installment payment equal to five percent (5%) of the Purchase Price due upon the execution of the Purchase Agreement;

(ii) The second installment payment equal to five percent (5%) of the Purchase Price due upon the later of (a) October 1, 2014 or (b) upon execution of the Purchase Agreement;

(iii) The third installment payment equal to five percent (5%) of the Purchase Price due upon the later of (a) April 1, 2015 or (b) upon execution of the Purchase Agreement; and

(iv) The fourth installment payment equal to five percent (5%) of the Purchase Price due upon the later of (a) October 1, 2015 or (b) upon execution of the Purchase Agreement;

Under CFPB regulations, the Purchase Agreement must and does provide that if Purchaser defaults under the Purchase Agreement, the Sponsor may retain as damages up to the greater of (i) 15% of the Purchase Price or (ii) the actual damages incurred by the Sponsor.

41. PROHIBITION ON RESALE BY CONTRACT VENDEE.

Prior to the closing of title to a Unit, the Purchase Agreement prohibits a contract vendee from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of a Unit for sale or lease, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion. In addition, a Purchaser may not advertise, list or sell, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion, except for hardship conditions of Purchaser, a Unit acquired from Sponsor for twelve (12) months after acquisition of such Unit (provided however, such limitation shall not apply from and after the date that Sponsor conveys title to all of the Units). Any such conveyances in violation of the foregoing will be voidable by Sponsor. **(See Part I, Section "K"(21)).**

42. INSURANCE REQUIRED TO BE OBTAINED BY UNIT OWNERS.

Each Unit Owner is required to and must procure, obtain and maintain, at the Unit Owner's sole cost and expense the following insurances, which shall insure the Unit, vehicles owned by the Unit Owner, parking spaces and any storage bin, if licensed to the Unit Owner:

a. Property and casualty insurance coverage on the Unit Owner's real property, including improvements and betterments, or personal property located within the boundaries of the Unit and elsewhere, such as within the Common Elements or Limited Common Elements areas. The coverage shall be in an amount not less than the full replacement cost of such property and any improvements and betterments and personal property of the Unit Owner including, but not limited to, decorative paint, venetian plaster, cabinetry, plumbing fixtures, kitchen and other appliances, floor covering materials such as wood and stone flooring, works of art, window treatments, furniture, collectibles, electrical fixtures, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments,

including curtains, drapes, blinds, hardware and similar window treatment components, plumbing fixtures, kitchen and other appliances, floor covering materials such as wood and stone flooring, or replacements of any of the foregoing which are located within the boundaries of a Unit and serve only one Unit and all air conditioning compressors that service only an individual Unit, whether or not located within the Unit boundaries, as well as Limited Common Elements appurtenant to the Unit; and

b. Liability insurance for bodily injury and property damage which shall be in an amount of not less than One Million dollars ($1,000,000) per occurrence, naming the Board of Managers, the Manager and the Condominium as an additional insured.

If a Unit Owner does not purchase, produce and maintain evidence of liability insurance required as set forth herein, the Board of Managers, in good faith, may, but is not required to, purchase the insurance coverage and charge the reasonable premium cost to the Unit Owner as Condominium Special Assessments to the Unit and Unit Owner covered by said insurance. The Board of Managers of the Condominium has the power of enforcement of Common Charges and Condominium Special Assessments against Unit Owners. **(See Part I, Section "B").**

43. WARRANTIES

Warranties set forth in this Offering Plan must be in accordance of Section 777-a (New York Housing Merchant Implied Warranty) and Section 777-b (New York Exclusion or Modification of Warranties) on sales of new homes of The New York General Business Law.

Any exclusion or modification of warranties that does not meet or exceed a relevant specific standard are void as contrary to public policy. In addition, any exclusion or modification of warranties that fails to ensure that a home or condominium unit is habitable by permitting conditions to exist which render the home or condominium unit unsafe, shall be considered void as well. **(See Part II, Section "JJ").**

44. SPONSOR TO TRANSFER CERTAIN DOCUMENTS TO THE BOARD OF MANAGERS.

The following documents shall be transferred to the condominium management upon transfer of control: Operation & Maintenance ("O&M") manuals for mechanical equipment; Electronic system manual; Re-commissioning manual (as applicable); equipment warranties; Roof Warranty; Major equipment Start-Up Sheets; Control System As-Built; Original Test & Balance Report for HVAC System; Indoor Air Quality report; Final As-Built drawings as maintained during construction, i.e., structural, mechanical, electrical, plumbing and shop drawings.

45. SPONSOR PERMITTED TO MAINTAIN SALES OFFICE ON-SITE.

Sponsor intends to maintain a sales office on the Phase I Property and/or the Phase II Property after all of the Units are sold in the Phase I Condominium. There will be potential purchasers of condominium units in the Phase I Condominium and in the Phase II Condominium, if developed, visiting the Association Common Areas, the Phase I Property, the Phase II Property and the HOA Recreational Facilities until all of the condominium units contemplated in the Phase I Condominium and the Phase II Condominium, if developed, are sold.

46. BALCONIES AND TERRACES MUST REMAIN OPEN AS BUILT.

Balconies and terraces must remain open as built. If the owner wants to install an enclosure and the condominium by-laws would allow it, the enclosure must be built via the proper approvals and in strict compliance with the requirements of the Department of Buildings or the local authority having jurisdiction.

47. ELECTRONICALLY LOCKED DOORS MUST BE CONNECTED TO FIRE ALARM.

All electrically locked doors must be tied to the fire alarm and all locking mechanisms will disengage in case of fire or in case of loss or electrical current. During normal conditions, the Unit Owner will be able to manually lock said doors by use of a key. In case of a fire, these doors will unlock to provide passage for fire personnel between both fire stairs. No alterations to above-mentioned doors not locking mechanisms added to said doors will be permissible under any circumstances as such alterations will violate fire code requirements. These doors must be labeled.

48. HEATING EQUIPMENT BEYOND ANY WARRANTY PERIOD IS THE RESPONSIBILITY OF THE UNIT OWNER.

Replacement of the heating equipment or any part of the equipment beyond the warranty period will be the responsibility of the Unit Owner.

49. AIR CONDITIONING EQUIPMENT BEYOND ANY WARRANTY PERIOD IS THE RESPONSIBILITY OF THE UNIT OWNER.

Replacement of the individual air conditioning equipment or any part of the equipment beyond the warranty period will be the responsibility of the Unit Owner.

50. COSTS FOR ELEVATOR SERVICE CONTRACT AND FIRE SPRINKLER SYSTEM SERVICE CONTRACT NOT INCLUDED IN FIRST YEAR BUDGET.

Purchasers should note that the Condominium budget and the Association budget for the First Year of Operations does not include costs for an elevator service contract and a fire sprinkler service contract, as the elevators and fire sprinkler system are covered by a warranty during the First Year of Operations. It is possible that the

Condominium budget and the Association budget may increase after the First Year of Operations if the Board of Managers desires to obtain an elevator service contract and a fire sprinkler service contract. It is estimated that the elevator service contract for the Condominium would cost approximately $30,240 per year and the fire sprinkler service contract for the Condominium would cost approximately $11,569 per year.

It is estimated that the elevator service contract for the Association would cost approximately $15,120 per year and the fire sprinkler service contract for the Association would cost approximately $14,462 per year.

Purchasers should note that the Condominium budget and the Association budget for the First Year of Operations does not include full costs for Heating, Ventilation and Air Conditioning ("HVAC") maintenance, as the HVAC system is covered by a warranty during the First Year of Operations.

It is estimated that the Condominium may incur costs of approximately $36,923 for the second year of operation for HVAC maintenance and it is estimated that the Association may incur costs of approximately $29,538 for the second year of operation for HVAC maintenance.

51. WOOD FLOORS TO BE PROPERLY MAINTAINED BY THE UNIT OWNER.

The Units will be delivered with wood floors, which should not be washed with water and need to be maintained according to the manufacturer's recommendations. Wood is also subject to changes as a result of humidity as well as chipping, scratching and cracking. Sponsor makes no representation or warranty that the wood floors will maintain their appearance after they are subject to wear and tear.

52. STORAGE AREAS FOR PERSONAL EFFECTS OF UNIT OWNER ONLY.

Storage areas, if any, may only be used for the storage of personal effects of a Unit Owner, and in no event shall any food or other perishable item, or any hazardous substance, or any flammable or explosive item, or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein. Storage area may not be used as dwelling space; negligence tot his requirement may result in violation placed against the building which will be the obligation of the individual Unit Owner responsible for such negligence to remove.

53. LIMITATIONS ON USE OF TERRACES, BALCONIES AND STORAGE SPACES.

Terraces, balconies, storage spaces and areas may not be used for any type of occupancy, including but not limited to sleeping, living rooms, recreation rooms, offices and storage (on terraces). To do so may result in the authorities having jurisdiction issuing a violation against the property.

54. MEMBERSHIP RIGHTS IN ASSOCIATION MAY BE SUSPENDED.

A Member's rights may be suspended by the Association for a period during which any Association Common Maintenance Charge remains unpaid and, for a period not to exceed thirty (30) days, for any infraction of the Association's Rules and Regulations.

PART I

A. DEFINITIONS OF TERMS USED IN THIS OFFERING PLAN

The following words and phrases as herein referred to shall be defined as follows:

"Appurtenant Interest" shall mean with respect to any Unit, the undivided interest of the owner thereof, pursuant to Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

"Assessments" shall mean the charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws).

"Association" shall mean The Residences, North Hills Homeowners Association, Inc., a Not-for-Profit Corporation organized to own and maintain certain recreational and other Association Common Areas.

"Association Common Areas" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in Exhibit "B" annexed to the Declaration of Covenants, Restrictions, Easements, Charges and Liens , and the improvements which will be owned by the Association consisting of the streets, roadways, common lighting, sidewalks, curbs, the HOA Recreational Facilities, common utilities, entranceways, two (2) gatehouses, water lines and piping, manholes, sewer lines and piping, hydrants, electricity utility vaults, exterior signage, landscaped areas, lawn sprinkler systems and perimeter fences, if any.

"Association Common Maintenance Charges" or **"Maintenance Charges"** shall mean the costs and expenses incurred by the Association in accordance with the Declaration of Covenants, Restrictions, Easements, Charges and Liens.

"Association Control Period" shall mean the period from the date of the Declaration of Covenants, Restrictions, Easements, Charges and Liens until the date on the date on which the last Unit in the Community is transferred to a Unit Owner by either the Phase I Owner or the Phase II Owner, the Association Common Areas are completed and all municipal requirements have been satisfied.

"Association Special Assessments" shall mean the charges allocated and assessed by the Board of Directors of the Association to its Members as provided in the Declaration of Covenants, Restrictions, Easements, Charges and Liens.

"Association Working Capital Contribution" shall mean the sum equal to two months of Association Common Maintenance Charges paid by a Unit Owner to the Board of Directors at the Closing to be used by the Association as working capital for the Association's operations.

"Board of Directors" shall mean the governing body of The Residences, North Hills Homeowners Association, Inc. responsible for its affairs.

"Board" or "Board of Managers" or "Condominium Board" shall mean the Board of Managers of the Phase I Condominium, the governing body of the Phase I Condominium which represents the Unit Owners of the Phase I Condominium pursuant to the provisions of the Declaration of Condominium and By-Laws of such Condominium.

"Buildings" or "Condominium Buildings" shall mean the buildings that will be known as The Residence North Hills, Phase I Condominium and may be referred to as "Buildings 7 and 8" and "Buildings 9 and 10" and containing the residential condominium units, parking spaces and other amenities.

"Building 7" shall mean the building which is connected by a lobby to Building 8 and which contains thirty two (32) residential condominium units in the Phase I Condominium.

"Building 8" shall mean the building which is connected by a lobby to Building 7 and which contains thirty two (32) residential condominium units in the Phase I Condominium.

"Building 9" shall mean the building which is connected by a lobby to Building 10 and which contains thirty two (32) residential condominium units in the Phase I Condominium.

"Building 10" shall mean the building which is connected by a lobby to Building 9 and which contains twenty eight (28) residential condominium units in the Phase I Condominium.

"Buildings 7 and 8" shall mean the buildings containing sixty four (64) residential condominium units in the Phase I Condominium.

"Buildings 9 and 10" shall mean the buildings containing sixty (60) residential condominium units in the Phase I Condominium.

"Building Department" shall mean the Building Department of the Village of North Hills, Nassau County, New York.

"By-Laws" shall mean the documents governing the operation of the condominium. The form of the "By-Laws" are set forth in Part II of the Plan, as the same may be

amended from time to time.

"Certificate of Occupancy" shall mean the Certificate of Occupancy issued or to be issued by applicable government authority.

"CFPB" shall mean the United States Consumer Financial Protection Bureau.

"Closing" shall mean the time, place and procedure by which fee title to the Unit in question is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.

"Closing Date" shall mean the date upon which a Closing occurs.

"Clubhouse" shall mean the clubhouse building containing an indoor swimming pool, resident lounge, fitness facility, screening room, private event room, catering kitchen which is included within the Association Common Areas.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commencement of Construction" shall mean the pouring of foundations or the driving of piles, as applicable.

"Common Charges" shall mean any charges allocated and/or assessed by the Condominium Board against any Unit Owner and/or each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.

"Common Elements" or "Phase I Common Elements" shall mean the portion of the Condominium which will consist of the Buildings (except that portion of the building designated as part of a Unit) including, but without limitation, walls and roofs of the building comprising the Phase I Condominium (including the land under the Buildings and under the improvements), Parking Spaces (except those Parking Spaces which are assigned as Limited Common Element, one to each Unit Owner), Storage Bins, windows[1], elevators, building entrances, electric panels, closets, feeders and risers feeding the Units, refuse chutes, mail rooms, vestibules, package rooms, waiting areas, utility rooms, mechanical rooms, elevator machine rooms, trash rooms, utility rooms, valet offices and certain other portions of the Buildings to be set aside for common use. The Common Elements are divided into General Common Elements which are Common Elements shared by all Unit Owners and Limited Common Elements which are irrevocably restricted in use to specified Unit Owners. There will be a Declaration of Covenants, Restrictions, Easements, Charges and Liens recorded in the office of the Nassau County Clerk which will provide for

[1] Windows are part of the Common Elements and replacements will be paid for as part of Common Charges, however, Unit Owners shall be responsible for costs of replacement of Windows as a result of any breakage or damages caused by Unit Owner for Windows to their Unit.

easements between the Association Common Areas, the Phase I Property and the Phase II Property. The Declaration of Covenants, Restrictions, Easements, Charges and Liens will also contain reciprocal easements between the Association, the Phase I Owner and the Phase II Owner to provide for access and maintenance of utilities and services now and hereinafter installed and to provide access and required use of such easements.

"Common Expense" or "Common Expenses" shall mean the expenses of operation of the Phase I Condominium, and all sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

"Common Interest" shall mean the proportionate undivided interest each expressed as a numerical percentage in the Common Elements appurtenant to each Unit, as determined in accordance with the Declaration. The total of all Common Interest percentages appurtenant to all Units equals 100%. The Common Interest attributable to each Unit is set forth on Schedule B annexed to the Declaration.

"Community" as used herein shall mean the Phase I Condominium, The Residences, North Hills Homeowners Association, Inc. and, if constructed, the Phase II Condominium.

"Condominium" shall mean the Phase I Condominium which contains one hundred twenty four (124) residential condominium units and the Common Elements in the Phase I Condominium.

"Condominium Act" shall mean Article 9-B of the New York Real Property Law (339-d *et seq.*) of the State of New York and all modifications, supplements and replacements thereof and all regulations with respect thereto, now or hereafter enacted or promulgated.

"Condominium Amenities Operators" shall mean all third party lessees, operators and managers who operate the Condominium Amenities.

"Condominium Board", "Board of Managers" or **"Condominium Board Phase I"** shall mean the Board of Managers of the Condominium who will manage the affairs of the Phase I Condominium.

"Condominium Board Phase II" shall mean the board of managers of the Phase II Condominium, if developed, who will manage the affairs of the Phase II Condominium.

"Condominium Commencement Date" shall mean January 1, 2016.

"Condominium Documents" shall mean collectively the Offering Plan, the Declaration, the By-Laws and the Rules and Regulations thereunder, as the same may be amended from time to time.

"Condominium Recreational Facilities" shall mean the facilities to be owned by the Condominium as common element, and which are currently anticipated to include resident lounge and fitness room in each pair of Buildings.

"Condominium Special Assessments" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), in accordance with the By-Laws.

"Condominium Unit" or "Unit" shall mean the equivalent to the term "Unit" or "Units" as used in Article 9-B of the Real Property Law and shall mean the condominium units located within the Condominium.

"Condominium Working Capital Contribution" shall mean the sum equal to two months of Common Charges paid by a Unit Owner to the Board of Managers at the Closing to be used by the Condominium as working capital for the Condominium's operations.

"Date of First Closing" shall mean the date that the first Condominium Unit is transferred to a Purchaser.

"Declarant" or "Sponsor" shall mean RXR North Hills Phase I Owner LLC, a Delaware limited liability company, and its successors and assigns.

"Declarant and/or its designee(s)," "Declarant or a designee of Declarant" or similar term refers to Declarant, a designee of Declarant and any successor in interest to Declarant. The Permitted Mortgagee shall have all of the powers of Declarant and be deemed the Declarant's designee in the event that the Phase I Lender assumes the role of Sponsor as a result of Sponsor's default on its loan which remains uncured.

"Declaration" or "Declaration of Condominium" shall mean the instrument by which a Condominium is submitted to the provisions of the Condominium Act, and as such instrument as from time to time may be amended, consistent with the provisions of the Condominium Act and of the By-Laws.

"Declaration of Covenants, Restrictions, Easements, Charges and Liens" shall mean the document to be recorded among the land records of the County Clerk of Nassau County, New York which will encumber Association Common Areas, the Phase I Condominium and the Phase II Condominium, if developed. The Declaration of Covenants, Restrictions, Easements, Charges and Liens provides for easements between the Association Common Areas, Phase I and Phase II. The easements as

recorded provide that the Association may fulfill all of the obligations required of the Association under the Declaration of Condominium for Phase I and Phase II. The Declaration of Covenants, Restrictions, Easements, Charges and Liens also contains reciprocal easements between the Association Common Areas, Phase I and Phase II to provide for access and maintenance of utilities and services.

"Deficiency Contribution" shall mean the difference between the actual operating costs of the Association including reserves applicable to completed improvements as provided in the Association's budget, and the assessments levied on Unit Owners who have closed title to the Unit Owner's Unit based on the full occupancy budgets contained in the Offering Plan, as may be amended.

"Department of Law" shall mean the Investment Protection Bureau of the New York State Department of Law, 120 Broadway, New York, New York 10271.

"Designee" shall mean any individual or entity so designated in writing by a Unit Owner or Sponsor as the case may be authorized to make such designation.

"Down Payment" shall mean all deposits, down payments, advances or payments made by a Purchaser prior to the Closing of a Unit.

"Effective Date" shall mean the date upon which Declarant has declared the Offering Plan effective pursuant to the provisions of the General Business Law of the State of New York.

"Escrow Account" or **"Master Escrow Account"** shall mean the attorney's account where a Purchaser's Down Payment will be held as provided for in this Offering Plan. Down Payments will not be deposited into an interest bearing sub-account for the Purchaser, and the Down Payment will not earn interest, unless Purchaser provides an IRS W-9 or IRS W8-BEN form in the form as annexed to the Purchase Agreement or in a form as reasonably required by the Escrow Bank.

"Escrow Agent" shall mean Rosen Law LLC, the law firm overseeing the Escrow Account as provided for in this Offering Plan. **(See Part I, Section "K"(3) and Part II, Section "PP").** Phase I Owner reserves the right to change or replace the Escrow Agent at any time.

"Escrow Bank" shall mean the bank that shall hold all of Purchaser's Down Payments, which shall be a bank authorized to conduct business in the State of New York. The Escrow Bank shall initially be JP Morgan Chase Bank, 410 Northern Boulevard, Great Neck, New York 11021. Sponsor has the right to change the Escrow Bank with the prior written consent of the Phase I Lender so long as the Phase I Lender holds a mortgage on the Phase I Property.

"Exhibits" shall mean collectively Exhibits A, B, C and D which were submitted to the Department of Law in connection with the submission of this Plan to such Department.

"Exterior Amenities" shall mean the anticipated outdoor pool, decorative pond and other clubhouse exterior amenities which are intended to be constructed and developed in Phase II and which shall not be constructed or developed in Phase I.

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property.

"Filing Date" shall mean the date that the Offering Plan or an amendment to the Offering Plans is or was accepted for filing by the New York State Department of Law.

"First Unit" shall mean the first condominium unit that is transferred to a Purchaser under the Plan.

"First Unit Closing" or **"First Closing Date"** shall mean the first date that title to a Condominium Unit is transferred to a Purchaser under the Plan.

"First Year's Budget" shall mean the Section of the Plan entitled "Schedule B – First Year's Budget". The First Year's Budget is sometimes referred to herein as "Schedule B" and shall also mean the Budget for First Year of Operations for the Phase I Condominium for the First Year of Operations.

"First Year of Operations" shall mean the twelve month period commencing on the Condominium Commencement Date.

"Fiscal Year" shall mean January 1 through December 31 of a year.

"Floor Plans" shall mean the floor plans of the Units and Building certified to by a professional engineer or registered architect, to be filed with the County Clerk of Nassau County, simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto, copies of which are reproduced in Part II of the Plan.

"**Force Majeure**" shall mean (a) an act of God, war, strikes or similar labor troubles affecting the Project and other similar projects in Long Island generally, fire, severe weather, including, without limitation, flood, earthquakes or other casualty enjoining the performance of the obligations under the terms of the Offering Plan or Purchase Agreement, (b) United States Secretary of Treasury certified domestic "act of terrorism" affecting construction activities in Long Island, or (c) unavailability of materials, to the extent such unavailability is applicable to the construction industry in the Long Island region in general and there are no reasonable substitutes for such

materials, and that increased cost shall not be deemed to cause materials to be unavailable.

"GBL" or **"General Business Law"** shall mean the New York State General Business Law.

"**Governmental Approvals**" shall mean all approvals, consents, waivers, orders, acknowledgments, authorizations, inspections, signoffs, permits and licenses required under applicable Legal Requirements to be obtained from any Governmental Authority for the remediation of the Property and/or construction of the Project Improvements and/or the use, occupancy and operation of the Improvements, and/or sale of Units to the public before the commencement and during and following completion of construction of the Project, as the context requires, including, without limitation, all land use, building, subdivision, zoning, environmental and similar ordinances and regulations promulgated by any Governmental Authority, including without limitation, any affordable housing, environmental and conservation approvals or signoffs.

"**Governmental Authority**" shall mean any court, board, agency, commission, office or other authority of any nature whatsoever for any governmental unit (foreign, federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

"Handicapped Parking Spaces" shall mean the parking spaces designated as handicapped parking spaces in the Condominium Buildings as required by any Governmental Authority.

"HOA Recreational Facilities" shall mean the facilities to be conveyed, owned and maintained by The Residences, North Hills Homeowners Association, Inc. for recreational use by Members of The Residences, North Hills Homeowners Association, Inc. and which are currently anticipated to include the Clubhouse, outdoor swimming pool, pool deck and decorative pond The outdoor swimming pool, pool deck and decorative pond will be completed in Phase II.

"ILSA" shall mean Federal Interstate Land Sales Full Disclosure Act ("ILSA"), 15 U.S.C. 1701, et seq.

"Institutional Lender" shall mean any national or internationally recognized bank or finance company with a net worth in excess of $1,000,000,000 or any other lender approved by German American Capital Corporation or by their successors, and/or assigns.

"Interim Lease" shall mean a lease between the Sponsor and a Purchaser which may be entered into a the sole discretion of the Sponsor, on such terms and conditions are within the sole discretion of the Sponsor. Costs and expenses,

including legal fees for the preparation of an interim lease shall be paid by the Purchaser. Sponsor shall be under no obligation to entered into any interim lease.

"Limited Common Elements" shall mean, with respect to each Unit, those Common Elements, if any, which are so designated on the Floor Plans or in the Declaration and which serve or benefit exclusively some, but not all, of the Unit Owners and areas which are irrevocably restricted in use to specified Unit Owners, subject to the right of the Board of Managers, or their designees to enter upon any restricted area for maintenance, repair and inspection of a Unit or Common Elements and subject to the rules of the Board of Managers. Limited Common Elements include but are not limited to (a) any balcony, terrace or private patio appurtenant to each Condominium Unit and (b) any heating and/or cooling Unit, if located in the Common Elements and serving such Condominium Unit, which is restricted in use to the Unit Owner of such Unit and shall be maintained and repaired by such Unit Owner at the Unit Owner's sole cost and expense. One Parking Space will be assigned to each Unit as limited common element.

"Land" shall mean the parcel of land located in the County of Nassau located at 1000 and 2000 Royal Court, Town of North Hempstead, Village of North Hills, County of Nassau, State of New York, and more particularly described in Schedule A to the Declaration.

"Law" shall mean the laws and ordinances of any or all of the Federal, New York State and County (where the Condominiums located) governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the property and/or the Condominium, and/or the direction of any public officer pursuant to law.

"Legal Requirement" shall mean any law, ordinance, order, rule or regulation, now existing or hereafter enacted, of a Governmental Authority applicable to the Community, construction or operation of, the Phase I Property, the Phase II Property or the Association Common Areas.

"License Agreement" shall mean the Residential Condominium License and Development Agreement between Sponsor and MIF, L.L.C.

"Limited Warranty" shall mean a warranty provided by Sponsor which provides coverage for the First Unit Owner only, limits Sponsor's liability to ten (10%) percent of the Purchase Price of the condominium unit, provides that any claim for damages made by a Purchaser shall be reduced by any insurance proceeds received by Purchaser with respect to that claim, excludes any incidental, special, indirect, consequential or other similar damages and requires that a Purchaser follow detailed procedures for giving notice of a warranty claim to Sponsor and for commencing a lawsuit against Sponsor.

"Management Agreement" and **"Residential Condominium Management Agreement"** shall mean the agreement which shall be executed by the Board of Directors of the Association and/or the Phase I Owner on behalf of the Phase I Condominium and the Phase II Owner on behalf of the Phase II Condominium, if constructed with the Manager.

"Majority" shall mean a more than sixty-six and two-thirds percent (66 2/3rds) in Common Interest in the aggregate, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners shall mean such percentage in Common Interest in the aggregate, as may be specified herein or in the aggregate, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however that different percentages in interest and in number of Units may be so specified.

"Manager" shall mean the Manager employed by the Condominium Board and the Board of Directors to undertake and perform the duties and services that the Condominium Board shall direct and who shall have all of the powers of the Condominium Board and the Board of Directors which are permitted by law to be delegated to the Manager, subject to the limitations contained in the Condominium By-Laws and the Declaration of Covenants, Restrictions, Easements, Charges and Liens. The Manager is anticipated to be The Ritz-Carlton Hotel Company, L.L.C., 10400 Fernwood Road, Bethesda, Maryland 20815 and 4445 Willard Avenue, Suite 800, Chevy Chase, Maryland 20815.

"Mansion Tax" shall have the meaning as set forth in New York State Tax Law §1402-a, which tax shall be paid by all Purchasers as required by Tax Law §1402-a.

"Member" shall mean the owner of a Unit in the Condominium or in the Phase II Condominium, if developed, and a holder of a membership interest in the Association as set forth in the Declaration of Covenants, Restrictions, Easements, Charges and Liens.

"MIF, L.L.C." shall mean the licensor of the Ritz-Carlton Marks.

"Notice For Closing" shall mean the notice that Sponsor shall send to Purchaser advising Purchaser the date, time and place that the Closing shall occur, which notice shall be given to Purchaser not earlier than thirty (30) days after the Plan has been declared effective provided that on or before the Closing Date there shall have been accepted for filing an amendment disclosing the basis of the effectiveness of the Plan.

"Offering Plan" or "Plan" shall mean the Condominium Offering Plan for the Phase I Condominium filed by Declarant pursuant to Section 352-e of the General Business Law of the State of New York with the Department of Law and any and all amendments thereto which describes the Condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time.

"Opening Date", "Opening Date of the Condominium" and "Phase I Opening Date" shall mean the anticipated First Closing in the Phase I Condominium, which is anticipated to be on or about First Closing Date.

"Operation of the Property" shall mean the administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.

"Parking Level" shall mean the areas for the parking of passenger vehicles located on the first floor of each of the Buildings.

"Parking Space" shall mean one parking space for the parking of passenger vehicles in the on the first level on grade (125 regular parking spaces plus 3 handicapped parking spaces) in Buildings 7 and 8 and 124 parking spaces on the first level on grade (121 regular parking spaces plus 3 handicapped parking spaces) in Buildings 9 and 10. Each Unit will be assigned (i) one parking space, as Limited Common Element in the Parking Level for self-parking of one passenger automobile by the Unit Owner and (ii) one parking space for the parking of one passenger automobile in the Parking Level through the use of valet parking services. The cost of the valet service shall be paid by the Unit Owners through Association Common Maintenance Charges. The Sponsor and/or the Board of Directors may, at their sole discretion, grant permission to a Unit Owner, on a first come, first serve basis, to park one additional passenger automobile in the Parking Level using valet services, at an additional cost to the Unit Owner.

"Party Wall" as hereinafter referred to shall be defined as a wall which is common to and separates two or more Units.

"Permitted Encumbrances" shall mean those matters encumbering title to a Unit subject to which a Purchaser agrees to take title, as more particularly described on Schedule A annexed to the form of Purchase Agreement.

"Permitted Mortgage" shall mean the Phase I Lender or any Institutional Lender that provides financing to Declarant or its successors or assigns for the acquisition, construction, development and retention of the Property and any Unsold Units and/or their respective successors or assigns.

"Permitted Mortgagee" shall mean the Phase I Lender, GACC, its replacements, successors, and/or assigns, or any Institutional Lender that provides financing to Declarant or its successors or assigns for the acquisition, construction, development and retention of the Property and any Unsold Units and/or their respective successors or assigns.

"Person" shall mean a natural person, corporation, partnership, limited liability company, trust, trustee, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other legal entity.

"Phase I" shall mean the following: the one hundred twenty four (124) residential condominium units constructed in buildings known as "Building 7", "Building 8", "Building 9" and "Building 10"; approximately 128 parking spaces on the first level on grade (125 regular parking spaces plus 3 handicapped parking spaces) in Buildings 7 and 8; approximately 124 parking spaces on the first level on grade (121 regular parking spaces plus 3 handicapped parking spaces) in Buildings 9 and 10. the Clubhouse building (but not including the Exterior Amenities which include the outdoor pool, decorative pond and other clubhouse exterior amenities are to be developed in Phase II, the northern entry gatehouse from Power House Road into the Community, the western entry gatehouse from New Hyde Park Road into the Community and the roads within the Community and utilities infrastructure, extensions and connections to service all of the Units in the Phase I will be constructed along with the Condominium.

"Phase I Board of Managers" shall mean the Board of Managers of The Residences, North Hills Phase I Condominium, who will be responsible for the maintenance, repair and replacement of Common Elements in the Phase I Condominium.

"Phase I Condominium" shall mean The Residences, North Hills Condominium Phase I which shall contain one hundred twenty four (124) condominium units and the common elements in the Phase I Condominium which may be established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws. Notwithstanding the above, the Sponsor has the right to modify the Condominium's phasing plan and number of units constructed or developed.

"Phase I Lender" shall mean German American Capital Corporation, its successors and assigns.

"Phase I Owner" shall mean RXR North Hills Phase I Owner LLC, its successors and assigns, including the Phase I Lender, if following a default of Phase I Owner, the Phase I Lender obtains title to the portion of the Phase I Property then owned by Phase I Owner.

"Phase I Property" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in **Exhibit "1"** annexed to this Offering Plan on which the Phase I Condominium will be developed.

"Phase II" shall mean the following which may be constructed on the Phase II Property: approximately one hundred twenty (120) residential condominium units, or

such lesser or greater number as may be permitted by Governmental Authorities constructed on the Phase II Property, parking spaces within the Phase II buildings, the Phase II driveways, the Clubhouse Exterior Amenities, and the common elements in the Phase II Condominium.

"Phase II Board of Managers" shall mean the Board of Managers of The Residences, North Hills Phase II Condominium, who will be responsible for the maintenance, repair and replacement of Common Elements in the Phase II Condominium.

"Phase II Condominium" shall mean The Residences, North Hills Condominium Phase II which, if constructed, may contain one hundred twenty (120) units and the common elements in the Phase II Condominium which may be established pursuant to the terms of a declaration of condominium and which is governed pursuant to the terms of the condominium by-laws. Notwithstanding the above, the Phase II Owner has the right to modify the Condominium's phasing plan and number of units constructed or developed

"Phase II Lender" shall mean Norddeustsche Landesbank Girozentrale, its successors and assigns.

"Phase II Owner" shall mean RXR North Hills Phase II Owner LLC, its successors and assigns, including the Phase II Lender, if following a default of Phase II Owner, the Phase II Lender obtains title to the portion of the Phase II Property then owned by the Phase II Owner.

"Phase II Property" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in **Exhibit "2"** annexed to this Offering Plan on which the Phase II Condominium will be developed, if developed.

"Plans and Specifications" shall mean the plans and specifications for the construction of the Building which (to the extent required by Law) have been or will be filed with the Building Department and which may from time to time be amended in accordance with the provisions of the Plan.

"Power of Attorney" or "Unit Power of Attorney" shall mean the document signed by Unit Owners which (i) appoints the Board of Managers as attorney in fact to acquire on behalf of all Unit Owners, any Unit that the Unit Owner of which wishes to sell or abandon, together with the Appurtenant Interest thereto, and to deal with any such Units so acquired as they may determine and (ii) appoint the Declarant, as attorney in fact, to amend the Declaration, the By-Laws, the Rules and Regulations of the Phase I Condominium, or any of said documents under certain conditions set forth in the Power of Attorney.

"Property" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in **Exhibit "4"** annexed hereto and made a part hereof which shall contain the Phase I Condominium, the Phase II Property (to become the Phase II Condominium, if developed) and the Association Common Areas.

"Purchase Agreement" shall mean the agreement to purchase a Condominium Unit pursuant to the Offering Plan, the form of which is set forth in Part II of the Plan.

"Purchase Price" shall mean the price to be paid by a Purchaser to Phase I Owner for the purchase of a Unit together with all other charges due to Phase I Owner in accordance with this Plan and the Purchase Agreement.

"Purchaser" shall mean a Purchaser of a Condominium Unit pursuant to a Purchase Agreement.

"Residential Condominium Management Agreement" shall mean the agreement between Sponsor and The Ritz-Carlton Hotel Company, L.L.C. and between the Association and The Ritz-Carlton Hotel Company, L.L.C.

"Ritz-Carlton Marks" or **"Licensed Marks"** shall mean the word Ritz-Carlton in any form, the Lion & Crown logo and all other words, trademarks, service marks, trade names, symbols, emblems, logos, insignias, indicia of origin, slogans and designs (including restaurant names, lounge names, or other outlet names) used or registered by Licensor or any of its Affiliates and which are used to identify or are otherwise used in connection with Ritz-Carlton hotels, private clubs, timeshare resorts, residential properties or other facilities operated under the Ritz-Carlton name (whether registered or unregistered and whether used alone or in connection with any other words, trademarks, service marks, trade names, symbols, emblems, logos, insignias, indicia of origin, slogans, and designs) including but not limited to the Licensed Marks, all as may be amended, modified, deleted or changed by Licensor - all of the foregoing being indicative of the renowned Ritz-Carlton brand perception, reputation, programs, processes, procedures, and systems (including the philosophy that drives customer satisfaction, the business management model, business strategies, the employee selection, training and career development approach, and the Ritz-Carlton Standards).

"Ritz-Carlton Quality Standards" shall mean the highest of the following standards: (1) the standard required to maintain and operate the project in a condition and a quality level no less than that which existed at the time that the project was initially completed (ordinary wear and tear excepted), and (2) the standard required under the management agreement entered into by Sponsor and a third party manager of a hotel or other hospitality brand (whether a five-star luxury brand or otherwise). Any operations, maintenance and/or repair obligations imposed by the Declaration of

Condominium and Offering Plan shall be performed in a manner that is consistent with the Ritz-Carlton Quality Standards.

"Ritz-Carlton Rights" shall mean United States Service mark Registration No. 1,094,823 issued on June 27, 1978, on the Principal Register for the mark "The Ritz-Carlton" for hotel or condominium services and all other service marks, trademarks, trade names, insignias and logos (including a distinctive lion and crown logo which has been furnished to Ritz-Carlton, emblems, services and rights in distinctive design of buildings and signs or combinations thereof used to identify hotels, condominiums or other facilities using such marks, names, insignias and logos) used for hotel or condominium services, for other related goods and services and for the business associated therewith that contain the Ritz-Carlton name or by reason of extent of usage are associated with hotels, condominiums or other facilities operated by Ritz-Carlton or its Affiliates under the Ritz-Carlton name".

"Ritz-Carlton Standards" shall mean the standards, specifications, guidelines, systems, requirements and procedures established by Ritz-Carlton for the use of the Licensed Marks and the identification, development, construction, furnishing, equipping and operation of condominium units to be offered and sold under the Ritz-Carlton name and operated by Licensor or its affiliates or licensees.

"RXR North Hills Phase I Owner LLC" or **"Phase I Owner LLC"** shall mean the owner of the Phase I Property and Sponsor of The Residences, North Hills Phase I Condominium.

"RXR North Hills Phase II Owner LLC" or **"Phase II Owner LLC"** shall mean the owner of the Phase II Property and sponsor of The Residences, North Hills Phase II Condominium, if constructed.

"Rules and Regulations" shall mean the rules and regulations made in accordance with the By-Laws of the Phase I Condominium as the same may be amended from time to time, provided that they are not in conflict with the terms of the Condominium Act, the Declaration or the By-Laws.

"Schedule A" shall mean the Section of the Plan entitled "Schedule A – Offering Prices of Units and Related Information".

"Schedule B" shall mean the Section of the Plan entitled "Schedule B –First Year's Budget" for the Phase I Condominium. Schedule B is sometimes referred to herein as the First Year's Budget for the Phase I Condominium.

"Schedule B-1" shall mean the Section of the Plan entitled "Schedule B-1 – First Year's Budget" for The Residences, North Hills Homeowners Association, Inc. Schedule B-1 is sometimes referred to herein as the First Year's Budget for The Residences, North Hills Homeowners Association, Inc.

"Schedule C" shall mean the Section of the Plan entitled "Schedule C – for Individual Energy Costs".

"Scheduled Closing Date" shall mean (i) the date established by Sponsor for the Closing to occur pursuant to the Notice for Closing or (ii) the date specified in the Purchase Agreement for the Closing.

"Selling Agent" shall mean the Declarant, or any Selling Agent named in the Plan or any successor Selling Agent at any time in question.

"Sponsor Control Period" shall mean the right to control the Board of Managers of the Condominium for the later of (i) a period ending on the date which is five (5) years from the First Closing or (ii) until the last Unit of the one hundred twenty four (124) Units offered for sale under this Offering Plan are sold and closed.

"Sponsor's Predecessor" shall mean Midtown North Hills, LLC from whom Sponsor acquired the Phase I Property and all of its associated rights.

"Storage Bin" shall mean an area located on each floor of a Condominium Building for use by a Unit Owner who is the licensee by virtue of a Storage Bin License issued by Declarant.

"Storage Bin License" shall mean a license to use a Storage Bin located on each floor of a Condominium Building for use by a Unit Owner who is granted a license by the Declarant.

"Successor Declarant" shall mean any Person, including the Permitted Mortgagee, that acquires Declarant's Unsold Units through foreclosure or deed in lieu of foreclosure, and their successor and assigns.

"The Ritz-Carlton Hotel Company, L.L.C." shall mean The Ritz-Carlton Hotel Company, L.L.C., located at 10400 Fernwood Road, Bethesda, Maryland 20815 and 4445 Willard Avenue, Suite 800, Chevy Chase, Maryland 20815, the manager of the Association and the Phase I Condominium and the Phase II Condominium, if developed, to undertake and perform the duties and services that the Condominium Board shall direct and who shall have all of the powers of the Condominium Board and the Board of Directors which are permitted by law to be delegated to the Manager, subject to the limitations contained in the Condominium By-Laws and the Declaration of Covenants, Restrictions, Easements, Charges and Liens.

"Umbrella Homeowners Association" shall mean The Residences, North Hills Homeowners Association, Inc., a Not-for-Profit Corporation organized to own and maintain certain recreational and other Association Common Areas.

"Unit" or **"Unit"** shall mean a Unit is each Unit of residential housing now or hereafter situated on the property. A Unit is equivalent to the term "Unit" as the same

is used in Article 9-B of the Real Property Law. A Unit shall be used for residential purposes only, including Unit occupancy, and not more than one family may occupy a Unit at one time. A Unit may not be used for any "dormitory", "bed and breakfast" or other transient hotel-type entity. A Unit may be used for any other lawful purpose, provided such use is permitted by, and complies with Law, does not violate the then existing certificate of occupancy covering the Building and the Condominium Board or Declarant, in their sole discretion, grants permission for such use.

"Unit Deed" shall mean the deed transferring title to a specified Unit from Declarant to Purchaser in fee simple absolute.

"Unit Designation" shall mean the number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the Floor Plans.

"Unit Owner" or **"Owner"** shall mean any record owner or owners of fee simple title to a Condominium Unit in the Condominium subject to the Declaration and By-Laws and subject to the Declaration of Covenants, Restrictions, Easements, Charges and Liens. "Unit Owner" or "Owner" includes the Phase I Owner and the Phase II Owner with respect to any Unsold Unit within the Phase I Condominium and the Phase II Condominium, respectively. Every Unit Owner shall be treated for all purposes as a single owner for each Unit held, regardless of whether the ownership of such Unit is joint, in common or by tenancy by the entirety. Where such Ownership is joint, in common or by tenancy by the entirety, such collective Ownership shall constitute one (1) Unit Owner regardless of the number of Units the Unit Owner may own. A Unit Owner shall have the meaning ascribed to it in Article 9-B of the Real Property Law of the State of New York.

"Unsold Unit" shall mean a Unit owned by the Phase I Owner or the Phase II Owner, as applicable, other than for personal occupancy, until such time as such Unit shall have been sold. The owner of Unsold Units shall have the same rights, privileges, exemptions and benefits with respect to its Unsold Units as Declarant has under this Plan and the Declaration and By-Laws with respect to the Units owned by Declarant.

"Warranty Date" shall mean the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the Unit as a residence, whichever first occurs.

B. INTRODUCTION

(1) Offer Made by Offering Plan.

The purpose of the Offering Plan is to set forth all of the material terms of the offer in order to allow prospective Purchasers to make an informed decision regarding their purchase of a Unit.

Under New York law, a Sponsor may not offer Units for sale unless and until an Offering Plan has been accepted for filing by the Department of Law of the State of New York.

The Offering Plan may be amended from time to time when an amendment is filed by Sponsor with the New York State Department of Law. All amendments will be served on all offerees (all Purchasers and Unit Owners) as defined in Part 20.1(d) of Title 13 NYCRR. An amendment is not effective until the Department of Law of the State of New York has accepted the amendment for filing.

(2) Applicable Law.

The Condominium is subject to and complies with the New York Condominium Act (Article 9-B of the New York Real Property Law).

(3) Sponsor.

Sponsor is RXR North Hills Phase I Owner LLC, a Delaware limited Liability Company.

This is an offering for the sale of one hundred twenty four (124) Condominium Units. Sponsor intends on offering all Units for sale. Sponsor will endeavor in good faith to sell Units rather than rent Units. Notwithstanding the foregoing, Sponsor is reserving the unconditional right to rent rather than sell Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the fifteen percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. Sponsor has the right to control the Board of Managers of the Condominium, by maintaining a majority of the Members of the Board of Managers of the Condominium, until the later of (i) a period ending on the date which is five (5) years from the First Closing or (ii) until the last Unit of the one hundred twenty four (124) Units offered for sale under this Offering Plan is sold and closed. The By-Laws do not include a provision that after Sponsor Control Period a majority of the Board of Managers must be Owner-Occupants or members of an Owner-Occupant's household who are unrelated to Sponsor or its principals.

Sponsor is reserving the unconditional right to rent rather than sell Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the fifteen percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. Sponsor has the right to control the Board of Managers of the Condominium, by maintaining a majority of the Members of the Board of Managers of the Condominium, until the later of (i) a period ending on the date which is five (5) years from the First Closing or (ii) until the last Unit of the one hundred twenty four (124) Units offered for sale under this Offering Plan is sold and closed. The By-Laws do not include a provision that after Sponsor Control Period a majority of the Board of Managers must be Owner-Occupants or members of an Owner-Occupant's household who are unrelated to Sponsor or its principals.

Sponsor has obtained construction loan financing for the construction of the Phase I Condominium and for most of the Association Common Areas from German American Capital Corporation (the "Phase I Loan") (Certain Association Common Areas, including but not limited to driveways into the Phase II Condominium buildings, landscaping on the Association Common Areas adjacent to the Phase II Property and retention walls in Phase II will not be constructed with financing from the Phase I Loan. The construction loan obtained by Sponsor does not provide funds for the Exterior Amenities. At the present time, German American Capital Corporation is the only lender for Phase I and the only mortgagee of the Phase I Property. Sponsor is obligated to pay to German American Capital Corporation the sum equal to (i) the greater of the Adjusted Minimum Release Price as defined in the loan agreement between Sponsor and German American Capital Corporation and (ii) the Net Sales Proceeds as defined in the loan agreement between Sponsor and German American Capital Corporation for the Unit being conveyed by Sponsor. Sponsor will obtain a partial release from the Phase I Lender prior to conveying a Unit to a Purchaser.

Sponsor will construct the Phase I Condominium. The Phase II Owner may construct the Phase II Condominium. If the Phase I Condominium and the Phase II Condominium are developed, there will ultimately be a total of two hundred forty four (244) Units in two (2) separate condominium organizations in the Community.

The Unit Owners in the Phase I Condominium and in the Phase II Condominium if developed, will also become automatic mandatory members of an Umbrella Homeowners Association to be known as The Residences, North Hills Homeowners Association, Inc. (the "Association"). The Association will, among other functions described below, own, operate and maintain certain Association Common Areas also described herein.

Sponsor is advised that Phase II Owner intends on filing an offering plan for The Residences, North Hills Phase II Condominium in order to offer for sale the anticipated one hundred twenty (120) Units which may be in the Phase II Condominium.

Sponsor retains the right to abandon this offering plan prior to the sale of eighty percent (80%) of the Units in the Phase I Condominium (100 units). **THERE IS NO GUARANTY OR WARRANTY BY SPONSOR THAT ANY CERTAIN NUMBER OF UNITS WILL BE CONSTRUCTED, EXCEPT THE ONE HUNDRED TWENTY FOUR (124) UNITS BEING OFFERED IN THE PHASE I CONDOMINIUM UNDER THIS PLAN AND THE ASSOCIATION COMMON AREAS OWNED BY THE ASSOCIATION.** Purchasers should note that the plan must be declared effective when Purchase Agreements have been accepted by Sponsor for 80 percent or more of the units offered under the plan. The Plan may be abandoned by Sponsor, at its option, before it is declared effective. If the Plan is abandoned by Sponsor before the Offering Plan is declared effective, within thirty days after abandonment, all monies paid by Purchasers shall be refunded to them in full, with interest earned, if any. Sponsor will then promptly file an amendment together with form RS-3 as required by 13 NYCRR Section 20.1(l)(2) **(See Part I, Section M, entitled "Effective Date of the Plan").**

There is no guarantee that the Phase II Owner will construct the Phase II Condominium. Sponsor makes no representations or guarantees regarding the number of condominiums or condominium units which will be developed or what the ultimate design of the Community will be. If all or any part of the Phase I Condominium and the Phase II Condominium are built, it will take a number of years for the construction to be completed and Unit Owners can anticipate that there will be substantial disruptions in the Community, which are inherent in any large-scale development project.

Purchasers should note that Sponsor's obligation for Association Common Maintenance Charges on Unsold Units (whether constructed or not yet constructed), pursuant to the Declaration of Covenants, Restrictions, Easements, Charges and Liens will be limited to the difference between the actual operating costs of the Association including reserves applicable to completed improvements as provided in the Association's budget, and the assessments levied on Unit Owners who have closed title to the Unit Owner's Unit based on the full occupancy budgets contained in Schedule B-1.

The amount of any Deficiency Contribution shall not include uncollected Association Common Maintenance Charges from Unit Owners, except that if the Board of Directors imposes additional charges or assessments to cover unpaid Association Common Maintenance Charges of Unit Owners, then Sponsor will also contribute its share.

The first day of operation of the Association shall commence with the First Closing of a Unit in the Phase I Condominium.

Sponsor's predecessor, Midtown North Hills, LLC acquired portions of the property on May 25, 2006 and portions of the property on January 2, 2006. The portions of the Community which are known as Section 8, Block A, Lots 302, 702A, 702B and 882 were acquired by Sponsor's Predecessor on May 25, 2006. The portions of the Community which are known as Section 8, Block A, Lots 51 and 502 were acquired by Sponsor's Predecessor on January 2, 2006. Sponsor's Predecessor acquired the parcel known as Section 8, Block A, Lot 785 on July 2, 2007. The parcels consisting of lots 889, 901, 902, 903, 904, 905, 906A, 893, 894, 895, 896, 897B, 897C and 900 (the "Site") will become the property which will be owned by the Phase I Condominium, the Phase II Owner or the Phase II Condominium and the Association. On December 20, 2013, Sponsor acquired title to the Phase I Property and the Phase II Owner acquired title to the Phase II Property. Additionally, on December 20, 2013, the Association Common Areas were conveyed to the Association.

The Phase I Condominium is being constructed on the parcel known as Section 8, Block A, Lot 901 and 902 and certain condominium tax lots previously issued and on the Tax Maps of the County of Nassau, State of New York. The Phase I Property, the Phase II Property and the Association Common Areas consists of approximately 16.382 acres.

Storage Bins:

Sponsor is offering to Purchasers on a first come, first serve basis, Storage Bins which will be licensed by Sponsor to certain Purchasers, which Storage Bins are located on each floor of the condominium buildings. The Storage Bin License is available at an additional cost to the Purchase Price of the Condominium Unit by those Purchasers desiring a Storage Bin, with such availability on a first come, first serve basis. There are 124 Storage Bins available for licensing by Sponsor. The Storage Bins available to Purchasers are of different sizes and dimensions.

Sponsor will convey a license for exclusive use of the storage bins as limited common element. Sponsor will not convey storage bins in fee title ownership.

Unit Owners will be responsible for all normal maintenance and repair to the Storage Bin which they are the licensee of. However, the costs and expenses of any structural or extraordinary repairs or replacements shall be a Common Expense charged to all Unit Owners. The Storage Bins may be used in accordance with applicable law and only for the storage of the personal effects of the Unit Owner having exclusive access to such Storage Bin. No items which would constitute a threat to the health or safety of the Unit Owners or other occupants of the Building or otherwise create a nuisance in the Building shall be stored in the Storage Bins. The Board has the authority to promulgate rules regarding use of and access to the Storage Bins. Please refer to the Storage Bin License granting the exclusive use of a Storage Bin to the Unit Owners purchasing the right to use such Storage Bins set forth in Part II of the Plan for further details regarding the rights and obligations of a Unit Owner purchasing a Storage Bin License.

Individual Storage Bins may be located in a room with several Storage Bins and Storage Bins may be constructed of a material such as wire mesh which is see-through and which will result in items stored in the Storage Bins being visible to others. Neither the Sponsor nor the Board will be responsible for any damage to items placed in Storage Bins. Unit Owners who place items in Storage Bins do so at their own risk and Purchasers are advised to consult with their own insurance brokers or agents regarding appropriate coverage for such stored items.

Parking Spaces:

It is anticipated that there will be a total of 128 parking spaces on the first level on grade (125 regular parking spaces plus 3 handicapped parking spaces) in Buildings 7 and 8 (in Phase I) and approximately 124 parking spaces on the first level on grade (121 regular parking spaces plus 3 handicapped parking spaces) in Buildings 9 and 10 (in Phase I). Of the total 252 Parking Spaces,

Each Unit will be assigned one parking space, as Limited Common Element in the Parking Level for self-parking of one passenger automobile by the Unit Owner in the Parking Level.

Each Unit will also be permitted to park one passenger automobile in the Parking Level through the use of valet parking services in a parking space which is common element. The cost of the valet service shall be paid by the Unit Owners through Association Common Maintenance Charges. The Sponsor and/or the Board of Directors may, at their sole discretion, grant permission to a Unit Owner, on a first come, first serve basis, to park one additional passenger automobile in the Parking Level using valet services, at an additional cost to the Unit Owner.

There will be handicapped parking spaces in the Parking Level as required by Governmental Authorities. There is a current requirement by code established by Governmental Authorities to provide a total of 2% of the total parking spaces as handicapped parking spaces. The number of handicapped parking spaces allocated to the Phase I Condominium will be in accordance with handicapped parking requirements of Governmental Authorities.

The last Unit Owner who is not handicapped and who is assigned a handicapped Parking Space will be required to relinquish his or her handicapped Parking Space in favor of a handicapped individual.

The non-handicapped Unit Owner relinquishing his or her handicapped Parking Space will be reassigned a non-handicapped Parking Space, if one is available.

In the event that there are more handicapped individuals requiring a parking space then actual handicapped parking spaces, the handicapped parking spaces will be available on a first come, first serve basis.

License Agreement and Management Agreement for The Ritz-Carlton Residences, Long Island, North Hills:

MIF, L.L.C. is the Licensor of the Ritz Carlton Marks. The Residential Condominium License and Development Agreement (the "License Agreement") entered into by Sponsor and MIF, L.L.C. permits, among other things, the Community to be known as "The Ritz-Carlton Residences, Long Island, North Hills".

Sponsor intends to enter into a Residential Condominium Management Agreement with The Ritz-Carlton Hotel Company, L.L.C. ("Ritz-Carlton") which provides that Ritz-Carlton will manage the affairs of the Phase I Condominium and The Residences, North Hills Homeowners Association, Inc., and the Phase II Owner will enter into a similar management agreement with Ritz-Carlton if the Phase II Condominium is developed. Ritz-Carlton shall manage the Phase I Condominium and the Association and the Phase II Condominium, if developed, under the Ritz-Carlton Marks pursuant to one or more written management agreements which provides that Ritz-Carlton will be the Manager. Ritz-Carlton is wholly owned by Marriott International Inc. ("Marriott").

MIF, L.L.C. HAS THE RIGHT TO TERMINATE THE LICENSE AGREEMENT AND RITZ-CARLTON HAS RIGHT TO TERMINATE THE MANAGEMENT AGREEMENT FOR A LIMITED NUMBER OF REASONS, AS SET FORTH IN THIS OFFERING PLAN AND AS OTHERWISE SET FORTH IN SUCH AGREEMENTS. IF RITZ-CARLTON OR AN AFFILIATE DOES NOT MANAGE THE PROPERTY, A MANAGEMENT COMPANY OF COMPARABLE QUALITY WILL BE SUBSTITUTED BY AMENDMENT TO MANAGE THE PROPERTY. EXAMPLES OF MANAGEMENT COMPANY BRAND NAMES THAT MAY BE SUBSTITUTED BY SPONSOR IF RITZ-CARLTON DOES NOT MANAGE THE PROPERTY INCLUDE BUT ARE NOT LIMITED TO FOUR SEASONS HOTELS & RESORTS, CANYON RANCH, ST. REGIS, THE PENINSULA AND MANDARIN ORIENTAL HOTELS. Sponsor has not contacted and has no arrangements with the aforementioned possible substitutes and would only do so if Ritz-Carlton does not manage the Community.

MIF, L.L.C. may terminate the License Agreement: (i) upon thirty (30) days written notice to Licensee upon the occurrence of the failure to: (a) enter into signed contracts with prospective Unit Owners for at least a minimum of fifty (50) Units by June 30, 2018; or (b) enter into signed contracts with prospective Unit Owners for at least a minimum of one hundred (100) Units by December 31, 2019; or (c) close on the sale of one hundred percent (100%) of the Units to third-party purchasers in arm's length transactions on or before the tenth (10th) full Fiscal Year after the Phase I Opening Date; and (ii) upon ninety (90) days written notice to Licensee (and the failure to cure within such ninety (90) day period) upon the occurrence of Licensee's failure to close a construction loan for Phase I (which construction loan was closed on December 20, 2013) and Commencement of Construction of Phase I by December 31, 2014. Licensor, at its option, may terminate the License Agreement at any time

during the term of the License Agreement if a circumstance, development or event occurs with respect to the Community or Licensee which would have a material adverse reflection on the Ritz-Carlton Marks if not cured as provided in the License Agreement. In the event that any circumstance, development or event occurs which would cause a material adverse reflection on the Ritz-Carlton Marks, Licensor shall have the right to send notice thereof to Licensee and in the event that the same is not cured to Licensor's satisfaction within thirty (30) days after the date of such written notice, Licensor shall have the right to terminate the License Agreement by written notice to Licensee at any time thereafter; provided, however, that if such failure is not reasonably capable of being cured within such thirty (30) day period, then so long as Licensee has commenced curative action within such period and thereafter continues to pursue diligently such curative action, such thirty (30) day period shall be extended for the period reasonably necessary to cure such default, up to an additional period of sixty (60) days.

Licensor may terminate the License Agreement upon written notice to Licensee upon (i) termination of the Residential Condominium Management Agreement for the Phase I Condominium, the management agreement for the Phase II Condominium, or the Association, or (ii) upon the failure or refusal of the Board of Directors of the Association or the Board of Managers for the Phase I Condominium to execute the License Agreement or Management Agreement or upon the failure or refusal of the board of managers of the Phase II Condominium to execute the License Agreement or management agreement for the Phase II Condominium. The license to use the Ritz-Carlton Marks will be granted by Licensor to Licensee under the License Agreement so long as Licensor is the manager of the Phase I Condominium, the Phase II Condominium and the Association.

If any Condominium Amenities Operator makes unauthorized use of the Ritz-Carlton Marks or fails to operate the Condominium Amenities in a manner consistent with Ritz-Carlton Standards, Licensor may terminate the License Agreement by delivery to Licensee within at least five (5) days prior written notice of such unauthorized use or failure, unless such unauthorized use has ceased or such failure has been cured within such 5-day period; provided, however, that if Licensee has notified the Condominium Amenities Operator in writing of a failure so to operate, such failure is incapable of cure within such 5-day period, the Condominium Amenities Operator has commenced to cure such failure and thereafter prosecutes such cure to completion with all due diligence, then such cure period shall be extended for an additional period reasonably necessary to cure such default, up to an additional period of sixty (60) days.

The Residential Condominium Management Agreement provides that Manager shall provide the following services for the Condominium, all of which may be modified by Manager from time to time:

a. Ninety (90) days prior to commencement date of the Fiscal Year or each year of operation of the Condominium, Ritz-Carlton will prepare and submit to the

Board of Managers a budget for each Fiscal Year including budgetary line items for the Condominium's costs and expenses and working capital;

b. Bill and collect Common Charges, Association Common Maintenance Charges, Condominium Special Assessments (if any), Association Special Assessments (if any) from Unit Owners;

c. Establish and maintain bank accounts on behalf of the Board of Managers and the Board of Directors;

d. Disburse funds from the bank accounts of the Board of Managers and Board of Directors;

e. Prepare and distribute annual reports to all Unit Owners within ninety (90) days after the end of each Fiscal Year;

f. Keep and maintain books and records for the Board of Managers and Board of Directors in accordance with generally accepted accounting principles;

g. Execute and file tax returns and any instruments required of an employer under the Federal Insurance Contributions Act ("FICA"), the Federal Unemployment Tax Act, the United States Internal Revenue Code of 1986 and the Federal Income Tax Act and the filing of any similar state and local instruments;

h. Schedule and hold meetings of the Board of Managers and the Board of Directors, including the preparation of and mailing of notices of meetings in accordance with the provisions of the Condominium Instruments and the Condominium Act;

i. Suggest amendments to the Rules and Regulations for the use and occupancy of the Condominium Units and Common Elements;

j. Maintain a complete roster of Unit Owners including names and mailing addresses;

k. Maintain records including financial books and records sufficient to identify the source of all funds collected by Manager and disbursement of funds;

l. Retain and employ attorneys, accountants and other professionals and experts whose services are required to effectively perform the management services;

m. Obtain and maintain all licenses and permits required to be obtained by the Condominium and Association;

n. Operate the Condominium and Association in compliance with the terms and conditions of the Condominium Instruments and with the requirements of any insurance carrier and any covenants and restrictions on the property;

o. Purchase (at the cost of the Unit Owners) and maintain inventories of consumable items used in the administration or operation of the Condominium and the Association, including but not limited to cleaning materials, stationery and similar items;

p. Investigate, or have others investigate, all accidents, estimate the cost to repair any damage or destruction to the common elements, and make written reports to the Board of Managers and/or the Board of Directors, as to all claims for damages relating to the ownership, operation and maintenance of the common elements as the claims shall become known to Manager;

q. Prepare all reports required by any insurance company;

r. Engage third parties as required to provide services that are necessary or desirable for the operation and maintenance of the common elements of the Condominium and Association;

s. Employ personnel consistent with the budget approved by the Board of Managers and Board of Directors for the delivery of the management services (including the hiring of vendors and third parties);

t. Hire, terminate and promote personnel and hire and terminate vendors or third parties providing personnel;

u. Make periodic physical inspections of the common elements and render reports and recommendations to the Board of Managers and the Board of Directors;

v. Have the right to enter any of the Units as necessary, without prior notice, for emergency repairs to prevent damage to the Buildings, any Unit or any element of the common elements, and for the purpose of abating any unlawful or prohibited activity (provided that except in cases involving manifest danger to the public safety or property, Manager shall make a reasonable effort to give notice to the Unit owner of any Unit to be entered into for such purposes);

w. Cause the Common Elements to be maintained, repaired and replaced in accordance with the condominium instruments, consistent with the Ritz-Carlton Quality Standards;

x. Procure and keep in full force all insurance and bonds required to be procured and maintained by the Condominium and Association;

y. Provide "Base Concierge Services". Manager shall provide hotel-type concierge services (such as arranging for seamstress, laundry, dry cleaning and transportation services by third party providers at additional cost to a Unit Owner), valet, day porter and business center services. Manager shall provide Base Concierge Services to Unit Owners as part of Association Common Maintenance Charges, however, all third party service charges shall be billed directly by the Board of Directors or Board of Managers to the Unit Owner utilizing such services. There will be no reduction in the Management Fees due to the cessation for any reason of any Base Concierge Services, so long as reasonably similar services continue to be provided;

z. Provide "Valet Service." Manager shall provide valet services for parking of guest's vehicles in the Parking Level. Each Unit will be assigned (i) one parking space, as Limited Common Element in the Parking Level for self-parking of one passenger automobile by the Unit Owner and (ii) one parking space for the parking of one passenger automobile in the Parking Level through the use of valet parking services. The cost of the valet service shall be paid by the Unit Owners through Association Common Maintenance Charges. The Sponsor and/or the Board of Directors may, at their sole discretion, grant permission to a Unit Owner, on a first come, first serve basis, to park one additional passenger automobile in the Parking Level using valet services, at an additional cost to the Unit Owner.

aa. Provide "Additional Services". Manager shall make available to each Unit Owner, on an at-cost basis, certain additional services for which a price list shall be established from time to time, including but not limited to housekeeping services, maintenance and repair services, etc. (collectively "Additional Services"). Each Unit Owner will pay the Manager, the Board of Directors or the Board of Managers, as the case may be for all costs and expenses associated with providing and billing for the Additional Services to the Unit Owner, on a monthly basis. (See Part II, Exhibit "5" to this Plan for a schedule of current prices for Additional Services).

MIF L.L.C. and Ritz-Carlton have no interest in the Condominium or the Association and is hired as an independent manager.

In the event the Management Agreement or License Agreement is terminated for any reason, all use of the Ritz-Carlton Marks shall cease at the Condominium, all indicia of affiliation of the Condominium and Association with Ritz-Carlton, including all signs or other materials bearing any of the Ritz-Carlton Marks, shall be removed from the Condominium buildings and Community, and all services to be provided by Ritz-Carlton to the Condominium shall cease.

So long as the Management Agreement is in effect, the Condominium shall have the right to be known as "The Ritz-Carlton Residences, Long Island, North Hills" or by any other name as may be approved by Ritz-Carlton. Use of the Ritz-Carlton Marks shall be limited to use of the approved name (i) on signage on or about the Condominium, and (ii) by the Condominium, the Board of Managers, Condominium

executive committee, individual Unit Owners, and their agents, solely to identify the address of the Condominium or the Units. No other use will be permitted of the Ritz-Carlton Marks. All uses of the Ritz-Carlton Marks, including the approved name, are subject to removal upon the expiration or termination of the Management Agreement. The Condominium may use the name Ritz-Carlton, however, Ritz-Carlton is not the legal name of the Condominium or the Association.

Sponsor represents to Purchasers that (i) the Units are being sold by Sponsor and not by Ritz-Carlton, and (ii) Ritz-Carlton is not part of or an agent for Sponsor and has not acted as broker, finder or agent in connection with the sale of the Units. A Purchaser, by executing a Purchase Agreement for a Unit agrees that Purchaser shall have no right to use or interest in the Ritz-Carlton Marks. The Purchase Agreement provides that Purchaser waives and releases Ritz-Carlton from and against any liability with respect to any representations or defects or any claim whatsoever, relating to the marketing to Purchaser and Purchaser acknowledges that in the event the Management Agreement with Ritz-Carlton is terminated for any reason, all use of the Ritz-Carlton Marks shall cease at the Condominium, all indicia of connection of the Condominium or the Association with Ritz-Carlton, including all signs or other materials bearing any of the Ritz-Carlton Marks, shall be removed from the Condominium buildings and Community, and all services to be provided by Ritz-Carlton to the Condominium shall cease.

The Members of the Association may terminate the Management Agreement with Ritz-Carlton upon a vote of seventy-five percent (75%) of all Members to terminate the Management Agreement. See the specific terms and conditions in the Management Agreement.

The term of the Management Agreement shall be for a period commencing on the commencement date as defined in the Management Agreement and for a period of twenty (20) years from the said commencement date.

The approximate fees to Ritz-Carlton shall be $1,500 per Unit ($1,200 per Unit paid through common charges and $300 per unit paid through Association charges) per Unit per year, subject to periodic increases as provided in the Management Agreement, which fees are included in Common Charges and/or Association charges. The fees to be paid to Ritz-Carlton are prevailing rates based on the services that will be performed by Ritz-Carlton. For all specific fees, see the Management Agreement.

(4) Size of the Offering.

Units For Sale:

Sponsor is offering for sale One hundred twenty four (124) of the Condominium Units for sale (the "Units").

The one hundred twenty four (124) of the Condominium Units will be

constructed in four (4) buildings containing five (5) stories each (one (1) story parking plus four (4) stories of residential units above). Each pair of buildings is connected by a main lobby.

It is anticipated that all of the one hundred twenty four (124) Units and the Recreational Facility, excluding the Exterior Amenities, will be completed by the First Closing Date. However, the First Year of Operations may commence prior to completion of construction of all of the condominium units, as certain buildings may be completed prior to other buildings. The First Closing may occur prior to all of the Units being completed, however, no Unit may close without the issuance of a temporary certificate of occupancy or permanent certificate of occupancy.

A copy of the site plan and building plan of the Clubhouse is annexed hereto in the Description of Property and Specifications in Part II, Section "II" of this Plan.

It is anticipated that the First Unit in the Phase I Condominium is anticipated to be completed and ready for Closing on or about January 1, 2016. It is anticipated that if constructed, the Phase II Condominium and all of the HOA Common Areas will be completed approximately on or about December 31, 2017.

The units in the Phase I Condominium will be as follows:

There will be one hundred twenty four (124) residential Units being offered for sale. Each Unit will be assigned (i) one parking space, as Limited Common Element in the Parking Level for self-parking of one passenger automobile by the Unit Owner and (ii) one parking space for the parking of one passenger automobile in the Parking Level through the use of valet parking services. The cost of the valet service shall be paid by the Unit Owners through Association Common Maintenance Charges. The Sponsor and/or the Board of Directors may, at their sole discretion, grant permission to a Unit Owner, on a first come, first serve basis, to park one additional passenger automobile in the Parking Level using valet services, at an additional cost to the Unit Owner.

There will be HOA Recreational Facilities and Condominium Recreational Facilities as described in the Definitions section of this Plan **(Part I, Section "A").**

Pricing for Units is included on Schedule A of this Offering Plan. Offering prices are subject to change by the filing of an amendment to this Offering Plan by Sponsor.

<u>The Condominium will contain:</u>

Eighty six (86) – two (2) bedroom Units containing two and one-half (2 ½) baths;

Ten (10) – two (2) bedroom Units with dens containing two and one-half (2 ½) baths;

Twenty eight (28) – three (3) bedroom Units containing two and one-half (2 ½) baths.

Once a Purchaser has entered into a Purchase Agreement for a specific Unit, a Purchaser may not change to a different Unit unless Sponsor agrees to change the Unit at Sponsor's sole discretion.

It is projected that construction of the Phase I Condominium and certain areas of the Association Common Areas will begin by March 2014. It is projected that the Clubhouse, the northern entry gatehouse from Power House Road into the Community; the western entry gatehouse from New Hyde Park Road into the Community; the roads within the Community and utilities infrastructure, extensions and connections to service all of the Units in Phase I will be completed by the First Closing Date.

The parcels of land which are owned by the Association are the Association Common Areas. The Association Common Areas includes the HOA Recreational Facilities, streets, roadways, common lighting, sidewalks, curbs, the HOA Recreational Facilities, common utilities, entranceways, two (2) gatehouses, water lines and piping, manholes, sewer lines and piping, hydrants, electricity utility vaults, exterior signage, landscaped areas, lawn sprinkler systems and perimeter fences, if any.

The Purchase Agreement is not conditioned upon a Purchaser securing mortgage financing. If a Purchaser wishes to obtain mortgage financing, obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will Sponsor be obligated to return a Purchaser's Down Payment because a Purchaser is unable to obtain a mortgage. The Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the Purchase Price at Closing regardless of the availability of financing. In the event a Purchaser does not close title to the Unit as a result of Purchaser's inability to obtain a mortgage, the Down Payment plus the cost of any custom work ordered, will be retained by Sponsor as liquidated damages or alternatively, Sponsor may seek specific performance and require purchaser to close on the Unit and pay the balance of the Purchase Price plus adjustments. In the event that a Purchaser obtains a mortgage commitment and the mortgage commitment expires prior to the date on which Sponsor is ready and able to convey title, Sponsor will not be responsible or liable to Purchaser for any extension fees or costs of any kind as a result of an expiring or expired mortgage commitment.

A Unit Owner may mortgage the Unit Owner's Unit at any time after acquiring title to the Unit in whatever amount and under whatever terms the Unit Owner can obtain. Any Unit Owner may, upon the resale of the Unit, grant a purchase money mortgage to a Purchaser of the Unit. A Unit Owner may mortgage a Unit only if all arrears for Common Charges, if any, are provided for at the Closing of the mortgage.

There are no air rights or transferable development rights benefiting or encumbering the property, except that Sponsor may ultimately construct a total of 244 Condominium Units on the Property or such lesser or greater number as may be permitted by Governmental Authorities.

The Association:

The Association shall have two classes of membership interests, which shall consist of Class 1 members and Class 2 members:

Class 1 Members: (the Developer and/or the Lenders are the Class 1 Members):

The Phase I Owner and the Phase II Owner shall each be a Class 1 member and there shall be no other members of Class 1 other than the Phase I Owner and the Phase II Owner. The Class 1 Members shall hold all voting rights and membership interests in Class 1 until the end of the Association Control Period. Class 1 shall have six (6) members on the Board of Directors, three (3) of which shall be designated by the Phase I Owner and three (3) of which shall be designated by the Phase II Owner. The Phase I Owner may collaterally assign its Class 1 membership interest in the Association to the Phase I Lender and the Phase II Owner may collaterally assign its membership interest in the Association to the Phase II Lender, in each case for so long as the mortgage loan to the Phase I Owner or the Phase II Owner, as the case may be, remains unpaid.

Class 2 Members: (Purchasers of Units will be Class 2 Members).

After the Association Control Period, there shall be a total of six (6) directors elected by Class 2 Members on the Board of Directors. Each purchaser of a Unit in the Phase I Condominium and each purchaser of a Condominium Unit in the Phase II Condominium shall be a Class 2 Member.

The Board of Directors shall consist of six (6) members designated by the Class 1 Members until the first Annual Meeting of the Members of the Association, which shall take place within thirty (30) days after the end of the Association Control Period. Thereafter, the Board of Directors shall consist of six (6) members elected by the Class 2 Members on the following basis:

a. The owner of each Unit in the Community shall be a Member of the Association, whether such ownership is joint, in common or as tenants by the entirety;

b. Each Member is entitled to one vote. When more than one person or entity holds an interest in a Unit, the one vote attributable to such Unit shall be exercised as such persons mutually determine, and not more than one vote may be cast with respect to any unit.

Association Member Voting Rights:

Upon the expiration of the Association Control Period, there shall no longer be Class 1 members and the Board of Directors shall consist solely of the members elected by the Class 2 Members.

Within thirty days prior to the annual anniversary of the election of each Class 2 Member to the Board of Directors, a new election shall be held by the Members to elect the Board of Directors of the Association, whose respective terms shall begin on said anniversary date.

No Member shall split or divide its vote on any motion, resolution or ballot. Phase I Owners and Phase II Owner shall retain the voting rights for all Unsold Units in the Phase I Condominium and the Phase II Condominium, if developed, respectively, retained in accordance with the by-laws of the Association.

Common Areas:

All Common Elements as identified and described in this Offering Plan will be owned by all Unit Owners as common elements.

(5) Percentages of Common Interest.

The percentages of common interest, the monthly costs associated with ownership and the number of Units are set forth in Schedule "A" of this Offering Plan.

(6) Basic Aspects of Condominium Ownership.

(i) Outright Ownership.

As in the ownership of a private single-family home, Purchaser of a unit in a condominium owns his or her condominium unit in fee simple absolute and is entitled to exclusive possession of his or her condominium unit.

Each Purchaser will also own an undivided interest in and right to use the Common Elements and an exclusive right to use the Limited Common Elements that pertain to Purchaser's Unit.

All Unit Owners will own in common as Common Elements, all exterior walls up to but not including interior sheetrock and roofs from the exterior surface up to interior sheetrock. The Board of Managers shall be obligated to maintain the Common Elements of the Condominium.

Each Purchaser owns the Unit outright and is entitled to the exclusive possession of the Unit together with an interest in and right to use the Common Elements, and exclusive right to use Limited Common Elements.

(ii) Differences between the space owned exclusively by a Unit owner and Common Elements and Limited Common Elements.

Space located inside of the Condominium Unit is generally owned by a Unit Owner for his or her exclusive use. Use of the Unit is controlled by the provisions of the Declaration of Condominium, By-Laws and the Rules and Regulations promulgated pursuant to these documents. The interior living space of the Unit is generally exclusive space. It must be maintained and decorated by the Unit Owner at his or her own expense.

Common Elements are those portions of the Condominium used by all Unit Owners together. The Common Elements are not the exclusive property of any one Unit Owner. The land, roof, wall and structural elements of the Building, the windows, and certain other portions of the building are to be Common Elements.

Limited Common Elements of the Condominium means, with respect to each Unit, those Common Elements, if any, which are so designated on the Floor Plans or in the Declaration of Condominium and which serve or benefit exclusively some, but not all, of the Unit Owners and areas which are irrevocably restricted in use to specified Unit Owners, subject to the right of the Board of Managers, or their designees to enter upon any restricted area for maintenance, repair and inspection of a Unit or Common Elements and subject to the Rules and Regulations of the Board of Managers. Limited Common Elements include but are not limited to (a) any balcony, terrace or private patio appurtenant to each Unit, (b) any heating and/or cooling Unit, if located in the Common Elements and serving such Condominium Unit, is restricted in use to the Unit Owner of such Condominium Unit and shall be maintained and repaired by such Unit Owner at the Unit Owner's sole cost and expense, and (c) certain Parking Spaces for the self parking of one automobile by each Unit Owner.

(iii) Payment of Common Charges.

Each Unit Owner must pay Common Charges in accordance with the Declaration, By-Laws and Sections 339-i and 339-m and other related provisions of the New York Condominium Act (Article 9-B of the New York Real Property Law). Common Charges are paid in proportion to the Unit Owner's respective interest in the Association and are used for the operation and maintenance of the Condominium property as the Board of Managers determines in the exercise of its business judgment.

Each Unit Owner will also be obligated to pay Association Common Maintenance Charges to the Association. Association Common Maintenance

Charges are paid by Unit Owners and are used for the operation and maintenance of the Association Common Areas as the Board of Directors determines in the exercise of its business judgment.

Monthly Common Charges as well as monthly Association Common Maintenance Charges may commence with the Closing of the First Unit which is expected to occur on or about the Condominium Commencement Date, subject to circumstances beyond Sponsor's control. However, Sponsor has the option to pay the actual costs of operation of the Condominium, until such time as Sponsor decides to impose the Common Charges, at which time Sponsor will be liable for Common Charges for each Unsold Unit in the Condominium. If Sponsor elects to pay the actual costs of the operation of the Condominium in lieu of paying the Common Charges for the Unsold Units, then, in that event, Purchasers will not be required to pay any Common Charges until such time as Sponsor ceases paying all of the condominium expenses at which time all Unit Owners will pay Common Charges based upon their percentage of common interest. At such time, Sponsor will pay Common Charges for all of the Unsold Units also based upon the percentage of common interest of the Unsold Units.

Each Unit Owner shall pay Association Common Maintenance Charges. Please refer to **Part I, Section "D-1"(E), Part II, Section "NN-1"** of the Offering Plan for further details.

(iv) Compliance with Declaration, By-Laws, Rules and Regulations.

A Unit Owner, upon acquiring title to the Unit, will be obligated to comply with the Declaration of Condominium, By-Laws and Rules and Regulations and any other requirements of the Board of Managers. The Unit Owners will be obligated to comply with the Declaration of Covenants, Restrictions, Easements, Charges and Liens, the Association by-laws and rules and regulations and any other requirements of the Board of Directors of the Association.

(v) Restrictions on Use, Resale, Leasing and Mortgaging Condominium Unit

Unit Owners have the right to sell the Unit Owner's Unit to whom they see fit. A Unit Owner may mortgage the Unit Owner's Unit without restrictions.

Unit Owners have the right to lease the Unit Owner's Unit to whom they see fit, provided that All leases are to provide and be subject to the following:

Every lease on every Unit in the Condominium, will be subject to the following rules and regulations:

(1) the lease must be in writing;
(2) the lease must be for the entire Unit;
(3) the lease must be for a minimum of six (6) months.
(4) the use of the leased Unit is subject to the Declaration and the By-Laws

and the Declaration of Covenants, Restrictions, Easements, Charges and Liens and by-laws of The Residences, North Hills Homeowners Association, Inc. and the rules and regulations of the Community;

(5) within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the Manager or if no Manager to a member of the Board of Managers;

(6) within forty-five (45) days of any renewal of a lease of a tenant, the name and telephone number of the tenant, together with a clear and complete copy of the renewal lease, must be furnished to the Manager or if no Manager to the Board of Managers for review;

(7) the Unit cannot be used as a motel or hotel or otherwise for transient tenants;

Restrictions on Use, Resale, Leasing and Mortgaging Condominium Units do not apply to Sponsor and/or Sponsor's successors.

If any Unit Owner (landlord) or tenant is in violation of any of the provisions of the applicable Declaration or By-Laws, or both, including any rules and regulations, the Board of Managers and/or the Board of Directors may commence an action or proceeding in its own name or in the name of the Unit Owner, or both, to have the tenant evicted or to recover damages, or both.

Prior to the closing of title to a Unit, the Purchase Agreement prohibits a contract vendee from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of a Unit for sale or lease, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion.

A Purchaser may not advertise, list or sell, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion, except for hardship conditions of Purchaser, a Unit acquired from Sponsor for twelve (12) months after acquisition of such Unit (provided however, such limitation shall not apply from and after the date that Sponsor conveys title to all of the Units). Any such conveyances in violation of the foregoing will be voidable by Sponsor.

Notwithstanding anything contained in this offering plan, no Unit may be sold to, leased by or occupied by any individual who is required to be registered pursuant to the New York State Sex Offender Registration Act, or any federal or state laws similar thereto, or who is deemed a sex offender, sexually violent offender, predicate sex offender and/or sexual predator by any court or any Governmental Authority.

(vi) Authority of Board of Managers.

The provisions of the Declaration of Condominium, By-Laws and Rules and Regulations of the Condominium shall be enforceable by the Board of Managers on

behalf of the owners of Units in the Condominium. The failure by the Board of Managers to enforce the same shall in no event be deemed a waiver of their right to do so at any time thereafter.

The provisions of the Declaration of Covenants, Restrictions, Easements, Charges and Liens of the Association shall be enforceable by the Board of Directors on behalf of the members of the Association. The failure by the Board of Directors to enforce the same shall in no event be deemed a waiver of their right to do so at any time thereafter.

(vii) Taxation and Mortgages.

Each Condominium Unit will be taxed separately for real estate tax purposes and may be separately mortgaged. Therefore, no Unit Owner is liable for the payment of real estate taxes or mortgage payments on any other Condominium Unit.

Pursuant to an opinion letter dated January 10, 2014 provided by Cronin, Cronin, Harris & O'Brien, P.C., Attorneys at Law, 333 Earle Ovington Boulevard, Suite 820, Uniondale, New York 11553, a copy of which is included in this Offering Plan, it is anticipated that the Common Elements of the Condominium and the Association Common Areas of the Association will be reflected in the real estate taxes assessed to each individual Condominium Unit. Each Unit Owner will receive a tax bill(s) from the taxing authorities for and including, but not limited to County taxes, Village taxes and School taxes.

In the opinion of counsel, a Unit Owner is presently entitled to deductions for income tax purposes for the Unit Owner's payments for real estate taxes on the Unit Owner's Unit. In addition, provided the Unit will be the Unit Owner's principal residence or one of two residences selected, pursuant to Section 163(h)(5)(A)(i)(II) of the Internal Revenue Code of 1986, the Unit Owner may also deduct on the Unit Owner's income tax returns the interest on the mortgage procured to finance the purchase of the Unit Owner's Unit. Purchasers are advised to discuss the income tax ramifications with their own selected accountants and/or attorneys. **(See Part I, Section "V")**

Sponsor makes no guaranty or warranty as to the potential deductibility for income tax purposes of any funds paid as and for Common Charges, Association Common Maintenance Charges, Condominium Special Assessments, Association Special Assessments or real estate taxes.

Maintenance, Repairs and Insurance.

A Unit Owner will be responsible for maintenance and repairs inside of the Condominium Unit, for areas which are Limited Common Element to the Condominium Unit and for any equipment which is exclusively used by the Unit

Owner, such as items which service only the individual Condominium Unit. The Unit Owner will be responsible for obtaining and maintaining casualty and liability insurance as set forth below. The Condominium will be responsible for maintaining, repairing and insuring only the Common Elements of the Condominium.

Fire and liability insurance covering the Common Elements of the Condominium and the Association Common Areas of the Association are included in the Common Charges and Association Common Maintenance Charges of the Condominium and Association respectively.

Each Unit Owner is required to and must procure, obtain and maintain, at the Unit Owner's sole cost and expense the following insurances, which shall insure the Unit, vehicles owned by the Unit Owner, parking spaces and any storage bin, if licensed to the Unit Owner:

a. Property and casualty insurance coverage on the Unit Owner's real property, including improvements and betterments, or personal property located within the boundaries of the Unit and elsewhere, such as within the Common Elements or Limited Common Elements areas. The coverage shall be in an amount not less than the full replacement cost of such property and any improvements and betterments and personal property of the Unit Owner including, but not limited to, decorative paint, venetian plaster, cabinetry, plumbing fixtures, kitchen and other appliances, floor covering materials such as wood and stone flooring, works of art, window treatments, furniture, collectibles, electrical fixtures, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, plumbing fixtures, kitchen and other appliances, floor covering materials such as wood and stone flooring, or replacements of any of the foregoing which are located within the boundaries of a Unit and serve only one Unit and all air conditioning compressors that service only an individual Unit, whether or not located within the Unit boundaries, as well as Limited Common Elements appurtenant to the Unit.

b. Liability insurance for bodily injury and property damage which shall be in an amount of not less than One Million dollars ($1,000,000) per occurrence, naming the Board of Managers, the Manager and the Condominium as an additional insured.

Each insurance policy issued to a Unit Owner shall be without rights of subrogation against the Condominium, the Association and the Manager. All real property, including improvements and betterments, or personal property located within the boundaries of an Owner's Unit which is excluded from the coverage to be provided by the Condominium or Association shall be insured by the individual Unit Owner. The Condominium, the Association and the Manager shall not be responsible for any claims, losses, injuries or damages that result from the acts or omissions of the Unit Owners, their agents, invitees or guests that occur on the Common Elements or for claims, losses, injuries or damages that occur within the Unit when used, occupied or rented by the Unit Owner.

If the Unit Owner does not purchase, produce and maintain evidence of Property, casualty and liability insurance required as set forth herein, the Board of Managers, in good faith, may, but is not required to purchase the insurance coverages and charge the reasonable premium cost to the Unit Owner as a Condominium Special Assessments to the Unit and Unit Owner covered by said insurance. The Board of Managers of the Condominium has the power of enforcement of Common Charges and Condominium Special Assessments of Common Charges against Unit Owners. The Association as a corporate entity has the power of enforcement of Association Common Maintenance Charges and Association Special Assessments against Unit Owners and Members.

In no event shall the Board of Managers be liable to any person either with regard to its decision not to purchase the insurance, or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained.

All real or personal property located within the boundaries of the Units which is excluded from the coverage to be provided by the Condominium and/or Association shall be insured by the individual Unit Owner.

Common Charges are levied in proportion to the interest in the "Common Elements" appurtenant to each Unit.

(7) Equipment and Fixtures are Included in the Offering Price.

All of the equipment and fixtures described in this Plan are included in the offering price.

(8) Prices Fixed by Sponsor Alone.

The prices for the Units offered through this Plan are not subject to approval by the New York State Department of Law or any other governmental agency. The price of the Unit includes the cost of mandatory membership in the Association.

(9) Plan Contains All Material Terms.

The Offering Plan delivered to prospective Purchasers contains all of the material terms of the transaction.

Copies of all documents referred to in the Offering Plan and all Exhibits submitted to the New York State Department of Law in connection with the filing of the Offering Plan will be available for inspection by prospective Purchasers and their attorneys without charge, and for copying at reasonable charge at the site whenever an on-site sales office is open, at the office of Sponsor as well as at the New York State Department of Law, 120 Broadway, 23rd Floor, New York, New York 10271.

The Offering Plan is presented in two parts which together constitute the entire Offering Plan. Part I sets forth a general description of the Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed description of the Property, legal opinions as to certain tax matters discussed in the Offering Plan, certifications of Sponsor and certain experts.

A prospective Purchaser may obtain the Plan upon payment of a $200 deposit, which amount will be fully refunded upon either (i) the prompt return (30 days from date of receipt by prospective Purchaser or prospective Purchaser's attorney) of the Offering Plan in good condition or (ii) the execution by the prospective Purchaser of a Purchase Agreement subsequently accepted by Sponsor.

(10) Limitations on Who May Purchase Units

The Condominium Board does not have the right to approve or disapprove Purchasers, and there is no limit on the number of Owners who may purchase for investment rather than for personal occupancy and there may always be a substantial percentage of Owners who are non-residents.

The Condominium Units may only be offered to individuals over the age of eighteen (18) years, corporations, and other entities that may legally own real property in the State of New York.

The Purchase Agreement once executed by Purchaser(s) and Sponsor are non-assignable without the express written consent of Sponsor.

(11) Purchasers Advised to Read Offering Plan.

THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT.

C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

(1) General Descriptions of the land, building, Units, parking facilities, recreational facilities and amenities:

GENERAL DESCRIPTION OF THE LAND

The Condominium is located at 1000 and 2000 Royal Court, in the Town of North Hempstead, Village of North Hills, County of Nassau, State of New York. The property containing the Condominium is also known as Section 8, Block A, Lot 901 and 902 and certain condominium tax lots previously issued and on the Tax Maps of the County of Nassau, State of New York.

The Community consists of a total of approximately 16.382 acres of land.

Approximately 106,167 sq.ft. (approximately 2.437 acres) of the Property will consist of the Condominium. The total area of the Association Common Areas is approximately 460,003 sq.ft. (approximately 10.56 acres) of land. The land that will be used for the development of the Phase II Condominium, if developed, is approximately 147,417 sq.ft. (approximately 3.385 acres).

A metes and bounds description of the Land is set forth in the Declaration in Part II of the Plan.

If created, the Phase II Condominium will be known as Section 8, Block A, Lot 894, 895 and 896 and certain condominium tax lots previously issued and on the Tax Maps of the County of Nassau, State of New York.

The land owned by the Association is known as Section 8, Block A, Lots 889, 897B, 897C and 900 on the Tax Map of Nassau County;

The amenities include a clubhouse building, landscaped areas, terraces, balconies, swimming pools, spa (containing whirlpool spa, showers, lockers, lounge area), walkways, guardhouses, parking garage, fitness center and indoor recreation space described as follows:

The clubhouse building will be owned by the Association and will contain a Fitness Center, including an Indoor swimming pool & whirlpool spa, Locker rooms, saunas & steam showers, Screening Room, Board Room, Banquet Room, Game & Billiards Room and Resident Lounge & Bar.

There will be landscaped areas throughout the Association Common Areas and the Condominium Common Element. The landscaped areas will be maintained by the Association.

There will be terraces and balconies which are limited common element to certain condominium units. Unit Owners are responsible for cleaning and snow removal from the balconies and terraces which are limited common element to their unit.

There will be an indoor swimming pool located in the Clubhouse. The indoor swimming pool will be approximately 20'-0" x 46'-0".

There will be an outdoor swimming pool located near the Clubhouse. The outdoor swimming pool will be an oval shape with approximate outside dimensions of 18'-0" x 32'-0" (Note that the outdoor pool is to be completed with Phase II).

Each building within the Phase I Condominium will also contain the following amenity spaces: Exercise rooms with treadmills and weight training equipment and resident lounge with seating areas and large screen TV's. They will be general common elements to the Condominium.

There will be two (2) gatehouses at the entrances to the Community on Association Property and maintained by the Association. The gatehouse located at the Powerhouse Road entrance to the Community may be staffed 24 hours per day, 7 days per week. The gatehouse located at the New Hyde Park Road entrance to the Community will be automated, without a person, 24 hours per day, 7 days per week.

There will be a Parking Level which will be located on Condominium Common Element in Phase I and maintained by the Association. There will be 128 parking spaces on the first level on grade (125 regular parking spaces plus 3 handicapped parking spaces) in Buildings 7 and 8 and 124 parking spaces on the first level on grade (121 regular parking spaces plus 3 handicapped parking spaces) in Buildings 9 and 10. Phase II, if constructed will have parking for its own residents and guests.

The individual Condominium Units will be designated as a Condominium series of lot numbers by Nassau County whereby each Condominium will have and be known as an individual tax lot number. The aforesaid Lot numbers may be changed, modified or reassigned by Nassau County.

All of the roads within the Community will be privately owned by the Association. It is not presently intended that the roads will be dedicated to the local municipality. Access to the private roads in the Community will be from Powerhouse Road, a municipally owned and maintained road which leads to the North Entrance of the Community and from New Hyde Park Road, which is a municipally owned and maintained road which leads to the West Entrance of the Community.

The site shall also include landscaped streets and walkways.

At the present time, the location of the refuse removal containers have not been designated. Sponsor will not offer rescission of any Purchase Agreement due to the location of the refuse removal containers.

The site may include a commercial vehicle entrance from the LIE South Service road to separate commercial from residential vehicles entering the Community. The location of such entrance and roadway, if constructed has not been identified. No rescission of any Purchase Agreement will be given due to location of such entrance.

Sponsor had purchased certain lands from the Seventh Day Adventist Church, and Sponsor has agreed to include a memorial on the site for the Seventh Day Adventist Church. Sponsor has recorded a Declaration Creating an Easement dated May 25, 2006, wherein Sponsor has agreed to create and give access to a Seating Area on the Premises of the area known as Section 8, Block A, Lot 302 on the Land and Tax Map of Nassau County (the "Seating Area") (previously owned by the Seventh Day Adventist Church) and install four (4) park benches, landscaping and parking spaces for three (3) motor vehicles and a monument with a brass memorial plaque memorializing that the site was the headquarters of the Seventh Day Adventists in wording to be provided by the Seventh Day Adventist Church is set forth in Part II, Section "VV". The Seating Area will be located approximately 112 feet from the Condominium Building. The access point to the Seating Area will be through a driveway located on the adjacent property. There will be no access to or from the Seating Area from the Condominium Property or from the Association Property.

Sponsor has entered into a Reciprocal Easement Agreement which is between Sponsor, X-Cell III Realty Associates LLC ("X-Cell") and Board of Commissioners of the Manhasset Lakeville Water District ("Water District") dated September 25, 2006. X-Cell is an adjoining property owner who intends to build an office building adjacent to Sponsor's property on Section 8, Block A, Lot 880 on the Land and Tax Map of Nassau County. The anticipated building on the X-Cell III Realty Associates LLC property will be approximately 225 feet from the Condominium Buildings.

X-Cell and the Manhasset Lakeville Water District ("Water District") have granted an easement to Sponsor and to each other to use a portion of their respective properties to provide access from New Hyde Park Road through a portion of the X-Cell property and a portion of the Water District property back to Sponsor's property.

Sponsor has granted an easement to X-Cell over the Northeast corner of Sponsor's property for parking and landscaping. Sponsor is granting to X-Cell and the Water District an easement so that all stormwater from the Access Road will be transported to stormwater management facilities on Sponsor's property.

The Water District conveyed the majority of its property to Sponsor. However, the Water District has built a well site on their former property, and to stay in

compliance with State Regulations, the Water District had to retain possession of all property within a 100 foot radius around the well site. The new Access Road that is the subject of this Reciprocal Easement Agreement must provide the Water District with access to the property surrounding the well site.

X-Cell's easement to Sponsor grants to Sponsor the use of the easement for pedestrian and vehicular traffic, but does not permit commercial vehicles, such as trucks and vans and vehicles used for the construction of Sponsor' project to use the easement. However, commercial and construction vehicles may use the easement to access the well site.

The Water District grants an easement to Sponsor and to X-Cell to use the Water District Easement Area for the purposes of pedestrian and vehicular use as well as landscaping.

Presently neither the X-Cell property nor Sponsor property is improved. If Sponsor's project is built prior to X-Cell improving their property, Sponsor will be responsible for building the Access Road in accordance with Sponsor's Site Plan submitted to Nassau County. If X-Cell improves their property first, X-Cell will be responsible for building the Access Road either in the Preferred Access Easement Area or in accordance with the Stormwater Management Plan submitted to Nassau County.

If Sponsor builds the Access Road, it will be at Sponsor's sole cost and expense, and will require X-Cell's advance written approval. The right to construct the Access Road includes the right to construct curbs, drainage, lighting, landscape buffers, to install a base and blacktop, and strip directional markers.

Sponsor's construction rights are subject to Sponsor using its best efforts, and at Sponsor's sole cost and expense, to secure approval of a left turn lane into the X-Cell property from New Hyde Park Road and Sponsor's paying for the construction of the left turn lane and any additional traffic signals associated with the left turn lane.

If Sponsor builds the Access Road, any damage caused to the underlying and surrounding Access Road property in connection with the construction will be repaired by Sponsor. Sponsor will also indemnify X-Cell and the Water District for any cost incurred by either party as a result of construction of the Access Road.

X-Cell must approve the construction contractor used by Sponsor to construct the Access Road.

Sponsor cannot begin construction until it has made an escrow deposit, to be held by X-Cell's attorney, for costs related to construction of the Access Road. The escrow amount will be calculated from an estimate of Access Road construction costs provided by Sponsor's construction contractor.

If X-Cell constructs the Access Road, Sponsor shall pay all costs associated with the design and construction. This includes all municipal permitting costs, design costs of the surveyors, site Planners and landscape architects. Sponsor will pay 50% of these costs (based on X-Cell's estimate of costs) within 30 days of X-Cell having received a permit to start construction. The balance will be paid to X-Cell as X-Cell directs for "work in place" after construction of the Access Road has started.

If X-Cell constructs the Access Road they will be responsible for any repairs necessary to the underlying and surrounding Access Road property created in connection with the construction. X-Cell will also indemnify Sponsor or the Water District for any costs incurred by either party as a result of construction of the Access Road.

X-Cell has the right to temporarily relocate the easement area during any construction X-Cell performs to complete the development of the X-Cell property. However, access to Sponsor and Water District properties cannot be cut off.

Sponsor can place temporary signage at the entrance to the Access Road until the Office Project on the X-Cell property is fifty percent occupied. The signage will require X-Cell's prior written approval, and the exact location of the signage is within X-Cell's sole discretion. Once the X-Cell office building is fifty percent occupied the temporary signage will be removed and X-Cell and Sponsor will share equally in the cost of replacing the temporary signage with signage that will identify both Sponsor and X-Cell projects.

If Sponsor improves its property first, Sponsor will be responsible for the cost of maintaining the Access Road until X-Cell receives permanent or temporary certificates of occupancy for all of the buildings being constructed on the X-Cell property and fifty (50%) percent of the tenantable space in the structures on the X-Cell property are occupied. Thereafter X-Cell shall assume the responsibility of performing the Access Road maintenance, and the cost of the maintenance shall be shared equally between Sponsor and X-Cell.

If X-Cell improves its property first, X-Cell will be responsible for the cost of maintaining the Access Road until Sponsor receives certificates of occupancy for at least 20% of the Condominium Units to be built on Sponsor's property. Thereafter the cost of maintenance shall be shared equally between Sponsor and X-Cell.

Whoever is responsible for construction of the Access Road, the general contractor hired by that party must maintain comprehensive general liability insurance in the amount of $5,000,000.

Once construction is complete the Owners of the X-Cell property, the Water District property, and Sponsor property shall maintain at all times comprehensive general liability insurance in the amount of $5,000,000.

X-Cell may make any modifications to the contemplated use or expansion of the X-Cell property that it chooses and Sponsor agrees not to oppose those changes. Sponsor however, can only use its property to construct a luxury residential project.

Sponsor grants an easement to X-Cell to use the Northeast corner of Sponsor's property for the purposes of landscaping and vehicle parking to be constructed and maintained at X-Cell's sole cost and expense. No motorcycles or commercial vehicles shall be parked in this Northeast Corner and X-Cell must maintain comprehensive general liability insurance in the amount of $5,000,000.

Sponsor grants both X-Cell and the Water District the right to construct and maintain easements across Sponsor's property (that are consistent with the Stormwater Management Plan) to allow stormwater from the Access Road to be transported to Sponsor property for treatment/discharge. Sponsor shall bear all expenses related to this Stormwater Easement.

Neither X-Cell nor Sponsor shall be permitted to install any drainage structure which recharges water directly into the ground, within 200 feet of the center of the proposed well site.

Sponsor or Sponsor's Predecessor may not assign any of its rights under the Reciprocal Easement Agreement, before completion of construction of the Access Road without prior written consent of X-Cell, except to an affiliate of Sponsor.

The Reciprocal Easement Agreement may only be amended upon the written consent of the Board of Trustees of the Village of North Hills and the respective Owners of Sponsor, X-Cell, and Water District properties.

The complete Reciprocal Easement Agreement is set forth in Part II, Section "VV" of this Offering Plan. **(See Part II, Section "VV").**

GENERAL DESCRIPTION OF THE BUILDINGS

The Condominium will be comprised of four (4) buildings containing five (5) stories each. The first floor will contain the lobby and Parking Level. Floors two, three, four and five will contain the Condominium Units. There will be a common area containing a resident lounge and auxiliary amenity areas on the second floor (terrace level) of each pair of buildings. Each pair of buildings will be connected by a lobby. The lobby of each pair of buildings will include a fitness room, yoga room, yoga terrace, conference room, club room, club room terrace and catering kitchen. The Buildings will be approximately 60' feet in height (Chimneys, if any, may extend above the roof line).

There will be a Clubhouse, owned by the Association, containing approximately 25,000 gross square feet. The Clubhouse building will be two (2) stories above grade with one (1) story partially below grade.

The structural design of the foundations and superstructure will be in accordance with the Building Code of New York State, including all regulations for wind and seismic loads. Foundation walls are reinforced concrete. Walls and columns are supported by reinforced concrete footings, except for portions of Building 7, Building 8 and Building 9 which will be supported on piles.

All exterior walls consist of masonry brick veneer cavity wall, exterior rigid insulation, exterior sheathing, metal studs (size and gauge as required), additional insulation, as required, between the metal studs, vapor barrier, and gypsum board interior finish. All exterior wall assemblies have insulation values in compliance with the Energy Conservation Construction Code of New York State and fire resistance ratings in compliance with the Building Code of New York State.

The Buildings will be substantially completed as described in "Description of Property and Specifications" in Part II, Section "II" of the Plan.

All Buildings will be constructed in accordance with all applicable zoning and building laws, regulations, codes and other requirements including requirements of the local Building Code and applicable zoning requirements. Prospective Purchasers may examine the building plans filed with the Village of North Hills at Sponsor's office or the Building Department. The building plans have not yet been approved by the Village of North Hills. Sponsor has received site plan approval, subdivision approval, and condominium subdivision approval. The Village of North Hills is presently in the final stages of review of the plans and specification and Sponsor anticipates obtaining a building permit no later than May 31, 2014.

Construction timetable – It is projected that construction of Phase I will begin by March 1, 2014 and it is anticipated the one hundred twenty four (124) Units in the Phase I Condominium will be substantially completed by the First Closing Date (as defined in "Definitions" – Part I, Section "A" of this Offering Plan). It is anticipated that the First Closing will be occur on or about the First Closing Date (as defined in "Definitions" – Part I, Section "A" of this Offering Plan).

It is anticipated that the Community will be developed in two phases. It is anticipated that the Phase I Condominium will be constructed on the Phase I Property and will contain: the one hundred twenty four (124) residential condominium units constructed in buildings known as "Building 7", "Building 8", "Building 9" and "Building 10"; approximately 128 parking spaces on the first level on grade (125 regular parking spaces plus 3 handicapped parking spaces) in Buildings 7 and 8; approximately 124 parking spaces on the first level on grade (121 regular parking spaces plus 3 handicapped parking spaces) in Buildings 9 and 10, the Clubhouse building (but not including the Exterior Amenities which are anticipated to include an outdoor pool, decorative pond and other clubhouse exterior amenities which are to be developed in Phase II), the northern entry gatehouse from Power House Road into the Community, the western entry gatehouse from New Hyde Park Road into the Community and the

roads within the Community and utilities infrastructure, extensions and connections to service all of the Units in the Phase I will be constructed along with the Condominium, barring any strikes, Force Majeure, material shortages, acts of God or other unforeseen delays beyond the control of Sponsor. The Exterior Amenities and certain roadways will be completed with the construction of Phase II.

Sponsor will retain an easement to complete the Common Areas of the Association and the Clubhouse.

There will be two (2) gatehouses at the entrances to the Community. The gatehouse located at the Powerhouse Road entrance to the Community may be staffed 24 hours per day, 7 days per week. The gatehouse located at the New Hyde Park Road entrance to the Community will be automated, without a person, 24 hours per day, 7 days per week.

GENERAL DESCRIPTION OF THE UNITS

Sponsor is offering for sale one hundred twenty four (124) residential condominium units (the "Units").

Sponsor is also offering one hundred twenty four (124) Storage Bin Licenses for use of Storage Bins located on each floor of the Condominium to be used by Unit Owners who purchase Storage Bin Licenses.

The units in the Condominium will be as follows:

Eighty six (86) – two (2) bedroom Units containing two and one-half (2 ½) baths;

Ten (10) – two (2) bedroom Units with dens containing two and one-half (2 ½) baths;

Twenty eight (86) – three (3) bedroom Units containing two and one-half (2 ½) baths.

A summary description of the Units offered for sale under this Plan is set forth in the **"Introduction"** and **"Schedule A"**. Floor Plans for the Units are set forth in "Condominium Floor Plans" in Part II of the Plan.

The legal description of the Units, the Common Elements and the Limited Common Elements is set forth in the Declaration in Part II of the Plan and is summarized in **"Rights and Obligations of Unit Owners and Board of Managers, Summary of By-Laws"** in Part I of the Plan.

GENERAL DESCRIPTION OF THE PARKING FACILITIES

There will be approximately 128 parking spaces on the first level on grade (125 regular parking spaces plus 3 handicapped parking spaces) in Buildings 7 and 8 and

approximately 124 parking spaces on the first level on grade (121 regular parking spaces plus 3 handicapped parking spaces) in Buildings 9 and 10.

Each Unit will be assigned (i) one parking space, as Limited Common Element in the Parking Level for self-parking of one passenger automobile by the Unit Owner and (ii) one parking space for the parking of one passenger automobile in the Parking Level through the use of valet parking services. The cost of the valet service shall be paid by the Unit Owners through Association Common Maintenance Charges. The Sponsor and/or the Board of Directors may, at their sole discretion, grant permission to a Unit Owner, on a first come, first serve basis, to park one additional passenger automobile in the Parking Level using valet services, at an additional cost to the Unit Owner.

There will be valet services for parking of guest's vehicles in the Parking Level.

Parking spaces may only be used for the parking of passenger vehicles only currently registered automobiles, all of which must be validly registered with the Department of Motor Vehicles of any State of the United States of America. All vehicles must be passenger vehicles only.

Handicapped Parking Spaces:

There will be handicapped parking spaces in the Parking Level as required by Governmental Authorities. There is a current requirement by code established by Governmental Authorities to provide a total of 2% of the total parking spaces as handicapped parking spaces. The number of handicapped parking spaces allocated to the Phase I Condominium will be in accordance with handicapped parking requirements of Governmental Authorities.

The last Unit Owner who is not handicapped and who is assigned a handicapped Parking Space will be required to relinquish his or her handicapped Parking Space in favor of a handicapped individual.

The non-handicapped Unit Owner relinquishing his or her handicapped Parking Space will be reassigned a non-handicapped Parking Space, if one is available.

In the event that there are more handicapped individuals requiring a parking space then actual handicapped parking spaces, the handicapped parking spaces will be available on a first come, first serve basis.

The first floor level will be a reinforced concrete slab on grade. The structural steel will be protected by a spray-on cementitious fire proofing material where required by code. Parking Level area ventilation will be provided with a code compliant mechanical ventilation system. The Parking Level will contain a wet pipe sprinkler system for fire suppression. Lighting in the Parking Level shall be metal halide and/or LED pendant type lighting.

GENERAL DESCRIPTION OF STORAGE BINS

Storage Bins:

Sponsor is offering to Purchasers on a first come, first serve basis, Storage Bins which will be licensed by Sponsor to certain Purchasers, which Storage Bins are located on each floor of the condominium buildings. The Storage Bin License is available at an additional cost to the Purchase Price of the Condominium Unit by those Purchasers desiring a Storage Bin, with such availability on a first come, first serve basis. There are 124 Storage Bins available for licensing by Sponsor. The Storage Bins available to Purchasers are of different sizes and dimensions.

Unit Owners will be responsible for all normal maintenance and repair to the Storage Bin which they are the licensee of. However, the costs and expenses of any structural or extraordinary repairs or replacements shall be a Common Expense charged to all Unit Owners. The Storage Bins may be used in accordance with applicable law and only for the storage of the personal effects of the Unit Owner having exclusive access to such Storage Bin. No items which would constitute a threat to the health or safety of the Unit Owners or other occupants of the Building or otherwise create a nuisance in the Building shall be stored in the Storage Bins. The Board has the authority to promulgate rules regarding use of and access to the Storage Bins. Please refer to the Storage Bin License granting the exclusive use of a Storage Bin to the Unit Owners purchasing the right to use such Storage Bins set forth in Part II of the Plan for further details regarding the rights and obligations of a Unit Owner purchasing a Storage Bin License.

Individual Storage Bins may be located in a room with several Storage Bins and Storage Bins may be constructed of a material such as wire mesh which is see-through and which will result in items stored in the Storage Bins being visible to others. Neither the Sponsor nor the Board will be responsible for any damage to items placed in Storage Bins. Unit Owners who place items in Storage Bins do so at their own risk and Purchasers are advised to consult with their own insurance brokers or agents regarding appropriate coverage for such stored items.

Purchasers may be the licensee of a Storage Bin for the exclusive use of such Storage Bin so long as such Purchaser is a Unit Owner and continues to own a Unit, pursuant to the terms and conditions of a Storage Bin License Agreement between Purchaser, Sponsor and the Board of Managers. The form of the Storage Bin License Agreement is set forth in Part II, Section "WW" of this Offering Plan. The Purchase Prices for each Storage Bin License are listed on Schedule "A". The prices for the Storage Bin Licenses have been established by Sponsor and are not subject to approval by the New York State Department of Law or any other governmental agency.

Storage Bins may vary in size and location. Each Storage Bin will range from approximately 20 sq.ft. to 40 sq.ft. but will not be less than 20 sq.ft. There are a total

of sixty four (64) Storage Bins in Buildings 7 and 8 and sixty (60) Storage Bins in Buildings 9 and 10 available for the purchase of a Storage Bin License on a first come, first serve basis. The Storage Bins may be used only for storage purposes, provided that no materials which pose a health or safety threat or which otherwise create a nuisance may be stored therein, and further provided that Sponsor shall have the right to use any unassigned Storage Bins for any lawful purpose or to change the permitted use of same, subject, however to the provision of the By-Laws.

Sponsor reserves the right to offer as many Storage Bin Licenses as it determines and to withhold one or more Storage Bin Licenses for future sale. Sponsor reserves the right to designate the Storage Bin number which will be subject to such Storage Bin License. In addition, Sponsor has the right to limit the number of Storage Bin Licenses sold to any single Purchaser of a Unit or to make bulk sales, as Sponsor deems fit. Storage Bins may only be used for the uses set forth in this Offering Plan, and except for Sponsor, Storage Bins may not be licensed independently of the ownership of a Condominium Unit.

(2) Major Fixtures or Equipment Not Included in Offering Price

Sponsor will provide, and the Purchase Price includes a refrigerator, gas range, microwave oven, dishwasher and clothes washer and clothes dryer in each Unit.

The manufacturer, model number and specifications for the foregoing appliances and equipment are set forth in the "Description of Property." As more fully set forth under the Section entitled "Description of Property and Improvements", these fixtures, appliances and equipment are subject to change by Sponsor. Sponsor may negotiate to make modifications or changes in any Unit or to do special work therein or to provide different or additional appliances, equipment, furnishings or decorations, provided that Sponsor shall not be bound to do so unless agreed to by Sponsor in a written instrument which is incorporated as an addendum to the Purchase Agreement.

(3) Property to Comply with All Laws.

The property will be improved and the Units constructed in accordance with all applicable zoning and building laws, requirements and specify the laws and regulations that apply.

(4) Certificate of Occupancy to be obtained by Sponsor.

It is anticipated that construction of the Units in the Condominium will be completed by the First Closing Date barring any unforeseen circumstances such as possible strikes, Force Majeure, material shortages, acts of God or other unforeseen delays beyond the control of Sponsor.

Sponsor intends to convey title to Purchasers of Units in the Condominium on or about the Condominium Commencement Date.

It should be noted by Purchasers that the Closing of individual Units under the Plan may occur prior to obtaining a Permanent Certificate of Occupancy for the Buildings. If only a Temporary Certificate of Occupancy is issued by the Closing Date, Sponsor will, at Sponsor's sole cost and expense, do and perform or cause to be performed all work and supply or cause to be supplied all materials necessary to renew the Temporary Certificate of Occupancy and to obtain such Permanent Certificate of Occupancy.

Until a Permanent Certificate of Occupancy for the building in which the Unit is located has been obtained, no Unit Owner may perform work or cause work to be performed in the Unit Owner's Unit without Sponsor's prior written consent, which consent may be granted or withheld in Sponsor's sole and absolute discretion. If Sponsor shall give its written consent to such work then Sponsor shall not be released from its obligation under the Plan to renew any Temporary Certificate of Occupancy or to obtain a Permanent Certificate of Occupancy for the Building in which the Unit is located on account of any delays or impediments thereto arising as a result of the performance of such work. However, if any Unit owner performs or causes to be performed any work in his Unit without the written consent of Sponsor ("non-permitted work") and such non-permitted work prevents or delays Sponsor from obtaining, renewing or extending any temporary or Permanent Certificate of Occupancy, Sponsor shall take all reasonable measures against the Unit owner, which measures shall include, if reasonably required, the commencement of appropriate legal and/or equitable action against such Unit owner in a court of competent jurisdiction. Sponsor also has the right to enter into the Unit and perform all work necessary to obtain the Permanent Certificate of Occupancy at the sole cost and expense of the offending Unit owner in addition to all legal remedies. Sponsor shall be entitled to exercise all rights and remedies at law and in equity with respect to such Unit owner and the Unit owner's work and Sponsor shall be entitled to recover from such Unit owner any costs incurred by Sponsor (including, without limitation, court costs and reasonable attorney's fees) in enforcing such Unit owner's obligations hereunder and under the By-Laws. In no event, shall Sponsor be required to appeal any unfavorable decision rendered by a court of competent jurisdiction. In addition, an action may be brought by Sponsor against a Unit owner who violates By-Laws Article VIII – Section 7, which provides that a Unit owner is not permitted to make any structural addition, alteration or improvement to the Unit Owner's Unit without the consent of the Board of Managers, which consent may be withheld in the Board's sole discretion.

Purchasers are advised that in New York State, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and

rules. Both TCOs and FCOs are issued by the Village of North Hills Building Department ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCO's have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York State, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire building within two years from the date of the issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two year period. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing sponsor in these undertakings. Furthermore, because Sponsor and the by-laws of the condominium may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principal are obligated to procure the FCO.

(5) Amenities.

Door-staff and Concierge

There will be one concierge stationed in the Clubhouse, 24 hours a day, 7 days a week. The hours and duties of the concierge may be reduced by Sponsor until 75% of Units are sold and closed in the Condominium. However, at all times after the First Closing of a Unit in the Condominium, there will be at least one (1) concierge in the Condominium, 24 hours a day, 7 days a week.

There will be one door-staff person stationed in the lobby of the Condominium Buildings (one door-staff person of the lobby of the pair of buildings - Building 7 and 8 and one door-staff person of the lobby of the pair of buildings - Building 9 and 10). The hours and duties of the door-staff person may be reduced by Sponsor until 75% of Units are sold and closed in the Condominium in Buildings 7 and 8 and until 75% of Units are sold and closed in the Condominium in Buildings 9 and 10. There will be no door-staff person in the lobby of Building 7 and 8 until the First Closing of a Unit in Building 7 and 8. There will be no door-staff person in the lobby of Building 9 and 10 until the First Closing of a Unit in Building 9 and 10.

Elevators

There will be two (2) passenger elevators in Building 7, two (2) passenger elevators in Building 8, two (2) passenger elevators in Building 9 and two (2) passenger elevators in Building 10.

Each passenger elevator in each of the buildings will provide service from the ground level through the fifth floor of each Condominium Building. Elevators are hydraulic. One of the passenger elevators is each building will also be used as a freight elevator.

Telecommunications

The Condominium Buildings will be pre-wired for a telecommunications system which will provide cable television service and internet services to the Units. Residents will be able to subscribe for television through a conventional cable provider or a digital satellite television service ("DSTS") provider. Charges for activating cable television or DSTS service, installing and attaching appropriate receptacles, additional installations and monthly usage charges will be determined by and payable directly to the cable company or DSTS company, as applicable, by each Unit Owner subscribing to or activating such service. Each Unit will be pre-wired for high-speed internet access. Charges for internet access service will be set by the provider and paid directly by the user to the provider. Unit Owners desiring cable television or internet services must arrange with the provider to activate such services.

Mail

All incoming mail will be delivered to the Unit Owners by the United States Postal Service and deposited by its personnel into mail boxes located in the lobby of the Condominium.

Laundry

All Units will contain a clothes washer and clothes dryer. There is no common laundry room.

Refuse Disposal

The Buildings are provided with a refuse disposal system consisting of a vertical chute in a centrally located trash room at every floor. The refuse chute will terminate at the trash room located on the ground level. A private contractor will provide for the pickup of refuse from the service areas or at a location on grade to be designated by Sponsor where refuse collection areas will be located. The costs of the private contractor will be engaged by and paid for as a Common Expense of Condominium, which is common in private communities such as the Condominium.

Since the roads are private and will be owned by Association, the local municipality does not provide public refuse removal and therefore requires the Community to engage private carter services.

Intercom System

Each Unit will be equipped with an intercom telephone system which will enable the occupants to communicate directly with the concierge and/or doormen.

Smoke Detectors / Carbon Monoxide Detectors

A smoke detector and carbon monoxide detector will be provided by Sponsor in each Unit.

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D. LOCATION AND AREA INFORMATION

Location

The Condominium and Community developed on the North Shore of Long Island, New York on approximately 16 acres of prime land. Starting in 1890, Long Island's North Shore was transformed from farmland to polo fields, manicured lawns, and country estates and was nicknamed the Gold Coast. Located in close proximity to Manhattan, Long Island's famed Gold Coast once hosted the United States' largest concentration of great country estates. These palatial country homes inspired by European castles, Italian villas and French chateaux once numbered close to six hundred. By the early 20th century, North Shore estates were being designed by such renowned architects such as Walker & Gillette, Delano & Aldrich, Charles Adam Platt and Richard Morris Hunt. Millionaires such as F.W. Woolworth, Harry P. Whitney, the Guggenheims and J.P. Morgan spared no expense surrounding their great estates with such luxuries as extensive formal gardens, polo courts and elaborate pavilions[2].

The Property is located on the south side of the Long Island Expressway (Powerhouse Road) and the east side of New Hyde Park Road, in the Village of North Hills, Town of North Hempstead, County of Nassau, State of New York.

The property is bounded on the north by Powerhouse Road which is the service road to the Long Island Expressway, on the south by the Northern State Parkway, on the east by the Bristal Assisted Living Facility (An assisted living facility) and the Chatham at North Hills (A residential community), and on the West by New Hyde Park Road and the X-Cell Property.

The Condominium will be developed on a portion of the Property known as the Phase I Property.

The surrounding areas and neighborhood are composed primarily of single family homes, condominium and residential rental developments and office buildings.

To Sponsor's knowledge, there are no adjacent or nearby properties which a reasonable Purchaser would find obnoxious.

Transportation

The Long Island Rail Road has a station located at Great Neck located approximately three (3) miles from the Condominium. The Long Island Railroad runs from Penn Station in New York City to Montauk.

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[2] Wikipedia citing "Long Island". Classical Excursions. Retrieved 25 November 2012.

The N24 and N25 bus lines run along Community Drive and New Hyde Park Road. The bus lines operate to the Long Island Rail Road bus station in Great Neck.

Shopping

The Americana Manhasset is located at Searingtown Road and Northern Boulevard, approximately three (3) miles from the Condominium. The Americana Manhasset is an outdoor mall that includes Burberry, Cartier, Louis Vuitton, London Jewelers, Gap, Coach, Chanel, and many other stores. Whole Foods is also located at Northern Boulevard and Searingtown Road in Manhasset.

Roosevelt Field Shopping Mall is located approximately seven (7) miles from the Condominium. Roosevelt Field Shopping Mall is a leading American shopping mall. It is the second-largest high-end shopping mall in the state of New York (following only Destiny USA in Syracuse) and tenth in the country as measured by gross leaseable area at 2,244,581 ft² (208,528.4 m²). It is owned and managed by Simon Property Group. The mall is located in East Garden City, New York, just outside the village limits of Garden City, part of the Town of Hempstead on Long Island. The anchors of the 270-store mall are: Bloomingdale's, JCPenney, Macy's, Nordstrom, Dick's Sporting Goods, and Neiman Marcus (expected opening: 2015)[3].

Roads

Roads will be constructed as described in the Description of Property and Specifications contained in Part II, Section "II" of the Offering Plan. All of the roads in the Community will be owned by The Residences, North Hills Homeowners Association, Inc. The Residences, North Hills Homeowners Association, Inc. will be obligated to maintain all roadways.

Recreational Facilities

There will be HOA Recreational Facilities developed on the Association Common Areas as defined in the section of this Plan entitled "Definitions", set forth in Part I, Section "A" of this Plan.

Christopher Morley Park which contains a 1,603 yard, par 30 golf course is located on Searingtown Road, north of the Long Island Expressway in North Hills, New York. There are many private country clubs and golf clubs within approximately five miles from the Condominium.

Medical Facilities

Long Island Jewish Medical Center ("LIJMC"), located at 270-05 76th Avenue,

[3] Wikipedia.

New Hyde Park, New York, approximately three (3) miles from the Condominium. LIJMC is one of the clinical and academic hubs of North Shore-LIJ Health System, offering world-class cardiology, cardiac surgery, thoracic surgery, orthopaedics, head and neck oncology, urology, gynecology and vascular programs. LIJMC has a 48-acre campus with three major components: Long Island Jewish Hospital, Steven and Alexandra Cohen Children's Medical Center and The Zucker Hillside Hospital. LIJ Hospital is a 524-bed non-profit tertiary care teaching hospital serving the greater metropolitan New York area.

North Shore Hospital, which is part of the North Shore / LIJ Health System, is located at 300 Community Drive, Manhasset, New York also located approximately three (3) miles from the Condominium.

Religious

There are various denominational churches and synagogues located within three (3) miles from the Condominium.

Educational Facilities

The local elementary school will be the Parkville School, 10 Campbell Street, New Hyde Park, New York for kindergarten;

The local elementary school will be the Lakeville Elementary School, 47-27 Jayson Avenue, Great Neck, New York for Grades 1-5;

The middle school will be the Great Neck South Middle School, 349 Lakeville Road, Great Neck, New York for Grades 6-8;

The high school will be the Great Neck South High School, 341 Lakeville Road, Great Neck, New York for Grades 9-12;

Police, Fire, Water, Sanitation. Snow Removal and Road Maintenance Services

The 6th Police Precinct of the Nassau County Police Department is located at 100 Community Drive, Manhasset, New York.

The Manhasset-Lakeville Fire Department is located at 2 Community Drive East, Manhasset, New York.

The Association will maintain the roads owned by the Association.

Snow removal for the Community will be provided by a private company and paid for as part of the maintenance obligations of the Association. Snow removal includes the roads and sidewalks, if any, for the Community but does not include the

snow removal from any balcony, terrace or private patio appurtenant to a Unit, which shall be the individual responsibility of each Unit Owner.

The Buildings are provided with a refuse disposal system consisting of a vertical chute in a centrally located trash room at every floor. The refuse chute will terminate at the trash room located on the ground level. A private contractor will provide for the pickup of refuse from the service areas or at a location on grade to be designated by Sponsor where refuse collection areas will be located. The costs of the private contractor will be engaged by and paid for as a Common Expense of Condominium, which is common in private communities such as the Condominium. Since the roads are private and will be owned by Association, the local municipality does not provide public refuse removal and therefore requires the Community to engage private carter services.

Zoning

The Property has been zoned by the Village of North Hills as Residential "R-3" with an Incentive Zoning Permit (permits 15 Units per acre, among other conditions).

Options to Acquire Adjacent Areas

If the Community is built as set forth in the development plan, it will take a number of years for the construction to be completed and Unit Owners can anticipate that there will be substantial disruptions in the neighborhood which are inherent in any large scale development project.

Neither Sponsor nor Sponsor's principals own, in whole or in part, or have an option or right to acquire, in whole or in part, any adjacent areas to the community. Sponsor has the right to ultimately construct a total of 244 condominium units on the Property, but is not obligated to construct the Phase II Condominium. Sponsor reserves the right to decrease or increase the number of condominium units to be developed in the Phase I Condominium and/or the Phase II Condominium, should Governmental Authorities permit such decrease or increase in the number of condominium units.

Easements

Each Unit Owner will have an easement in common with all other Unit 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 Units and servicing his Unit. Further, each Unit Owner will have an easement for the continuance of any encroachment by his Unit on any adjoining Unit or common element now existing or which may come into existence hereafter as a result of the settling of the Units or repair or alteration of the Unit by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceeding, or by reason of an alteration made by the Board of Managers to the Common Elements so that any

such encroachment may remain undisturbed so long as the Unit stands. Each Unit will be subject to such encroachments and easements in favor of all other Units. The Board of Managers, its agents and employees shall have a right of access to the Units and the Common Elements (irrespective of the restricted nature of such Common Element) to inspect, maintain or repair the Common Elements or to make repairs to the Unit to prevent damage to the Common Elements or any other Unit. The Declaration of Covenants, Restrictions, Easements, Charges and Liens will also contain reciprocal easements between the Association, the Phase I Owner and the Phase II Owner to provide for access and maintenance of utilities and services now and hereinafter installed and to provide access and required use of such easements.

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D-1. THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION

The Association is governed by a Declaration of Covenants, Restrictions, Easements, Charges and Liens. A copy of the Declaration of Covenants, Restrictions, Easements, Charges and Liens is annexed hereto as Section "NN-1".

The Homeowners Association

There is no limit on the length of time that Sponsor may control the Board of Directors of the Association. All Units to be constructed on the Property includes all units in the two condominium organizations that may ultimately be brought into the Association, including all 244 units now anticipated. Sponsor has the right to control the Board of Directors of the Association for the period from the date of the Declaration of Covenants, Restrictions, Easements, Charges and Liens until the date on the date on which the last Unit in the Community is transferred to a Unit Owner by either the Phase I Owner or the Phase II Owner, the Association Common Areas are completed and all municipal requirements have been satisfied.

Sponsor will relinquish control of the Board of Directors of the Association upon the expiration of the Association Control Period.

In the event that Sponsor voluntarily relinquishes control of the Board of Directors before the expiration of the Association Control Period (which relinquishment of control may be revoked at any time) Sponsor reserves the right to veto any expenses other than those described in Schedule "B-1", or other than those expenses required: (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer.

Purchasers should also note that during the period of time that Sponsor retains a majority of the Board of Directors, the Homeowners individually will be unable to enforce Sponsor's obligations to the Association. Such obligations may, however, be enforced by the Board of Directors only if Sponsor allows the Board of Directors to enforce its obligations against Sponsor.

The first Board of Directors of the Association will be Scott Rechler, David Frank, Esq. and Frank Adipeitro, all of whom are affiliated with Sponsor. Scott Rechler is a principal of Sponsor. David Frank, Esq. and Frank Adipeitro are not principals of Sponsor. Mr. Rechler, Mr. Frank and Mr. Adipeitro each have a business address located at 625 RXR Plaza, Uniondale, New York 11556. Scott Rechler is the Chief Executive Officer of RXR North Hills Phase I Owner LLC and is the principal of Sponsor RXR North Hills Phase I Owner LLC. Mr. Rechler is the principal of RXR Co Realty LLC, ("RXR"). Mr. Rechler, through his entities, has been involved in the ownership, management, development and sale of real estate since the 1990's. (See also Section "Z" – Identity of Parties).

Sponsor shall have the right to substitute other persons in place of the initially designated members of the Board of Directors appointed by Sponsor. The Phase II Owner shall have the right to substitute other persons in place of the initially designated members of the Board of Directors appointed by the Phase II Owner.

The Association shall have two classes of membership interests, which shall consist of Class 1 members and Class 2 members:

Class 1 Members:

The Phase I Owner and the Phase II Owner shall each be a Class 1 member and there shall be no other members of Class 1 other than the Phase I Owner and the Phase II Owner. The Class 1 Members shall hold all voting rights and membership interests in Class 1 until the end of the Association Control Period. Class 1 shall have six (6) members on the Board of Directors, three (3) of which shall be designated by the Phase I Owner and three (3) of which shall be designated by the Phase II Owner. The Phase I Owner may collaterally assign its Class 1 membership interest in the Association to the Phase I Lender and the Phase II Owner may collaterally assign its membership interest in the Association to the Phase II Lender, in each case for so long as the mortgage loan to the Phase I Owner or the Phase II Owner, as the case may be, remains unpaid.

Class 2 Members:

After the Association Control Period, there shall be a total of six (6) directors elected by Class 2 Members on the Board of Directors. Each purchaser of a Unit in the Phase I Condominium and each purchaser of a Condominium Unit in the Phase II Condominium shall be a Class 2 Member.

The Board of Directors shall consist of six (6) members designated by the Class 1 Members until the first Annual Meeting of the Members of the Association, which shall take place within thirty (30) days after the end of the Association Control Period. Thereafter, the Board of Directors shall consist of six (6) members elected by the Class 2 Members on the following basis:

a. The owner of each Unit in the Community shall be a Member of the Association, whether such ownership is joint, in common or as tenants by the entirety;

b. Each Member is entitled to one vote. When more than one person or entity holds an interest in a Unit, the one vote attributable to such Unit shall be exercised as such persons mutually determine, and not more than one vote may be cast with respect to any unit.

Association Member Voting Rights:

Upon the expiration of the Association Control Period, there shall no longer be Class 1 members and the Board of Directors shall consist solely of the members elected by the Class 2 Members.

Within thirty days prior to the annual anniversary of the election of each Class 2 Member to the Board of Directors, a new election shall be held by the Members to elect the Board of Directors of the Association, whose respective terms shall begin on said anniversary date. No Member shall split or divide its vote on any motion, resolution or ballot. Phase I Owners and Phase II Owner shall retain the voting rights for all Unsold Units in the Phase I Condominium and the Phase II Condominium, if developed, respectively, retained in accordance with the by-laws of the Association. Members of the Board of Directors shall not be compensated for their services.

Members of the Board of Directors may be removed for cause by an affirmative vote of a majority of the Members. Officers of the Association may be removed with or without cause, at anytime, by the affirmative vote of a majority of the whole Board of Directors. If a member is removed, then the Board of Directors shall elect a new member to serve on the Board of Directors. Until such time as Sponsor and the Phase II Owner have developed the two hundred forty four (244) Units anticipated to be developed on the Property (if the Phase II Owner ultimately develops units on the Property), financial and other decisions of the Board of Directors will be decided by Sponsor and the Phase II Owner. The detailed provisions for the management of the Association are set forth in the Association by-laws set forth in this Offering Plan. The Association by-laws contain provisions, among others, dealing with the election of the Board of Directors and Association officers, powers of the Board of Directors, voting rights of Unit Owners, assessment of Association Common Maintenance Charges and management of the Association. The Association by-laws provide that the Members shall be governed by the Board of Directors, but that the Board of Directors shall have the right to designate committees or a manager to carry out such function.

It is anticipated that the First Closing will occur on or about January 1, 2016.

The Declaration of Condominium and Declaration of Covenants, Restrictions, Easements, Charges and Liens for The Residences, North Hills Homeowners Association, Inc. has been recorded in the Nassau County Clerk's Office.

The purpose of the Association, and the easements created by the declaration is to own Association property to be used by Unit Owners and to maintain Association and certain Phase I Phase and Phase II Property.

Membership in the Association is mandatory for Unit Owners.

The minimum number of condominium units that will be part of the Association will be 124 Units. The maximum number of condominium units that may be part of

the Association are anticipated to be 244, however, Sponsor reserves the right to decrease or increase the number of condominium units to be developed in the Phase I Condominium and/or the Phase II Condominium, should Governmental Authorities permit such decrease or increase in the number of condominium units. There are no time limits for Sponsor to decide to increase or decrease the number of Units to be constructed on the Property.

The Declaration of Covenants, Restrictions, Easements, Charges and Liens for The Residences, North Hills Homeowners Association, Inc. has no expiration date.

There are no restrictions on who may become a member of the Association. Notwithstanding anything contained in this offering plan, no Unit may be sold to, leased by or occupied by any individual who is required to be registered pursuant to the New York State Sex Offender Registration Act, or any federal or state laws similar thereto, or who is deemed a sex offender, sexually violent offender, predicate sex offender and/or sexual predator by any court or any Governmental Authority.

Unit Owners may not change the exterior of the Condominium Unit. Unit Owners may not landscape but may maintain plants on balconies or terraces pursuant to rules and regulations established by the Board of Managers.

There are no restrictions on occupancy density.

Any Unit Owner shall have the right to sell the Unit Owner's Unit without restriction. Notwithstanding the foregoing, prior to the closing of title to a Unit, the Purchase Agreement prohibits a contract vendee from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of a Unit for sale or lease, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion. In addition, a Purchaser may not advertise, list or sell, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion, except for hardship conditions of Purchaser, a Unit acquired from Sponsor for twelve (12) months after acquisition of such Unit (provided however, such limitation shall not apply from and after the date that Sponsor conveys title to all of the Units). Any such conveyances in violation of the foregoing will be voidable by Sponsor.

The Board of Managers has no right of first refusal.

Unit Owners may lease their Unit subject to the following rules and regulations:

(1) the lease must be in writing;
(2) the lease must be for the entire Unit;
(3) the lease must be for a minimum of six (6) months.
(4) the use of the leased Unit is subject to the Declaration and the By-Laws and the Declaration of Covenants, Restrictions, Easements, Charges and Liens and by-laws of The Residences, North Hills Homeowners Association, Inc. and the rules

and regulations of the Community;

(5) within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the Manager or if no Manager to a member of the Board of Managers;

(6) within forty-five (45) days of any renewal of a lease of a tenant, the name and telephone number of the tenant, together with a clear and complete copy of the renewal lease, must be furnished to the Manager or if no Manager to the Board of Managers for review;

(7) the Unit cannot be used as a motel or hotel or otherwise for transient tenants.

The Association roadways and a Parking Level of the Condominium shall not be used for storage or long-term parking 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. Any person parking illegally will be subject to their vehicle being towed and/or a fine.

Condominium units are for residential purposes only, and not for any business or non-residential purposes.

A Unit Owner may mortgage the Unit Owner's Unit at any time after the Unit Owner acquires title to the Unit in whatever amount and under whatever terms the Unit Owner can obtain. Any Unit Owner may upon the resale of the Unit Owner's Unit, grant a purchase money mortgage to a Purchaser of the Unit Owner's Unit. A Unit Owner may mortgage the Unit Owner's Unit only if all arrears for Common Charges and Association Common Maintenance Charges, if any, are paid in full at the closing of the mortgage.

There are no restrictions based on age or family composition.

Any land or construction loan mortgage on any part of the HOA Property and Condominium Property will be subordinate to the Declaration of Covenants, Restrictions, Easements, Charges and Liens and by-laws of The Residences, North Hills Homeowners Association, Inc.

The Association will be operated by a Board of Directors elected by the Unit Owners. It is anticipated that Ritz-Carlton will manage the Association. The members of the Association will be each Unit Owner with such membership being mandatory.

The Association was formed as a domestic non-for-profit corporation under the laws of the State of New York on December 18, 2013.

Upon the expiration of the Association Control Period, there shall no longer be Class 1 members and the Board of Directors shall consist solely of the members elected by the Class 2 Members.

Within thirty days prior to the annual anniversary of the election of each Class 2 Member to the Board of Directors, a new election shall be held by the Members to elect the Board of Directors of the Association, whose respective terms shall begin on said anniversary date. No Member shall split or divide its vote on any motion, resolution or ballot. Phase I Owners and Phase II Owner shall retain the voting rights for all Unsold Units in the Phase I Condominium and the Phase II Condominium, if developed, respectively, retained in accordance with the by-laws of the Association. Members of the Board of Directors shall not be compensated for their services.

Members of the Board of Directors may be removed for cause by an affirmative vote of a majority of the Members. Officers of the Association may be removed with or without cause, at anytime, by the affirmative vote of a majority of the whole Board of Directors. If a member is removed, then the Board of Directors shall elect a new member to serve on the Board of Directors. Until such time as Sponsor and the Phase II Owner have developed the two hundred forty four (244) Units anticipated to be developed on the Property (if the Phase II Owner ultimately develops units on the Property), financial and other decisions of the Board of Directors will be decided by Sponsor and the Phase II Owner. The detailed provisions for the management of the Association are set forth in the Association by-laws set forth in this Offering Plan. The Association by-laws contain provisions, among others, dealing with the election of the Board of Directors and Association officers, powers of the Board of Directors, voting rights of Unit Owners, assessment of Association Common Maintenance Charges and management of the Association. The Association by-laws provide that the Members shall be governed by the Board of Directors, but that the Board of Directors shall have the right to designate committees or a manager to carry out such function

Members of the Association may vote as follows: Upon the expiration of the Initial Control Period, there shall no longer be Class 1 members and the Board of Directors shall consist solely of the members elected by the Class 2 Members.

Within thirty days prior to the annual anniversary of the election of each Class 2 Member to the Board of Directors, a new election shall be held by the Members to elect the Board of Directors of the Association, whose respective terms shall begin on said anniversary date.

After the Initial Control Period, thirty percent (30%) of the Class 2 Members shall constitute a quorum for meeting and voting purposes (See Article VII of the By-Laws of the Association).

After the Initial Control Period, the By-Laws of the Association may be amended by a vote of sixty six and two thirds (66 2/3rd%) percent of the total Class 2 Members.

Each Unit Owner (one vote to a Unit) shall have one vote for each position for a Board of Director to serve on the Board of Directors of the Association.

The Declaration of Covenants, Restrictions, Easements, Charges and Liens may be amended by an instrument signed by Members holding not less than sixty six and two thirds (66 2/3rd%) percent of the then existing membership. Notwithstanding the foregoing, the Declaration of Covenants, Restrictions, Easements, Charges and Liens may be amended with the unanimous consent of the Phase I Developer and the Phase II Developer, without the consent of the Class 2 members, provided that such amendment does not materially increase the obligations or materially impair the rights of the Unit Owners other than the Phase I Developer or the Phase II Developer.

The names and business addresses of the existing officers and directors of the Association and their relationship, if any, to Sponsor, Sponsor's Principals or Sponsor's Attorney are the following:

Name: Scott Rechler
Business Address: 625 RXR Plaza, Uniondale, New York 11556

Name: David Frank
Business Address: 625 RXR Plaza, Uniondale, New York 11556

Name: Frank Adipietro
Business Address: 625 RXR Plaza, Uniondale, New York 11556

Scott Rechler is a principal of Sponsor. Mr. Frank and Mr. Adipietro have a business relationship with the Sponsor, as employees of RXR Realty LLC and/or their affiliates. Mr. Frank and Mr. Adipietro have been associated with Sponsor's principal, Scott Rechler, as employees of companies owned by and/or associated with Sponsor's principal, Scott Rechler.

For a period of time in Sponsor's sole discretion, Sponsor may choose to pay the entire actual costs of operation of the Association (payment of all items set forth in the Association Budget) in which case the Association Common Maintenance Charges will be set by the Sponsor controlled Board of Directors at zero and Unit Owners who have closed will not be required to pay Association Common Maintenance Charges until such time as Sponsor, in its sole discretion, ceases paying all of the actual Association expenses (Association Budget items) at which time all Unit Owners will begin to pay Association Common Maintenance Charges based upon the Association budget and the Unit Owner's applicable Association Common Maintenance Charges. Once Association Common Maintenance Charges are collected by the Board of Directors from any Unit Owner, Sponsor will then pay any deficiency, if any, between the actual expenses of the Association (not including reserves) and the actual funds collected by the Board of Directors from Unit Owners.

Association Common Maintenance Charges may be increased or decreased by a vote of the Board of Directors. It is anticipated that Association Common Maintenance Charges will be charged to Members monthly and payable by Members on a monthly basis.

In the event that any Unit Owner fails to make a payment of an Association Common Maintenance Charge, the Unit Owner who owns such Unit shall be obligated to pay (a) a late charge of $150.00 for such amounts which remain unpaid for more than fifteen days from their due date and (b) interest at the rate of 2% per month (but in no event in excess of the maximum rate permitted by law) on such unpaid amounts.

If an Association Common Maintenance Charge is not paid on the date when due, as fixed by the Board of Directors, then such Association Common Maintenance Charge shall become delinquent and shall, together with such late charges and interest thereon and cost of collection thereof as hereinafter provided thereupon, become a continuing lien on the Unit Owner's Unit. A delinquent Unit Owner shall be liable for all costs, disbursements and attorney's fees incurred by the Association to recover unpaid Association Common Maintenance Charges.

A lien for unpaid Association Common Maintenance Charges shall be prior to all other liens, except: (a) tax or assessment liens on the Unit by the taxing subdivision of any governmental authority, including but not limited to State, County, Village and School District taxing agencies; (b) all sums unpaid on any first mortgage of record encumbering the Unit and (c) all unpaid Common Charges of the Unit Owner to the Unit Owner's Condominium.

A Member's rights may be suspended by the Association for a period during which any Association Common Maintenance Charge remains unpaid and, for a period not to exceed thirty (30) days, for any infraction of the Association's Rules and Regulations.

After the First Closing has occurred, Sponsor's obligation for Association Common Maintenance Charges for unsold units shall be not less than an amount calculated in accordance with the following: Sponsor will be obligated for the difference between the actual Association expenses including reserves applicable to completed improvements as provided for in the Association's budget, and the Association charges levied on owners who have closed title to their Units as projected in Schedule A of the offering plan which shall be paid to the Association on a monthly basis.

The Condominium is part of an overall plot of land (hereinafter referred to as the "Community"), that is expected to be developed in two phases. The Unit Owners in the Phase I Condominium and the Phase II Condominium will also become automatic members of an Umbrella Homeowners Association to be known as The Residences, North Hills Homeowners Association, Inc. (the "Association"), as well as Unit Owners within their individual condominium. The Association will, among other

functions described below, own, operate and maintain certain Association Common Areas.

The Phase I Condominium will contain one hundred twenty four (124) Units and the Common Elements in the Phase I Condominium. The Phase II Owner anticipates developing one hundred twenty (120) condominium units on the Phase II Property. There is no guaranty that the Phase II Owner will construct the Phase II Condominium on the Phase II Property.

Subject to the Phase I Owner and the Phase II Owner's rights to subdivide and combine condominium units and to change the number of condominiums or the number of condominium units in each condominium and subject to market conditions, the Phase I Owner and the Phase II Owner may develop the Community as follows:

Sponsor intends to construct One Hundred Twenty Four (124) Units of the Phase I Property and, in connection therewith, install portions of the roadways, walkways, Parking Level, utilities and HOA Recreational Facilities in the Association Common Areas, and reserves the right to modify the plans and building layouts of the One Hundred Twenty Four (124) Units in the Phase I Condominium, which modifications shall be set forth in an amendment to this Offering Plan; provided, however, that any such modifications shall be subject to Governmental Approvals and the written consent of the Phase I Lender.

The Phase II Owner may construct up to One Hundred Twenty (120) Units in the Phase II Condominium, and reserves the right to (a) modify the plans and building layouts of the units contemplated in the Phase II Condominium, if developed, and (b) increase or decrease the number of condominium units in the Phase II Condominium, if developed, which modifications or change in the number of condominium shall be set forth in an offering plan for the Phase II Condominium or an amendment thereto; provided, however, that any such modifications or change in the number of condominium units shall be subject to Governmental Approvals and the written consent of the Phase II Lender.

Notwithstanding the foregoing, the Phase II Owner shall not be obligated to construct buildings on the Phase II Property at any specific time or at all. The Phase II Owner shall not be obligated to develop condominium units. The Phase II Property may be used for any lawful purpose and developed at any time by the Phase II Owner, provided that the Phase II Owner obtains all Governmental Approvals for such use and development.

In addition to being members of the Phase I Condominium, the Unit Owners in the Phase I Condominium will also become automatic members of Association. The Association will, among other functions described below, own, operate and maintain certain Association Common Areas.

The First Unit in the Phase I Condominium is anticipated to be completed and ready for Closing on or about the First Closing Date. It is anticipated that if constructed, the Phase II Condominium will be completed approximately on or about December 31, 2017.

The Association Common Areas conveyed to the Association consist of all of the land and improvements in all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in **Exhibit "1"** annexed hereto and made a part hereof, and the improvements which is owned by the Association consisting of the Recreational Facilities, landscaped areas, roadways, common lighting, sidewalks, common utilities, entranceways, gatehouses and perimeter fences, if any, in the Community.

The Association Common Areas will be owned by The Residences, North Hills Homeowners Association, Inc., for the benefit of the Community and will be referred to as the "Association Common Areas".

The actual time of development of the Phase I Condominium and the Association Common Areas will depend on the rate of sales and other factors that may be beyond Sponsor's control.

The Association, Inc. will own, operate, manage and control the Association Common Areas, as well as providing various services throughout the Community including but not limited to the following:

(1) Ownership, operation and maintenance of the Clubhouse and Recreational Facilities;

(2) Snow removal for all roads, sidewalks and driveways in the Community except for snow removal from any balcony, terrace or private patio, which shall be an individual responsibility of each Unit Owner;

(3) Landscape maintenance of Association Common Areas and the common elements of the Phase I Condominium and common elements of the Phase II Condominium, if developed;

(4) Repair, maintenance and replacement (if necessary) of all roads;

(5) Repair, maintenance and replacement (if necessary) of the irrigation systems;

(6) Repair, maintenance and replacement (if necessary) of the water main pipes in the Association Common Areas, if not maintained by the utility company;

(7) Repair, maintenance and replacement (if necessary) of the refuse

dumpsters, trash compactors, if any, and refuse chutes;

Although some of the above services are usually performed by the board of managers of a condominium, they may be provided by Association. See Schedule B-1 for details of the Association budget.

Upon the sale and conveyance of a Unit by Sponsor, Purchaser thereof will automatically become a "Member" of the Association (as membership is included in the price of the Unit) subject to the Association's rules and regulations and liable for its Association Common Maintenance Charges and Association Special Assessments as hereinafter provided. In the event a Member is permitted to lease or permit another to occupy the Unit Owner's Unit, the lessee or occupant shall, at the option of the Member, be permitted to enjoy the use of the Association Common Areas in lieu of and subject to the same restrictions and limitations as said Member. The Member, however, shall remain primarily liable for any Association Common Maintenance Charges and Association Special Assessments made by the Association. Sponsor shall have the right to extend similar privileges to its tenants should it be permitted to rent any Units owned by the Phase I Owner in the Condominium or by the Phase II Owner in the Phase II Condominium, if developed.

The Declaration of Covenants, Restrictions, Easements, Charges and Liens gives each Member of the Association an easement in and to the Association Common Areas for the Member and the Member's guests. Each Member is also granted easements to connect with and make use of certain utility and drainage lines. The instrument also makes provision for various easements in favor of the Association and the Phase I Owner and the Phase II Owner including, in the case of the Phase I Owner and the Phase II Owner, the retention of easements necessary for the completion of Association Common Areas and the construction and sale of condominium units in the Community. The Phase I Owner and the Phase II Owner will have the right to continue to use the Association Common Areas, including the Recreational Facilities and model units, for sales purposes, a sales office, construction offices, signs, roadways, and parking spaces located on the Phase I Property, the Phase II Property and the Association Common Areas until all the condominium units to be constructed on the Property have been sold and title has been transferred to Purchasers. Notwithstanding the foregoing, the Phase I Owner may not utilize the Phase II Property for any of the foregoing purposes and the Phase II Owner may not utilize the Phase I Property for any of the foregoing purposes.

The Declaration of Covenants, Restrictions, Easements, Charges and Liens provides that the Association shall have architectural control over any exterior addition, change or alteration to the Association Common Areas. In addition, the use of a Association Common Areas are subject to various covenants and restrictions.

Liability, fire and property insurance for the Condominium Buildings containing the individual condominium units in the Condominium and in the Phase II Condominium, if developed, are included in the Condominium Budget for the Phase I Condominium and will be included in the budget for the Phase II Condominium, if developed, as common charges of each respective condominium.

Liability, fire and property insurance for the Association Common Areas are included in the Association budget and will be paid by Members as Association Common Maintenance Charges.

The Declaration of Condominium provides for Unit Owners and Members of the Association to maintain fire, property and liability insurance for their individual Units.

The Declaration of Covenants, Restrictions, Easements, Charges and Liens does not have any provision permitting the Phase I Owner and/or the Phase II Owner to annex other real estate to become part of the Association other than the contemplated Phase I Condominium and Phase II Condominium.

(i) The Association Common Areas

The Association has been established and it owns the Association Common Areas as set forth in this Offering Plan, and upon the First Closing it will own such Association Common Areas free and clear of any lien, mortgage or other encumbrance.

Recreational Facilities on the site which are owned by and maintained by the Association are described in Part II, Section "II" of this Offering Plan.

The Association Common Areas include but are not limited to the Recreational Facilities owned by and maintained by The Residences, North Hills Homeowners Association, Inc. for recreational use by members of the Association.

E. Schedule of Offering Prices and Related Information

SCHEDULE A

Schedule of Offering Prices and Individual Unit Expenses for the First Full Year of Operations at The Residences, North Hills, Phase I Condominium

For the Period January 1, 2016 through December 31, 2016

UNIT	BED-ROOMS / BATH-ROOMS (1)	APPROX. UNIT SQUARE FOOTAGE (1)	APPROX. TERRACE / BALCONY SQUARE FOOTAGE (1)	OFFERING PRICE (2)	CONDOMINIUM % OF COMMON INTEREST (3)	EST. ANNUAL CONDOMINIUM COMMON CHARGES (4)	EST. MONTHLY CONDOMINIUM COMMON CHARGES (4)	EST. ANNUAL HOA COMMON CHARGES (4)	EST. MONTHLY HOA COMMON CHARGES (4)	EST. ANNUAL R.E. TAXES (5)	EST. MONTHLY R.E. TAXES (5)	EST. TOTAL ANNUAL CARRYING COSTS	EST. TOTAL MONTHLY CARRYING COSTS
1001	2 / 2.5	1,533	461	$ 1,300,000	0.7139%	$ 3,392	$ 283	$ 17,796	$ 1,483	$ 3,879	$ 323	$ 25,067	$ 2,089
1002	2 / 2.5	2,059	781	$ 2,250,000	0.9764%	$ 4,639	$ 387	$ 24,340	$ 2,028	$ 5,305	$ 442	$ 34,285	$ 2,857
1003	2 / 2.5	1,694	620	$ 1,550,000	0.8008%	$ 3,805	$ 317	$ 19,962	$ 1,664	$ 4,351	$ 363	$ 28,119	$ 2,343
1004	2 / 2.5	1,694	956	$ 1,550,000	0.8372%	$ 3,978	$ 331	$ 20,870	$ 1,739	$ 4,549	$ 379	$ 29,397	$ 2,450
1005	2 / 2.5	1,533	468	$ 1,350,000	0.7147%	$ 3,396	$ 283	$ 17,816	$ 1,485	$ 3,883	$ 324	$ 25,095	$ 2,091
1006	2 / 2.5	1,694	724	$ 1,550,000	0.8121%	$ 3,859	$ 322	$ 20,244	$ 1,687	$ 4,413	$ 368	$ 28,516	$ 2,376
1007	2 / 2.5	1,736	497	$ 1,950,000	0.8057%	$ 3,828	$ 319	$ 20,085	$ 1,674	$ 4,378	$ 365	$ 28,291	$ 2,358
1008	3 / 2.5	1,940	878	$ 2,300,000	0.9353%	$ 4,444	$ 370	$ 23,315	$ 1,943	$ 5,082	$ 424	$ 32,841	$ 2,737
1009	2 / 2.5	1,533	461	$ 1,300,000	0.7139%	$ 3,392	$ 283	$ 17,796	$ 1,483	$ 3,879	$ 323	$ 25,067	$ 2,089
1010	2 / 2.5	1,694	973	$ 1,500,000	0.8391%	$ 3,987	$ 332	$ 20,917	$ 1,743	$ 4,559	$ 380	$ 29,464	$ 2,455
1011	2 / 2.5	1,694	620	$ 1,500,000	0.8008%	$ 3,805	$ 317	$ 19,962	$ 1,664	$ 4,351	$ 363	$ 28,119	$ 2,343
1012	2 / 2.5	1,694	961	$ 1,500,000	0.8378%	$ 3,981	$ 332	$ 20,885	$ 1,740	$ 4,552	$ 379	$ 29,418	$ 2,451
1013	2 / 2.5	1,533	468	$ 1,300,000	0.7147%	$ 3,396	$ 283	$ 17,816	$ 1,485	$ 3,883	$ 324	$ 25,095	$ 2,091
1014	3 / 2.5	1,940	878	$ 1,950,000	0.9353%	$ 4,444	$ 370	$ 23,315	$ 1,943	$ 5,082	$ 424	$ 32,841	$ 2,737
1015	2 / 2.5	1,736	497	$ 1,750,000	0.8057%	$ 3,828	$ 319	$ 20,085	$ 1,674	$ 4,378	$ 365	$ 28,291	$ 2,358
1101	2 / 2.5	1,533	181	$ 1,200,000	0.6836%	$ 3,248	$ 271	$ 17,041	$ 1,420	$ 3,714	$ 310	$ 24,003	$ 2,000
1102	2 / 2.5	2,059	244	$ 2,150,000	0.9182%	$ 4,363	$ 364	$ 22,889	$ 1,907	$ 4,989	$ 416	$ 32,241	$ 2,687
1103	2 / 2.5	1,694	232	$ 1,450,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
1104	2 / 2.5	1,694	231	$ 1,400,000	0.7587%	$ 3,605	$ 300	$ 18,913	$ 1,576	$ 4,122	$ 344	$ 26,640	$ 2,220
1105	2 / 2.5	1,533	181	$ 1,250,000	0.6836%	$ 3,248	$ 271	$ 17,041	$ 1,420	$ 3,714	$ 310	$ 24,003	$ 2,000
1106	2 / 2.5	1,694	232	$ 1,400,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
1107	3 / 2.5	1,940	186	$ 2,250,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
1108	3 / 2.5	1,940	186	$ 2,200,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
1109	2 / 2.5	1,533	181	$ 1,200,000	0.6836%	$ 3,248	$ 271	$ 17,041	$ 1,420	$ 3,714	$ 310	$ 24,003	$ 2,000
1110	2 / 2.5	1,694	232	$ 1,350,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
1111	2 / 2.5	1,694	232	$ 1,400,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
1112	2 / 2.5	1,694	232	$ 1,350,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
1113	2 / 2.5	1,533	232	$ 1,200,000	0.6891%	$ 3,274	$ 273	$ 17,178	$ 1,432	$ 3,744	$ 312	$ 24,197	$ 2,016
1114	3 / 2.5	1,940	186	$ 1,750,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
1115	3 / 2.5	1,940	186	$ 1,750,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
1201	2 / 2.5	1,533	181	$ 1,250,000	0.6836%	$ 3,248	$ 271	$ 17,041	$ 1,420	$ 3,714	$ 310	$ 24,003	$ 2,000
1202	2 / 2.5	2,059	244	$ 2,200,000	0.9182%	$ 4,363	$ 364	$ 22,889	$ 1,907	$ 4,989	$ 416	$ 32,241	$ 2,687
1203	2 / 2.5	1,694	232	$ 1,500,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
1204	2 / 2.5	1,694	231	$ 1,450,000	0.7587%	$ 3,605	$ 300	$ 18,913	$ 1,576	$ 4,122	$ 344	$ 26,640	$ 2,220
1205	2 / 2.5	1,533	181	$ 1,300,000	0.6836%	$ 3,248	$ 271	$ 17,041	$ 1,420	$ 3,714	$ 310	$ 24,003	$ 2,000
1206	2 / 2.5	1,694	232	$ 1,450,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
1207	3 / 2.5	1,940	186	$ 2,300,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
1208	3 / 2.5	1,940	186	$ 2,250,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
1209	2 / 2.5	1,533	181	$ 1,250,000	0.6836%	$ 3,248	$ 271	$ 17,041	$ 1,420	$ 3,714	$ 310	$ 24,003	$ 2,000
1210	2 / 2.5	1,694	232	$ 1,400,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
1211	2 / 2.5	1,694	232	$ 1,450,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
1212	2 / 2.5	1,694	232	$ 1,400,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
1213	2 / 2.5	1,533	232	$ 1,250,000	0.6891%	$ 3,274	$ 273	$ 17,178	$ 1,432	$ 3,744	$ 312	$ 24,197	$ 2,016
1214	3 / 2.5	1,940	186	$ 1,800,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
1215	3 / 2.5	1,940	186	$ 1,800,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
1301	2 / 2.5	1,533	180	$ 1,400,000	0.6835%	$ 3,248	$ 271	$ 17,038	$ 1,420	$ 3,714	$ 309	$ 24,000	$ 2,000
1302	2 / 2.5	2,059	238	$ 2,500,000	0.9176%	$ 4,360	$ 363	$ 22,874	$ 1,906	$ 4,986	$ 415	$ 32,220	$ 2,685
1303	2 / 2.5	1,694	228	$ 1,700,000	0.7584%	$ 3,604	$ 300	$ 18,906	$ 1,575	$ 4,121	$ 343	$ 26,630	$ 2,219

E. Schedule of Offering Prices and Related Information

SCHEDULE A

Schedule of Offering Prices and Individual Unit Expenses for the First Full Year of Operations at The Residences, North Hills, Phase I Condominium

For the Period January 1, 2016 through December 31, 2016

UNIT	BED-ROOMS / BATH-ROOMS (1)	APPROX. UNIT SQUARE FOOTAGE (1)	APPROX. TERRACE / BALCONY SQUARE FOOTAGE (1)	OFFERING PRICE (2)	CONDOMINIUM % OF COMMON INTEREST (3)	EST. ANNUAL CONDOMINIUM COMMON CHARGES (4)	EST. MONTHLY CONDOMINIUM COMMON CHARGES (4)	EST. ANNUAL HOA COMMON CHARGES (4)	EST. MONTHLY HOA COMMON CHARGES (4)	EST. ANNUAL R.E. TAXES (5)	EST. MONTHLY R.E. TAXES (5)	EST. TOTAL ANNUAL CARRYING COSTS	EST. TOTAL MONTHLY CARRYING COSTS
1304	2 / 2.5	1,694	221	$ 1,650,000	0.7576%	$ 3,600	$ 300	$ 18,886	$ 1,574	$ 4,117	$ 343	$ 26,602	$ 2,217
1305	2 / 2.5	1,533	178	$ 1,450,000	0.6833%	$ 3,247	$ 271	$ 17,033	$ 1,419	$ 3,713	$ 309	$ 23,993	$ 1,999
1306	2 / 2.5	1,694	231	$ 1,650,000	0.7587%	$ 3,605	$ 300	$ 18,913	$ 1,576	$ 4,122	$ 344	$ 26,640	$ 2,220
1307	3 / 2.5	1,940	185	$ 2,500,000	0.8603%	$ 4,088	$ 341	$ 21,446	$ 1,787	$ 4,675	$ 390	$ 30,208	$ 2,517
1308	3 / 2.5	1,940	182	$ 2,900,000	0.8600%	$ 4,086	$ 341	$ 21,438	$ 1,787	$ 4,673	$ 389	$ 30,197	$ 2,516
1309	2 / 2.5	1,533	180	$ 1,400,000	0.6835%	$ 3,248	$ 271	$ 17,038	$ 1,420	$ 3,714	$ 309	$ 24,000	$ 2,000
1310	2 / 2.5	1,694	231	$ 1,600,000	0.7587%	$ 3,605	$ 300	$ 18,913	$ 1,576	$ 4,122	$ 344	$ 26,640	$ 2,220
1311	2 / 2.5	1,694	228	$ 1,600,000	0.7584%	$ 3,604	$ 300	$ 18,906	$ 1,575	$ 4,121	$ 343	$ 26,630	$ 2,219
1312	2 / 2.5	1,694	224	$ 1,600,000	0.7580%	$ 3,602	$ 300	$ 18,896	$ 1,575	$ 4,119	$ 343	$ 26,616	$ 2,218
1313	2 / 2.5	1,533	178	$ 1,400,000	0.6833%	$ 3,247	$ 271	$ 17,033	$ 1,419	$ 3,713	$ 309	$ 23,993	$ 1,999
1314	3 / 2.5	1,940	182	$ 2,900,000	0.8600%	$ 4,086	$ 341	$ 21,438	$ 1,787	$ 4,673	$ 389	$ 30,197	$ 2,516
1315	3 / 2.5	1,940	182	$ 2,500,000	0.8600%	$ 4,086	$ 341	$ 21,438	$ 1,787	$ 4,673	$ 389	$ 30,197	$ 2,516
2001	2 / 2.5	2,133	614	$ 2,750,000	0.9903%	$ 4,705	$ 392	$ 24,686	$ 2,057	$ 5,381	$ 448	$ 34,773	$ 2,898
2002	2+ / 2.5	2,085	986	$ 2,850,000	1.0099%	$ 4,799	$ 400	$ 25,175	$ 2,098	$ 5,487	$ 457	$ 35,461	$ 2,955
2003	2 / 2.5	1,694	630	$ 1,800,000	0.8019%	$ 3,810	$ 318	$ 19,990	$ 1,666	$ 4,357	$ 363	$ 28,157	$ 2,346
2004	2 / 2.5	1,694	957	$ 1,850,000	0.8373%	$ 3,978	$ 332	$ 20,872	$ 1,739	$ 4,550	$ 379	$ 29,400	$ 2,450
2005	2 / 2.5	1,694	314	$ 1,800,000	0.7677%	$ 3,648	$ 304	$ 19,137	$ 1,595	$ 4,171	$ 348	$ 26,956	$ 2,246
2006	2 / 2.5	1,694	870	$ 1,850,000	0.8279%	$ 3,934	$ 328	$ 20,638	$ 1,720	$ 4,498	$ 375	$ 29,070	$ 2,423
2007	2 / 2.5	1,736	501	$ 1,950,000	0.8062%	$ 3,831	$ 319	$ 20,097	$ 1,675	$ 4,381	$ 365	$ 28,308	$ 2,359
2008	3 / 2.5	1,940	865	$ 2,950,000	0.9339%	$ 4,437	$ 370	$ 23,280	$ 1,940	$ 5,074	$ 423	$ 32,792	$ 2,733
2009	2 / 2.5	2,106	530	$ 2,400,000	0.9695%	$ 4,607	$ 384	$ 24,168	$ 2,014	$ 5,268	$ 439	$ 34,042	$ 2,837
2010	2+ / 2.5	2,085	1,011	$ 2,650,000	1.0126%	$ 4,811	$ 401	$ 25,242	$ 2,104	$ 5,502	$ 459	$ 35,556	$ 2,963
2011	2 / 2.5	1,694	610	$ 1,650,000	0.7998%	$ 3,800	$ 317	$ 19,938	$ 1,661	$ 4,346	$ 362	$ 28,084	$ 2,340
2012	2 / 2.5	1,694	582	$ 1,650,000	0.7967%	$ 3,786	$ 315	$ 19,860	$ 1,655	$ 4,329	$ 361	$ 27,975	$ 2,331
2013	2 / 2.5	1,533	461	$ 1,600,000	0.7139%	$ 3,392	$ 283	$ 17,796	$ 1,483	$ 3,879	$ 323	$ 25,067	$ 2,089
2014	2 / 2.5	1,533	780	$ 1,450,000	0.7484%	$ 3,556	$ 296	$ 18,656	$ 1,555	$ 4,067	$ 339	$ 26,279	$ 2,190
2015	2 / 2.5	1,736	497	$ 1,950,000	0.8057%	$ 3,828	$ 319	$ 20,085	$ 1,674	$ 4,378	$ 365	$ 28,291	$ 2,358
2016	3 / 2.5	1,940	887	$ 2,500,000	0.9363%	$ 4,449	$ 371	$ 23,340	$ 1,945	$ 5,087	$ 424	$ 32,877	$ 2,740
2101	2+ / 2.5	2,133	177	$ 2,650,000	0.9430%	$ 4,481	$ 373	$ 23,507	$ 1,959	$ 5,124	$ 427	$ 33,112	$ 2,759
2102	2+ / 2.5	2,085	181	$ 2,700,000	0.9227%	$ 4,384	$ 365	$ 23,001	$ 1,917	$ 5,014	$ 418	$ 32,399	$ 2,700
2103	2 / 2.5	1,694	232	$ 1,700,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
2104	2 / 2.5	1,694	234	$ 1,700,000	0.7591%	$ 3,607	$ 301	$ 18,923	$ 1,577	$ 4,125	$ 344	$ 26,655	$ 2,221
2105	2 / 2.5	1,694	197	$ 1,700,000	0.7550%	$ 3,587	$ 299	$ 18,821	$ 1,568	$ 4,102	$ 342	$ 26,511	$ 2,209
2106	2 / 2.5	1,694	232	$ 1,700,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
2107	3 / 2.5	1,940	186	$ 2,750,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
2108	3 / 2.5	1,940	186	$ 2,750,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
2109	2 / 2.5	1,966	192	$ 2,300,000	0.8723%	$ 4,145	$ 345	$ 21,745	$ 1,812	$ 4,740	$ 395	$ 30,629	$ 2,552
2110	2+ / 2.5	2,085	181	$ 2,500,000	0.9227%	$ 4,384	$ 365	$ 23,001	$ 1,917	$ 5,014	$ 418	$ 32,399	$ 2,700
2111	2 / 2.5	1,694	232	$ 1,550,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
2112	2 / 2.5	1,694	232	$ 1,500,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
2113	2 / 2.5	1,533	181	$ 1,500,000	0.6836%	$ 3,248	$ 271	$ 17,041	$ 1,420	$ 3,714	$ 310	$ 24,003	$ 2,000
2114	2 / 2.5	1,533	181	$ 1,350,000	0.6836%	$ 3,248	$ 271	$ 17,041	$ 1,420	$ 3,714	$ 310	$ 24,003	$ 2,000
2115	3 / 2.5	1,940	186	$ 2,750,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
2116	3 / 2.5	1,940	186	$ 2,400,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
2201	2+ / 2.5	2,133	177	$ 2,700,000	0.9430%	$ 4,481	$ 373	$ 23,507	$ 1,959	$ 5,124	$ 427	$ 33,112	$ 2,759
2202	2+ / 2.5	2,085	181	$ 2,750,000	0.9227%	$ 4,384	$ 365	$ 23,001	$ 1,917	$ 5,014	$ 418	$ 32,399	$ 2,700
2203	2 / 2.5	1,694	232	$ 1,750,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
2204	2 / 2.5	1,694	234	$ 1,750,000	0.7591%	$ 3,607	$ 301	$ 18,923	$ 1,577	$ 4,125	$ 344	$ 26,655	$ 2,221

E. Schedule of Offering Prices and Related Information

SCHEDULE A

Schedule of Offering Prices and Individual Unit Expenses for the First Full Year of Operations at The Residences, North Hills, Phase I Condominium

For the Period January 1, 2016 through December 31, 2016

UNIT	BED-ROOMS / BATH-ROOMS (1)	APPROX. UNIT SQUARE FOOTAGE (1)	APPROX. TERRACE / BALCONY SQUARE FOOTAGE (1)	OFFERING PRICE (2)	CONDOMINIUM % OF COMMON INTEREST (3)	EST. ANNUAL CONDOMINIUM COMMON CHARGES (4)	EST. MONTHLY CONDOMINIUM COMMON CHARGES (4)	EST. ANNUAL HOA COMMON CHARGES (4)	EST. MONTHLY HOA COMMON CHARGES (4)	EST. ANNUAL R.E. TAXES (5)	EST. MONTHLY R.E. TAXES (5)	EST. TOTAL ANNUAL CARRYING COSTS	EST. TOTAL MONTHLY CARRYING COSTS
2205	2 / 2.5	1,694	197	$ 1,750,000	0.7550%	$ 3,587	$ 299	$ 18,821	$ 1,568	$ 4,102	$ 342	$ 26,511	$ 2,209
2206	2 / 2.5	1,694	232	$ 1,750,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
2207	3 / 2.5	1,940	186	$ 2,800,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
2208	3 / 2.5	1,940	186	$ 2,800,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
2209	2 / 2.5	1,966	192	$ 2,350,000	0.8723%	$ 4,145	$ 345	$ 21,745	$ 1,812	$ 4,740	$ 395	$ 30,629	$ 2,552
2210	2+ / 2.5	2,085	181	$ 2,550,000	0.9227%	$ 4,384	$ 365	$ 23,001	$ 1,917	$ 5,014	$ 418	$ 32,399	$ 2,700
2211	2 / 2.5	1,694	232	$ 1,600,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
2212	2 / 2.5	1,694	232	$ 1,550,000	0.7588%	$ 3,605	$ 300	$ 18,916	$ 1,576	$ 4,123	$ 344	$ 26,644	$ 2,220
2213	2 / 2.5	1,533	181	$ 1,550,000	0.6836%	$ 3,248	$ 271	$ 17,041	$ 1,420	$ 3,714	$ 310	$ 24,003	$ 2,000
2214	2 / 2.5	1,533	181	$ 1,400,000	0.6836%	$ 3,248	$ 271	$ 17,041	$ 1,420	$ 3,714	$ 310	$ 24,003	$ 2,000
2215	3 / 2.5	1,940	186	$ 2,800,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
2216	3 / 2.5	1,940	186	$ 2,450,000	0.8604%	$ 4,088	$ 341	$ 21,448	$ 1,787	$ 4,675	$ 390	$ 30,212	$ 2,518
2301	2+ / 2.5	2,133	181	$ 2,950,000	0.9435%	$ 4,483	$ 374	$ 23,520	$ 1,960	$ 5,127	$ 427	$ 33,129	$ 2,761
2302	2+ / 2.5	2,085	184	$ 2,950,000	0.9230%	$ 4,386	$ 365	$ 23,009	$ 1,917	$ 5,015	$ 418	$ 32,410	$ 2,701
2303	2 / 2.5	1,694	226	$ 1,950,000	0.7582%	$ 3,603	$ 300	$ 18,901	$ 1,575	$ 4,120	$ 343	$ 26,623	$ 2,219
2304	2 / 2.5	1,694	228	$ 1,950,000	0.7584%	$ 3,604	$ 300	$ 18,906	$ 1,575	$ 4,121	$ 343	$ 26,630	$ 2,219
2305	2 / 2.5	1,694	199	$ 1,950,000	0.7553%	$ 3,589	$ 299	$ 18,828	$ 1,569	$ 4,104	$ 342	$ 26,521	$ 2,210
2306	2 / 2.5	1,694	226	$ 1,950,000	0.7582%	$ 3,603	$ 300	$ 18,901	$ 1,575	$ 4,120	$ 343	$ 26,623	$ 2,219
2307	3 / 2.5	1,940	182	$ 3,500,000	0.8600%	$ 4,086	$ 341	$ 21,438	$ 1,787	$ 4,673	$ 389	$ 30,197	$ 2,516
2308	3 / 2.5	1,940	182	$ 3,500,000	0.8600%	$ 4,086	$ 341	$ 21,438	$ 1,787	$ 4,673	$ 389	$ 30,197	$ 2,516
2309	2 / 2.5	1,966	186	$ 2,650,000	0.8717%	$ 4,142	$ 345	$ 21,730	$ 1,811	$ 4,736	$ 395	$ 30,608	$ 2,551
2310	2+ / 2.5	2,085	184	$ 2,750,000	0.9230%	$ 4,386	$ 365	$ 23,009	$ 1,917	$ 5,015	$ 418	$ 32,410	$ 2,701
2311	2 / 2.5	1,694	227	$ 1,800,000	0.7583%	$ 3,603	$ 300	$ 18,903	$ 1,575	$ 4,120	$ 343	$ 26,626	$ 2,219
2312	2 / 2.5	1,694	231	$ 1,750,000	0.7587%	$ 3,605	$ 300	$ 18,913	$ 1,576	$ 4,122	$ 344	$ 26,640	$ 2,220
2313	2 / 2.5	1,533	178	$ 1,700,000	0.6833%	$ 3,247	$ 271	$ 17,033	$ 1,419	$ 3,713	$ 309	$ 23,993	$ 1,999
2314	2 / 2.5	1,533	178	$ 1,550,000	0.6833%	$ 3,247	$ 271	$ 17,033	$ 1,419	$ 3,713	$ 309	$ 23,993	$ 1,999
2315	3 / 2.5	1,940	182	$ 3,500,000	0.8600%	$ 4,086	$ 341	$ 21,438	$ 1,787	$ 4,673	$ 389	$ 30,197	$ 2,516
2316	3 / 2.5	1,940	182	$ 3,500,000	0.8600%	$ 4,086	$ 341	$ 21,438	$ 1,787	$ 4,673	$ 389	$ 30,197	$ 2,516
Total Residential	**124**	**220,820**	**40,242**	**$ 242,050,000**	**100.0000%**	**$ 475,153**	**$ 39,596**	**$ 2,492,818**	**$ 207,735**	**$ 543,361**	**$ 45,280**	**$ 3,511,332**	**$ 292,611**
Storage Unit No.1	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.2	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.3	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.4	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.5	n/a	35	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.6	n/a	33	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.7	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.8	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.9	n/a	25	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.10	n/a	25	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.11	n/a	25	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.12	n/a	25	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.13	n/a	25	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.14	n/a	25	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.15	n/a	25	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.16	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.17	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.18	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

E. Schedule of Offering Prices and Related Information

SCHEDULE A

Schedule of Offering Prices and Individual Unit Expenses for the First Full Year of Operations at The Residences, North Hills, Phase I Condominium

For the Period January 1, 2016 through December 31, 2016

UNIT	BED-ROOMS / BATH-ROOMS (1)	APPROX. UNIT SQUARE FOOTAGE (1)	APPROX. TERRACE / BALCONY SQUARE FOOTAGE (1)	OFFERING PRICE (2)	CONDOMINIUM % OF COMMON INTEREST (3)	EST. ANNUAL CONDOMINIUM COMMON CHARGES (4)	EST. MONTHLY CONDOMINIUM COMMON CHARGES (4)	EST. ANNUAL HOA COMMON CHARGES (4)	EST. MONTHLY HOA COMMON CHARGES (4)	EST. ANNUAL R.E. TAXES (5)	EST. MONTHLY R.E. TAXES (5)	EST. TOTAL ANNUAL CARRYING COSTS	EST. TOTAL MONTHLY CARRYING COSTS
Storage Unit No.19	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.20	n/a	35	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.21	n/a	33	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.22	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.23	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.24	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.25	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.26	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.27	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.28	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.29	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.30	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.31	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.32	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.33	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.34	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.35	n/a	35	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.36	n/a	33	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.37	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.38	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.39	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.40	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.41	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.42	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.43	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.44	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.45	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.46	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.47	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.48	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.49	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.50	n/a	35	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.51	n/a	33	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.52	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.53	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.54	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.55	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.56	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.57	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.58	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.59	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.60	n/a	28	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.61	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.62	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.63	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.64	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.65	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.66	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

E. Schedule of Offering Prices and Related Information

SCHEDULE A

Schedule of Offering Prices and Individual Unit Expenses for the First Full Year of Operations at The Residences, North Hills, Phase I Condominium

For the Period January 1, 2016 through December 31, 2016

UNIT	BED-ROOMS / BATH-ROOMS (1)	APPROX. UNIT SQUARE FOOTAGE (1)	APPROX. TERRACE / BALCONY SQUARE FOOTAGE (1)	OFFERING PRICE (2)	CONDOMINIUM % OF COMMON INTEREST (3)	EST. ANNUAL CONDOMINIUM COMMON CHARGES (4)	EST. MONTHLY CONDOMINIUM COMMON CHARGES (4)	EST. ANNUAL HOA COMMON CHARGES (4)	EST. MONTHLY HOA COMMON CHARGES (4)	EST. ANNUAL R.E. TAXES (5)	EST. MONTHLY R.E. TAXES (5)	EST. TOTAL ANNUAL CARRYING COSTS	EST. TOTAL MONTHLY CARRYING COSTS
Storage Unit No.67	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.68	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.69	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.70	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.71	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.72	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.73	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.74	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.75	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.76	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.77	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.78	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.79	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.80	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.81	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.82	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.83	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.84	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.85	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.86	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.87	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.88	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.89	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.90	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.91	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.92	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.93	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.94	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.95	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.96	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.97	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.98	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.99	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.100	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.101	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.102	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.103	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.104	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.105	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.106	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.107	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.108	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.109	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.110	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.111	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.112	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.113	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.114	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

E. Schedule of Offering Prices and Related Information

SCHEDULE A

Schedule of Offering Prices and Individual Unit Expenses for the First Full Year of Operations at The Residences, North Hills, Phase I Condominium

For the Period January 1, 2016 through December 31, 2016

UNIT	BED-ROOMS / BATH-ROOMS (1)	APPROX. UNIT SQUARE FOOTAGE (1)	APPROX. TERRACE / BALCONY SQUARE FOOTAGE (1)	OFFERING PRICE (2)	CONDOMINIUM % OF COMMON INTEREST (3)	EST. ANNUAL CONDOMINIUM COMMON CHARGES (4)	EST. MONTHLY CONDOMINIUM COMMON CHARGES (4)	EST. ANNUAL HOA COMMON CHARGES (4)	EST. MONTHLY HOA COMMON CHARGES (4)	EST. ANNUAL R.E. TAXES (5)	EST. MONTHLY R.E. TAXES (5)	EST. TOTAL ANNUAL CARRYING COSTS	EST. TOTAL MONTHLY CARRYING COSTS
Storage Unit No.115	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.116	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.117	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.118	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.119	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.120	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.121	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.122	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.123	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storage Unit No.124	n/a	20	n/a	$ 20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Storage	**124**	**2,793**		**$ 2,480,000**									
TOTAL RESIDENTIAL + STORAGE	**248**	**223,613**	**40,242**	**$ 244,530,000**	**100.0000%**	**$ 475,153**	**$ 39,596**	**$ 2,492,818**	**$ 207,735**	**$ 543,361**	**$ 45,280**	**$ 3,511,332**	**$ 292,611**

"+" at bedroom count indicates den

FOOTNOTES TO SCHEDULE A

The amounts set forth in Schedule A are projected based on the assumption that the First Year of Operations will begin on Condominium Commencement Date. The actual First Year of Operations may begin earlier or later than the projected date.

(1) The room count has been based upon a zoning room count and is the room count for each particular Unit. See the Floor Plans in Part "II", Section "II" of this Offering Plan for complete details of each Condominium Unit. the approximate floor area of each Condominium Unit is measured as follows: (a) from the exterior side of the exterior building walls to the centerline of the interior walls and partitions separating the Unit from adjacent units, stairs, elevators, or any other common elements, and to the corridor side of the wall between the Unit and the public / service corridor; and (b) vertically from the lower surface of the concrete slab or sub-floor forming the floor of the Unit up to the exterior surface of the sheetrock or other material forming the ceiling of the Unit. Columns, pipe chases and mechanical shafts are not deducted for the purpose of floor area measurements and (b) vertically (ceiling heights) from the lower surface e of the concrete slab or sub-floor forming the floor of the Unit up to the exterior surface of the sheetrock or other material forming the ceiling of the Unit. The square footage set forth in the offering plan exceeds the actual usable floor area of the Unit.

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall within a room or space. Sponsor reserves the right to make changes due to field conditions in accordance with the Offering Plan.

As is often the case in New York, these square foot areas may significantly exceed the usable floor area of each Unit and include columns, mechanical pipes shafts, shaftways, chases, chaseways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area. The clearance between the top of the floor slab and the bottom of the finished ceiling in the Units will generally be no less than approximately 9'6". However, certain Units may have less clearance and certain rooms within other Units may have a lesser clearance as the result of construction variances or the presence of beams, ducts, and mechanical spaces in such Units. Ceiling heights in kitchens, bathrooms and hallways are typically lower than other areas of the Units.

(2) No change in the sales price will be made other than pursuant to a duly filed amendment, except that Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the offering where a reduction in sales price does not constitute a general offering but is rather the result of an individually negotiated Unit purchase. Purchasers will be responsible for Closing costs in addition to the Purchase Price.

(3) The percentage of Common Interest for each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit pursuant to Real Property Law Section 339(i)(1)(iv).

(4) Condominium Common Charges and Association Common Maintenance Charges have been estimated by Sponsor and include fire and commercial general liability insurance for the Condominium Buildings and Common Elements of the Condominium as well as the Association Common Areas. The condominium budget also includes maintenance and operation of the Common Elements. See Schedule B for the estimated first year budget of the Condominium and Schedule B-1 for the estimated first year budget of the Association. Common Charges and Association Common Maintenance Charges exclude, for example, repair and decoration to the inside of a Unit, utilities for each Unit and insurance for personal belongings. See Schedule C for estimated heating and electrical costs for each model type Unit. Estimates are based on First Year of Operations beginning on the Condominium Commencement Date and are only an estimate of the receipts and expenses and may be greater or less than the estimates set forth in the budgets.

(5) Real estate tax estimates are based upon an opinion letter dated January 10, 2014 from Cronin, Cronin, Harris & O'Brien, P.C., Attorneys at Law, 333 Earle Ovington Boulevard, Suite 820, Uniondale, New York 11553 based on analysis prepared by Standard Valuation Services, 27 East Jericho Turnpike, Mineola, New York 11501. Cronin, Cronin, Harris & O'Brien, P.C. has stated that once the Units are completed, the Units will be classified as Class II property on the Nassau County Real Estate Tax Rolls.

The projected assessed valuation for the 2015/16 tax year for the Phase I Property is $66,143. The projected tax rate for the 2015/16 tax year for the Phase I Property is $569.023 per $100 of assessed value for school taxes and $252.472 per $100 of assessed value for general taxes.

The projected assessed valuation for the 2016/17 tax year for the Phase I Property is $236,791. The projected tax rate for the 2015/16 tax year for the Phase I Property is $357.335 per $100 of assessed value for school taxes and $156.232 per $100 of assessed value for general taxes.

The projected assessed valuation for the 2017/18 tax year for the Phase I Property is $320,000. The projected tax rate for the 2017/18 tax year for the Phase I Property is $375.202 per $100 of assessed value for school taxes and $164.044 per $100 of assessed value for general taxes.

The approximate date of substantial completion of construction of the Phase I Condominium is December 31, 2015.

The real estate taxes estimated for the First Year of Operations is set forth in Schedule "A" of this Offering Plan.

After the Condominium is divided into individual tax lots, each Unit will be assessed as a separate tax lot, for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any liens arising from the non-payment of taxes on other Units.

No representation or warranty is made that the actual assessed valuation will be as projected above, or that the projected tax rate will not change. In no event will Sponsor, Sponsor's Counsel, or any offeror hereunder be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind his Purchase Agreement, in the event the actual taxes differ from those projected.

Sponsor has been advised that pursuant to the provisions of the Internal Revenue Code of 1986, the real estate taxes payable by a Unit Owner which are assessed against the Unit Owner's Unit by any governmental taxing authority, are a proper deduction in connection with Federal and State Income Taxes payable by such Unit Owner. However, Purchasers should note that any projected tax deduction (where applicable) may vary in future years due to changes in the interest rate on the Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes, or from changes in the assessed value, the tax rate or the method of assessing real property. Sponsor makes no representations, warranties or guaranties as to Purchasers' ability to deduct real estate taxes paid for any Unit for income tax purposes.

See Part I, Section "T" for a full discussion of the real estate taxes applicable to the Units.

NO WARRANTY, GUARANTY OR ASSURANCE IS GIVEN AS TO:

(a) Any projected or estimated amount set forth above including, without limitation, the estimates of the Phase I Property, Association Common Area or Units' assessed valuations, tax rates or tax amounts during the First Year of Operations, the estimates of the portions of such assessed valuations that will be allocable to the Condominium Units and the projections of the average real estate tax rate that will be in effect during such first or subsequent year of condominium operations and/or the rate of construction progress of the Association Common Areas or the Units;

(b) The figures or methods that the Nassau County Tax Assessor will use to allocate the Property's, the Phase I Property's or the Association Common Areas aggregate assessed valuation between the Units and the Association Common Areas or the aggregate assessed valuation attributable to the Units among the different Units as described in this Offering Plan; and

(c) The accuracy of any of the projections or estimates made in this Offering Plan and in Schedule A;

If the applicable Governmental Authority does not subdivide or apportion the real estate taxes prior to the First Closing and/or if the applicable Governmental Authority does not issue for real estate taxes for each Unit prior to the First Closing, then, the real estate taxes for the Condominium Units, prior to the applicable Governmental Authority issuing bills for real estate taxes for each Unit, will be determined by multiplying the total real estate tax assessed for the Phase I Property for the applicable tax year by the percentage of Common Interest of each particular Condominium Unit. At each Closing, each Unit Owner will be required to pay their proportionate share of the real estate taxes based on the foregoing until such time as the real estate taxes have been apportioned to each individual Condominium Unit by the applicable taxing authority and individual bills for real estate taxes are issued by the applicable Governmental Authority.

The Unit Owner shall pay to Sponsor or to the Board of Managers, as the case may be, its proportionate share if Sponsor or the Board of Managers has or will advance any sums for real estate taxes on behalf of all Unit Owners, with such sums due from a Unit Owner on the date of the Closing for such Unit Owner's Unit to the end of the period of time which Sponsor or Board of Managers will or has paid the applicable real estate taxes. Unit Owners shall also pay at the Closing their proportionate share of real estate taxes for the next tax period if the applicable Governmental Authority does not subdivide or apportion the real estate taxes prior to the First Closing and/or if the applicable Governmental Authority does not issue for real estate taxes for each Unit prior to the First Closing.

The projection and estimates of the real estate taxes and assessed valuations as used in this Offering Plan that will be payable for each of the Units during the projected First Year of Operations is based upon an opinion letter dated January 10, 2014 prepared by Cronin, Cronin, Harris & O'Brien, P.C., Attorneys at Law, 333 Earle Ovington Boulevard, Suite 820, Uniondale, New York 11553, real estate consultant ("Real Estate Tax Consultant").

Tax Implications of the Condominium and Unit Owners.

Purchasers are advised to review Sponsor's Opinion of Counsel, Part I, Section "V" of this Offering Plan which discusses the tax implications of the Condominium.

Sponsor makes no projections of income tax deductions for real estate taxes or mortgage interest expenses, and Sponsor recommends that Purchasers rely only on their own tax professional for advice as to projecting or anticipating income tax deductions for real estate taxes or mortgage interest expenses associated with the purchase of a Condominium Unit.

No Mortgage Contingency:

Sponsor is not offering or procuring mortgage financing for Purchaser(s). The Purchase Agreement is not conditioned upon a Purchaser securing mortgage financing. If a Purchaser wishes to obtain mortgage financing, obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will Sponsor be obligated to return a Purchaser's Down Payment in the event a Purchaser is unable to obtain a mortgage. The Purchase Agreement will remain in full force, and effect and Purchaser will be obligated to pay the balance of the Purchase Price at Closing regardless of the availability of financing. In the event a Purchaser does not close title to the Unit as a result of Purchaser's inability to obtain a mortgage, the Down Payment plus the cost of any custom work ordered, will be retained by Sponsor as liquidated damages or alternatively, Sponsor may seek specific performance and require purchaser to close on the Unit and pay the balance of the Purchase Price plus adjustments.

The projected monthly carrying charges set forth in Schedule A do not include costs for mortgages or financing. In the event a Purchaser obtains a mortgage, Purchaser's monthly carrying charges will increase. Any Purchaser who applies for a mortgage from a lending institution should check with that institution as to the monthly mortgage costs as well as any closing costs that Purchaser will be obligated to pay the lending institution.

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F. BUDGET FOR FIRST YEAR OF OPERATIONS

The Residences, North Hills Phase I Condominium

SCHEDULE B

January 1, 2016 to December 31, 2016

	PROJECTED INCOME:
Common Charges (Note "1")	$475,153
Commercial Income (Note "2")	$ - 0 -
Total Projected Income	**$475,153**

PROJECTED EXPENSES:

Labor (Note "3")	$ - 0 -
Heating (Note "4")	$ 86,479
Utilities (Electric) (Note "5")	$121,429
Water charges and sewer rents (Note "6")	$ 93,792
Repairs, Maintenance & Supplies (Note "7")	$120,184
Service Contracts (Note "8")	$ - 0 -
Insurance (Note "9")	$ - 0 -
Management Fees (Note "10")	$ 37,200
Legal Fees and Audit Fees (Note "11")	$ - 0 -
Contingency (Note "12")	$ 16,069
Total Disbursements	**$475,153**

FOOTNOTES TO SCHEDULE B

The projections set forth in:

Footnotes (1) through (12) of this Schedule B were made by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for condominium projects and whose qualifications are set forth in the CERTIFICATION BY SPONSOR'S EXPERT CONCERNING THE OF ADEQUACY OF OPERATING BUDGET.

Amounts are projected on the assumption that the First Year of Operations will be the twelve month period beginning on the Condominium Commencement Date. The actual First Year of Operations may be earlier or later than the aforesaid twelve month period.

If the actual or anticipated date of commencement of condominium operation is to be delayed more than six months from the budget year projected in the Offering plan, the Plan must be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by 25 percent or more, Sponsor must offer all Purchasers the right to rescind and a reasonable period of time that is not less than 15 days after the date of presentation to exercise the right, whether or not Sponsor offers to guarantee the previous budget projection. Sponsor must return any Down Payment to purchasers who rescind within a reasonable period of time. Sponsor may not declare a plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Offering Plan.

(1) Common Charges - $475,153

The estimates of income and operating expenses have been made by Sponsor's Expert Concerning the adequacy of operating budget based upon the income and expenses of comparable developments in the New York City Metropolitan Area. It cannot be construed as an assurance of the final expenses and is merely based upon information available at this time.

(2) Commercial Income

There is no commercial income anticipated.

(3) Labor - $0

No funds have been budgeted for direct employees of the Condominium. All services of the Condominium will be contracted for and performed by the ASSOCIATION. This does not violate any applicable housing or labor laws for the Condominium.

(4) Heating costs - $86,479

Heating for Common Elements, including the hallways, lobby and Parking Level of the Condominium Buildings are paid for by Unit Owners through Common Charges.

Heating for Common Elements will be provided by gas supplied by National Grid and paid by Unit Owners through the payment of Common Charges. The cost per therm for gas is anticipated to be $1.25 per therm, based on the current tariff, and the quantity of gas to be used by the Condominium is estimated to be 62,751 therms for the First Year of Operations. The estimates provided herein were provided by Edwards and Zuck Consulting Engineers, 330 West 42nd Street, New York, New York 10036.

The budget sum of $86,479 is inclusive of sales tax and includes an inflation factor of 10%.

Each individual Condominium unit will have its own gas meter for consumption of gas for heating, hot water, cooking purposes, gas for a clothing dryer and gas for a fireplace (if any). Each Unit Owner must make arrangements with the utility company to obtain gas service.

It is not possible to predict how closely the budgeted figure will reflect the actual cost of gas for heating and fireplace (if any in Common Elements) during the First Year of Operations because such cost will vary with the level of consumption and the price of gas. Consumption will be affected by the severity of the weather and by the conservation measures adopted by the Condominium Board and the Unit Owners.

The projected costs of gas for the Unit Owners are listed in Schedule C.

(5) Utilities (Electric) - $121,429

Electricity will be used for lighting and power.

There will be one or more common electric meters to measure consumption of electricity usage for the Common Elements of the Condominium to be paid by the Condominium as a Common Expense paid by Unit Owners through Common Charges.

The common electric meter will meter electricity consumed for Common Elements, including but not limited to public interior lighting, lighting in the Parking Level, elevators, exterior lighting, fans and pumps.

Air conditioning and electric for lighting and power in each individual Condominium Unit is provided by electricity. There will be separate electric meters for each Condominium Unit to measure electricity usage by each Unit Owner and each

Unit Owner will be responsible for arranging for electricity service and for paying for all electricity from the local electric service provider. At the present time, PSEG Long Island is anticipated to be the provider of electricity to the Units.

The projection for the electricity usage is based upon estimates provided by Edwards and Zuck Consulting Engineers, 330 West 42nd Street, New York, New York 10036.

It is anticipated that the common elements of the Condominium will utilize approximately 440,558 kilowatts per year of electricity for a total price of $110,139.50 plus sales tax and an inflation factor of 10%.

The projected cost per kilowatt of electricity is $0.25 per kilowatt inclusive of sales tax for energy to provide lighting, power and air conditioning for the lobby of the Building. The cost of electric is based current tariffs charged by PSEG Long Island. The per kilowatt amount set forth above is inclusive of sales tax.

The cost of electricity for public lighting is based upon 24 hours of operation per day for interior lighting and 12 hours of operation per day for exterior lighting.

It is not possible to predict how closely the budgeted figure will reflect the actual cost of electricity during the First Year of Operations because such cost will vary with the level of consumption and the price of gas. Consumption will be affected by the severity of the weather and by the conservation measures adopted by the Condominium Board and the Unit Owners. Electricity is generated by the utility company by means of fuel oil as primary energy source. If the cost of oil used to generate electricity increases, it is likely that electricity rates will increase. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity resulting from the foregoing during the First Uear of Operations.

See Schedule C for electricity costs for each individual Unit.

(6) Water Charges and Sewer Rents - $93,792

All water and sewer rents for the Common Elements and for each Unit are paid for by Unit Owners through Common Charges.

Water and sewers are provided by the Manhasset Lakeville Water District. The current annual water and sewer charge for 100 cubic feet of water (748 gallons) is approximately $7.50 per hundred cubic foot of water.

The Units will not be individually metered for water. There will be one water meter to measure all water consumed by all Condominium units. The cost for water and sewer charges will be a Common Expense and paid by Unit Owners through the payment of their Common Charges.

The projection for water meter / sewer charges is based upon estimates provided by Edwards and Zuck Consulting Engineers, 330 West 42nd Street, New York, New York 10036.

11,368 CCF of water is assumed to be utilized by Unit Owners and for Common Elements.

The estimated cost of water and sewer charges includes usage and sales tax includes a ten (10%) percent inflation factor has been added for budgeting purposes.

(7) Repairs, Maintenance & Supplies - $120,184

The material components of the Common Expense for repairs and maintenance, include but are not limited to interior repairs of Common Elements, roofing, exterior repairs of Common Elements (including walls, foundations, windows, doors and locks), heating system servicing Common Elements, hot water heaters (for Common Elements), plumbing systems (excluding plumbing systems within a condominium unit), electrical work (excluding electrical work within a condominium unit), exterminating services (excluding exterminating services within a condominium unit), janitorial supplies, painting of Common Elements, Heating, Ventilation and Air Conditionings Systems ("HVAC"), marble and metal maintenance, pest control, generator maintenance (if any generator is provided for Common Elements).

Costs to be incurred by individual unit owners, include but are not limited to Unit interior repairs, individual unit heating, hot water and gas service (including for cooking and for a fireplace, if any), plumbing inside of the individual Condominium unit, electrical work inside of the individual Condominium unit, exterminating inside of the individual Condominium unit, cleaning inside of the individual Condominium unit and painting inside of the individual Condominium unit.

The budgeted figure for repairs, maintenance and supplies does not include improvements and repairs to, maintenance of, or supplies for individual Units and certain Limited Common Elements. Each individual Unit Owner is responsible for improvements and repairs to, maintenance of, and supplies for such Owner's Unit and certain Limited Common Elements irrevocably restricted to his use.

This estimate includes the following:
Housekeeping Supplies - $7,877
Equipment Repairs and Maintenance - $10,338
Plumbing Maintenance - $3,077
Marble and Metal Maintenance – $10,000
Rubbish Removal - $13,500
HVAC Maintenance - $6,153
Building Repairs and Maintenance - $6,831
Generator Operations and Maintenance - $40,000

Cable Television and Internet (for concierge) - $2,100
Telephone (concierge) - $6,000
Decoration and Flowers – $10,000
Window Washing - $4,308

The estimate includes maintenance of and repairs to all Common Elements and certain Limited Common Elements of the Property. Based upon the experience of Barnett Maller, licensed real estate broker, 6010 Little Neck Parkway, Little Neck, New York 11362 on March 7, 2014, having prepared actual budgets for other Condominiums, he has determined that the sum of $120,184 is adequate for costs that the Condominium can expect to incur during the First Year of Operations.

(8) Service Contracts - $0

No maintenance or service contracts have been entered into as of the date of this Plan. However, it is projected that the Board of Managers will enter into maintenance agreements for the following services, the cost of which will be shared by all Unit Owners based on Common Interest:

It is estimated that the Condominium will incur the following charges during the first year of Condominium operation:

Elevator Service Contract
To be provided by: Thyssen Krup Elevator Corp.;
Type of service: Elevator Maintenance Contract;
Annual Cost: $30,240
There is no charge for the elevator service contract for the First Year of Operations of the Condominium as the service is covered by a warranty. After the First Year of Operations of the Condominium, the Condominium can expect to pay approximately $30,240 annually for the elevator service contract.
Expiration of Contract: One Year to commence on the first day of the First Year of Operations of the Condominium.

Fire Sprinkler Service Contract
To be provided by: to be determined;
Type of service: Fire Sprinkler Service Contract;
Annual Cost: $11,569;
There is no charge for the Fire Sprinkler Service Contract for the First Year of Operations of the Condominium as the service is covered by a warranty. After the First Year of Operations of the Condominium, the Condominium can expect to pay approximately $11,569 annually for the Fire Sprinkler Service Contract.
Expiration of Contract: One Year to commence on the first day of the First Year of Operations of the Condominium.

The budget for service contracts has been increased by ten percent (10%) for anticipated inflation.

(9) Insurance - $0

Insurance costs for the condominium will be paid through Association Common Maintenance Charges paid by the Association in the Association Budget (See Schedule "B-1).

(10) Management Fees - $37,200

The management fee is based upon a management agreement between the Sponsor and The Ritz-Carlton Hotel Company, L.L.C., 10400 Fernwood Road, Bethesda, Maryland 20815 and 4445 Willard Avenue, Suite 800, Chevy Chase, Maryland 20815 ("Ritz-Carlton").

The affairs and management of the Condominium will be managed by Ritz-Carlton pursuant to the management agreement and in connection with a license agreement between Sponsor and MIF, L.L.C. or such other Manager.

Ritz-Carlton will charge approximately $300.00 per Unit for management fees to manage the Condominium (Ritz-Carlton will charge approximately $1,200.00 per Unit for management fees to manage the Association under a separate management agreement between the Board of Directors and Ritz-Carlton, which costs are set forth in the Association Budget). The management fees are subject to periodic increases as provided in the Management Agreement, which fees are included in Common Charges and/or Association charges.

The fees to be paid to Ritz-Carlton are prevailing rates based on the services that will be performed by Ritz-Carlton. For all specific fees, see the anticipated Management Agreement, subject to change (Part II, Section "QQ").

The projected cost includes any costs required by the terms of the management.

The term of the Management Agreement shall be for a period commencing on the commencement date as defined in the Management Agreement and for a period of twenty (20) years from the said commencement date.

Ritz-Carlton may terminate the Management Agreement for events of default, as set forth in the Management Agreement.

The Board of Managers may terminate the Management Agreement with Ritz-Carlton upon a vote of seventy-five percent (75%) of all Members to terminate the Management Agreement. See the specific terms and conditions in the Management Agreement.

A complete copy of the proposed Management Agreement is set forth in Part II, Section "QQ" of this Offering Plan.

(11) Legal Fees and Audit Fees - $0

Legal Fees and Audit Fees for the condominium will be paid through Association Common Maintenance Charges paid by the Association in the Association Budget (See Schedule "B-1).

(12) Contingency - $13,902

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for the unanticipated expenses not included in the estimated operating expenses or for unanticipated increases in one or more items of the operating expense above the projected amount.

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SCHEDULE B-1
The Residences, North Hills Homeowners Association, Inc.
PROJECTED BUDGET FOR THE FIRST YEAR OF OPERATIONS
Budget For First Year of Operations
January 1, 2016 through December 31, 2016

	The Residence North Hills, Phase I Condominium	
	Total Units	**124**
	Income:	
Footnote	Association Common Maintenance Charges	**$2,492,818**
	Administrative:	
1	Audit Fees	$9,100
2	Franchise & Corporate Taxes	$500
3	Legal Fees	$10,000
4	Printing & Postage	$3,000
5	Office Supplies & Equipment	$5,000
	Total Administrative	**$27,600**
6	Administrative Staff and Director of Residences - Wages & Benefits	$262,500
7	Porters, Valet, Door-staff, Housekeeping – Wages & Benefits	$599,904
8	Concierge - Wages & Benefits	$378,000
9	Engineering and Maintenance - Wages & Benefits	$245,000
10	Security - Wages & Benefits	$245,000
	Total Administrative Wages & Benefits	**$1,730,404**
	Ritz Regional Management Allocated Costs	
11	**Management Fees**	**$148,800**
12	HVAC Maintenance	$3,847
13	Building Repairs & Maintenance	$4,269
14	Decorations & Flowers	$5,000
15	Elevator Maintenance	$0
16	Fire System Maintenance	$0
17	Equipment Repairs and Maintenance	$6,462
18	Housekeeping Supplies	$4,923
19	Plumbing Maintenance	$1,923

20	Landscaping and Snow Removal	$75,000
21	Lawn Sprinkler Maintenance	$15,000
22	Marble & Metal Maintenance	$5,000
23	Pest Control	$5,000
24	Refuse	$1,500
25	Security System Maintenance	$3,500
26	Indoor Swimming Pool Service and Maintenance	$75,000
27	Uniforms - Purchase, Cleaning & Repair	$14,340
28	Window Washing	$2,692
29	Seating Area (on former Seventh Day Adventist Church land)	Included in contingency
	Total Repairs, Maintenance and Service Contracts	**$223,456**
	Utilities	
30	Electricity Common Area	$65,041
31	Gas Common Area	$25,889
32	Cable TV & Internet (Clubhouse & Concierge)	$2,100
33	Telephone	$6,000
34	Generator Maintenance and Operations	$10,000
35	Water & Sewer	$8,269
	Total Utilities	**$117,299**
	Miscellaneous	
36	Insurance	$89,364
37	Accounting Service	$25,000
38	Ritz-Carlton Corporate Supervision / Employee Development	$46,597
	Total Miscellaneous	**$160,961**
39	**Contingency**	**$84,298**
	TOTAL BUDGET	**$2,492,818**

It is anticipated that one hundred twenty four (124) condominium units in the Phase I Condominium will be completed in or prior to the First Year of Operations of the Condominium. Therefore, the costs of the Association are to be paid by the one hundred twenty four (124) Unit Owners of the. If the Phase II Condominium is developed, then the total costs of the operation of the Association will be shared by the unit owners in the Phase I Condominium and the unit owners in the Phase II Condominium.

FOOTNOTES TO SCHEDULE B-1
THE RESIDENCES, NORTH HILLS
HOMEOWNERS ASSOCIATION, INC.

1. Audit Fees:

Based on a letter dated January 16, 2014 from Morris Teper, C.P.A., 104 South Central Avenue, Valley Stream, New York 11580, for the preparation of an annual certified audit and preparation of applicable tax returns.

2. Franchise & Corporate Taxes:

Based on a letter dated January 16, 2014 from Morris Teper, C.P.A., 104 South Central Avenue, Valley Stream, New York 11580, for the filing fee for New York State Franchise and Corporate Tax Return for The Residences, North Hills Homeowners Association Inc.

3. Legal Fees:

Based on an estimate from Rosen Law LLC, for a reserve to be used by the Board of Managers when consulting with an attorney of their choice to provide legal services, including but not limited to review of contracts, consulting regarding delinquent Association Common Maintenance Charges, etc. The cost of litigation and other legal services, if any, is not included in this budgeted sum.

4. Postage & Printing:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for postage and printing costs.

5. Office Supplies & Equipment:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for office supplies and equipment.

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6. Administrative Staff and Director of Residences - Wages and Benefits:

Prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project and based on information provided to Sponsor from Ritz-Carlton.

Administrative Staff - Wages & Benefits – (One Director of Residences and One Administrative Staff) Number of Individuals	2
Wages without benefits	$187,500.00
Workers Compensation Insurance @ 3.42% of applicable wages	$6,412.50
FICA @ 6.20% of applicable wages	$11,625.00
Medicare @ 1.45% of applicable wages	$2,718.75
NYS Unemployment Insurance @ 7.40% of applicable wages	$13,875.00
Federal Unemployment Insurance @ 0.80% of applicable wages	$1,500.00
NYS Disability Insurance @ approximately $35.40 per employee	$70.80
Supplemental Benefits - 40 hrs week x 52 weeks x $8 / hour)	$38,797.95
Total Salary and Benefits for One Director of Residences and One Administrative Staff	$262,500.00

It is anticipated that the administrative staff of the Association will not be union members. The Association will pay costs associated with payroll, including workers compensation insurance, FICA, Medicare contribution, unemployment insurance and New York State disability insurance.

The administrative staff will be responsible for performing the following tasks: day to day management and operation of the Association, the Recreation Facilities and the Association Common Areas. The administrative staff budget includes all payroll taxes and related payroll costs, which sum is a reasonable amount for payroll costs.

The budget items for administrative wages and benefits are based on the following level of staffing provided by estimate received from Ritz-Carlton: to include residential liaison, residence manager, and regional director of residence.

The budget for labor reflects current wage rates and payroll tax rates applicable for the budgeted year, and reasonably anticipated increases for the First Year of Operations of the Association.

The wages set forth herein meet state minimum wage laws.

In the event that the Board of Directors determines that additional staff is required in the future, Association Common Maintenance Charges will be increased to cover the increased costs of labor.

The payroll taxes and benefits include FICA, Federal and New York State unemployment insurance, workers' compensation, disability insurance, holiday and vacation pay.

The projected expenses for wages, salaries, benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert in comparable buildings.

7. Porters, Valet, Door Staff and Housekeeping Staff Wages & Benefits: Prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for condominium projects, based on his prior experience and investigation analysis of the subject project and based on information provided to Sponsor from Ritz-Carlton.

Porters, Valet, Door Staff and Housekeeping - Wages & Benefits – Number of Individuals	16
Wages without benefits	$502,413.39
Workers Compensation Insurance @ 3.42% of applicable wages	$17,182.54
FICA @ 6.20% of applicable wages	$31,149.63
Medicare @ 1.45% of applicable wages	$7,284.99
NYS Unemployment Insurance @ 7.40% of applicable wages	$37,178.59
Federal Unemployment Insurance @ 0.80% of applicable wages	$4,019.31
NYS Disability Insurance @ approximately $35.40 per employee	$566.40
Supplemental Benefits - 40 hrs week x 52 weeks x $8 / hour)	$109.15
Total Salary and Benefits for Porters, Valet, Door Staff, Housekeeping	$599,904.00

It is anticipated that the porters, valet, door staff and housekeeping staff of the association will not be union members. The association will pay costs associated with payroll, including workers compensation insurance, FICA, Medicare contribution, unemployment insurance and New York State disability insurance.

The porters, valet, door staff and housekeeping staff will be responsible for performing the following tasks: cleaning the Condominium Building, Common Elements, Association Common Areas, parking vehicles in the valet parking areas, greeting residents and guests, and open entry doors as they enter and exit the Clubhouse and Buildings.

The porters, valet, door staff and housekeeping staff budget includes all payroll taxes and related payroll costs, which sum is a reasonable amount for payroll costs.

The budget items for doormen wages and benefits are based on the following level of staffing:

16 porters, valet, door staff, housekeepers - 40 man hours per week @ $18 per hour;

The budget for labor reflects current wage rates and payroll tax rates applicable for the budgeted year, and reasonably anticipated increases for the First Year of Operations of the Association.

The wages set forth herein meet state minimum wage laws.

In the event that the Board of Directors determines that additional staff is required in the future, Association Common Maintenance Charges will be increased to cover the increased costs of labor.

The payroll taxes and benefits include FICA, Federal and New York State unemployment insurance, workers' compensation, disability insurance, holiday and vacation pay.

The projected expenses for wages, salaries, benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert in comparable buildings based on information provided to Sponsor from Ritz-Carlton.

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8. Concierge Wage & Benefits:

Prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project and based on information provided to Sponsor from Ritz-Carlton.

Concierge - Wages & Benefits – Number of Individuals	6
Wages without benefits	$270,000.00
Workers Compensation Insurance @ 3.42% of applicable wages	$9,234.00
FICA @ 6.20% of applicable wages	$16,740.00
Medicare @ 1.45% of applicable wages	$3,915.00
NYS Unemployment Insurance @ 7.40% of applicable wages	$19,980.00
Federal Unemployment Insurance @ 0.80% of applicable wages	$2,160.00
NYS Disability Insurance @ approximately $35.40 per employee	$212.40
Supplemental Benefits - 40 hrs week x 52 weeks x $8 / hour)	$55,758.60
Total Salary and Benefits for Concierge	$378,000.00

It is anticipated that the concierge staff of the Association will not be union members. The Association will pay costs associated with payroll, including workers compensation insurance, FICA, Medicare contribution, unemployment insurance and New York State disability insurance.

The concierge staff will be responsible for performing the following tasks:

Assisting Unit Owners in tasks customarily performed by Ritz–Carlton trained Concierges.

The concierge staff budget includes all payroll taxes and related payroll costs, which sum is a reasonable amount for payroll costs.

The budget items for Concierge Wages and Benefits are based on the following level of staffing:

6 concierges, 16 hours per day 7 days per week to be located in the Clubhouse and in each building lobby.

The budget for labor reflects current wage rates and payroll tax rates applicable for the budgeted year, and reasonably anticipated increases for the First Year of Operations.

The wages set forth herein meet state minimum wage laws.

In the event that the Board of Directors determines that additional staff is required in the future, Association Common Maintenance Charges will be increased to cover the increased costs of labor.

The payroll taxes and benefits include FICA, Federal and New York State unemployment insurance, workers' compensation, disability insurance, holiday and vacation pay.

The projected expenses for wages, salaries, benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert in comparable buildings and based on information provided to Sponsor from Ritz-Carlton.

9. Engineering and Maintenance Wages & Benefits:

Prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project and based on information provided to Sponsor from Ritz-Carlton.

Engineering and Maintenance - Wages & Benefits – Number of Individuals	3
Wages without benefits	$175,000.00
Workers Compensation Insurance @ 3.42% of applicable wages	$5,985.00
FICA @ 6.20% of applicable wages	$10,850.00
Medicare @ 1.45% of applicable wages	$2,537.50
NYS Unemployment Insurance @ 7.40% of applicable wages	$12,950.00
Federal Unemployment Insurance @ 0.80% of applicable wages	$1,400.00
NYS Disability Insurance @ approximately $35.40 per employee	$106.20
Supplemental Benefits - 40 hrs week x 52 weeks x $8 / hour)	$36,171.30
Total Salary and Benefits for Engineering and Maintenance	$245,000.00

It is anticipated that the maintenance staff of the Association will not be union members. The Association will pay costs associated with payroll, including workers compensation insurance, FICA, Medicare contribution, unemployment insurance and New York State disability insurance.

The maintenance staff will be responsible for performing the following tasks: Repairs and maintenance to condominium Common Elements, Association Common Areas including the Recreational Facilities.

The maintenance staff budget includes all payroll taxes and related payroll costs, which sum is a reasonable amount for payroll costs.

The budget items for maintenance wages and benefits are based on the following level of staffing:

1 chief engineer – 8 hours per day / 5 days per week @ $85,000 per year before benefits and 2 engineers – each 8 hours per day / 5 days per week at $45,000 per year.

The budget for labor reflects current wage rates and payroll tax rates applicable for the budgeted year, and reasonably anticipated increases for the First Year of Operations of the Association.

The wages set forth herein meet state minimum wage laws.

In the event that the Board of Directors determines that additional staff is required in the future, Association Common Maintenance Charges will be increased to cover the increased costs of labor.

The payroll taxes and benefits include FICA, Federal and New York State unemployment insurance, workers' compensation, disability insurance, holiday and vacation pay.

The projected expenses for wages, salaries, benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert in comparable buildings and based on information provided to Sponsor from Ritz-Carlton.

Purchasers are advised that maintenance staff employed by the Association does not perform any work within the Condominium Units.

10. Security Wages & Benefits:

Prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior

experience and investigation analysis of the subject project and based on information provided to Sponsor from Ritz-Carlton.

Security - Wages & Benefits – Number of Individuals	5
Wages without benefits	$175,000.00
Workers Compensation Insurance @ 3.42% of applicable wages	$5,985.00
FICA @ 6.20% of applicable wages	$10,850.00
Medicare @ 1.45% of applicable wages	$2,537.50
NYS Unemployment Insurance @ 7.40% of applicable wages	$12,950.00
Federal Unemployment Insurance @ 0.80% of applicable wages	$1,400.00
NYS Disability Insurance @ approximately $35.40 per employee	$177.00
Supplemental Benefits - 40 hrs week x 52 weeks x $8 / hour)	$36,100.50
Total Salary and Benefits for Security	$245,000.00

It is anticipated that the security staff of the Association will not be union members. The Association will pay costs associated with payroll, including workers compensation insurance, FICA, Medicare contribution, unemployment insurance and New York State disability insurance.

The security staff will be responsible for performing the following tasks: Man the gatehouses.

The security staff budget includes all payroll taxes and related payroll costs, which sum is a reasonable amount for payroll costs.

The budget items for security staff wages and benefits are based on the following level of staffing:

1 Security officer - 24 man hours per day / 7 per week @ $18 per hour;

The budget for labor reflects current wage rates and payroll tax rates applicable for the budgeted year, and reasonably anticipated increases for the First Year of Operations of the Association.

The wages set forth herein meet state minimum wage laws.

In the event that the Board of Directors determines that additional staff is required in the future, Association Common Maintenance Charges will be increased to cover the increased costs of labor.

The payroll taxes and benefits include FICA, Federal and New York State unemployment insurance, workers' compensation, disability insurance, holiday and vacation pay.

The projected expenses for wages, salaries, benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert in comparable buildings and based on information provided to Sponsor from Ritz-Carlton.

11. Management Fees

The management fee is based upon a management agreement between the Sponsor and The Ritz-Carlton Hotel Company, L.L.C., 10400 Fernwood Road, Bethesda, Maryland 20815 and 4445 Willard Avenue, Suite 800, Chevy Chase, Maryland 20815 ("Ritz-Carlton").

The affairs and management of the Association will be managed by Ritz-Carlton pursuant to the management agreement and in connection with a license agreement between Sponsor and MIF, L.L.C. or such other Manager.

Ritz-Carlton will charge approximately $1,200.00 per Unit for management fees to manage the Association (Ritz-Carlton will charge approximately $300.00 per Unit for management fees to manage the Condominium under a separate management agreement between the Board of Managers and Ritz-Carlton, which costs are set forth in the Association Budget). The management fees are subject to periodic increases as provided in the Management Agreement, which fees are included in Common Charges and/or Association charges.

The fees to be paid to Ritz-Carlton are prevailing rates based on the services that will be performed by Ritz-Carlton. For all specific fees, see the anticipated Management Agreement, subject to change (Part II, Section "QQ").

The projected cost includes any costs required by the terms of the management.

The term of the Management Agreement shall be for a period commencing on the commencement date as defined in the Management Agreement and for a period of twenty (20) years from the said commencement date.

Ritz-Carlton may terminate the Management Agreement for events of default, as set forth in the Management Agreement.

The Board of Managers may terminate the Management Agreement with Ritz-Carlton upon a vote of seventy-five percent (75%) of all Members to terminate the Management Agreement. See the specific terms and conditions in the Management Agreement.

A complete copy of the proposed Management Agreement is set forth in Part II, Section "QQ" of this Offering Plan.

12. HVAC Maintenance

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for maintenance of the HVAC systems in Common Elements.

13. Building Repairs and Maintenance

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for normal building repairs and maintenance.

14. Decorations & Flowers:

Prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project and based on information provided to Sponsor from Ritz-Carlton.

15. Elevator Maintenance:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for elevators as specified in the Description of Property and Specifications set forth in this offering plan.

16. Fire System Maintenance:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for required fire system maintenance in accordance with Nassau County Fire Marshal requirements.

17. Equipment Repairs and Maintenance

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for normal repairing and maintaining of the equipment installed in the Association Common Areas and Common Elements.

18. Housekeeping Supplies:

Based on information received from Ritz-Carlton an estimate has been prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience and investigation analysis of the subject project.

19. Plumbing Maintenance:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for ordinary plumbing maintenance.

20. Landscaping and Snow Removal:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for landscaping based on the specifications set forth in the Description of Property and Specifications as set forth in the offering plan.

21. Lawn Sprinkler Maintenance:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project to turn on water supply in the spring and turn off water supply in the fall and perform all necessary repairs and adjustments during First Year of Operations.

22. Marble & Metal Maintenance:

Prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project and based on information provided to Sponsor from Ritz-Carlton for the maintenance of marble and metal in the Common Elements and Association Common Areas.

23. Pest Control:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for required pest control to the Common Elements and Association Common Areas during the First Year of Operations.

24. Refuse:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for residential waste collection and recycling.

25. Security System Maintenance:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for security systems including alarm systems and/or video monitoring systems.

26. Indoor Swimming Pool Service and Maintenance:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for the staffing of the swimming pools in consultation with Sponsor and Ritz-Carlton.

27. Uniforms – Purchase, Cleaning & Repairs:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for the purchase, cleaning and repair of uniforms for the staff.

28. Window Washing:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for washing of Condominium Unit exterior windows and interior and exterior of Association Common Area windows one time per year.

29. Repairs and Maintenance of former Seventh Day Adventist Church Land:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for maintenance and repair of four (4) park benches, landscaping and parking spaces for three (3) motor vehicles and monument with a brass memorial plaque in good order and condition and in compliance with all applicable laws, ordinances, governmental rules and regulations and removal of snow and ice and sanding when appropriate.

30. Electricity – Common Areas:

Electricity will be used for lighting, elevators, ventilation, motors, other power and air conditioning for Association Common Areas and Common Elements. The projected cost per kilowatt of electricity is $0.25 per kilowatt inclusive of sales tax for energy to provide lighting, power and air conditioning for the buildings.

Electric utility rates provided by PSEG Long Island are used to calculate the budget amount.

There will be one common electric meter for electricity usage for the Association Common Areas of the Association and one common electric meter for electricity usage for the Common Elements of the Condominium, to be paid by the Association and by Unit Owners as Association Common Maintenance Charges.

The common electric meter will meter electricity consumed for public interior lighting, exterior lighting, fans, boiler and pumps.

The projection for the electricity usage is based upon estimates provided by Edwards and Zuck Consulting Engineers, 330 West 42nd Street, New York, New York 10036.

The cost of electricity for public lighting is based upon 24 hours of operation per day for interior lighting and 12 hours of operation per day for exterior lighting.

In view of the current energy situation, it is not possible to predict whether the budgeted figure will reflect the annual cost to be incurred during the First Year of Operations, which will vary with the level of consumption and the cost of the utility. Electricity is generated by the utility company by means of fuel oil as primary energy source. If the cost of oil used to generate electricity increases, it is likely that electricity rates will increase. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity resulting from the foregoing during the First Year of Operations.

The utility costs, for the purposes of this budget have been increased by ten (10%) percent to reasonably anticipate an increase in utility costs.

31. Gas;

Gas will be used for heating the Recreational Facilities (excluding the Exterior Amenities) and the Common Elements. The projected cost of gas is $1.25 per therm inclusive of sales tax.

Gas for hot water for individual Units is a common expense.

The projection for the gas usage is based upon estimates provided by Edwards and Zuck Consulting Engineers, 330 West 42nd Street, New York, New York 10036. Gas utility rates provided by National Grid are used to calculate the budget amount.

The gas costs, for the purposes of this budget have been increased by ten percent to reasonably anticipate an increase in utility costs.

32. Cable Television & Internet (Clubhouse & Concierge):

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the

subject project for cable television and Internet services to be provided in the clubhouse and for the concierge.

33. Telephone:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for condominium projects, based on his prior experience and investigation analysis of the subject project for telephone service in the buildings for concierge and lobby. Telephone service shall be furnished by Verizon.

34. Generator Maintenance and Operations:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for condominium projects, based on his prior experience and investigation analysis of a generator for use at the subject project.

35. Water / Sewer:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects, based on his prior experience and investigation analysis of the subject project for water and sewer charges.

Water costs for Recreational Facilities, Association Common Areas, including but not limited to fire hydrant maintenance and pool operations. Water and Sewer services to be provided by Manhasset Lakeville Water District. Water for each individual Condominium Unit in the Condominium will be billed to the Association by the utility the Manhasset Lakeville Water District. Sewer costs are included in the cost of Real Estate Taxes for each individual Unit and for the Association for the property owned by the Association. Sponsor has included a 10% inflation factor for budgeting purposes.

36. Homeowner's Association Insurance:

Pursuant to a letter dated December 3, 2013 from The Signature Group of Companies, 950 Franklin Avenue, Garden City, New York 11530, to include the following:

Property Insurance – (Premium - $49,000); Replacement Cost Insured Value; $70,000,000; Commercial General Liability Insurance: (Premium - $9,260) with coverage per occurrence - $1,000,000 with annual aggregate - $2,000,000; commercial umbrella - $100,000,000 (Premium - $25,864); Directors and Officers Liability Insurance – $1,000,000 (Premium - $1,500); Per Occurrence / Annual Aggregate - $1,000,000; Deductible - $2,500; Employee Dishonestly - $100,000 (Premium - $500).

The coverage amount limit stated above for casualty insurance is based on full replacement value and should be sufficient to avoid the effects of co-insurance. Excess liability coverage is included. The insurance policies shall provide that (i) each

Unit Owner is an additional insured; (ii) there will be no cancellation without notice to the Condominium Board and Unit Owners; (iii) the right to subrogation against Unit Owners is waived; (iv) the defense of invalidity because of acts of the insured and Unit Owners is waived; and (v) the defense of pro-rata reduction in liability is waived if Unit Owners obtain additional coverage. All of the above coverage including the commercial general liability insurance will be in place on or before the Closing of the First Unit in the Condominium.

No coverage is provided for fire and casualty losses to the contents of each individual Unit, nor does the coverage take into account any future replacements or additions to either the Units or the fixtures and improvements contained therein. In. addition, no liability coverage for an individual Unit Owner is included in the coverage provided above. Prospective Purchasers should consult their insurance agent to determine the amount of insurance that they must obtain for their own risk of liability and fire and casualty losses. Purchasers should be aware that they are required to carry individual insurance policies as certain items, including but not limited to: decorative paint, venetian plaster, cabinetry, plumbing fixtures, kitchen and other appliances, floor covering materials such as wood and stone flooring, works of art, window treatments, furniture, collectibles, electrical fixtures, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, plumbing fixtures, kitchen and other appliances, floor covering materials such as wood and stone flooring, or replacements of any of the foregoing which are located within the boundaries of a Unit and serve only one Unit and all air conditioning compressors that service only an individual Unit, whether or not located within the Unit boundaries, as well as Limited Common Elements appurtenant to the Unit are NOT included in insurance provided by the Condominium.

THE RATES REFLECTED ABOVE ARE THOSE IN EFFECT AS OF THE DATE OF THE OFFERING PLAN. BECAUSE OF THE VOLATILITY OF THE INSURANCE MARKET IT IS NOT POSSIBLE TO PREDICT WHETHER FUTURE PREMIUMS WILL CONTINUE TO INCREASE OR WILL LEVEL OFF. NO REPRESENTATION IS MADE REGARDING THE ACTUAL COST OF INSURANCE AT THE TIME OF THE COMMENCEMENT OF THE BUDGET.

37. Accounting Services:

Based on an estimate and analysis prepared by Barnett Maller, licensed real estate broker with over thirty (30) years experience in preparing budgets for Condominium projects for accounting and/or bookkeeping staff. This does not include the preparation of income tax returns which will be provided by a Certified Public Accountant and whose fees are included in the budget category "Audit Fees".

38. Ritz-Carlton Corporate Supervision and Employee Development.

Ritz-Carlton will provide support to the Association and will provide corporate supervision and staff to assist in employee development at an additional cost to the Association.

39. Contingency:

The budget amount for contingency fund is intended to provide funds for unanticipated expenses or unanticipated increases in the projected expenses of the Association.

Reserves: The Association will have no funds as a reserve for capital expenditures. Since the budget for the First Year of Operations does not provide for yearly contributions to any reserve funds for capital expenditures, Sponsor does not represent or warrant that the Condominium or the Association will have sufficient funds for any such capital expenditures within or after five years following the Closing Date should such capital expenditures be needed.

Miscellaneous Notes:

Sponsor has reserved the right to modify, renew and replace existing service, maintenance, employment, concessionaire and other agreements and to enter into new agreements that will be binding on the Board of Directors upon commencement of Association operations. All such modifications, renewals and replacements thereto will be reflected in an amendment to this plan if they materially alter statements made herein. IN THE OPINION OF BARNETT MALLER, LICENSED REAL ESTATE BROKER, (SEE CERTIFICATION, PART II, SECTION "OO-3", WHICH SETS FORTH ALL OF THE QUALIFICATIONS OF BARNETT MALLER, LICENSED REAL ESTATE BROKER. THE FOREGOING ESTIMATED ASSOCIATION COMMON MAINTENANCE CHARGES ARE SUFFICIENT TO PAY THE PROJECTED OPERATING EXPENSES FOR THE ASSOCIATION'S FIRST YEAR OF OPERATIONS, ASSUMING SUCH FIRST YEAR TO BE THE TWELVE MONTH PERIOD COMMENCING ON THE CONDOMINIUM COMMENCEMENT DATE. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTY OR WARRANTY BY ANYONE THAT THE ANNUAL ASSOCIATION COMMON MAINTENANCE CHARGES OR OTHER INCOME OR EXPENSES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE ASSOCIATION WILL BE AS SET FORTH IN SAID SCHEDULE AND BUDGET, AND IT IS POSSIBLE THAT THE ACTUAL ASSOCIATION COMMON MAINTENANCE CHARGES AND OTHER ITEMS OF INCOME AND EXPENSES WILL VARY FROM THE AMOUNTS SHOWN IN THE SCHEDULE.

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Projected Budget Based On 244 Condominium Units In Association

Projected Condominium and HOA Operating Budget for the First Year of Operations	
Units	244
Sellable Sq Ft	441,640
Total Units Under Management	244
Total Sellable SqFt Under Management	441,640
	COSTS ALLOCABLE TO HOA
Administrative Expenses	
Audit Fees	$ 12,000
Franchise & Corporate Taxes	1,000
Legal Fees	12,000
Printing & Postage	4,000
Office Supplies & Equipment	6,000
Total Administrative	**$ 35,000**
Labor Wages & Benefits	
Administrative Wages & Benefits - Director of Residences	210,000
Administrative Wages & Benefits - Administrative Support	105,000
Administrative Wages & Benefits - Concierge	504,000
Administrative Wages & Benefits - Engineering & Maintenance Staff	326,667
Administrative Wages & Benefits - Porters, Valet, Doorstaff, Housekeeping	799,872
Administrative Wages & Benefits - Loss Prevention	326,667
Administrative Wages & Benefits - Total	**$ 2,272,206**
Repairs & Maintenance / Contract Services	
Management Fees	292,800
HVAC Maintenance	36,923
HVAC Warranty Credit	(29,231)
Building Repairs & Maintenance	17,077
Building Warranty Credit	(8,538)
Decorations & Flowers	10,000
Elevator Maintenance	15,120
Elevator Warranty Credit	(15,120)

Fire System Maintenance		14,462
Fire System Warranty Credit		(14,462)
Housekeeping Supplies		9,846
Equipment Repairs & Maintenance		12,923
Plumbing Maintenance		3,846
Landscaping / Snow Removal		100,000
Lawn Sprinkler Maintenance		30,000
Marble & Metal Maintenance		10,000
Pest Control		7,500
Refuse		3,000
Security System Maintenance		7,000
Uniforms - Purchase, Cleaning & Repair		28,680
Indoor & Outdoor Swimming Pool Service and Maintenance		150,000
Window Washing		5,385
Total Repairs & Maintenance	**$**	**687,211**
Utilities		
Electricity Common Area		81,301
Generator Operations & Maintenance		10,000
Gas Common Area		25,889
Cable TV & Internet (Concierge)		3,150
Telephone		9,000
Water & Sewer		12,403
Total Utilities	**$**	**141,743**
Miscellaneous		
Insurance		178,728
Ritz Corporate Supervision/Employee Development, etc		93,195
Accounting Service		35,000
Miscellaneous	**$**	**306,923**
Total Expenses Before Contingency	**$**	**3,443,083**
Contingency (10%)		344,308
TOTAL EXPENSES INCLUDING CONTINGENCY	**$**	**3,787,391**

EXHIBIT A
ESTIMATED ANNUAL GAS & ELECTRICITY COSTS PER UNIT

UNIT DESIGNATION	BED-ROOMS / BATH-ROOMS	APPROX. UNIT SQUARE FOOTAGE	Estimated Consumption of Electricity (in kWh per Year)	Estimated Cost of Electricity (per Year) *	Estimated Consumption of Gas (in Therms per Year)	Estimated Cost of Gas (per Year) *	TOTAL COST OF ELECTRICITY & GAS PER UNIT
1001	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1002	2 / 2.5	2,059	20,590	5,148	3,089	3,861	9,008
1003	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1004	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1005	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1006	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1007	2 / 2.5	1,736	17,360	4,340	2,604	3,255	7,595
1008	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
1009	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1010	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1011	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1012	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1013	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1014	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
1015	2 / 2.5	1,736	17,360	4,340	2,604	3,255	7,595
1101	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1102	2 / 2.5	2,059	20,590	5,148	3,089	3,861	9,008
1103	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1104	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1105	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1106	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1107	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
1108	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
1109	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1110	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1111	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1112	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1113	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1114	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
1115	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
1201	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1202	2 / 2.5	2,059	20,590	5,148	3,089	3,861	9,008
1203	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1204	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1205	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1206	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1207	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
1208	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
1209	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1210	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1211	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1212	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1213	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1214	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
1215	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
1301	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1302	2 / 2.5	2,059	20,590	5,148	3,089	3,861	9,008
1303	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1304	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1305	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1306	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1307	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
1308	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
1309	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1310	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1311	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1312	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
1313	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
1314	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
1315	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2001	2 / 2.5	2,133	21,330	5,333	3,200	3,999	9,332
2002	2+ / 2.5	2,085	20,850	5,213	3,128	3,909	9,122
2003	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2004	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411

EXHIBIT A
ESTIMATED ANNUAL GAS & ELECTRICITY COSTS PER UNIT

UNIT DESIGNATION	BED-ROOMS / BATH-ROOMS	APPROX. UNIT SQUARE FOOTAGE	Estimated Consumption of Electricity (in kWh per Year)	Estimated Cost of Electricity (per Year) *	Estimated Consumption of Gas (in Therms per Year)	Estimated Cost of Gas (per Year) *	TOTAL COST OF ELECTRICITY & GAS PER UNIT
2005	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2006	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2007	2 / 2.5	1,736	17,360	4,340	2,604	3,255	7,595
2008	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2009	2 / 2.5	2,106	21,060	5,265	3,159	3,949	9,214
2010	2+ / 2.5	2,085	20,850	5,213	3,128	3,909	9,122
2011	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2012	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2013	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
2014	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
2015	2 / 2.5	1,736	17,360	4,340	2,604	3,255	7,595
2016	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2101	2+ / 2.5	2,133	21,330	5,333	3,200	3,999	9,332
2102	2+ / 2.5	2,085	20,850	5,213	3,128	3,909	9,122
2103	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2104	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2105	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2106	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2107	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2108	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2109	2 / 2.5	1,966	19,660	4,915	2,949	3,686	8,601
2110	2+ / 2.5	2,085	20,850	5,213	3,128	3,909	9,122
2111	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2112	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2113	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
2114	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
2115	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2116	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2201	2+ / 2.5	2,133	21,330	5,333	3,200	3,999	9,332
2202	2+ / 2.5	2,085	20,850	5,213	3,128	3,909	9,122
2203	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2204	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2205	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2206	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2207	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2208	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2209	2 / 2.5	1,966	19,660	4,915	2,949	3,686	8,601
2210	2+ / 2.5	2,085	20,850	5,213	3,128	3,909	9,122
2211	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2212	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2213	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
2214	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
2215	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2216	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2301	2+ / 2.5	2,133	21,330	5,333	3,200	3,999	9,332
2302	2+ / 2.5	2,085	20,850	5,213	3,128	3,909	9,122
2303	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2304	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2305	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2306	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2307	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2308	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2309	2 / 2.5	1,966	19,660	4,915	2,949	3,686	8,601
2310	2+ / 2.5	2,085	20,850	5,213	3,128	3,909	9,122
2311	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2312	2 / 2.5	1,694	16,940	4,235	2,541	3,176	7,411
2313	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
2314	2 / 2.5	1,533	15,330	3,833	2,300	2,874	6,707
2315	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
2316	3 / 2.5	1,940	19,400	4,850	2,910	3,638	8,488
Total	**124**	**220,820**	**2,208,200**	**552,050**	**331,230**	**414,038**	**966,088**

** Includes an inflation factor of 5% over 2014 costs*

NOTES TO SCHEDULE "C"
BUDGET FOR INDIVIDUAL ENERGY COSTS

1. The estimated cost for electric usage by each individual Unit Owner is based upon each Unit being equipped for general lighting, power, air conditioning and miscellaneous household appliances. The projected cost of electricity is $0.25 per kilowatt.

2. The estimated cost for gas usage by each individual Unit Owner is based upon an individual gas meter for each Condominium Unit to measure consumption of gas for cooking, hot water, heating, clothing dryer and fireplace (if the Condominium Unit contains a fireplace). Domestic hot water will be provided by individual hot water heaters which are billed by the utility company directly to the Unit Owner. The projected cost of gas is $1.25 per therm inclusive of sales tax for energy to provide gas for cooking, hot water, heating, clothing dryer and fireplace (if the Condominium Unit contains a fireplace) for each Condominium Unit.

3. The estimated costs are based upon average consumption of similarly situated residential users and are based upon the projections provided Edwards and Zuck Consulting Engineers, 330 West 42nd Street, New York, New York 10036. It is not possible to predict whether the estimated annual cost for each Unit will reflect the actual cost which will vary with the level of consumption of each Unit Owner.

4. Heating costs, which are a substantial part of a consumer's gas usage, have been estimated for each Unit based 5865 degree days, 65 degree space temperature average with +5F outdoor design with 15 mph wind.

5. Air conditioning will be produced by gas fired furnace with a split-system DX coil. The condensing units will be located on the roof. Cooling costs based on 600 load hours per air conditioning residential season, figured with 9,000 BTU/HR units for bedrooms and 12,000 BTU/HR units for living room areas. All units figured with EER of 9.5.

6. The utility usage calculations are premised on a two (2) bedroom Unit with two (2) occupants, and a three (3) bedroom with three (3) occupants. Actual Costs will vary depending on weather conditions, quality of construction and the habits of the Unit occupants. It is anticipated that each individual consumes an average of 80 gallons of water per day.

7. In view of the fact that these averages may include the use of energy by persons of varying need, with different standards of comfort, or with families of different sizes, the amount of energy used by Purchaser may vary substantially from the average estimates herein provided. In addition, the effect of inflation, fuel shortages and other factors may raise the cost of electricity and gas substantially higher than the current or projected rate.

8. Although Sponsor is under obligation to provide accurate information to prospective Purchasers, factors beyond its control may substantially affect the cost of electricity and gas after the purchase of a Unit or in subsequent years. Sponsor represents however, that to the best of its knowledge, Edwards and Zuck Consulting Engineers have followed the plans and specifications provided by the manufacturer of the appliances together with the recommendation of the manufacturer and other experts to enable these items of equipment to operate at optimum efficiency at the lowest cost.

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H. COMPLIANCE WITH REAL PROPERTY LAW § 339-i

ROSEN LAW LLC
ATTORNEYS AT LAW

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May 5, 2014

New York State Department of Law
120 Broadway – 23rd Street
New York, New York 10271

Re: THE RESIDENCES, NORTH HILLS PHASE I CONDOMINIUM
Opinion of Counsel Regarding Compliance with RPL §339-i.

We are the attorneys for Sponsor of the above captioned Condominium.

We hereby render an opinion that Sponsor has complied with Real Property Law Section 339-i in assigning the percentage of Common Interest to each Unit.

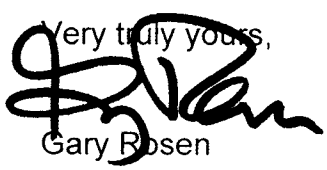
Our experience includes the preparation of dozens of Condominium Offering Plans for projects located throughout the State of New York which Plans were accepted for filing by the New York State Department of Law.

The common interests among the Units have been allocated to each based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit, in accordance with Section 339-i(1)(iv) of the Real Property Law of the State of New York. The allocation utilizes the measurements and calculations of square footage by the project architect.

We hereby authorize inclusion of this opinion in the Offering Plan for The Residences, North Hills Phase I Condominium to be filed with the Department of Law.

We certify that we are not owned or controlled by and we have no beneficial interest in Sponsor and that my compensation for preparing this certification is not contingent on the conversion of the property to a Condominium or on the profitability or price of the offering.

Very truly yours,



Gary Rosen

I. CHANGES IN PRICES AND UNITS

(1) The offering prices set forth in Schedule "A" must be changed by duly filed amendment to the Plan when the change in price is an across the board increase or decrease effecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. The offering prices set forth in Schedule A and other terms of payment (but not other terms of sale) with respect to a particular Unit are negotiable and may be changed by Sponsor at any time and from time to time, both before and after the recording of the Declaration, without prior notice and without the consent of the Board of Managers or any Unit Owner. Offering prices may not be reduced below a minimum release price without the consent of the Phase I Lender. However, no such change with respect to any Unit for which an agreement is then in effect may be made without the consent of Purchaser thereunder, and no agreement will be modified to waive any of Purchaser's rights or abrogating any of Sponsor's obligations, under this Plan or Article 23-A of the New York General Business Law.

(2) No change will be made in the size or number of Units and/or their respective percentages of Common Interest, and no material adverse change will be made in the size or quality of Common Elements, except by amendment to the Plan and, when applicable, to the Declaration.

(3) Unless an affected Purchaser consents, no material change will be made in unit size, layout, or percentage of Common Interest if a Purchase Agreement has been executed and delivered to Sponsor for that Unit and Purchaser is not in default.

(4) Unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of Common Elements.

In order to meet the possible varying demands for different types of Units, or to meet particular requirements of prospective Purchasers, or for any other reason, Sponsor and its designees reserve the right (except to the extent prohibited by applicable Legal Requirements and subject to the Declaration and By-Laws) at any time and from time to time, before and after the recording of the Declaration, without prior notice and without the consent of the Board, any Unit Owner or mortgagee, to: (i) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon any Unsold Unit; (ii) change the layout of, or number of rooms in, any Unsold Unit; (iii) change the size and/or number of Unsold Units by subdividing one or more such Units into two or more separate Units, combining separate Unsold Units (including those resulting from a subdivision or combination or otherwise) into one or more Units, altering any boundary walls between any Unsold Units and/or incorporating within any Unsold Unit the use of any portion of the Common Elements adjacent thereto (but only to the extent that such Common Elements are not required to be maintained as Common Elements based upon such alterations); (iv) if appropriate, reapportion among the Unsold Units affected by such change, their Common Interest, provided however, that after the recording of the

Declaration, no change in any Unit's Common Interest will be made without obtaining the prior consent of all Unit Owners affected by such change; and (v) change the permitted use of some or all of the Unsold Units. Any such change described in subsections (ii) through (v) in the immediately preceding paragraph and additionally any material adverse change in the size or quality of any of the Common Elements shall be disclosed by Sponsor in a duly filed amendment to the Plan and, when applicable, to the Declaration. In the event of any such change after the Declaration is recorded, the Declaration and Floor Plans shall each be amended and such amendments duly recorded and disclosed in a duly filed amendment to the Plan. Sponsor or its designee will have the right to (or to cause the Board to) so amend the Declaration and Floor Plans, to the extent required, in order to reflect any such change effecting Unsold Units. In addition, none of the foregoing changes, including any material adverse change in size, layout or Common Interest of a Unit or in the amount or quality of Limited Common Elements directly affecting or servicing a Unit, will be made with respect to any Unit for which a Purchase Agreement has been mutually executed and delivered and Purchaser thereunder is not in default, unless: (a) such change has been dictated by construction conditions at the Property (such as coordination of building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc.) and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices) exists and set forth in an amendment to the Plan, and Purchaser is offered the right in such amendment, for at least fifteen days, to rescind his or her Agreement and receive a refund of the Down Payment, together with all interest earned thereon, and Purchaser elects not to exercise such right of rescission; or (b) such change is not a material adverse change in the size, dimension or floor space or layout of such Unit, in which event a Purchaser will not be excused from purchasing such Unit by reason of such minor, non-material deviation or change and will not have any claim against Sponsor as a result thereof.

J. INTERIM LEASES

(1) Sponsor may rent any Unit that is vacant before the closing or after the Plan has been declared effective and any unpaid Common Charges due prior to or as of the date of Closing will be payable on the date of Closing together with any other payments required under this Plan. (A copy of the Interim Lease form is set forth on the following page). The Interim Lease provides that:

The lease will terminate on the happening of the earlier of the following:

a. Closing of title from Sponsor to Purchaser;
b. 15 days after the Condominium Plan is declared effective by Sponsor and a temporary certificate of occupancy or a permanent certificate of occupancy has been issued for the Condominium Building or Unit;
c. Default by Purchaser; or
d. Six (6) months after the date of the execution of the Interim Lease.

(1) Tenant will pay rent for the interim lease period.

(2) Interim lessees will not be afforded any rights under Rent Stabilization Laws or any applicable laws afforded to Tenants in this State, and leases will state that tenant acknowledges the same.

(3) An uncured default under the Purchase Agreement is a default under the lease and an uncured default under the lease is a default under the Purchase Agreement. An uncured default under the lease can result in a default under the Purchase Agreement, however before Sponsor may utilize the default under the lease to declare a default under the Purchase Agreement, Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit.

(4) An interim lessee has to vacate the Unit after a default under the Purchase Agreement or rescission of the Purchase Agreement by the lessee within thirty days.

(5) All of the Units offered in this Plan are vacant. If a Unit is leased through an Interim Lease, it will be delivered vacant at closing to Purchaser although possibly previously occupied.

FORM OF
CONDOMINIUM INTERIM LEASE

Agreement made this ____ day of _____ between RXR North Hills Phase I Owner LLC, a Delaware limited liability company (hereinafter "Sponsor"), and _____ (hereinafter "Purchasers").

WITNESSETH,

WHEREAS, Sponsor is Sponsor of The Residences, North Hills Phase I Condominium (the "Premises") and;

WHEREAS, Purchasers have executed a Purchase Agreement dated _____ for a Condominium Unit at the Premises which will be known as Unit _____ (the "Unit") at the Premises, and;

WHEREAS, Purchasers wish to occupy said Unit prior to the Closing of Title;

NOW THEREFORE, in conformity with the terms and conditions of the Offering Plan filed with the Attorney General of the State of New York, the parties agree as follows:

1) Commencing on _____ and terminating as hereinafter specified, Purchaser shall have the right to use and occupy the aforementioned Unit. Prior to commencement of this Interim Lease, Purchaser shall have a walk-through with Sponsor and a punchlist will be compiled. The items set forth on the purchlist will be the only items which Sponsor will repair in connection with the Closing, however, Sponsor shall be responsible for warranty items as covered under the Limited Warranty as set forth in the Offering Plan.

2) Purchaser shall pay a fee for use and occupancy of the Unit of $_____per month beginning on the date set forth in ¶1 herein.

It is understood that the use and occupancy fee is not rent, and that no landlord-tenant relationship has been created between the parties, and that this agreement is not governed or subject to any rent regulatory laws.

Upon the execution of this Interim Lease, Purchaser shall deposit the sum of **$**_____ with Sponsor as Security, which sum may be used by Sponsor to repair any damages caused by Purchaser or to be used by Sponsor in the event that Purchaser defaults in any of the terms and conditions hereof.

Purchaser's deposit of **$**_____ shall be applied against the Purchase Price of the Unit at Closing and is subject to forfeiture by Purchaser in the event of his default under the Purchase Agreement. Sponsor is irrevocably authorized to pay the use and occupancy from such deposit as same becomes due.

3) The use and occupancy fee, if any, for the month in which Closing occurs shall be

adjusted at Closing. No portion of the use and occupancy fee will be applied to the Purchase Price of the Unit. Any unapplied use and occupancy fee shall be refundable to Purchaser at Closing.

4) The terms of the Offering Plan and all related documents in effect as of the date hereof are incorporated in and made a part of this agreement.

5) Purchaser shall pay all utility costs and make any repairs to the Unit for which he would be obligated as owner. Sponsor will not be responsible for ordinary wear and tear to the Unit during Purchaser's occupancy.

6) Purchaser may not make any alteration to the Unit without Sponsor's written consent.

7) This lease will terminate on the happening of the earlier of the following:
   a. Closing of title from Sponsor to Purchaser;
   b. 15 days after the Condominium Plan is declared effective by Sponsor and a temporary certificate of occupancy or a permanent certificate of occupancy has been issued for the Condominium Building or Unit;
   c. Default by Purchaser; or
   d. Six (6) months after the date hereof

8) Upon a default by Purchaser, which is not cured within 15 days after notice thereof, Purchaser's right to occupy the Unit will terminate, and Purchaser must vacate the Unit within 30 days after mailing of Notice to Vacate by Sponsor. Such notice must be by certified mail, return receipt requested, to the Unit. Purchaser agrees to pay Sponsor $500 per day for each day he remains in possession beyond 7 days after mailing of the Notice to Vacate in conformity with this section. Sponsor is hereby irrevocably authorized to deduct said per diem sum directly from any amounts being held as a security deposit hereunder. Nothing contained herein shall be construed so as to limit Sponsor's ability to have Purchaser evicted from the premises and to pursue any other legal remedy available to Sponsor, nor shall anything herein be construed as a waiver by Sponsor of his right to retain, as liquidated damages, the Down Payment deposited upon execution of the Purchase Agreement, or alternatively, Sponsor may seek specific performance and require purchaser to close on the Unit and pay the balance of the Purchase Price plus adjustments.

9) Any default under this agreement will be a material default under the Purchase Agreement, and any default under the Purchase Agreement will be a material default under this agreement. Any such default will terminate Purchaser's right to use and occupy, and will also terminate Purchaser's right to Purchase the Unit, and may result in loss of the Down Payment.

10) This agreement may not be assigned and may not be changed except by signed written Instrument. This agreement is the entire agreement between the parties and regards use and occupancy of the Unit pending Closing.

11) As of the date hereof, Purchaser confirms that all work required to be done in or about the Unit has been completed except for the remaining punchlist items, and that in all respects Purchaser agrees to accept the Unit in "as is" condition. As of the date hereof, Purchaser waives any right whatsoever to cancel the Purchase Agreement, except for a material change in the Offering Plan or Sponsor's failure to deliver insurable title, as required under the Purchase Agreement.

12) Failure of Purchaser to schedule a Closing within 30 days after delivery to Purchaser of notice that Sponsor is prepared to close, shall be deemed a material default both in this Interim Lease and in the Purchase Agreement entitling Sponsor to cancel the Purchase Agreement, retain all sums previously paid, remove Purchaser from the subject Unit and collect the use and occupancy fee set forth in Paragraph 9 above.

13) If any term of this agreement differs from the Offering Plan as accepted for filing by the Attorney General of the State of New York, the Offering Plan shall be controlling.

14) This agreement may be executed by facsimile signature in one or more counterparts, which taken together, shall constitute the original.

15) The use of the masculine gender in this Interim Lease shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

RXR North Hills Phase I Owner LLC
Sponsor

By: _____
_____,
Name: _____
Title: _____,

_____
Purchaser

_____
Purchaser

K. PROCEDURE TO PURCHASE

The form of the Purchase Agreement is contained in Part II, Section "EE". Prospective Purchasers will be required to execute four (4) original copies of a Purchase Agreement in substantially such form. The Purchase Agreement will not be binding upon Sponsor until Sponsor receives four originally executed copies of the Purchase Agreement signed by Purchaser(s), together with the Down Payment check as required hereunder and a signed copy of either the appropriate IRS Form W-9 or IRS form W8 executed by Purchaser or the designated interest recipient and a copy of the Purchase Agreement is executed by Sponsor and delivered to Purchaser or Purchaser's counsel.

The Purchase Agreement and Offering Plan may not contain, or be modified to contain a provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the General Business Law.

Each Purchaser shall be provided with a report which Sponsor has filed with the United States Consumer Financial Protection Bureau pursuant to the Federal Interstate Land Sales Full Disclosure Act. Sponsor shall provide to each Purchaser a CFPB Report prior to Purchaser signing the Purchase Agreement. If a Purchaser receives a copy of the CFPB Report prior to signing the Purchase Agreement, Purchaser may cancel the Purchase Agreement by giving notice to Sponsor any time before midnight of the seventh day following the signing of the Purchase Agreement. If a Purchaser does not receive the CFPB Report before signing a Purchase Agreement, then Purchaser may cancel the Purchase Agreement and receive a refund of the Down Payment within two years from the signing of the Purchase Agreement.

Background of the Federal Interstate Land Sales Full Disclosure Act:

The Federal Interstate Land Sales Full Disclosure Act ("ILSA"), 15 U.S.C. 1701, et seq., was passed by Congress in the late 1960s in response to transactions involving land developers who sold subdivided lots who were unable, or never intended, to build the necessary infrastructure for the lots, thus rendering the lots virtually worthless. ILSA requires a developer to register a development in which the developer intends to sell lots or condominium units with the United States Consumer Financial Protection Bureau ("CFPB") and requires that a CFPB approved "Property Report" in a form prescribed by CFPB be delivered to each prospective purchaser prior to Purchaser entering into a contract to purchase a lot or condominium unit.

It is Sponsor's belief that the Units being sold under this offering plan may not qualify for an exemption under ILSA and therefore, Sponsor has filed a Statement of Record under ILSA with CFPB.

Under CFPB regulations, the Purchase Agreement must provide that if Purchaser defaults under the purchase agreement, the Sponsor can retain as damages

up to the greater of (i) 15% of the Purchase Price or (ii) the actual damages incurred by the Sponsor.

The following are important provisions contained in the Purchase Agreement:

(1) Down Payment

The Purchase Agreement requires Purchasers to pay a Down Payment equal to twenty percent (20%) of the Purchase Price of the Unit. The Sponsor has agreed to allow Purchasers to pay the twenty percent (20%) Down Payment as follows:

(a) The sum of twenty percent (20%) of the Purchase Price upon execution of the Purchase Agreement, or

(b) Down Payment paid over a period of time as follows:

(i) A first installment payment equal to five percent (5%) of the Purchase Price due upon the execution of the Purchase Agreement;

(ii) The second installment payment equal to five percent (5%) of the Purchase Price due upon the later of (a) October 1, 2014 or (b) upon execution of the Purchase Agreement;

(iii) The third installment payment equal to five percent (5%) of the Purchase Price due upon the later of (a) April 1, 2015 or (b) upon execution of the Purchase Agreement; and

(iv) The fourth installment payment equal to five percent (5%) of the Purchase Price due upon the later of (a) October 1, 2015 or (b) upon execution of the Purchase Agreement;

Under CFPB regulations, the Purchase Agreement must and does provide that if Purchaser defaults under the Purchase Agreement, the Sponsor may retain as damages up to the greater of (i) 15% of the Purchase Price or (ii) the actual damages incurred by the Sponsor.

(2) Statutory Requirement

Sponsor shall comply with the escrow and trust fund requirements of GBL Sections 352-e(2-b) and 352-h and these regulations, and all funds paid by Purchasers shall be handled in accordance with these statutes and regulations.

(3) Escrow

The following requirements shall apply to this Offering Plan:

The Escrow Agent:

The law firm of Rosen Law LLC, with an address at 1010 Northern Boulevard, Suite 322, Great Neck, New York 11021, telephone number 516-437-3400, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Gary Rosen, Esq. and Jared Rosen, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Manager, or any principal thereof, or have any beneficial interest in any of the foregoing. Sponsor has the right to change or replace the Escrow Agent at any time by the filing of the amendment with the Department of Law.

The Escrow Account:

The Escrow Agent has established the escrow account at JP Morgan Chase Bank, located at 410 Northern Boulevard, Great Neck, New York 11021, in the State of New York ("Escrow Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Rosen Law LLC, The Residences, North Hills Phase I Condominium Master Escrow Account ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured.

All Down Payments received from Purchaser shall be in the form of checks, money orders or wire transfers, and shall be made payable to or endorsed by Purchaser to the order of "Rosen Law LLC, The Residences, North Hills Phase I Condominium Master Escrow Account".

Purchasers shall note that any funds paid by Purchasers for upgrades and/or extras shall be paid directly to Sponsor at the time of the execution of the Purchase Agreement and not placed into escrow. In the event Purchaser is entitled to rescission of the Purchase Agreement, Purchaser will not receive a refund of any funds used for extras unless the plan is not consummated.

The interest rate for all deposits made into the Escrow Account shall be the prevailing rate for such accounts. The prevailing interest rate for the escrow account at the time of the acceptance for filing of this Plan is 0.05%. Interest shall begin to accrue upon placing the Down Payment into the Escrow Account. All interest earned thereon shall be paid to or credited to Purchaser at Closing. No fees of any kind may be deducted from the Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Escrow Account. Down Payments will not be deposited into an interest bearing sub-account for the Purchaser, unless Purchaser provides an IRS W-9

or W8-BEN form in the form as annexed to the Purchase Agreement or in a form as reasonably required by the Escrow Bank.

All Down Payments or advances made by Purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, must be placed within five business days after the agreement is signed by all necessary parties, in an attorney's segregated special escrow account in a bank doing business in the State of New York which account is covered by federal bank deposit insurance.

Sponsor is responsible for complying with the escrow and trust fund requirements of sections 352-e (2-b) and 352-h of the General Business Law and the Attorney General's regulations promulgated pursuant thereto. All funds paid by Purchasers will be handled in accordance with General Business Law sections 352-e (2-b), 352-h, Section 20.3 of Title 13 NYCRR and Section 71-a (3) of the Lien Law of the State of New York.

All instruments for the payment of the Down Payments, or advances made by Purchasers prior to Closing of each individual transaction, whether received before or after the date of consummation of the Plan, must be placed within five business days after the agreement is signed by all necessary parties, in the "Rosen Law LLC, The Residences, North Hills Phase I Condominium Master Escrow Account" in a bank doing business in the State of New York which account is covered by federal bank deposit insurance.

Purchaser must deliver the applicable Form W-8 or Form W-9 executed by Purchaser or the designated interest-recipient, as applicable, together with the Purchase Agreement, Down Payment and the interest-recipient designation form, if applicable, before the Down Payment can be deposited into an interest-bearing escrow account established pursuant to this Offering Plan. Interest will be credited to Purchaser at Closing if title passes to Purchaser or to Purchaser provided that Purchaser is entitled to the return of their Down Payment or to the Sponsor if the Closing does not occur as a result of a default by Purchaser. Down Payments will not be deposited into an interest bearing sub-account for the Purchaser, unless Purchaser provides an IRS W-9 or W8-BEN form in the form as annexed to the Purchase Agreement or in a form as reasonably required by the Escrow Bank. Subject to the conditions discussed in this paragraph, in accordance with regulations of the Federal Deposit Insurance Corporation ("FDIC"), and pursuant to the terms of the Dodd-Frank Wall Street Reform Act, as amended (the "Dodd-Frank Act"), as of the date of this Plan deposits at Escrow Bank in a Purchaser's name are anticipated to be covered by FDIC insurance to a maximum of $250,000. The FDIC advises consumers that for purpose of computing insurance coverage, all deposits in a party's name in a banking institution are added together and insured to a maximum of $250,000, in the aggregate. Accrued interest through the date of a financial institution's failure also is included when calculating insurance coverage. Thus, if a Purchaser already has or opens an account at Escrow Bank in the same name in which the Down Payment is deposited, and should

the Escrow Bank fail and the FDIC insurance be called upon, the funds in that account will be aggregated with the Down Payment and insured to a maximum of $250,000. The FDIC further advises consumers that a depositor cannot increase FDIC insurance coverage by dividing funds owned in the same ownership category among different accounts in the same name. No representation is made by Escrow Agent or Sponsor regarding any further amendment of the Dodd-Frank Act after the date of this Plan or that the FDIC will insure depositor's funds, if and when called upon to do so. Neither Escrow Agent nor Sponsor will incur any liability whatsoever under this Plan or otherwise if the FDIC, when and if called upon, fails or refuses to insure the Down Payment (or any other funds maintained by Purchaser in Escrow Bank) or if the FDIC insures only a portion thereof.

The Escrow Agreement is attached hereto in Part II, Section "PP" of this Plan. The Escrow Agreement must be executed by Sponsor, Purchaser, and Escrow Agent.

Notification to Purchaser. Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Down Payment, the Escrow Agent shall sign the Purchase Agreement and place the Down Payment into the Escrow Account. Within ten (10) business days of placing the Down Payment in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the deposit. The notice shall provide the account number and the initial interest rate to be earned on the deposit. Any funds paid by Purchasers for upgrades and/or extras shall be paid directly to Sponsor at the time of the execution of the Purchase Agreement and not placed into escrow. In the event Purchaser is entitled to rescission of the Purchase Agreement, Purchaser will not receive a refund of any funds used for extras unless the plan is not consummated.

The Escrow Agent is obligated to send notice to Purchaser once the Down Payment is placed in the Escrow Account. If Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Down Payment, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Down Payment to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Down Payment was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Down Payments and requisite notice was timely mailed to Purchaser.

Escrow revisions. Before funds are transferred to a new escrow account, or if the escrow agent is replaced, the Plan must be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such

alternate form of security, pursuant to the provisions of paragraph (4) of Part 20(o) of Title 13 N.Y.C.R.R.

Release of funds. All Down Payments, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

Purchasers shall note that any funds paid by Purchasers for upgrades and/or extras shall be paid directly to Sponsor at the time of the execution of the Purchase Agreement and not placed into escrow. In the event Purchaser is entitled to rescission of the Purchase Agreement, Purchaser will not receive a refund of any funds used for extras unless the plan is not consummated

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

The Escrow Agent shall release the Down Payment if so directed:

(a) pursuant to terms and conditions set forth in the Purchase Agreement upon the Closing to the Unit; or

(b) in a subsequent writing signed by both Sponsor and Purchaser; or

(c) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Down Payment pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Down Payment, then the Escrow Agent must give both Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Down Payment. If the Escrow Agent has not received notice of objection to the release of the Down Payment prior to the expiration of the thirty (30) day period, the Down Payment shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Down Payment within said thirty (30) day period, the Escrow Agent shall continue to hold the Down Payment until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Down Payment contained in the Escrow Account with the clerk of the county where the condominium unit is located and shall give written notice to both parties of such Down Payment.

Sponsor shall not object to the release of the Down Payment to:

(a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

(b) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

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

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

Trust obligation of Sponsor. Nothing contained herein shall diminish or impair Sponsor's statutory obligation to each Purchaser pursuant to GBL Section 352-h to hold in trust all Down Payments, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to GBL Section 352-h. Funds from the escrow account remain the property of Purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of Sponsor or the escrow agent upon any bankruptcy, incapacity or death.

(4) Alternatives to escrow account.

Sponsor may apply to the Attorney General to use security in the form of surety bonds or a letter of credit in lieu of escrow of such funds for use in newly constructed or gut rehabilitated developments upon showing of adequate insurance of such funds to the satisfaction of the Attorney General. It is anticipated that Sponsor will be filing an amendment to use a letter of credit in lieu of an escrow account.

(i) Application for alternate security. Sponsor must file an amendment to this Offering Plan by submitting an affidavit which contains full information as to the proposed usage of such funds, Sponsor's financing of construction or rehabilitation work, expected completion date, the terms and conditions of the proposed surety bonds or letter of credit, and required undertakings and covenants.

(ii) Documentation. The proposed form of surety bond or letter of credit, any underlying agreement or related agreement, and any undertaking or covenant required hereunder, shall be appended to the application and also filed as exhibits to the Offering Plan in or as exhibits to an amendment to the Plan.

(iii) Change from escrow account. Where surety bonds are or a letter of credit is to be provided under an amendment to the Plan calling for release of funds already deposited in escrow, the amendment shall provide for, and annex a form for, the written consent of each effected Purchaser and shall provide for continuation of escrow of funds of any Purchaser who does not execute and deliver such written consent to Sponsor.

(iv) Disclosure. If an application for alternate security is approved, the terms of such alternate security shall be disclosed in the Plan or in an amendment to the Plan promptly submitted.

(5) Change to escrow account.

Where alternate security as provided under a filed Offering Plan is no longer needed by Sponsor, or new or additional alternate security cannot be obtained by a Sponsor or its successor, Sponsor shall submit an amendment for filing which provides that any future Down Payments shall be held in the escrow account in accordance with paragraph (3) of 13 NYCRR 20.3. Such amendment shall not effect Sponsor's obligation to account for funds previously released to Sponsor unless the funds representing all such Down Payments are restored to the escrow account.

(6) Compliance with Lien Law Section 71-a(3).

Because this Offering Plan provides for the construction of residential Condominium Units, the Purchase Agreement and the Plan will comply with Section 71-a (3) of the Lien Law.

(7) Specific Performance of the Purchase Agreement.

Sponsor may seek specific performance of the Purchase Agreement, requiring Purchaser to close and purchase the Condominium Unit for which Purchaser has executed a Purchase Agreement.

(8) Purchase Agreement May Be Made Time of the Essence.

In the event that Purchaser does not appear for Closing ready, willing and able to accept title from Sponsor, and pay Sponsor the balance of the Purchase Price and associated costs on the date set forth in the Purchase Agreement, provided that Sponsor is ready, willing and able to convey title to Purchaser, then, in that event, Sponsor may set a Closing Date with "time of the essence" no less than thirty (30) days after the Scheduled Closing Date. If Sponsor makes the closing "time of the essence" and Purchaser fails to close on the "time of the essence" Closing Date, Purchaser will forfeit his or her Down Payment together with any interest earned, if any, on the Down Payment. In addition, Sponsor may seek specific performance. Sponsor must provide a Purchaser with a written demand for payment after default (including failing to close on

the date scheduled for the Closing by the Sponsor) at least thirty (30) days before forfeiture of the Down Payment will be declared.

(9) Closing Date.

After the Plan has been declared effective Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the First Closing and setting such Purchaser's Closing Date. Such notice will be served in compliance with Section 20.1(d) (1) of 13 NYCRR 20.3 no less than 30 days before the date set for the Closing of the Units. Sponsor may permit Purchasers to waive its thirty (30) day notice provision by including such waiver in the Plan or in an amendment thereto.

(10) Date of Expected First Closing.

Sponsor anticipates that the First Year of Operations of the Condominium shall begin on January 1, 2016. If the First Year of Operations of the Condominium is delayed 12 months or more, or if Sponsor cannot convey title to the First Unit within twelve (12) months or more after the First Year of Operations which is projected in this offering plan, purchasers shall have a right of rescission. Purchaser shall be obligated to notify Sponsor in writing of its intent to exercise said option no later than fifteen (15) days after the twelve (12) month period. Failure to so notify Sponsor shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement.

(11) Sponsor Must Make Written Demand Before Declaring Default.

Sponsor must make a written demand for payment for default at least thirty (30) days before a default or forfeiture of the Down Payment will be declared.

If, and only to the extent that the sale of the Units is not exempt from the provisions of the Interstate Land Sales Full Disclosure Act, the amount of the Down Payment to be retained by Sponsor upon Purchaser's failure to cure a default after the expiration of the thirty (30) day notice and opportunity to cure period will be the greater of (i) fifteen percent (15%) of the Purchase Price (excluding any interest owed) or (ii) the amount of damages incurred by Sponsor due to the default. For purposes hereof, "damages" means actual damages resulting from the default, as determined under New York law.

(12) Unit Power of Attorney.

Each Unit Purchaser will be required to sign a power of attorney to the Board of Managers of the Condominium and/or the Board of Directors of the Association on the date of delivery of the deed. Sponsor will not close with any Purchaser who refuses to sign a Power of Attorney and reserves the right to rescind the Purchase Agreement by returning the full Down Payment. The Power of Attorney provides the following powers

to the Board of Managers of the Condominium: (a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer assign or lease the same, upon such terms and conditions as shall be approved by a majority of Unit Owners, (b) to acquire any Unit, together with its Appurtenant Interests, whose Owner elects to surrender the same pursuant to the Declaration of Condominium, (c) to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Board of Managers of its designee, corporate or otherwise, on behalf of all Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote, the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present; (d) to execute, acknowledge and deliver (i) any Declaration or other instrument effecting the Condominium which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (ii) any consent, covenant, restriction, easement or Declaration, or any amendment thereto, effecting the Condominium or the Common Elements which the Board deems necessary or appropriate.

(13) Purchaser's Right To Rescind The Purchase Agreement.

Purchasers shall be afforded either (i) not fewer than three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement or (ii) not fewer than seven (7) days after delivering an executed Purchase Agreement together with the required Down Payment to rescind the Purchase Agreement and have the full Down Payment refunded promptly.

For the convenience of some Purchasers, however, Sponsor will have the right, at its sole option, to accept an Agreement prior to the expiration of such period of three (3) business days; and in such event, and only in such instance, such Purchaser will have the right to rescind such Agreement by written notice sent to Sponsor by certified or registered mail, return receipt requested, or by personal delivery within seven (7) days of such Purchaser's submission of the Agreement, whereupon Sponsor will refund, without interest (notwithstanding any provision of this Plan regarding interest to the contrary), the Down Payment received by Sponsor from such Purchaser in connection with such Agreement.

(14) Risk of Loss.

Risk of loss for fire or other casualty remains with Sponsor until legal title to the Unit has been conveyed to Purchaser, unless a Purchaser who has not yet closed enters into an interim lease. Prior to the First Closing, Sponsor may, at Sponsor's

option abandon the Plan or to repair or to replace such loss or damage. If Sponsor elects to replace or repair such loss or damage, then at Sponsor's option, it shall be entitled to a reasonable adjournment of the Closing. After the First Closing, the Buildings will be insured by the Condominium. Any person who takes possession or enters into an interim lease prior to closing assumes the risk of losses not covered by insurance.

(15) Purchase Agreement.

The Purchase Agreement is attached hereto in Part "II", Section "EE" of this Plan. The relevant escrow trust fund provisions are included in Section "7" of the Purchase Agreement, which must be executed by the Escrow Agent.

(16) Financing Contingency.

THE PURCHASE AGREEMENT IS NOT CONTINGENT UPON PURCHASER OBTAINING MORTGAGE FINANCING. UPON EXECUTING THE PURCHASE AGREEMENT, PURCHASER SHALL BE OBLIGATED TO CLOSE TITLE WHETHER OR NOT PURCHASER OBTAINS A MORTGAGE.

If a Purchaser wishes to obtain mortgage financing, obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will Sponsor be obligated to return a Purchaser's Down Payment in the event a Purchaser is unable to obtain a mortgage. The Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the Purchase Price at closing regardless of the availability of financing. In the event a Purchaser does not close title to the Unit as a result of Purchaser's inability to obtain a mortgage, the Down Payment plus the cost of any custom work ordered, will be retained by Sponsor as liquidated damages or alternatively, Sponsor may seek specific performance and require purchaser to close on the Unit and pay the balance of the Purchase Price plus adjustments.

(17) Credit Check.

Prior to executing a Purchase Agreement, Sponsor may require the prospective Purchaser to execute necessary authorizations to conduct a credit check of Purchaser(s), at the sole cost and expense of Sponsor. The cost to the prospective Purchaser of the credit check shall not exceed $100 per purchaser.

Purchaser may refuse to enter into a Purchaser Agreement with any prospective Purchaser for any non-discriminatory reason.

(18) Conflicts Between Offering Plan and Purchase Agreement.

If any provision of the Purchase Agreement is in conflict or inconsistent with any provision of the Offering Plan, then such conflict or inconsistency shall be resolved in favor of the Offering Plan.

(19) Time Limitation For Sponsor To Accept Or Reject Purchase Agreement.

Sponsor will either accept a Purchase Agreement and cause to be returned to Purchaser a fully executed counterpart thereof or reject the Purchase Agreement offer and refund the Down Payment tendered within thirty (30) days after delivery by Purchaser of an executed Purchase Agreement together with the required Down Payment. In the event Sponsor fails to elect to accept or reject within the stated thirty (30) day period, Sponsor will be deemed to have rejected same and Purchaser shall be entitled to a prompt return of the Down Payment.

(20) Purchase Agreement And Offering Plan Does Not Waive Any Rights Under Article 23-A of the New York General Business Law.

The Plan and the Purchase Agreement does not contain, and may not be modified to contain, a provision waiving a Purchaser's right or abrogating Sponsor's obligations under the Offering Plan or Article 23-A of the New York General Business Law.

(21) Assignment or Transfer of Purchase Agreement and No Listing For Sale.

Prior to the closing of title to a Unit, the Purchase Agreement prohibits a contract vendee from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of a Unit for sale or lease, without Sponsor's prior written consent.

In addition, a Purchaser may not advertise, list or sell, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion, except for hardship conditions of Purchaser, a Unit acquired from Sponsor for twelve (12) months after acquisition of such Unit (provided however, such limitation shall not apply from and after the date that Sponsor conveys title to all of the Units). Any such conveyances in violation of the foregoing will be voidable by Sponsor.

Purchasers are prohibited from assigning or transferring the Purchase Agreement without the express written consent of Sponsor, which consent may be granted or withheld in Sponsor's sole and absolute discretion.

In the event that the Sponsor agrees to permit an assignment of a Purchase Agreement, in Sponsor's sole discretion, Purchaser shall pay an assignment fee equal to 1% of the Purchase Price of the Unit plus Sponsor's attorney's fees in the amount of $2,500.00 and the Assignee shall close title to the Unit on the Scheduled Closing Date as set forth in the Purchase Agreement.

(22) Waiver of Immunity By Foreign Government, etc. Parties.

The Condominium Board has the right, but not the obligation, to require that before any Unit is conveyed to a Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (examples are diplomatic immunity or sovereign immunity) shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement, the Condominium Documents or this Offering Plan being brought in any State or Federal Court in the State of New York. Any such Purchaser and any other Purchaser who is not a resident of New York State shall designate and authorize a lawful agent to receive process. The foregoing provision does not apply to the sale of Unsold Units by Sponsor.

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L. FINANCING FOR QUALIFIED PURCHASERS

THIS PLAN DOES NOT CONTAIN ANY FINANCING ARRANGEMENTS FOR PURCHASERS. PROSPECTIVE PURCHASERS WHO ARE INTERESTED IN SUCH FINANCING SHOULD CONTACT LENDING INSTITUTIONS, SUCH AS MUTUAL SAVINGS BANKS AND COMMERCIAL BANKS, MANY OF WHICH HAVE ADVERTISED THAT THEY OFFER FINANCING TO PURCHASERS OF CONDOMINIUM UNITS.

Any applications for such financing with lending institutions must be done on an individual basis by prospective Purchasers and will involve negotiations exclusively between the lending institution and the applicant. Sponsor should not be construed hereunder as offering any such financing or representing the availability or terms of such financing.

The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will Sponsor be obligated to return a Purchaser's Down Payment in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the Purchase Price at Closing regardless of the availability of financing. In the event a Purchaser does not close title to the Unit as a result of Purchaser's inability to obtain a mortgage, the Down Payment plus the cost of any custom work ordered, will be retained by Sponsor as liquidated damages or alternatively, Sponsor may seek specific performance and require purchaser to close on the Unit and pay the balance of the Purchase Price plus adjustments.

In the event that a Purchaser obtains a mortgage commitment and the mortgage commitment expires prior to the date on which Sponsor is ready and able to convey title, Sponsor will not be responsible or liable to Purchaser for any extension fees or costs of any kind as a result of an expiring or expired mortgage commitment.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments in a building or group of building be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

M. EFFECTIVE DATE OF THE PLAN

The Purchase Agreement and offer to sell Condominium Units is contingent upon, and the closing of the First Unit will not occur until the Offering Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

The Offering Plan may be declared effective by (i) an amendment to the Plan or (ii) by personal service of notice on every Purchaser or by commencement of service by mail in the manner required by Section 20.1(d) of 13 NYCRR 20.3 stating that the Plan is declared effective and submitting an amendment to the Department of Law within five days confirming that the Plan was declared effective on a specified date. The amendment must conform to 13 NYCRR 20.5(e).

The Offering Plan will not be declared effective unless bona fide Purchasers, including investors, have signed Purchase Agreements for at least 15 percent of the Units offered under the Offering Plan. Units of a primarily ancillary nature such as garage spaces may not be counted toward effectiveness. Such Units may be excluded from the base in calculating the percentage needed to become effective **(15% is nineteen (19) Units).**

The Offering Plan will not be declared effective based on Purchase Agreements:

(i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or

(ii) if Purchaser was not afforded the protections required by paragraph (o)(15) of 13 NYCRR 20.3, in that Purchasers will have not less than three business days to review the offering plan and all filed amendments prior to executing a Purchase Agreement; or

(iii) with any Purchaser who is Sponsor, the selling agent, or the Manager or is a principal of Sponsor, the selling agent or the Manager or is related to Sponsor, the selling agent or the Manager or to any principal of Sponsor or the selling agent or the Manager by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a Purchaser other than Sponsor or a principal of Sponsor may be included if Sponsor has submitted proof satisfactory to the Department of Law establishing that Purchaser is bona fide.

The Offering Plan must be declared effective when Purchase Agreements have been accepted by Sponsor for eighty (80) percent or more of the Units offered under the Plan. **(80% is 100 Units)**.

If the Offering Plan is abandoned by Sponsor, before the Offering Plan is declared effective, within thirty days after abandonment, all monies paid by Purchasers

shall be refunded to them in full, with interest earned, if any. Sponsor will then promptly file an amendment together with form RS-3 as required by Section 20.1(l) (2) of 13 NYCRR 20.3.

Sponsor may not abandon this Offering Plan after effectiveness for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total offering amount ($1,222,400); or (ii) substantial damage or destruction of the buildings by fire or other casualty which cannot be cured for less than one-half of one percent of the total offering amount; or (iii) the taking of any material portion of the property by condemnation or eminent domain. The sum of one-half of one percent of the total offering amount as the figure for the basis for abandonment after effectiveness shall exclude any attorney's fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to Sponsor or are a matter of public record.

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N. TERMS OF SALE

(1) After the Plan has been declared effective, Sponsor will fix a date for the Closing to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the First Closing and setting such Purchaser's Closing Date. Notice of the Closing Date will be sent to all Purchasers who have executed and delivered Purchase Agreements to Sponsor and whose Purchase Agreements are then in effect by (i) personal delivery; or (ii) mailing by regular mail or registered or certified mail with or without return receipt requested or by overnight delivery by a nationally recognized overnight courier service, addressed to Purchasers at the last know residence of such Purchaser or, if Purchaser has provided written information of an alternative address for notices, addressed to Purchaser at the alternative address. If Sponsor has no information of the last known residence address, but has written information of the place of business or employment of such Purchaser, the mailing shall be addressed to such last business or employment address. Said notice will also include notice of the obligation to pay the balance of the Purchase Price. Such notice will be served no less than thirty (30) days before the date set for the Closing of the Units.

(2) The type of deed given to Unit Owners shall be a Bargain and Sale Deed without Covenants against Grantor's Acts. A form of the Unit Deed is contained in Part II, Section "HH" of this Offering Plan.

(3) Prior to the Effective Date of the Plan, there is no obligation or liability upon Sponsor to repair any damage from a casualty or other cause that occurs before the Closing of a Purchaser's Unit; in such case, if a Purchaser's Unit or the Common Elements serving such Purchaser's Unit that provide access to such Unit have sustained damage due to casualty or other cause, Sponsor shall have the option, in its sole discretion to elect whether or not to repair such damage. If Sponsor elects to repair such damage, then the Purchase Agreement shall remain in effect, except that Sponsor's time for performance under the Purchase Agreement shall be extended as a result of the delay occasioned because of said casualty and the time required to perform any necessary repairs. If Sponsor elects not to repair such damage, Purchaser shall be afforded the right to rescind.

(4) A Closing will take place only concurrently with the issuance of a Temporary or Permanent Certificate of Occupancy for the Building containing the Unit or, issuance of a Temporary Certificate of Occupancy or Permanent Certificate of Occupancy for the Unit closed or the Building in which the Unit is located.

(5) Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at the Closing free and clear of all liens, encumbrances and title exceptions other than those described in the Offering Plan and the proposed Unit deed. There will be no leases, mortgages, liens or encumbrances that will affect the property after Closing. The state of facts shown on a survey of the land and buildings

and any additional state of facts a subsequent survey would show may be a title exception, provided that such state of facts does not render title unmarketable.

Title to each Unit will be subject to the following title exceptions:

a) Easement and Reservations for water and drainage pipes contained in deed dated 11/29/1944 and recorded 1/30/1945 in Liber 2831, Page 528 (Section 8, Block A, Lots p/o 22 and p/o 42);

b) Right of Way Easement in Liber 2804, Page 422;

c) Right of Way Easement in Liber 2787, Page 190;

d) Building, Restrictions and Regulations in Liber 3433, Page 34;

e) Covenants and Restrictions Agreement in Liber 7782, Page 63;

f) Covenants and Restrictions contained in Declaration dated 9/14/1993 and recorded 10/15/1993 in Liber 10358, CP 202 pertaining to the preservation of the westerly side yard setback between the satellite antenna installation and the westerly boundary line of the subject premises (Section 8, Block A, Lots 882, 702A, 702B, 302, 51 & 502);

g) Declaration Creating Easement (for park area) in Liber 12176, Page 86 (Section 8, Block A, Lot 302);

h) Reciprocal Easement Agreement made by and among X-Cell III Realty Associates LLC, Midtown North Hills LLC and the Board of Commissioners of the Manhasset Lakeville Water District dated as of 9/25/2006 and recorded 5/17/2007 in Liber 12267, Cp 206 and as referenced in deeds recorded on 8/8/2007 in Liber 12299 at pages 298 and 318 (Section 8, Block A, Lots 882, 702A, 702B, 302, 51 & 502);

i) Protective Easements in the Nature of a Declaration of Restrictive Covenants for the Benefit of Manhasset-Lakeville Water District dated 7/2/2007 and recorded 8/8/2007 in Liber 12299, Cp 260 (Section 8, Block A, Lot p/o 785);

j) Temporary Work Access Easement and Indemnity Agreement between Midtown North Hills LLC and Board of Commissioners of Manhasset-Lakeville Water District dated 7/2/2007 and recorded 8/8/2007 in Liber 12299, Cp 269 (Section 8, Block A, Lot p/o 785);

k) Declaration of Covenants and Restrictions made by Midtown North Hills, LLC dated as of 7/9/2007 and recorded 7/24/2007 in Liber 12292, Page 658 (Section 8, Block A, Lots 882, 702A, 702B, 302, 51 & 502);

l) Protective Easements in the Nature of a Declaration of Restrictive Covenants for the Benefit of Manhasset-Lakeville Water District made by The New York State Office of Parks, Recreation & Historic Preservation dated 9/23/2002 and recorded 10/25/2002 in Liber 11543, CP 332. (Section 8, Block A, Lot master (Adjacent to lot 785)).

m) Temporary Access Easement and Indemnity Agreement between Midtown North Hills LLC and Board of Commissioners of Manhasset-Lakeville Water District dated 7/2/2007 and recorded 8/8/2007 in Liber 12299, Page 280;

n) Terms, Restrictions and Conditions set forth in the Declaration of Condominium and By-Laws of The Vanderbilt at the Residences, North Hills f/k/a The Residences, North Hills Condominium Four dated 10/20/2008, recorded 10/28/2008 in LIber 12448, Page 1 (Section 8, Block A, Lot 892 and 900);

o) Declaration made by Midtown North Hills, LLC, as Declarant dated as of 11/30/2010 recorded 12/16/2010 in Liber 12678, Page 643;

p) Amended and Restated Declaration made by Midtown North Hills, LLC, as Declarant dated as of 7/11/2011 recorded 8/23/2011 in Liber 12750, Page 458;

q) Declaration of Covenants, Restrictions, Easements, Charges and Liens made by Midtown North Hills, LLC as Declarant dated as of 12/20/2013 recorded 3/24/2014 in Liber 13057, Page 418;

r) Site Development Restrictive Covenant Agreement made by and between RXR North Hills Phase I Owner LLC and RXR North Hills Phase II Owner LLC dated as of 12/20/2013 recorded 3/24/2014 in Liber 13057 page 618;

s) Water Pipe Easement and Maintenance Agreement dated 2/19/1937 and recorded 2/25/1937 in Liber 1919, Cp 166 (Section 8, Block A, Lots p/o 22 & p/o 42);

t) Easement and Reservations for water and drainage pipes contained in deed dated 10/25/1944 and recorded 11/24/1944 in Liber 2806, Cp 394 (Section 8, Block A, Lots p/o 22 & p/o 42);

u) Easement and Reservations for water and drainage pipes contained in deed dated 9/26/1944 and recorded 1/23/1945 in Liber 2829, Cp 247 (Section 8, Block A, Lots p/o 22 & p/o 42);

v) Easement and Reservations for water and drainage pipes contained in deed dated 11/29/1944 and recorded 1/30/1945 in Liber 2831, Page 528 (Section 8, Block A, Lots p/o 22 and p/o 42);

w) Electric Easement dated 6/6/1956 and recorded 7/5/1956 in Liber 6046, Cp 21 (Section 8, Block A, Lots p/o 2 & p/o 42);

x) Right of Way Easement dated 8/30/1948 and recorded 8/31/1948 in LIber 3661, Cp 325 (Section 8, Block A, Lots p/o 202 & p/o 602);

y) Water Easement in Document # 3738/70;

z) Right of Way Easement in Reel 7351, Page 734;

aa) Utility Easements, if any;

bb) Any other covenants, restrictions, easements, or any other encumbrance (other than for the payment of money), provided that they do not prohibit the existence and residential use of the Units or, if any, as the case may be;

cc) Rights, if any, to maintain vaults and chutes under the sidewalk;

dd) The lien of any Common Charges, real estate taxes, water frontage and/or meter charges, sewer rents, vault charges and Assessments, provided that apportionment of such items are made as provided in this Plan;

ee) Any interim lease with Purchaser of such Unit and any other leases, tenancies and occupancies permitted by the Purchase Agreement for such Unit;

ff) Any lien, encumbrance or lis pendens either (i) for which the instrument required to remove said encumbrance of record is delivered at or prior to the Closing Date to the proper party or to Purchaser's title insurance company together with the required recording or filing fee or (ii) as to which Purchaser's title insurance company or the preferred title company will insure that the lie, encumbrance or lis pendens will not be collected out of or enforced against the Unit;

gg) The lien of any Assessment or Assessments which are or may become payable in annual installments of which any installment is then a charge or a lien, provided that apportionment thereof is made as provided below;

hh) Party Wall agreements, if any;

ii) Judgments, bankruptcies or other returns against other persons having names the same as or similar to that of Sponsor or any of its principals, provided Sponsor delivers to Purchaser or Purchaser's title insurance company or the preferred title company an affidavit showing that such judgments, bankruptcies or other returns are not against Sponsor;

jj) Uniform Commercial Code financing statements or conditional

bills of sale provided that (i) such statements were filed on a date more than five years prior to the Closing Date, (ii) Sponsor executes and delivers to the Condominium an affidavit setting forth that the property covered thereby is no longer in the Unit or is fully paid for, or (iii) a tenant is the debtor thereunder;

kk) The printed exceptions set forth in the title insurance policy issued by a title company that is authorized to do business in the State of New York and that is a Member of the New York Board of Title Underwriters, including without limitation the following:

ll) Defects and encumbrances arising or becoming a lien after the Closing Date;

mm) Consequences of the exercise and enforcement or attempted enforcement of any governmental, war or police powers over the Unit or the Property;

nn) Any laws, regulations or ordinances (including, but not limited to zoning, building, and environmental protection) as to the use, occupancy, subdivision or improvement of the Unit or the Property, adopted or imposed by any governmental body, or the effect of any noncompliance with or any violation thereof;

oo) Judgments against the insured or estates, interests, defects, objections, liens or encumbrances created, suffered, assumed or agreed to, by or with the privity of Purchaser;

pp) Title to any property beyond the lines of the Unit or the Property, or title to areas within or rights to easements in any abutting streets, roads, avenues, lanes, ways or waterways, or the right to maintain therein vaults, tunnels, ramps or any other structure or improvement, other than the ordinary rights of access and egress belonging to abutting Owners;

qq) Title to any personal property, whether the same be attached to or used in connection with the Unit or the Property or otherwise;

rr) All of the terms, easements, covenants and conditions of the Declaration and By-Laws as they are subsequently filed or recorded and the Plan and Purchase Agreement and any amendments thereto, including, without limitations, the following:

ss) Easements for the continuance of encroachments on the Unit and on the Common Elements then existing, by reason of the construction, renovation or rehabilitation of the Buildings, or thereafter occurring by reason of the settling or shifting of the Buildings, or by reason of the repair, alteration and/or restoration by Sponsor, or the Board or encroachments by such other Units 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 or repair to any Unsold Unit or the Common Elements made by Sponsor, or the Board and similar encroachments by the Unit on other Units, and/or the Common Elements, so that any such encroachments may remain as long as the Buildings stands;

tt) Easements in favor of the Owners of other Units to use sidewalks, pipes, flues, wires, conduits, ducts, cables, storm drainage facilities, sanitary system, water, sewer, utility lines, and other Common Elements including those located in the Unit itself or elsewhere on the Property, serving such other Units, and easements of support, subjacency and necessity in favor of each Unit and/or the Common Elements;

uu) Easements to Sponsor, and their assigns, invitees, licensees, contractors, employees, and tenants on, in, over and across all areas of the Property for (i) construction, installation, maintenance, ingress to and egress from and the right to use sidewalks, pipes, flues, conduits, ducts, cables, wires, storm drainage facilities, sanitary system, water, sewer, and other utility lines and other Common Elements; (ii) ingress to and egress from all areas of the Property and the use thereof (in common with Unit Owners) for construction contemplated by the Plan and for development and maintenance of the Property or any Unit; and (iii) the erection, maintenance, repair and replacement from time to time of one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit (see also the heading "Sponsor's Right of Access" in "Rights and Obligations of Sponsor");

vv) Easements in favor of the Board, its agents, contractors and employees to (i) have an unlimited right of access to the Unit and to the Common Elements, to inspect, maintain or repair or to make repairs to the Unit to prevent damage to the Common Elements, or any other Units;

ww) Sponsor shall have an easement without the necessity of obtaining the consent of the Condominium Board and/or Unit Owners (i) over the Property, including each Unit and the Common Elements, for access to and to construct, install, erect, inspect, maintain, repair, operate, use and replace from time to time one or more Signs (as hereinafter defined) on the Property (including, without limitation on any Common Element, exterior façade, lobby or any other public portion of the Property) for the purposes of advertising the sale of Units and the leasing of the Units or of space in any of the Units or advertising any of the services and/or facilities of such Unit Owner or the services and/or facilities of any tenant occupying such Unit Owner's Unit(s); (ii) over the Property, including each Unit and the Common Elements in connection with the sales and/or leasing of Units; (iii) over any portion of the Property, including each Unit and the Common Elements (including, without limitation, the stairways, walkways, vestibules and other public spaces within the Property) for purposes of access to and for all purposes in connection with the installation (whether on Common Elements or within its Unit), inspection, maintenance, repair, operation, improvement or use of any of the following serving their respective Units, the Service

Equipment, flues and/or ducts, security systems, heating, air-conditioning systems and devices and exhaust and ventilation fan, systems and devices, in each case, located anywhere on the Property.

xx) Any additional Declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of each Unit as a Condominium Unit.

(6) All personal property located within the Unit on the date the Purchase Agreement is signed or located within the Common Elements on the date the Declaration is filed, that is owned by Sponsor or the owner of the property, is included in the conveyance to a Purchaser.

(7) The Declaration, By-Laws and Floor Plans for the Condominium and such other documents, as required by law, will be recorded or filed prior to the first conveyance of title to a Unit in accordance with the New York Condominium Act or applicable state and local law. The aforesaid documents will be recorded in the office of the Nassau County Clerk.

(8) PURCHASER IS OBLIGATED TO PAY NEW YORK STATE REAL PROPERTY TRANSFER TAXES INCLUDING MANSION TAX PURSUANT TO TAX LAW §1402-A AND ANY LOCAL REAL PROPERTY TRANSFER TAXES, IF ANY. WHILE THE NEW YORK STATE TRANSFER TAXES ARE CUSTOMARILY PAID FOR BY THE SELLER IN SINGLE FAMILY UNIT TRANSACTIONS, THE BURDEN OF PAYING SUCH TAXES MAY BE MODIFIED BY CONTRACT. AS IS COMMON WITH MANY OTHER CONDOMINIUM DEVELOPMENTS IN NEW YORK STATE, THE PURCHASE AGREEMENT PROVIDES THAT PURCHASER OF A UNIT WILL BE REQUIRED TO PAY THESE TRANSFER TAXES AT THE CLOSING.

(9) If there are any existing mortgages or construction loans on the Condominium premises which will not be satisfied at or prior to the Closing of the First Unit, then at the time of conveyance of the First Unit, each mortgagee will either: (i) consent to the formation of a Condominium and acknowledge that its lien will be limited to unsold Condominium Units; (ii) subordinate the lien of its mortgage to the Declaration of Condominium; or (iii) release its lien on the Condominium Unit being conveyed and its interest in the Common Elements.

Sponsor has obtained construction loan financing for the construction of the Phase I Condominium and for the construction of the Association Common Areas from German American Capital Corporation. Sponsor is obligated to pay to German American Capital Corporation the sum equal to (i) the greater of the Adjusted Minimum Release Price as defined in the loan agreement between Sponsor and German American Capital Corporation and (ii) the Net Sales Proceeds as defined in the loan agreement between Sponsor and German American Capital Corporation for the Unit

being conveyed by Sponsor. Sponsor will obtain a partial release from the Phase I Lender prior to conveying a Unit to a Purchaser.

Sponsor will promptly amend this Offering Plan to disclose any additional lenders or new loan terms if any.

(10) Each Purchaser will be required to execute and deliver at the Closing: (i) a New York State Real Estate Transfer Tax Return and Credit Line Mortgage Certificate, in the forms required to be filed by law; and (ii) a Unit Owner Power of Attorney substantially in the form set forth in Part II of the Plan.

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O. UNIT CLOSING COSTS AND ADJUSTMENTS

1. The estimated Closing costs and expenses to be incurred by each Purchaser upon the purchase of a Unit are as follows:

(i) Estimated Costs, Fees and Charges to be Paid by Purchaser:

At the time of the Closing, Purchaser will be responsible for paying the costs, fees and charges in connection with the Closing: title insurance fee premium; title insurance mortgage premium if Purchaser obtains mortgage financing; mortgage recording tax; New York State Real Property Transfer Tax; Local Real Property Transfer Taxes or fees, if any; recording fees for the recording of the Deed, mortgage and Unit Power of Attorney; contributions to the Condominium's Working Capital Fund; contributions to the Association's Working Capital Fund; first month's Common Charges; first month's Association Common Maintenance Charges; survey fee; pro-rata insurance fees and Sponsor's attorney's fee.

I. Title Insurance Fee Premium:

Fee title insurance is available from First American Title Insurance Company of New York, 633 Third Avenue, New York, New York 10017, Attn: Steven M. Napolitano, Senior Executive Vice President or Phillip Salomon, Executive Vice President, Telephone (212) 551-9434, Fax (212) 331-1559 or from a title insurance company selected by Purchaser. Current rates for fee title insurance in accordance with the scheduled rates set by the New York Board of Title Underwriters and filed with the New York State Insurance Department are set forth below (approximate amounts): (Sponsor does not guaranty the accuracy of the title insurance rates set forth herein).

Amount of Title Insurance (non-bulk rate)

Fee Amount	Premium
From $100,000 to $500,000	$658 plus $3.71 per Thousand over $100,000;
From $500,000 to $999,999	$2,142 plus $3.38 per Thousand over $500,000;
From $1,000,000 to $5,000,000	$4,508 plus $3.66 per Thousand over $1,000,000;

Amount of Title Insurance (bulk rate)

Fee Amount	Premium
From $100,000 to $500,000	$461 plus $2.595 per Thousand over $100,000;
From $500,000 to $999,999	$1,499 plus $2.37 per Thousand over $500,000;
From $1,000,000 to $5,000,000	$3,155 plus $2.562 per Thousand over $1,000,000;

If the project qualifies for the Bulk Rate pursuant to Section 20 of the TIRSA Rate Manual, then Owner's insurance shall be charged at 70% of the applicable Fee Title Insurance (Owner's) Rate.

II. Title Insurance Mortgage Premium:

If Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance, the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the "Basic Rate" schedule as described below. The premium on the amount of the loan policy that does not exceed the owner's policy shall be calculated at thirty percent (30%) of the regular scheduled rate for loan policies according to the rates set forth below:

Amount of Title Insurance (non-bulk rate)

Mortgage Amount	Premium
From $100,000 to $500,000	$196 plus $1.092 per Thousand over $100,000;
From $500,000 to $999,999	$633 plus $0.995 per Thousand over $500,000;
From $1,000,000 to $5,000,000	$1,130 plus $0.915 per Thousand over $1,000,000;

Amount of Title Insurance (bulk rate)

From $100,000 to $500,000	$137 plus $0.765 per Thousand over $100,000;
From $500,000 to $999,999	$433 plus $0.745 per Thousand over $500,000;
From $1,000,000 to $5,000,000	$791 plus $0.641 per Thousand over $1,000,000;

III. Cost of Survey.

Each Purchaser shall also be required to pay the cost of any survey or survey inspection prepared at his request. Purchaser shall reimburse to Sponsor the sum of $200 as contribution of costs of surveys and surveying services incurred by Sponsor. Prints of Sponsor's survey will be available for a nominal charge.

IV. Cost of Recording Documents.

The fee charged by the Nassau County Clerk's Office for the recording of the deed is approximately $300. Fee for the recording of the Unit Power of Attorney is approximately $300. Fee for recording a mortgage is approximately $400 plus the mortgage recording tax.

V. Costs to Purchaser for the Payment of New York State Real Estate Transfer Taxes.

The New York State Real Estate Transfer Tax, currently $2.00 for each five hundred dollars ($500) or fractional portion thereof, of the Purchase Price, (ii) local real property transfer taxes, if any, and (iii) the Mansion Tax pursuant to Tax Law §1402-a of 1% where the Purchase Price equals $1 million or more. Because Purchaser, rather than the Sponsor is required to pay the New York State Transfer Taxes, the New York State Transfer Tax is deemed to be additional consideration, and therefore the total consideration for New York State Transfer Tax purposes and Mansion Tax purposes amounts to 1.004 times the Purchase Price of the Unit.

For Example, for a Purchase Price of $2,800,000 (Unit 2207) for purposes of calculating the transfer taxes, the Unit price of $2,800,000 is multiplied by 1.004 for a total consideration for tax purposes of $2,811,200). The transfer taxes are added as additional consideration on which the tax is calculated. Therefore, the New York State Transfer Tax would be approximately $11,245 instead of approximately $11,200.

The Mansion Tax would be $28,112 which is 1% of the Purchase Price which is $2,800,000 plus additional consideration of $11,200 for a total consideration amount of $2,811,200.

VI. Cost of Mortgage Recording Taxes.

In the event that a Purchaser obtains a mortgage from a lending institution, then he or she will customarily pay at the Closing the following additional costs: (i) mortgage recording taxes in the amount of 1.05% of the borrowed amount of which 0.25% is paid by lender less $30.00 on the entire total mortgage amount. The borrower's portion of the mortgage tax is 0.80% of the mortgage amount borrowed less $30.00.

All Purchasers will also be required to pay all fees and charges imposed by their respective lending institutions. Purchaser will also likely pay lender's appraiser fees, origination fees, lender's attorney's fees, reserves for real estate taxes and insurance premiums. Sponsor makes no representation as to what additional Closing costs may be charged by a particular lender.

VII. Working Capital Contribution by Purchaser.

A Working Capital Fund for the Condominium shall be established as follows:

At the time of closing, each Purchaser will be required to pay a sum equal to two months of Common Charges to the Condominium and two months of Association Common Maintenance Charges to the Association applicable to their Unit as working capital contributions for the Condominium and Association, respectively. These contributions are not refundable or transferable if a Unit Owner subsequently sells the Unit Owner's Unit.

VIII. Cost of Purchaser's Attorney's Fees.

Purchaser shall have the sole responsibility for payment of his or her own attorney's fees and any attorney's fees or other fees required by his or her lending institution.

IX. Cost of Sponsor's Attorney's Fees.

Purchaser shall pay the fee of Sponsor's closing attorneys in the amount of $2,750 per Unit at the time of Closing for document preparation fees for preparation of Closing documents and for attendance by Sponsor's counsel at the Closing. If a

Closing takes place, at the request of Purchaser, at any location other than the office of Sponsor's attorney or the on-site office at the Condominium, Purchaser shall pay to Sponsor's attorney (in addition to the fee set forth above), an attendance travel fee in the sum of $250 if the Closing location is in Nassau County, $350 if the Closing location is in Suffolk County, Queens County, Kings County or New York County and $450 if the Closing location is in Richmond County. Sponsor and Sponsor's counsel are not required to attend a Closing at any location other than in Suffolk County, Nassau County or Queens County. In the event that a Closing is adjourned with Sponsor's consent, at the request of Purchaser, or Purchaser's attorney within forty-eight (48) hours or less of the scheduled time of Closing, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of $250.

X. Condominium and Homeowners Association Insurance

Each Purchaser shall pay its pro-rata share of the total insurance for the Condominium and Association for the First Year of Operations to Sponsor based upon the Unit's percentage of Common Interest and the costs of the insurance for the Condominium and the Association.

XI. Late Fees.

If Purchaser fails to close within seven days from the Closing Date set by Sponsor for any reason, then (i) the Closing adjustments shall be made as of midnight of the day preceding the date originally scheduled for the Closing Date and (ii) Purchaser shall pay to Sponsor, as a late fee, an amount equal to .04% times the unpaid portion of the Purchase Price for the Unit for each days delay (14.6% annual rate), beginning with the date originally scheduled for the Closing Date to and including the day immediately preceding the actual Closing Date. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor postpones the Closing Date except to the extent that thereafter Purchaser postpones the Closing for any reason or is in default.

XII. Estimated Apportioned Costs, Fees and Charges to be Paid by Purchaser:

The following costs are to be apportioned at the Closings: Real estate taxes; Pro-rata Insurance Premium to the Condominium and Association; Water and Sewer charges, if any; Common Charges, if they have been declared by the Board of Managers, and Association Common Maintenance Charges.

(ii) Numerical Examples of Closing Costs for Typical Condominium Unit [4]

The following is an example of the Closing costs applicable to Unit 2207 with a Purchase Price of $2,800,000 and a $2,240,000 mortgage (80% of the Purchase Price).

Offering Price	$2,800,000
Mortgage Amount	$2,240,000
Title Insurance Fee Premium	$11,096
Title Insurance Mortgage Premium	$2,264
Mortgage Recording Tax	$17,890
New York State Transfer Tax	$11,246
New York State Mansion Tax	$28,112
Recording of Deed, Mortgage, Unit Power of Attorney	$1,000
Contribution to Working Capital Fund – Condominium	$584
Contribution to Working Capital Fund – Association	$3,524
First Month's Common Charges (Est.)	$292
First Month's Association Common Maintenance Charges (Est.)	$1,762
Survey Fee	$200
Insurance Pro Rata Share	$1,000
Basic Sponsor's Attorney's Fee	$2,750
Total Estimated Closing Costs	$81,720

(iii) Credits for Mortgage Recording Taxes Paid by Sponsor.

To the extent that Purchaser is entitled to any credit against the mortgage recording tax by reasons of any prior mortgage against the Unit or the Property, Purchaser shall pay to Sponsor at the Closing for such Unit the amount of any such credit.

Sponsor may pay or may have paid a mortgage recording tax in connection with obtaining a construction loan mortgage for the construction of the Property. Section 339-ee(2) of the New York Real Property Law provides for a mortgage tax credit upon transfer of the Units.

[4] The example does not include costs that may be incurred for Purchaser's attorney's fee, apportionments for real estate taxes, water and sewer charges and similar items (see Closing Adjustments, Part I, Section P (II)) and fees required by Purchaser's lending institution. When Purchaser pays the transfer tax, the law requires that the tax that the seller would pay be treated as additional consideration for the purpose of computing the New York State Transfer taxes.

If Sponsor has obtained construction loan financing prior to a Closing, and Sponsor has paid mortgage recording taxes, the mortgage tax credit will be applicable. If Sponsor has not yet obtained construction financing, and does so prior to conveying Units, then Section 339-ee(2) of the New York Real Property Law would be applicable. The pertinent language of the statute is as follows:

> "If in the event the proceeds of a construction mortgage were applied to construction of a Unit of a Condominium submitted to the provisions of this article, or in the event that a Unit submitted to the provisions of this act was subject to a blanket mortgage, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each Unit is first conveyed, there shall be allowed a credit against the mortgage tax that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of Purchaser's pro rata percentage of interest in the Common Elements and the mortgage tax already paid on the construction or blanket mortgage. No credit shall be allowed under this subdivision (a) on account of the special additional mortgage recording tax imposed by subdivision one "a" of section two hundred fifty three of the tax law or (b) where the first Condominium Unit is sold more than two years after the construction or blanket mortgage was recorded".

Sponsor shall receive the benefit from any credit on Purchaser's mortgage recording tax which may be available pursuant to the quoted statute. Accordingly, at Closing, each Purchaser electing mortgage financing shall pay the full amount of the mortgage recording tax chargeable on the entire amount being financed. Sponsor will be reimbursed at Closing to the extent of any mortgage tax credit allowed.

(iv) Mortgage Financing Costs.

Purchaser will be responsible for all closing costs in connection with mortgage financing if Purchaser obtains a mortgage.

(v) Apportioned Costs to be Paid by Purchaser.

If Units have not been separately assessed for real estate tax purposes prior to the Closing to the First Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the First Closing. Alternatively, Sponsor may place in escrow, in the name of the Board of Managers an amount equal to the real estate taxes attributable to the Unsold Units for such six month period and may collect at each Unit Closing the estimated amount of taxes attributable to such Unit

for the balance of the six month period. The Board of Managers or Board of Directors will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from Unit Owners to the extent of the actual assessment. No escrow will be required if the Condominium By-Laws include as part of the common expenses, real estate taxes on the property until the Units are separately assessed and after Unit Owners will be reimbursed for any overpayment of taxes or assessed for an underpayment. Until all of the Units have been separately assessed, all post-closing amendments shall disclose the amount of the funds deposited in escrow for the payment of real estate taxes.

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P. RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or other security has been posted to secure Sponsor's obligations under this Plan or to complete construction of the buildings or other obligations under the Plan including the obligation to pay Common Charges or Association Common Maintenance Charges with respect to Unsold Units.

Sponsor, or its affiliates have, or will furnish a surety bond in the sum of Four Million Dollars ($4,000,000) as such amount as may be amended at the discretion of the Village of North Hills in favor of the Village of North Hills for site improvements.

Sponsor, or its affiliates have, or will furnish a surety bond in the amount of Two Million Five Hundred Thousand Dollars ($2,500,000) as such amount as may be amended at the discretion of the Village of North Hills, in favor of the Village of North Hills to guarantee Sponsor's completion of landscaping and lighting in the Community.

Sponsor, or its affiliates have, or will furnish a surety bond in the amount of Twelve Million Dollars ($12,000,000), as such amount as may be amended at the discretion of the Village of North Hills in favor of the Village of North Hills to guarantee Sponsor's completion of the Recreational Facilities.

Purchasers have no right to demand that the bonds provided to the Village of North Hills remain in force as the bond amounts may be reduced or eliminated at the sole discretion of the Village of North Hills. Sponsor is providing no bonds of any kind in favor of Purchasers.

All bonds as set forth above shall be subdivision bonds in favor of the Village of North Hills. In the event that the Village of North Hills accepts a reduction of the bond amounts stated above, Sponsor, or its affiliates have, or will furnish the bonds as are or will be required by the Village of North Hills.

Sponsor's Predecessor has paid to the Village of North Hills the sum of Twenty One Million Dollars ($21,000,000) in lieu of a contribution to the Village park and recreation capital reserve fund, in accordance with the approval granted by the Village of North Hills to Sponsor on November 15, 2006.

Sponsor shall procure fire and casualty insurance in an amount sufficient to avoid co-insurance.

In the event of the dissolution or liquidation of Sponsor or the transfer of ten (10) or more units or twenty (20) percent or more of the total number of units in the Condominium, whichever is less, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under the offering plan, applicable laws or regulations. All

obligations pertaining to the Common Elements shall only be enforceable by the Board of Managers of the Condominium and not by the individual Owner.

During the time that the principals of Sponsor control the Board of Managers and the Board of Directors it is within Sponsor's sole power to enforce the obligations of Sponsor pertaining to the Common Elements of the Condominium and Association Common Areas of the Association. Sponsor is obligated to perform the following:

1. Sponsor has no obligation to defend any suits nor to indemnify the Board of Managers of the Condominium, Board of Directors of the Association or Unit Owners arising out of any act or occurrence, occurring prior to the recording of the Declaration of Condominium or Declaration of Covenants, Restrictions, Easements, Charges and Liens except claims arising out of the acts, omissions or representations of Sponsor.

2. All representations under the Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan which are to be performed subsequent to the Closing Date will survive delivery of the deed.

3. Until title to a Unit is passed to a Purchaser, Sponsor will pay such Common Charges and Association Common Maintenance Charges, Condominium Special Assessments, Association Special Assessments and real estate taxes, as are assessed by the Board of Managers and Board of Directors of the Association to the extent obligated within the terms of this Offering Plan and the municipality on Units, whether constructed or not yet constructed, to which title has not passed. Once title is passed to a Purchaser, Purchaser shall be solely responsible for all Common Charges, Association Common Maintenance Charges, Condominium Special Assessments, Association Special Assessments, real estate taxes and all other costs applicable to the Unit, as are assessed by the Board of Managers of the Condominium or the Board of Directors of the Association and the municipality. Sponsor will fund its financial obligations to the Condominium and the Association from the income derived from the sale of Units and Sponsor's assets which are currently sufficient to meet Sponsor's obligations under the Offering Plan. Sponsor presently has the resources to fund such obligations.

4. Risk of loss for fire or other casualty remains with Sponsor until legal title to the Unit has been conveyed to Purchaser, unless a Purchaser who has not yet closed enters into an interim lease. Prior to the First Closing, Sponsor may, at Sponsor's option abandon the Plan or to repair or to replace such loss or damage. If Sponsor elects to replace or repair such loss or damage, then at Sponsor's option, it shall be entitled to a reasonable adjournment of the Closing. After the First Closing, the Buildings will be insured by the Condominium. Any person who takes possession or enters into an interim lease prior to Closing assumes the risk of losses not covered by insurance.

5. Sponsor will initially procure fire and casualty insurance for the Condominium and the Association on the terms set forth in the respective, budgets. In

the event there is insufficient funds in the Condominium to pay for such insurance, Sponsor may lend the Condominium or Association such funds and will be repaid out of subsequent Common Charges and Association Common Maintenance Charges collected. No Board or Unit Owner approval is required to make such loan.

6. Sponsor has obtained construction loan financing for the construction of the Phase I Condominium and for the Association Common Areas from German American Capital Corporation. At the present time, German American Capital Corporation is the only lender for Phase I and the only mortgagee of the Phase I Property. Sponsor is obligated to pay to German American Capital Corporation the sum equal to (i) the greater of the Adjusted Minimum Release Price as defined in the loan agreement between Sponsor and German American Capital Corporation and (ii) the Net Sales Proceeds as defined in the loan agreement between Sponsor and German American Capital Corporation for the Unit being conveyed by Sponsor.

The Phase II Owner has obtained financing from Norddeustsche Landesbank Girozentrale which is the only lender holding a mortgage on the Phase II Property. The Phase II Owner is required to repay the loans to Norddeustsche Landesbank Girozentrale encumbering the Phase II Property by December 31, 2018. The Phase II Owner has not obtained any construction loan financing for the construction of Phase II and there is no guaranty that the Phase II Owner will be able to obtain construction loan financing for the construction of Phase II.

Sponsor will promptly amend this Offering Plan to disclose any additional lenders or new loan terms with existing lenders.

Sponsor must obtain a release of the mortgage lien on any units being conveyed to a Purchaser prior to or at the time of conveyance of a Condominium Unit to Purchaser.

7. After the recording of the Declaration and before the Closing to the First Unit, in the event there is a mortgage that encumbers the property at the time of conveyance of the First Unit, the mortgagee of any loan will either: (i) consent to the formation of a Condominium and acknowledge that its lien will be limited to unsold Condominium Units; (ii) subordinate the lien of its mortgage to the Declaration of Condominium; or (iii) release its lien on the Condominium Unit being conveyed and its interest in the Common Elements. In addition, before the Closing to the First Unit, all non-permitted liens and mortgages affecting the Condominium shall be paid and satisfied on the Unit being conveyed and its appurtenant interest in the Common Elements shall be released therefrom by partial release duly recorded.

8. Sponsor will diligently, expeditiously and at its own cost, complete construction of the Condominium 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 or any amendment thereto. Although

Sponsor intends to use the materials, fixtures, appliances and equipment described herein and in the building plans, Sponsor reserves the right to substitute materials, fixtures, appliances and equipment of equal or better quality or design for any of those set forth. Sponsor reserves the right to change the size, number and location of the Buildings and other improvements or Common Elements, provided such changes do not change or adversely affect the value or percentage of Common Interest of any Unit to which title has passed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and Purchasers consent in writing to such a change. Sponsor further reserves the right to determine the exterior color and design of any building, landscaping, grading and design of all plots and dwellings to fit into the general pattern of the Condominium; determine elevation and location of foundations (including reversal of Unit layout), walks, driveways, garage entries, and streets to conform with topographical conditions; determine the location and type of Unit to be constructed in a particular building; fix the location and setbacks of all buildings; determine the ultimate Unit type mix to be constructed in the Community determine whether existing trees, shrubs and other Plant life are to be removed; add or remove retaining walls on the lots or Common Areas where required by grade conditions; determine the location of electric, gas and water meters, electric transformers, air conditioning compressors, speed bumps, hose bibs, mailboxes, parking, spaces, refuse dumpsters; relocate parking spaces; and make any other changes required by the Town of North Hempstead or the Village of North Hills. Sponsor agrees to deliver a copy of the "as built" Plans to the Board of Managers.

9. Sponsor will obtain a Temporary or Permanent Certificate of Occupancy, New York Board of Fire Underwriters Certificate, and any other certificate or permit required by law for the Unit before the Closing to a Unit and will, at its own cost, perform any work and supply any materials necessary to obtain the Certificates or permits.

10. In the event a Permanent Certificate of Occupancy for a Unit has not been issued as of the Closing Date for said Unit, Sponsor will continue to hold any Down Payments not released as a result of the surety bond in the special Escrow Account required pursuant to Section 352-e (2-b) and 352-h as described in Part I, Section "K"(3) and Part II, Section "PP" of the Offering Plan unless Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a Permanent Certificate of Occupancy. Any sum of money exceeding the amount certified by Sponsor's engineer or architect will be released to Sponsor. Upon the issuance of the Permanent Certificate of Occupancy, such escrow deposit will be released to Sponsor without the consent of any other party. Alternatively, Sponsor may deposit with an Escrow Agent an unconditional, irrevocable Letter of Credit or continue to post the surety bond previously issued in the amount certified by Sponsor's engineer or architect. In such event, it will disclose such fact by duly filed amendment to the Plan and will comply with the regulations promulgated by the New York State Attorney General's Office regarding alternative security. The amount retained in escrow pending the delivery of a permanent certificate of occupancy and the architect's certification certifying such amounts will be included in the initial post-closing amendment, and, if applicable, in subsequent amendments to reflect any changes in the amount of the

escrow; and the use of any alternate security will be previously disclosed in an amendment to the Plan.

All Units, Common Elements and Limited Common Elements offered pursuant to this Plan are sold as described in this Plan.

Sponsor makes no warranty whatsoever regarding materials, workmanship or any other aspect of the Units, Common Elements, Limited Common Elements or any portion thereof, except as stated in the Limited Warranty (Part II, Section "JJ"). The Warranty is Limited to those defects as fully enumerated in the HOUSING MERCHANT LIMITED WARRANTY set forth in this Offering Plan.

Sponsor's obligation, regardless of any limitations in the warranty, cannot go below the duty to construct the premises in accordance with all applicable codes, filed Plans and specifications, and that any conflict between the disclaimers and Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. (See Part II, Section "JJ").

The Sponsor will obtain the following warranties from contractors which will be assigned to the Board of Managers and the Unit Owners:

a. Trade: Roofing
Name and address of contractor: to be provided in an amendment to the offering plan;
Terms of warranty: to be provided in an amendment to the offering plan;

b. Trade: Electrical
Name and address of contractor: to be provided in an amendment to the offering plan;
Terms of warranty: to be provided in an amendment to the offering plan;

c. Trade: Plumbing
Name and address of contractor: to be provided in an amendment to the offering plan;
Terms of warranty: to be provided in an amendment to the offering plan;

d. Trade: Heating, Ventilation and Air Conditioning
Name and address of contractor: to be provided in an amendment to the offering plan;
Terms of warranty: to be provided in an amendment to the offering plan.

The following are the coverages that are included in the HOUSING MERCHANT LIMITED WARRANTY set forth in this Offering Plan:

FIRST YEAR BASIC COVERAGE:

For one year from the Warranty Date, the Unit will be free from latent defects that constitute:

(a) defective workmanship performed by Sponsor, and agent of Sponsor or subcontractor of Sponsor;

(b) defective materials provided by Sponsor, an agent of Sponsor or subcontractor of Sponsor; or

(a) defective design, provided by an architect, engineer, surveyor, or other design professional engaged solely by Sponsor.

(b) defective installation of appliances sold as part of the Unit by the Sponsor or an agent, employee or subcontractor of the Sponsor.

Sponsor under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Sponsor's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the Building Code of New York State or, in the event such standards do not exist in connection with any warranty item, if they fail to meet the locally accepted building practice.

TWO-YEAR MAJOR SYSTEMS COVERAGE:

For two years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Unit which have been installed by Sponsor are warranted to be free from latent defects that constitute defective installation by Sponsor.

Installation will be considered to be defective if Sponsor's workmanship upon the installation fails to meet or exceed the relevant standards and specifications of the Building Code of New York State or, in the event such standards do not exist in connection with a warranty item, if they fail to meet locally accepted building practice.

The Plumbing Systems means: gas piping, water supply, waste and vent pipes and their fittings; water and sewer service piping, and their extensions to the tie-in of a public utility connection and sewage disposal system.

The Electrical System means: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System means: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

All systems are expressly exclusive of appliances, fixtures and items of equipment.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE:

For six years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects, as defined below, and that constitute:

(a) defective workmanship performed by Sponsor, an agent of Sponsor or subcontractor of Sponsor;

(b) defective materials provided by Sponsor, an agent of Sponsor or subcontractor of Sponsor; or

(c) defective design, provided by an architect, engineer, surveyor, or other design professional engaged solely by Sponsor.

Workmanship, materials and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the Building Code of New York State or, in the event such standards do not exist in connection with a warranty item, if they fail to meet locally accepted building practice.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the Unit caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

By way of example and not in limitation of the foregoing, damage to the following non-load bearing portions of the Unit do not constitute a Material Defect for the Material Defect coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load bearing walls and partitions; electrical, plumbing, heating, cooling and ventilation systems; appliances; fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; insulation and items of a similar nature.

Exclusions From All Coverages.

The following are expressly excluded from the Basic Coverage, Major System Coverage, and Major Structural Defect Coverage:

(i) Loss or damage caused by workmanship performed by any person other than (i) Sponsor, (ii) an agent of Sponsor, or (iii) a subcontractor of Sponsor.

(ii) Loss or damage caused by defective materials supplied by any person other than (i) Sponsor, (ii) an agent of Sponsor, or (iii) a subcontractor of Sponsor.

(iii) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by Sponsor.

(d) Any fixtures, equipment or appliance included within, without limitation including, ranges, microwave ovens, refrigerators, air conditioners, dishwashers, washers, dryers and similar items, unless a latent defect is caused by the failure of Sponsor, its agent or subcontractor to have installed same in a skillful manner.

(e) Patent defects including defects shown on the final inspection sheet and defects which an examination of the Unit prior to acceptance of the deed or occupancy of the Unit ought to have revealed.

(f) Defects in swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); off-site improvements or any other improvements not as part of the Unit itself.

(g) Damage to real property which is not part of the Unit covered by the Limited Warranty and which is not included in the Purchase Price of the Unit.

(h) Any damage to the extent that it is caused or made worse by:

(i) negligence, improper maintenance, or improper operation by anyone other than Sponsor, its employees, agents, or subcontractors; or

(ii) failure by Purchaser or anyone other than Sponsor, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment; or

(iii) failure of Purchaser to give notice to Sponsor of any defects or damage within a reasonable time; or

(iv) changes in the grading of the ground by anyone other than Sponsor, its employees, agents or subcontractors; or

(v) changes, alterations or additions made to the Unit by anyone after the Warranty Date; or

(vi) dampness or condensation due to failure of Purchaser or occupant to maintain adequate ventilation;

(i) Any condition which does not result in actual physical damage to the Unit;

(j) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightening, windstorm, hail, flood, mud slide, earthquake, volcanic eruption,

wind-driven water, changes in the underground water table or other matters not reasonably foreseeable and within the reasonable control of Sponsor;

(k) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect;

(l) Any damage caused by soil movement, settlement or lumber shrinkage;

(m) Any damage which the Unit owner has not taken timely action to minimize;

(n) Normal wear and tear and normal deterioration;

(o) Insect damage;

(p) Bodily injury or damage to personal property;

(q) Failure of Sponsor to complete construction of the Unit;

(r) Loss or damage which arises while the Unit is being used primarily for nonresidential purposes;

(s) Loss or damage due to abnormal loading on floors by the Unit owner which exceeds design loads as mandated by the Building Code;

(t) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair;

(t) Consequential damages (except where required by state law);

(v) Any claim not filed in a manner set forth in the Limited Warranty "Claims Procedures".

The Units are subject to the Housing Merchant Implied Warranty Law of the State of New York Article 36-B of the General Business Law, which pertains to warranties on the sale of certain new Homes. The Housing Merchant Implied Warranty Law is applicable to all Units offered for sale under this Offering Plan. Pursuant to the terms of the Housing Merchant Implied Warranty Law, Sponsor excludes the Housing Merchant Implied Warranty and is providing a Limited Warranty to Purchasers which provides for a Limited Warranty on certain items. Certain of the limitations contained in the Limited Warranty are noted as follows: (a) the Limited Warranty provides coverage for the first condominium unit purchaser only; (b) Sponsor's liability is limited to ten (10%) percent of the Purchase Price of the condominium unit, (c) any claim for damages made by a Purchaser is to be reduced by any insurance proceeds received by Purchaser with respect to that claim; (d) incidental, special, indirect consequential or other similar damages are excluded and; (e) detailed procedures must be followed for giving notice

of a warranty claim to Sponsor and for commencing a lawsuit against Sponsor. (See Part II, Section "JJ")

To the extent any coverage under this warranty applies to Common Elements of the Condominium or the Association Common Areas of the Association, such coverage shall be deemed given to the Board of Managers or the Board of Directors of the Condominium and Association, respectively.

Regarding the Common Elements of the Condominium and the Association Common Areas, of the Association, Sponsor will correct any defects in the construction of the Common Elements or Association Common Areas, 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 Sponsor is notified of or becomes aware of such defect(s) within twelve (12) months from the date of substantial completion of the defective portion(s) of the Common Elements and/or Association Common Areas. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the Plans and specifications. In no event shall 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 deicers; normal settlement cracks on terraces, sidewalks, other flat work; sidewalks, basement leaks resulting from acts of God or alteration of landscaping or grading (whether performed by the Condominium or Unit Owner); drainage problems as a result of poor soil or as a result of alteration of landscaping or grading (whether performed by the Condominium, Association or Unit Owner); leakage resulting from "ice dams" forming on roofs; spilling or flaking of concrete surfaces if ice melting compounds have been used; shading variations of the exterior siding staining (on the face surface or grooves), and shading variations on fascias from staining. Sponsor has no obligation to make any repair to the Common Elements or Association Common Areas except as expressly set forth in the Offering Plan.

11. Upon the Closing, Sponsor will assign to Purchaser, and to the Board of Managers upon the recording of the Declaration, all applicable warranties, if any, of manufacturers and subcontractors relating to heating, electrical work, plumbing, and appliances, as well as bonds relating to Purchasers Unit or the Common Elements, if any. Sponsor undertakes to supply warranties only to the extent that warranties are actually made by such manufacturers and subcontractors and only to the extent that such warranties and bonds are assignable.

12. Sponsor will deliver to Purchaser and/or the Board of Managers upon the recording of the Declaration all manufacturers and sub-contractors heating, electrical, plumbing, roofing and appliance warranties and bonds relating to Purchaser's Unit 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.

13. Sponsor will pay all contractors, subcontractors and material men and all others involved in the construction of the Community for work performed and fixtures, materials 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.

14. Sponsor will pay all expenses incurred prior to the establishment of the Condominium and Association and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium and the Association whenever such costs or expenses are incurred or in connection with the sale of all of the Units held or owned by 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.

15. Sponsor reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium and Association Common Areas of the Association for the purpose of completing construction and sale of Units and facilities in the Condominium and Association 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 of the Condominium and Association Common Areas of the Association 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. Sponsor also reserves 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 of the Condominium and Association Common Areas of the Association. Sponsor will be obligated to pay for the cost of any utilities it uses as a result of its use of the easements, licenses, rights and privileges of a right-of-way. Sponsor further reserves the right to continue to use the Common Elements of the Condominium and Association Common Areas of the Association, including Recreational Facilities, and any facilities, sales offices, model Units, signs, and parking spaces located on the Common Elements of the Condominium and Association Common Areas of the Association without charge, in its efforts to market Units and facilities constructed in the Condominium and the Association and to use the same for exhibitions or other promotional functions until all Units in the Community are sold. Sponsor will be obligated to repair any damages to the Common Elements, Association Common Areas and Units caused as a result of its use of the easements, licenses, rights and privileges of a right-of-way to complete the Condominium and the Association. During the construction period some obstructions, detours, storage of materials and equipment will occur. Patience and understanding of these conditions will be required of Unit Owners.

16. 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 (6) years from the date the Declaration is recorded 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; the proposed Declaration and By-Laws of the Association; public liability, fire and casualty policy; and Exhibits submitted to the Department of Law in conjunction with this Plan.

17. 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 an 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.

18. Sponsor is offering all of the Units offered hereunder for sale. Notwithstanding the foregoing, Sponsor is reserving the unconditional right to rent rather than sell Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the fifteen percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. Sponsor has the right to control the Board of Managers of the Condominium, by maintaining a majority of the Members of the Board of Managers of the Condominium, until the later of (i) a period ending on the date which is five (5) years from the First Closing or (ii) until the last Unit of the one hundred twenty four (124) Units offered for sale under this Offering Plan is sold and closed. The By-Laws do not include a provision that after Sponsor Control Period a majority of the Board of Managers must be Owner-Occupants or members of an Owner-Occupant's household who are unrelated to Sponsor or its principals.

19. If Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor Sponsor is bound by Sponsor's representations regarding its commitment to sell Units.

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Q. CONTROL BY SPONSOR

The Condominium

There is no limit on the length of time that Sponsor may control the Board of Managers of the Condominium. Sponsor has the right to control the Board of Managers of the Condominium for the later of (i) a period ending on the date which is five (5) years from the First Closing or (ii) until the last Unit of the one hundred twenty four (124) Units offered for sale under this Offering Plan is sold and closed and Sponsor has the right to control the Board of Directors of the Association until the date on the date on which the last Unit in the Community is transferred to a Unit Owner by either the Phase I Owner or the Phase II Owner, the Association Common Areas are completed and all municipal requirements have been satisfied. Notwithstanding the foregoing, Sponsor may voluntarily relinquish such right prior to the expiration of either period.

During the period ending on the date which is five (5) years from the First Closing, Sponsor could control the Board of Managers of the Condominium notwithstanding the fact that Sponsor no longer owns Units. Notwithstanding the foregoing, Sponsor reserves the right to relinquish and regain voting control of the Board of Managers of the Condominium at any time.

A meeting of the Unit Owners of the Condominium will be held upon the sale of at least 50% of the Units in the Condominium.

The By-Laws do not include a provision that after Sponsor Control Period a majority of the Board of Managers must be Owner-Occupants or members of an Owner-Occupant's household who are unrelated to Sponsor or its principals.

In the event that Sponsor has voluntarily relinquished control of the Board before the sale of 75% of the Unit or before five years from the Closing of the First Unit, whichever occurs first, the, Sponsor may still exercise veto power over expenses other than those described in Schedule "B" and which are not required to comply with applicable laws or regulations or required to remedy any notice of violation, or required to remedy any work order by an insurer. During this period Sponsor will have control of maintenance, facilities and services to be provided to Unit Owners and Sponsor will determine the Common Charges to be paid by all Unit Owners, including Sponsor and will also have control over the enforcement of Sponsor's obligations. During this period, Sponsor will have the right to control all decisions including but not limited to the determination of Common Expenses, management of the Condominium, hiring and terminating of employees of the Condominium, the placing of easements on the property and making improvements to Common Elements. During the aforesaid five (5) years after the Closing to the First Unit or whenever the Unsold Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner, the Board of Managers may not, without Sponsor's prior written consent (i) make any additions, alterations or improvements to the Common Elements or to any Unit 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 B; or (iii) hire any employee in addition to the employees referred to in the Plan; or (iv) enter into any contracts not in existence on the date of the First Closing to a Unit; or (v) borrow money on behalf of the Condominium; or (vi) reduce the services or maintenance set forth in Schedule B; (vii) charge any special Assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the Condominium; or (viii) increase the Common Charges of the Condominium more than ten (10%) from the prior year's budget, unless documentation is provided to Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates evidencing the need for an increase greater than ten (10%) percent; or (ix) utilize Condominium funds or assess Sponsor in order to commence a lawsuit against Sponsor or its principals.

Purchasers should also note that during the period of time that Sponsor retains a majority of the Board of Managers, the Unit Owners individually will be unable to enforce Sponsor's obligations to the Condominium. Such obligations may, however, be enforced by the Board of Managers only if Sponsor allows the Board of Managers to enforce its obligations against Sponsor.

Sponsor shall retain the right to substitute other persons in place of the initially designated Board of Managers which will consist of Scott Rechler, Frank Haftel, Esq. and Joseph Graziose all of whom are affiliated with Sponsor and each having a business address located at 625 RXR Plaza, Uniondale, New York 11556. Frank Haftel, Esq. and Joseph Graziose are employed by RXR Realty LLC and/or their affiliates. Mr. Haftel and Mr. Graziose have a business relationship with the Sponsor, as employees of RXR Realty LLC and/or their affiliates. Mr. Haftel and Mr. Graziose have been associated with Sponsor's principal, Scott Rechler, as employees of companies owned by and/or associated with Sponsor's principal, Scott Rechler.

Sponsor shall retain the right to substitute other persons in place of the initially designated Board of Directors which will consist of Scott Rechler, David Frank, Esq. and Frank Adipietro all of whom are affiliated with Sponsor and each having a business address located at 625 RXR Plaza, Uniondale, New York 11556. David Frank, Esq. and Frank Adipietro are employed by RXR Realty LLC and/or their affiliates. Mr. Frank and Mr. Adipietro have a business relationship with the Sponsor, as employees of RXR Realty LLC and/or their affiliates. Mr. Frank and Mr. Adipietro have been associated with Sponsor's principal, Scott Rechler, as employees of companies owned by and/or associated with Sponsor's principal, Scott Rechler.

Sponsor shall retain the right to substitute other persons in the place of Scott Rechler, Frank Haftel, Esq. and Joseph Graziose on the Board of Managers and Scott Rechler, David Frank, Esq. and Frank Adipietro on the Board of Directors, all of whom are affiliated as employees of Sponsor affiliated entities. Scott Rechler is a principal of Sponsor and has a business address located at 625 RXR Plaza, Uniondale, New York 11556. Frank Haftel, Esq. and Joseph Graziose are not principals of Sponsor but are affiliated with Sponsor and have business addresses located at 625 RXR Plaza,

Uniondale, New York 11556. Scott Rechler is the Authorized Person of RXR North Hills Phase I Owner LLC. Mr. Rechler is a principal of RXR Co Realty LLC, ("RXR"). Mr. Rechler has been in the ownership, management, development and sale of real estate since the 1990's. (See also Section "Z" – Identity of Parties).

The first Board of Managers will call for the First Annual Meeting of the Unit Owners to elect two non-Sponsor Board Members upon the sale of at least 50% of the Units in the Condominium; Sponsor will retain three (3) Board Member seats. Sponsor will continue to hold annual meetings during the period it controls the Board of Managers. Said Board will consist of Sponsor designees and elected Unit Owners. Sponsor will relinquish control of the Board of Managers of the Condominium at the later of (a) the sale of all of the one hundred twenty four (124) Units or (b) five (5) years from the Closing to the First Unit offered for sale under this Offering Plan.

Upon the election and designation of the new Board of Managers, the Members of the first Board of Managers will resign.

Members of the Board of Managers shall not be compensated for their services.

Members of the Board of Managers may be removed for cause by an affirmative vote of a majority of the Unit Owners. Officers of the Condominium may be removed with or without cause, at anytime, by the affirmative vote of a majority of the whole Board of Managers of the Condominium.

So long as Sponsor owns even one (1) Unit of the one hundred twenty four (124) Units in the Condominium, for however long it may choose to retain ownership of even one Unit, financial and other decisions of the Board of Managers will be decided by Sponsor.

The detailed provisions for the management of the Condominium are set forth in the By-Laws set forth in this Offering Plan. 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 Unit Owners, assessment of Common Charges, foreclosure of liens for non-payment of Common Charges, management of the Condominium and the use of the Units. The By-Laws provide that the Condominium shall be governed by the Board of Managers, but that the Board of Managers shall have the right to designate committees or a manager to carry out such function.

Notwithstanding the above, many of the functions of operating the Condominium have been transferred to and become the responsibility of The Residences, North Hills Homeowners Association, Inc. See Part I, Section "D-1" of the Offering Plan as to the Association obligations. In the event the Association fails to meet its obligations, then it shall be the responsibility of the Board of Managers of the Condominium to do so.

The Homeowners Association

There is no limit on the length of time that Sponsor may control the Board of Directors of the Association. All Units to be constructed on the Property includes all units in the two condominium organizations that may ultimately be brought into the Association, including all 244 units now anticipated. Sponsor has the right to control the Board of Directors of the Association for the period from the date of the Declaration of Covenants, Restrictions, Easements, Charges and Liens until the date on the date on which the last Unit in the Community is transferred to a Unit Owner by either the Phase I Owner or the Phase II Owner, the Association Common Areas are completed and all municipal requirements have been satisfied.

Sponsor will relinquish control of the Board of Directors of the Association upon the expiration of the Association Control Period.

In the event that Sponsor voluntarily relinquishes control of the Board of Directors before the expiration of the Association Control Period (which relinquishment of control may be revoked at any time) Sponsor reserves the right to veto any expenses other than those described in Schedule "B-1", or other than those expenses required: (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer.

Purchasers should also note that during the period of time that Sponsor retains a majority of the Board of Directors, the Homeowners individually will be unable to enforce Sponsor's obligations to the Association. Such obligations may, however, be enforced by the Board of Directors only if Sponsor allows the Board of Directors to enforce its obligations against Sponsor.

The first Board of Directors of the Association will be Scott Rechler, David Frank, Esq. and Frank Adipietro, all of whom are affiliated with Sponsor. Scott Rechler is a principal of Sponsor. David Frank, Esq. and Frank Adipietro are not principals of Sponsor. Mr. Rechler, Mr. Frank and Mr. Adipietro each have a business address located at 625 RXR Plaza, Uniondale, New York 11556. Scott Rechler is the Chief Executive Officer of RXR North Hills Phase I Owner LLC and is the principal of Sponsor RXR North Hills Phase I Owner LLC. Mr. Rechler is the principal of RXR Co Realty LLC, ("RXR"). Mr. Rechler, through his entities, has been involved in the ownership, management, development and sale of real estate since the 1990's. **(See also Section "Z" – Identity of Parties).**

Sponsor shall have the right to substitute other persons in place of the initially designated members of the Board of Directors appointed by Sponsor. The Phase II Owner shall have the right to substitute other persons in place of the initially designated members of the Board of Directors appointed by the Phase II Owner.

The Association shall have two classes of membership interests, which shall consist of Class 1 members and Class 2 members:

Class 1 Members:

The Phase I Owner and the Phase II Owner shall each be a Class 1 member and there shall be no other members of Class 1 other than the Phase I Owner and the Phase II Owner. The Class 1 Members shall hold all voting rights and membership interests in Class 1 until the end of the Association Control Period. Class 1 shall have six (6) members on the Board of Directors, three (3) of which shall be designated by the Phase I Owner and three (3) of which shall be designated by the Phase II Owner. The Phase I Owner may collaterally assign its Class 1 membership interest in the Association to the Phase I Lender and the Phase II Owner may collaterally assign its membership interest in the Association to the Phase II Lender, in each case for so long as the mortgage loan to the Phase I Owner or the Phase II Owner, as the case may be, remains unpaid.

Class 2 Members:

After the Association Control Period, there shall be a total of six (6) directors elected by Class 2 Members on the Board of Directors. Each purchaser of a Unit in the Phase I Condominium and each purchaser of a Condominium Unit in the Phase II Condominium shall be a Class 2 Member.

The Board of Directors shall consist of six (6) members designated by the Class 1 Members until the first Annual Meeting of the Members of the Association, which shall take place within thirty (30) days after the end of the Association Control Period. Thereafter, the Board of Directors shall consist of six (6) members elected by the Class 2 Members on the following basis:

c. The owner of each Unit in the Community shall be a Member of the Association, whether such ownership is joint, in common or as tenants by the entirety;

d. Each Member is entitled to one vote. When more than one person or entity holds an interest in a Unit, the one vote attributable to such Unit shall be exercised as such persons mutually determine, and not more than one vote may be cast with respect to any unit.

Association Member Voting Rights:

Upon the expiration of the Association Control Period, there shall no longer be Class 1 members and the Board of Directors shall consist solely of the members elected by the Class 2 Members.

Within thirty days prior to the annual anniversary of the election of each Class 2 Member to the Board of Directors, a new election shall be held by the Members to elect the Board of Directors of the Association, whose respective terms shall begin on said anniversary date. No Member shall split or divide its vote on any motion, resolution or ballot. Phase I Owners and Phase II Owner shall retain the voting rights for all Unsold Units in the Phase I Condominium and the Phase II Condominium, if developed,

respectively, retained in accordance with the by-laws of the Association. Members of the Board of Directors shall not be compensated for their services.

Members of the Board of Directors may be removed for cause by an affirmative vote of a majority of the Members. Officers of the Association may be removed with or without cause, at anytime, by the affirmative vote of a majority of the whole Board of Directors. If a member is removed, then the Board of Directors shall elect a new member to serve on the Board of Directors. Until such time as Sponsor and the Phase II Owner have developed the two hundred forty four (244) Units anticipated to be developed on the Property (if the Phase II Owner ultimately develops units on the Property), financial and other decisions of the Board of Directors will be decided by Sponsor and the Phase II Owner. The detailed provisions for the management of the Association are set forth in the Association by-laws set forth in this Offering Plan. The Association by-laws contain provisions, among others, dealing with the election of the Board of Directors and Association officers, powers of the Board of Directors, voting rights of Unit Owners, assessment of Association Common Maintenance Charges and management of the Association. The Association by-laws provide that the Members shall be governed by the Board of Directors, but that the Board of Directors shall have the right to designate committees or a manager to carry out such function.

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R. BOARD OF MANAGERS

The following is a summary of certain provisions of the By-Laws and Declaration which are set forth in Part II of this Offering Plan.

Board of Managers

The affairs of the Condominium shall be governed by a Board of Managers the "Board"). Until the first annual meeting the first Board shall consist of three (3) Managers designated by Sponsor and will consist of Scott Rechler who is a principal of Sponsor, Frank Haftel, Esq. and Joseph Graziose whom are affiliated with Sponsor but are not principals of Sponsor. Frank Haftel, Esq. and Joseph Graziose are employed by RXR Realty LLC and/or their affiliates. Mr. Frank and Mr. Graziose have a business relationship with the Sponsor, as employees of RXR Realty LLC and/or their affiliates. Mr. Haftel and Mr. Graziose have been associated with Sponsor's principal, Scott Rechler, as employees of companies owned by and/or associated with Sponsor's principal, Scott Rechler.

Scott Rechler is the principal of Sponsor and has a business address located at 625 RXR Plaza, Uniondale, New York 11556.

Thereafter the Board of Managers shall consist of a total of five (5) members who shall be elected or designated for staggered terms. See Part I, Section "P" of the Offering Plan as to Sponsor's right to designate a majority of the Board of Managers until expiration of Sponsor Control Period.

The first annual meeting of the Board of Managers of the Condominium will take place within upon the sale of at least 50% of the condominium units in the Condominium. Thereafter, annual meetings shall be held on the anniversary date of each succeeding year, unless such date is changed by the Board of Managers.

The By-Laws do not require that the majority of the Board of Managers be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals after the end of Sponsor Control Period.

It shall be the duty of the President to call a special meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to the Secretary of a petition signed by a majority of the Homeowners. The Secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed or sent by electronic mail if permitted by law, to each Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request unless a later date is agreed to in writing by the

Unit Owners of the Condominium or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all Unit Owners of the Condominium are present in person or by proxy. See Part II, Section "MM" - By-Laws of the Condominium.

Notwithstanding the above, many of the functions of operating the Condominium may be transferred to and may become the responsibility of the Association. See Part I, Section "D-1" of the Plan as to the Association obligations. In the event the Association fails to meet its obligations, then it shall be the responsibility of the Board of Managers of the Condominium to do so.

Each Unit Owner will be entitled to cast one vote for each .0001% of Common Interest attributable to the Unit at elections of the Board of Managers of the Condominium. All members of the Board of Managers other than designees or nominees of Sponsor shall be Unit Owners and shall be elected by the Unit Owners. At the expiration of the initial term of office of each respective member of the Board of Managers, his or her successor shall be elected to serve a term of three (3) years. Elections are to be held annually.

Removal of Members of the Board of Managers

Managers may be removed for cause by an affirmative vote of a majority of the Unit Owners. No manager other than a Member of the first Board of Managers or Sponsors designees or nominees shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner. In the event a Sponsor designee is removed for cause, Sponsor shall have the sole right to designate a replacement.

Powers and Duties of Board of Managers

The property and business of the Condominium shall be managed by its Board of Managers. The powers of the Board of Managers include, but are not limited to, the following items:

1. To determine and levy monthly Assessments ("Common Charges") to cover the cost of Common Expenses, payable in advance;

2. To collect, use, and expend the Assessments collected to maintain, care for and preserve the Units, Buildings, and other Common Elements;

3. To make repairs, restore or alter any Unit 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 Units when necessary and at as little inconvenience to the Unit Owners as possible in connection with the maintenance, care and preservation of the property. No notice is required to gain access for repairs. Any

repairs required as the result of negligence of the Unit Owner will be at the expense of the Unit Owner;

5. To insure and keep insured the Common Elements and Units;

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

7. To make reasonable rules and regulations;

8. To employ and terminate the employment of employees and independent contractors 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;

9. To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium and to levy special Assessments to pay for the cost of such litigation;

10. To acquire Units in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Unit so acquired and to vote as a Unit Owner, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;

11. To make additions, alterations, or improvements to the Common Elements of the Condominium, the cost of which addition, alteration, or improvement does not exceed $50,000. The Board of Managers may make additions, alterations or improvements to the Common Elements costing in excess of $50,000 only with the approval of a majority of the Unit Owners. While 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 $100,000, or enter into service or maintenance contracts, the duration of which will extend more than one year after Sponsor loses control of the Board of Managers, only with the approval of a majority of the Homeowners, excluding Sponsor, voting at a duly held meeting of the Homeowners;

12. 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 sixty-six and two-thirds (66-2/3%) percent in number of all Homeowners, 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 $50,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Owners of said Unit;

13. Pursuant to Section 339-y(4) of the New York Real Property Law, the Board of Managers may (but is not obligated to) act as an agent for one or more Unit Owners who have given their written authorization to file a single complaint and bring a special proceeding on behalf of Unit Owners who wish to contest the real estate tax Assessments of the Unit Owner's Unit. In such event, the Board could retain counsel on behalf of such Unit Owners and charge each Unit Owner for whom it is acting a pro rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Unit;

14. To grant utility or other easements over, or to the Common Elements as may, at any time, be required for the benefit of the Condominium and the Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Unit Owners who have the right to use such Common Elements to the exclusion of any other Unit Owners, the consent of all such affected Unit Owners shall be required in writing before such easement shall be granted); and

15. To enter into a management agreement and to assign to such manager any and all of its duties and powers which are permitted to be assigned under New York State Law.

Purchasers should note that some of the duties of the Board of Managers of the Condominium may have be transferred to and become the responsibility of the Board of Directors of the Association. See Part I, Section "D-1" of the Offering Plan. In the event the Association fails to meet said obligations then it shall be the responsibility of the Board of Managers to do so.

Liability of Board of Managers and Unit Owners

In order to limit the liability of the Unit Owners, any contract, agreement or commitment made by the Board of Managers or Officers of the Condominium shall state that it is made by the Board of Managers as agent for the Unit Owners as a group only and that no member of the Board of Managers or Officers of the Condominium nor individual Unit Owner shall be liable for such contract, agreement or commitment except that every Unit 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 and officers of the Condominium shall have no liability to the Unit Owners in the management of the Condominium except for willful misconduct or bad faith and the Unit 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 willful misconduct or acts made in bad faith. Such several liability of the Unit 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.

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Indemnification of Board of Managers

The Unit Owners of the Condominium shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provision of the Declaration or of the By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Unit Owners). In the event a member of the Board of Managers acts in bad faith or contrary to the provisions of the Declaration or By-Laws, the individual Board Member may be personally liable.

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 (1) or more Assistant Secretaries and Assistant Treasurers and such other officers as in their judgment may be necessary. All officers must be Unit Owners or Members of the Board of Managers. Two (2) or more offices may be held by the same person, except for the President who can only hold the office of President.

All Board Members serve without compensation.

The President shall be the chief executive officer of the Condominium, shall preside at all meetings, shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Board are carried into effect.

The Vice President shall take the place of the President and perform his duties whenever the President is unable to do so.

The Secretary shall record all votes and the minutes of all proceedings in a book.

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 such depositories as may be designated by the Board of Managers.

The Treasurer shall disburse the funds of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Unit which, among other things, shall contain the amount of each Assessment of Common Charges against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

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 of the Buildings, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but serve one or more Units shall be made by the Board of Managers and the cost thereof shall be a Common Expense. Minor repairs and general cleaning of any Limited Common Element that is appurtenant to a Unit shall be the sole responsibility of the Unit Owner. Snow removal from any balcony, terrace or private patio appurtenant to a Unit shall also be the responsibility of each Unit Owner. All other costs associated with the Limited Common Elements shall be the responsibility of The Residences, North Hills Homeowners Association, Inc. and said costs shall be a Common Maintenance Charge of the Association. The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the Common Elements. The Board of Managers shall have a right of access to any Unit 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.

Some or all of the above services and obligations of the Board of Managers may be provided by The Residences, North Hills Homeowners Association, Inc. In such an event, the Condominium shall only be responsible for such services in the event the Association fails to provide such services.

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, the Board of Managers shall arrange for the prompt repair and restoration of the Building and the Board of Managers or the Insurance Trustee 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 Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit Owners do not resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceed of insurance policies shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interests, after first paying out of

the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

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 Units and the bathroom, kitchen and laundry equipment initially installed therein by 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 Unit 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 Unit which 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.

Reports to Unit Owners

All Unit Owners will receive within five (5) 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 prepared by an independent public accountant, a statement regarding any taxable income attributable to the Unit Owners, and a notice of the holding of the annual Unit Owners meeting. All Unit Owners 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. During such time as Sponsor retains a majority of the Board of Managers, the Board shall provide an audited financial statement at the cost of the Condominium.

Amendments

The Declaration may be amended upon a vote of sixty-six and two-thirds (66-2/3%) percent of the Unit Owners in number held at a duly called meeting of the Unit Owners, provided however, that:

No amendment shall change any Condominium parcel, nor a Unit Owner's proportionate share of the Common Charges, nor the voting rights appurtenant to any Unit, unless all of the record Owners in number and Common Interest thereof and the first mortgagees, if any, of each of these same Units agree to such revocation by recorded instrument.

No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees or Sponsor.

The By-Laws may be amended at any duly called Unit Owners meeting; provided that:

(i) the notice of the meeting shall contain a full statement of the proposed amendment;

(ii) the amendment shall be approved by sixty-six and two thirds percent (66 2/3%) of the Unit Owners in number and Common Interest; and

(iii) said amendment shall be set forth in a duly recorded amendment to the Declaration.

No amendment to the Declaration or By-Laws shall be passed which would affect or impair the validity or priority of the Unit Owners interest and the interests of holders of a mortgage encumbering a Unit or Units. No amendment to the Declaration or By-Laws shall be passed which would impair or prejudice the rights and priorities of mortgagees or Sponsor.

Units Acquired By the Board of Managers

All Units which are acquired by the Board of Managers, or its designee, as a result of foreclosure of a lien for non-payment of Common Charges, shall be held by the Board on behalf of all Unit Owners. The percentage of Common Interest acquired by the Board shall remain as originally designated in Schedule A of the Offering Plan and the Declaration of Condominium and the Board shall be responsible for paying all Common Charges appurtenant to said Unit. The Board shall be entitled to cast all votes that are appurtenant to said Units at any Unit Owners meeting for all purposes except for the election of members to the Board of Managers. In such an event they shall not cast any votes appurtenant to said Units for the election of members to 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 eighty (80%) percent of the Unit Owners in number and in Common Interest and the first mortgagees, if any, of these same Units agree to the withdrawal of this property from the provisions of such Article. Sponsor or its nominee will not cast any of its votes for withdrawal, unless eighty (80%) percent of Unit Owners other than Sponsor so vote.

Covenant Against Partition of Common Elements

The Common Elements are not subject to partition nor are they severable from the Units except in accordance with the Real Property Law.

S. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

(1) Sale or Lease of Unit; Right of First Refusal of Board of Managers

Any Unit Owner shall have the right to sell the Unit Owner's Unit without restriction. Notwithstanding the foregoing, prior to the closing of title to a Unit, the Purchase Agreement prohibits a contract vendee from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of a Unit for sale or lease, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion. In addition, a Purchaser may not advertise, list or sell, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion, except for hardship conditions of Purchaser, a Unit acquired from Sponsor for twelve (12) months after acquisition of such Unit (provided however, such limitation shall not apply from and after the date that Sponsor conveys title to all of the Units). Any such conveyances in violation of the foregoing will be voidable by Sponsor.

Notwithstanding anything contained in this offering plan, no Unit may be sold to, leased by or occupied by any individual who is required to be registered pursuant to the New York State Sex Offender Registration Act, or any federal or state laws similar thereto, or who is deemed a sex offender, sexually violent offender, predicate sex offender and/or sexual predator by any court or any Governmental Authority.

The Board of Managers has no right of first refusal.

FOR THE PROPOSED LEASING OF A CONDOMINIUM UNIT BY A UNIT OWNER:

All leases are to provide and be subject to the following:

Every lease on every Unit in the Condominium, will be subject to the following rules and regulations:

(1) the lease must be in writing;
(2) the lease must be for the entire Unit;
(3) the lease must be for a minimum of six (6) months.
(4) the use of the leased Unit is subject to the Declaration and the By-Laws and the Declaration of Covenants, Restrictions, Easements, Charges and Liens and by-laws of The Residences, North Hills Homeowners Association, Inc. and the rules and regulations of the Community;
(5) within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the Manager or if no Manager to a member of the Board of Managers;
(6) within forty-five (45) days of any renewal of a lease of a tenant, the name and telephone number of the tenant, together with a clear and complete copy of the

renewal lease, must be furnished to the Manager or if no Manager to the Board of Managers for review;

(7) the Unit cannot be used as a motel or hotel or otherwise for transient tenants.

If any Unit Owner (landlord) or tenant is in violation of any of the provisions of the applicable Declaration or By-Laws, or both, including any rules and regulations, the Board of Managers and/or the Board of Directors may commence an action or proceeding in its own name or in the name of the Unit Owner, or both, to have the tenant evicted or to recover damages, or both.

Unit Owners will be free, without restriction, to sell or lease their respective Units without first offering the Unit for sale or lease to, or obtaining the consent of the Board of Managers. Furthermore, a Unit Owner is free, without restriction, to make a gift of his Unit to anyone during his lifetime, to devise such Unit by will or pass such Unit by intestacy. No Unit can be sold, leased or in any way transferred apart from its appurtenant interest in the Common Elements.

Notwithstanding the foregoing, no Unit Owner may sell or lease his Unit if the Unit Owner is in arrears on payment of Common Charges or Association Common Maintenance Charges.

The Board of Managers may make further restrictions on or conditions to sale or lease of Units in the future consistent with the Declaration, By-Laws and applicable law.

Every Unit Owner shall be required to pay a processing fee of $200 per transaction to the Board of Managers for the leasing of any Unit and for each renewal of any lease. The Association may charge a reasonable fee to tenants of Unit Owners for identification cards, automobile identification transponders, etc.

(2) Mortgaging of Units by Unit Owners

A Unit Owner may mortgage the Unit Owner's Unit at any time after the Unit Owner acquires title to the Unit in whatever amount and under whatever terms the Unit Owner can obtain. Any Unit Owner may upon the resale of the Unit Owner's Unit, grant a purchase money mortgage to a Purchaser of the Unit Owner's Unit. A Unit Owner may mortgage the Unit Owner's Unit only if all arrears for Common Charges and Association Common Maintenance Charges, if any, are paid in full at the closing of the mortgage.

(3) Common Charges, Condominium Special Assessments, Association Common Maintenance Charges and Association Special Assessments

The Board of Managers will prepare and furnish its budget to the Unit Owners and their mortgagee (upon request of mortgagee) annually. Based upon such budget

and any modification thereof approved by the Board of Managers, the Unit Owners will be charged for the cost of the operation of the Condominium in accordance with their interest in the Common Elements. Any Condominium Special Assessments will be charged to the Unit Owners in accordance with their interest in the Common Elements. The Common Charges assessed by the Board of Managers, in addition to the cost of repairing and maintaining the Common Elements, Condominium Special Assessments and other normal operational costs, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of the Condominium. In addition Common Charges may have to be increased as a result of Unit Owners not paying their Common Charges.

The estimate of Condominium and Association expenditures in Schedules A, B and B-1 were made by Sponsor and passed upon by Barnett Maller, licensed real estate broker. Although 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.

It is presently anticipated that the Common Charges are to be used primarily to pay for fire and other casualty insurance on the Building and the Common Elements, public liability and property damage insurance, legal and accounting expenses, supplies and a maintenance reserve. The Common Charges do not include maintenance, repairs or decoration of interior of the Units or portions thereof, payments required pursuant to the terms of Unit Owners mortgages or real estate taxes covering the individual Units. Purchasers should refer to Part I, Section "D-1" and Schedule B-1 as to the Association Common Maintenance Charges and obligations that are the responsibility of The Residences, North Hills Homeowners Association, Inc.

The Common Charges which may be collected monthly by the Board of Managers and other costs of maintenance of the Units are set forth on Schedule A. See Schedule C for estimated heating and other utility costs for each model type Unit. Additional services which the Unit Owners may desire or other factors can increase these charges. The initial Board of Managers may commence the collection of Common Charges upon the Closing to the First Unit or at any subsequent date as in its sole discretion it may determine. Prior to the collection of Common Charges, Sponsor shall be obligated to provide all the services disclosed in the First Year's Budget at its sole expense. The Board's collection of Common Charges will be in an amount necessary to carry out the duties of the Board of Managers as is set forth in this Offering Plan and such Common Charges shall be paid by the Unit Owners and Sponsor as Owner of the Unsold Units in accordance with the Common Interest set forth herein. The Common Charges will initially be placed in an account in the name of the Board of Managers in a bank authorized to do business in the State of New York.

Where a Unit 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 Unit over and above the proceeds from any fire insurance on the Units will be a Common

Charge to all Unit Owners. In order to protect the Unit Owner against the possibility of such Common Charges, the Board of Managers determines the amount of blanket casualty insurance covering all Units (the cost of such insurance is part of the Common Charges) and reviews the amount of such coverage annually.

Sponsor shall be liable for the Common Charges, Association Common Maintenance Charges, Condominium Special Assessments, real estate taxes and individual utility costs of all Units to which title has not been transferred to a Purchaser commencing when Common Charges are first charged by the Board of Managers. Once title has passed to a Purchaser, Purchaser shall be solely responsible for all costs associated with the Unit including but not limited to Common Charges, Association Common Maintenance Charges, any Condominium Special Assessments, real estate taxes and all individual utility costs.

Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on units in which Sponsor is more than 30 days in arrears of common charges while it is in control of the Board of Managers.

Under Section 339-z of the Real Property Law of the State of New York, the Board of Managers, on behalf of the Unit Owners, shall have a lien on each unit for the unpaid common charges thereof, together with interest thereon, prior to all other liens except only (i) liens for taxes on the unit in favor of any assessing unit, school district, special district, county or other taxing unit, (ii) all sums unpaid on a first mortgage of record, and (iii) all sums unpaid on a subordinate mortgage of record held by the New York job development authority, the New York state urban development corporation, the division of housing and community renewal, the housing trust fund corporation, the New York city housing development corporation, or in a city having a population of one million or more, the department of housing, preservation and development. Upon the sale or conveyance of a unit, such unpaid common charges shall be paid out of the sale proceeds or by the grantee. Any grantor or grantee of a unit shall be entitled to a statement from the manager or board of managers, setting forth the amount of the unpaid common charges accrued against the unit, and neither such grantor nor grantee shall be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid common charges against such unit accrued prior to such conveyance in excess of the amount therein set forth.

Liens of the Association for unpaid Association Common Maintenance Charges are subordinate to the lien of the Board of Managers of the Condominium for Common Charges.

The Board of Managers of the Condominium will be responsible for the payment of Association Common Maintenance Charges by each Unit Owner of the Condominium that is delinquent in Association Common Maintenance Charges for more than thirty days. The Condominium is responsible for and the Board of Managers will pay, the Association for any unpaid Association Common Maintenance Charges of its Unit Owners and then such fees will be charged to a such delinquent Unit Owner as a Common Charge, and the total amount paid on behalf of such delinquent Unit Owner,

including unpaid Common Charges and unpaid Association Common Area Maintenance Charges may be included in a lien to be filed by the Board of Managers against such delinquent Unit Owner. Any amount paid by the Board of Managers of the Condominium to the Association on behalf of a delinquent Unit Owner shall be subject to a Lien by the Board of Managers against the Unit Owner and enforceable by the Board of Managers against the delinquent Unit Owner.

The Board of Managers may foreclose a lien in the same manner as a mortgage on real property or bring a separate action to collect the unpaid Common Charges and in doing so shall be entitled to recover all costs incurred including reasonable attorney's fees, costs, disbursements and interest at the rate of 18% per annum or the maximum interest rate permitted by law, whichever is less. The liability of each Unit Owner for the payment of Common Charges and Association Common Maintenance Charges, thereafter assessed against the Unit Owner's Unit shall terminate upon a sale, transfer or conveyance of such Unit in accordance with the provisions of the Declaration and By-Laws. Any Unit Owner may convey his, her or their Unit to the Board of Managers or its nominee, on behalf of all other Unit Owners, without any compensation and in accordance with the Declaration and By-Laws, and in such event the Unit Owner shall be exempt from any Common Charges thereafter assessed, but not relieved of the Unit Owner's obligation to pay the Unit Owner's mortgage. However a Unit Owner may not be exempt from liability.

Upon a resale, Purchaser of a Unit shall be liable for the payment of unpaid Common Charges and Association Common Maintenance Charges assessed against such Unit prior to the acquisition of such Unit by Purchaser, except that a mortgagee who acquires title to a Unit or a Purchaser at a foreclosure sale shall only be liable for unpaid Common Charges and Association Common Maintenance Charges for up to six months of unpaid Common Charges and Association Common Maintenance Charges and the Unit shall not be subject to a lien for the payment of Common Charges and/or Association Common Maintenance Charges assessed for an amount in excess of six months of unpaid Common Charges and Association Common Maintenance Charges prior to the acquisition of title to such Unit 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 Unit 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 Unit Owners as a Common Expense and the Board of Managers may commence an action against the prior Unit Owner for all unpaid Common Charges and Association Common Maintenance Charges.

During the period of time Sponsor retains a majority of the seats of the Board of Managers, Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Units in which Sponsor is more than thirty (30) days in arrears of Common Charges.

Sponsor makes no representation or guaranty that any Unit Owner (other than Sponsor), any tenant, or the Condominium, will in fact comply with RPL §339-kk, and

Sponsor shall have no liability for their failure to do so. No representation is made about the tax effects of RPL §339-kk and all prospective Purchasers should review RPL §339-kk to determine its effect on their own situation.

New York State RPL §339-kk provides the following:

(a) For the purposes of this section, "non-occupying owner" shall mean a Unit owner in a Condominium who does not occupy the dwelling Unit.

(b) If a non-occupying owner rents any dwelling Unit to a rental tenant and then fails to make payments due for Common Charges, Assessments or late fees for such Unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the Condominium.

(c) If the Common Charges, Assessments or late fees due for any Unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the Board of Managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for Common Charges, Assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the Condominium at the address listed on the notice. Where a majority of the Board of Managers has been elected by and from among the Unit Owners who are in occupancy, the Board of Managers may elect not to require that rental payments be made payable to the Condominium. At such time as payments for Common Charges, Assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the Board of Managers, which must be held within thirty days of the date that such Board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of Unit Owners or of the Board of Managers existing under any other law or agreement.

(4) Repairs, Additions, Alterations and Improvements

No Unit Owner shall make any addition, alteration or improvement (of either a temporary or permanent nature) of a structural nature in or to his, her or their Unit, or any Limited Common Element, without the prior written approval of the Board of Managers. Repairs to Common Elements shall be the responsibility of the Board of Managers and the cost of such repairs shall be a Common Expense of the Condominium. Minor repairs and general cleaning of any Limited Common Element that is appurtenant to a Unit shall be the sole responsibility of the Unit Owner. Snow

removal of any balcony, terrace or private patio shall also be the responsibility of each Unit Owner. All other costs associated with the Limited Common Elements shall be the responsibility of the Board of Managers and said costs shall be a Common Expense of the Condominium. In the event alterations or improvements to a Unit affect the structural soundness of the Building in which the Unit is located, the Unit Owner must first obtain the written consent of the Board of Managers. All maintenance (including electrical repairs and plumbing stoppages in the Units, painting and decorating of the Units), repairs and replacements to the Units including windows[5], skylights (if any) (except painting or maintenance of the exterior surface of windows and doors which open from a Unit, which are performed by the Association), repairs to the heating/air conditioning system, pipes, wires and conduits, located within and without the Unit and servicing the same Unit other than as set forth in the By-Laws, shall be made by the respective Unit Owner at their own expense.

In the event that the Unit Owner fails to make any repair or creates any condition which affects the Building in which the Unit Owner's Unit is located, the Common, Elements, the Limited Common Elements or any other Unit, 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 Unit 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, costs and disbursements in connection with such suit or proceeding.

(5) 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 Building, including all of the Units and the bathroom, kitchen and laundry equipment initially installed therein by 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 Unit 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 Unit 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

[5] Windows are part of the Common Elements and replacements will be paid for as part of Common Charges, however, Unit Owners shall be responsible for costs of replacement of Windows as a result of any breakage or damages caused by Unit Owner for Windows to their Unit.

as the Board of Managers may determine. Each Unit Owner will be an additional insured.

In addition to the insurance set forth herein, each Unit Owner is required to maintain insurance for such Unit Owner's Unit as set forth in this Offering Plan.

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 Unit 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 the Unit Owners or of the invalidity arising from any acts of the insured or any Unit 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 Units. 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 Units at least ten (10) days prior to expiration of the current policies.

The amount of fire insurance to be maintained on the Condominium upon the transfer of title to all Units and until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be in the amount of at least $70,000,000 for all one hundred twenty four (124) Condominium Units. The Board of Managers shall review the amount of fire insurance annually.

A New York bank or trust company 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) Worker's Compensation insurance; and (3) in order to limit the liability of Unit Owners for personal injury and tort, commercial general liability insurance covering each Member of the Board of Managers and each Unit Owner, in such limits as the Board of Managers may deem proper. The Board of Managers shall review such limits once each year.

The commercial general liability insurance policy to be maintained until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be a limit of $1,000,000 per occurrence covering all claims for bodily injury and for property damage arising out of any one occurrence in the Common Elements.

Each Unit Owner is required to and must procure, obtain and maintain, at the Unit Owner's sole cost and expense the following insurances, which shall insure the Unit, vehicles owned by the Unit Owner, parking spaces and any storage bin, if licensed to the Unit Owner:

(a) Property and casualty insurance coverage on the Unit Owner's real property, including improvements and betterments, or personal property located within the boundaries of the Unit and elsewhere, such as within the Common Elements or Limited Common Elements areas. The coverage shall be in an amount not less than the full replacement cost of such property and any improvements and betterments and personal property of the Unit Owner including, but not limited to, decorative paint, venetian plaster, cabinetry, plumbing fixtures, kitchen and other appliances, floor covering materials such as wood and stone flooring, works of art, window treatments, furniture, collectibles, electrical fixtures, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, plumbing fixtures, kitchen and other appliances, floor covering materials such as wood and stone flooring, or replacements of any of the foregoing which are located within the boundaries of a Unit and serve only one Unit and all air conditioning compressors that service only an individual Unit, whether or not located within the Unit boundaries, as well as Limited Common Elements appurtenant to the Unit, and

(b) General liability insurance for bodily injury and property damage in an amount of not less than One Million dollars ($1,000,000) per occurrence.

Each insurance policy issued to a Unit Owner shall be without rights of subrogation against the Condominium, the Association and the Manager. All real property, including improvements and betterments, or personal property located within the boundaries of an Owner's Unit which is excluded from the coverage to be provided by the Condominium or Association shall be insured by the individual Unit Owner. The Condominium, the Association and the Manager shall not be responsible for any claims, losses, injuries or damages that result from the acts or omissions of the Unit Owners, their agents, invitees or guests that occur on the Common Elements or for claims, losses, injuries or damages that occur within the Unit when used, occupied or rented by the Unit Owner.

If the Unit Owner does not purchase, produce and maintain evidence of liability insurance required as set forth herein, the Board of Managers, in good faith, purchase the insurance coverage and charge the reasonable premium cost to the Unit Owner as an assessment to the Unit and Unit Owner covered by said insurance.

In no event shall the Board of Managers be liable to any person either with regard to its decision not to purchase the insurance, or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained.

Each insurance policy issued to a Unit Owner providing such coverage shall be without rights of subrogation against the Condominium, the Association and the Manager. The Board of Managers, the Association and the Manager shall not be responsible, for any claims, losses, injuries or damages that result from the negligent acts or omissions of the Unit Owners, their agents, invitees or guests that occur on the Common Elements or Association Common Areas for claims, losses, injuries or damages, that occur within the Owner's Unit when used, occupied or rented by the Unit Owner.

All real or personal property located within the boundaries of the Units which is excluded from the coverage to be provided by the Condominium and/or Association shall be insured by the individual Unit Owner.

The insurance Sponsor will initially procure for the Condominium will contain officers and directors liability insurance and/or fidelity bond insurance.

The Board of Managers will arrange for repair of the Units in the event of casualty loss. In the event the insurance proceeds are not sufficient to cover the cost of repairs to the Units, the balance of the cost of such repairs will be assessed against all Unit Owners. For further provisions regarding repair or reconstruction of Units, after fire or, casualty and condemnation provisions see Part I, Section "MM" - By-Laws. In the event of a casualty loss, the Unit Owners will continue to pay the Common Charges on the Unit Owner's Unit.

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 B for the estimated insurance costs of the Condominium.

THE CONDOMINIUM INSURANCE COVERAGE DOES NOT COVER FIRE AND LIABILITY INSURANCE FOR PURCHASER'S PERSONAL EFFECTS AND INTERIOR OF THE UNIT. PURCHASERS ARE ADVISED AND REQUIRED TO SECURE SUCH COVERAGE.

(6) Restriction on Occupancy and Use

Unit Owners may not lease any portion of a Unit less than the entire Unit. Purchasers are prohibited from listing his, her or their Unit for sale prior to the Closing of such Unit.

Prior to the closing of title to a Unit, the Purchase Agreement prohibits a contract vendee from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of a Unit for sale or lease,

without Sponsor's prior written consent. In addition, a Purchaser may not advertise, list or sell, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion, except for hardship conditions of Purchaser, a Unit acquired from Sponsor for twelve (12) months after acquisition of such Unit (provided however, such limitation shall not apply from and after the date that Sponsor conveys title to all of the Units). Any such conveyances in violation of the foregoing will be voidable by Sponsor.

Notwithstanding anything contained in this offering plan, no Unit may be sold to, leased by or occupied by any individual who is required to be registered pursuant to the New York State Sex Offender Registration Act, or any federal or state laws similar thereto, or who is deemed a sex offender, sexually violent offender, predicate sex offender and/or sexual predator by any court or any Governmental Authority.

Plantings on any balcony, terrace or private patio shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace or balcony surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace or balcony, but shall stand on supports of at least two inches above such surface. It shall be the responsibility of the Unit Owern to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

(7). Pet Restrictions.

No animals, birds, or reptiles of any kind shall be raised, bred, or kept in any Unit or in the Common Elements or limited Common Elements, except that dogs, cats or other household pets, not to exceed two per Unit, without the written consent of the Board of Managers, may be kept in Units, subject to the rules and regulations adopted by the Board of Managers, provided, that they are not kept, bred or maintained for any Commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the property subject to these restrictions upon three (3) days written notice from the Board of Managers.

In no event shall any dog be permitted in any portion of the Common Elements and/or Association Common Areas unless carried or on a leash.

(8). Aesthetic Controls.

In order to retain the structural integrity and aesthetic appearance of the Buildings, no window or through-the-wall air-conditioning appliances may be installed in any Unit and no radio, television aerial, satellite dish or awning shall be attached to or hung from the exterior of the Buildings by the Unit Owner without consent of the Board and otherwise in accordance with applicable laws and rules. Painting of doors to the individual Units or any portion of the property outside of the Condominium Unit is prohibited.

All Unit Owners shall be obligated, regardless of the type of window treatments that they use, to provide for a white backing on the window treatment so that when the shades are down or the curtains are drawn closed, the effect from the outdoors is a visually harmonious white appearance.

(9). Business Restrictions.

Business or professional use is not permitted without the express written consent of the Board of Managers and must be permitted by zoning regulations. Sponsor may maintain an office in the Common Elements and the Association Common Areas while there is at least one Unit Unsold.

(10). Restrictions on Occupancy of Units Owned by Corporations, Partnerships or Fiduciaries.

Corporations, partnerships, fiduciaries and trusts may own Condominium Units provided that the use is for residential purposes only, and not for any business or non-residential purpose.

(11). Restrictions on Illegal or Offensive Uses.

The By-Laws contain the following use restrictions: No immoral, improper, offensive or unlawful use shall be made of the Community nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Unit Owners, their families, employees, guests and any permitted pets shall not use or permit the use of the Units, and Common Elements in any manner that would be illegal, disturbing or a nuisance to other Unit Owners. No resident shall put any advertisement, poster, or signs, including for-sale signs of any kind in or on the Community without the consent of the Board of Managers. It is prohibited to hang garments, rugs, etc. from the windows or from the buildings or to string clothes lines on or over the Common Elements or to use any of the Common Elements for storage. No Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of his Unit.

(12). Restrictions on Guest Privileges.

A Unit Owner may not permit a guest to use the Unit for more than fourteen (14) consecutive days in the absence of the Unit Owner without the express written consent of the Board of Managers.

(13). Limitations on Utilization of Common Elements and Parking Facilities.

Common Elements may not be used for storage or loitering.

The interior roadways or Parking level of the Condominium shall not be used for storage or long-term parking 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. Any person parking illegally will be subject to their vehicle being towed and/or a fine.

Parking Spaces may only be used for the parking of passenger vehicles only currently registered automobiles, all of which must be validly registered with the Department of Motor Vehicles of any State of the United States of America. All vehicles must be passenger vehicles only.

At Closing, Unit Owners will be required to register their cars with the Board of Managers and the Association and will be required to notify the Board of Managers and the Association whenever a Unit Owner adds, replaces or removes any of the registered cars. A nominal fee may be charged by the Board of Managers or Board of Directors to a Unit Owner for registering any Unit Owner's vehicles and provide transponders and/or stickers used to enter the Community through the gatehouses.

(14). Limitations Contained in the Certificate of Occupancy and Zoning Regulations.

There are no known restrictions set forth in the Zoning Regulations to prohibit the use as contemplated for this Condominium. There are no known limitations in the Certificate of Occupancy which will be sought by Sponsor which would limit the use of the Condominium property other than as set forth in this Offering Plan.

(15) Other Material Provisions.

There are no other material provisions in the Declaration or By-Laws, which significantly affect the rights and obligations of the Unit Owners or the Board of Managers.

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T. REAL ESTATE TAXES

Pursuant to the New York State Condominium Act, real estate taxes applicable to each Unit will be separately assessed and taxed as a separate Lot and the Unit Owner will not be responsible for payment of or subject to any lien arising from nonpayment of taxes for another Unit.

The estimated monthly costs and charges to be incurred by the owner of each Unit in the first year in which the property will be fully subject to real estate taxes together with estimated Common Charges on each Unit and other carrying costs are set forth on Schedule A.

Real estate tax estimates are based upon a letter dated January 10, 2014, prepared by Cronin, Cronin, Harris & O'Brien, P.C., Attorneys at Law, 333 Earle Ovington Boulevard, Suite 820, Uniondale, New York 11553 who have estimated the real estate taxes for the Condominium Units once they are completed.

A copy of the Real Estate Tax Estimate letter prepared by Cronin, Cronin, Harris & O'Brien, P.C. follows this section.

In the event the Units have not been separately assessed for real estate tax purposes prior to the Closing to the First Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the Units in the Condominium for the six (6) month period following the First Closing. Thereafter, at each closing during said period, each Purchaser will reimburse Sponsor for the pro-rata amount paid on behalf of said Unit. In the event the actual Assessment is greater than the amount adjusted, Purchaser agrees to reimburse Sponsor after the closing to the extent of the actual Assessment. In the event the actual Assessment is less than the amount adjusted, Sponsor agrees to reimburse Purchaser after the closing to the extent of the actual Assessment.

Sponsor may however, place in escrow, in the name of Board of Managers, an amount equal to the real estate taxes attributable to the Unsold Units for such six (6) month period and may collect at each closing the estimated amount of taxes attributable to such Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and Sponsor will be entitled to reimbursement from Unit Owners to the extent of the actual Assessment.

There are tax certiorari proceedings currently pending for the property. The pending proceedings are to seek to have the real estate assessed valuations and real estate taxes reduced as it is claimed that the real estate taxes are based on figures above the fair market value for the property as residential vacant land. Pursuant to the term of the By-Laws the Board of Managers is empowered to act as an agent for one (1) or more Unit Owners to file a single complaint and bring a special proceeding on behalf of Unit Owners who wish to contest the real estate tax Assessments of his, her or their

Unit pursuant to Section 339-y(4) of the New York Property Law. In such event, the Board could retain counsel on behalf of such Unit Owners and charge each Unit Owner for whom it is acting a pro rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Unit. The Board of Managers is not obligated to perform such services and it is necessary to obtain the written authorization of the Unit Owners.

Unit Owners will not be responsible for the payment of, nor will they be subjected to, any lien arising from the non-payment of real estate taxes on other Units.

Sponsor anticipates that the real estate tax rate will vary in future years rather than remain constant. The estimates of projected real estate taxes in this Offering Plan have been prepared by Sponsor and cannot be construed as an assurance of the final tax costs, but are merely estimates based upon information available to Sponsor at this time. In no event will Sponsor or Sponsor's Counsel be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind his Purchase Agreement, in the event the amount of the taxes differ from those projected.

Real Estate Taxes can be expected to increase substantially after the construction of the Condominium is completed as compared to the tax year prior to the completion of the construction of the Condominium.

Sponsor does not anticipate any significant delay in obtaining separate assessments of Real Estate Taxes for each Condominium Unit. It is anticipated that prior to each closing, the Real Estate Taxes will be apportioned to each Unit.

The assessing authority is Nassau County Department of Assessment who will assess School and County Taxes and the Village of North Hills who will assess Village Taxes.

The projected assessed valuation for the 2015/16 tax year for the Phase I Property is $66,143. The projected tax rate for the 2015/16 tax year for the Phase I Property is $569.023 per $100 of assessed value for school taxes and $252.472 per $100 of assessed value for general taxes.

The projected assessed valuation for the 2016/17 tax year for the Phase I Property is $236,791. The projected tax rate for the 2015/16 tax year for the Phase I Property is $357.335 per $100 of assessed value for school taxes and $156.232 per $100 of assessed value for general taxes.

The projected assessed valuation for the 2017/18 tax year for the Phase I Property is $320,000. The projected tax rate for the 2017/18 tax year for the Phase I Property is $375.202 per $100 of assessed value for school taxes and $164.044 per $100 of assessed value for general taxes.

The tax assessment for each Unit may be allocated on a basis that differs from the allocation of common interests.

The anticipated Assessed Valuation and the anticipated Tax Rates are as follows are set forth in the letter dated January 10, 2014, prepared by Cronin, Cronin, Harris & O'Brien, P.C., Attorneys at Law, 333 Earle Ovington Boulevard, Suite 820, Uniondale, New York 11553 which follows this section.

The tax information and the letter provided by Cronin, Cronin, Harris & O'Brien, P.C. that follows this page will be updated by Amendment to provide then current taxes and tax rates prior to the First Closing.

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CCH&O

CRONIN, CRONIN, HARRIS & O'BRIEN, P.C.

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HON. PHILIP BOYLE, OF COUNSEL

January 10, 2014

RE: The Residences, North Hills Condominiums
85-95 LIE South Service Road
Village of North Hills
Sec 8, Block A, Lots 892-896, 897B, 897C, 889 and 900

Gentlemen:

This is in response to your request for an opinion of the real estate assessments and taxes upon the completion of construction of a 244-unit luxury residential condominium project. This letter represents my opinion of a projection of real estate assessments and taxes for the first phase of construction which comprises lots 892 and 893. Lot 893 is scheduled to contain 64 units with an approximate total sellable square footage of 116,472. Lot 894 is scheduled to contain 60 units with an approximate total sellable square footage of 103,332.

The entire condominium project is planned to be situated in five (5) four-story residential buildings plus a clubhouse containing a gross building area of approximately 650,000 square feet. In addition, the project will contain a grade-level, climate-controlled parking garage, decorative landscaping, security fencing, two security gate houses, and a three-story clubhouse of approximately 20,000 square feet gross with an indoor and outdoor pool.

Lots 892 and 893 are projected to be completed by November 1, 2015.

Lots 894, 895 and 896 adjacent roadwork as well as landscaping is projected to be completed by November 1, 2018.

This letter is being sent to you with the express understanding that our firm assumes no liability for the projections presented herein. These projections are based on critical facts and figures that are subject to change by governmental agencies and market conditions. The following analysis is only our opinion presented for your assistance in preparation of your offering plan. In order to prepare this letter and the opinion set forth herein let us assert the facts on which we have relied.

We have considered the recent tax assessment history of the property, the cost of construction and the potential income for the completed structures. In addition, we have examined comparable properties in the Village of North Hills, as well as market conditions in the general area.

As further articulated and qualified below the projected estimated taxes for the projects is as follows:

Tax Year	Estimated AV	Taxes
2014/15	66,143	$527,536
2015/16	66,143	$543,361
2016/17	236,791	$1,216,080
2017/18	320,000	1,725,587
2018/19	320,000	$1,811,866

A. Underlying Presumptions to Real Estate Tax Projection

In projecting the real estate taxes the following presumptions have been made:

1. For purposes of projecting reasonable tax obligations, the entire project as described in the first three paragraphs of this letter is deemed to be completed as of November 1, 2015. Although as of the current date, Lots 894, 895, and 896 have later completion dates, as described in the chart immediately below, it is presumed that all five residential buildings as well as the clubhouse building will be completely constructed as of November 1, 2015. This presumption is being made for the sole purposes of projecting the real estate taxes. It is fully understood that actual construction on all parcels is not expected to be completed until October 2018. However, tax projections are based on November 1, 2015 completion date.

Tax Lot	New Condo Name	Units	Anticipated start of construction	Construction expected to be completed
895	1	40	1-May-17	31-Oct-18
894	2	40	1-May-17	31-Oct-18
893	3	64	1-Jan-14	31-Oct-15
892	4	60	1-Jan-14	31-Oct-15
896	5	40	1-May-17	31-Oct-18

2. That all 244 units and percent interest have been constructed as described in the first three paragraphs of this letter and as advised by the owners.

3. That the current tax laws remain in effect as they exist on the date of this writing. Additionally, it is presumed that all applicable laws that are scheduled to expire will do so within the statutorily mandated time frame.

4. Increases in tax rates for the county, town and school will occur in the normal course of events based on past history.

5. That pursuant to Executive Order No. 6-2010 signed by Nassau County Executive Edward Mangano on April 7, 2010, Nassau County will re-assess all parcels of real property on a four-year cyclical basis rather than on an annual basis. As a result, it is presumed that the assessed values of the property for the tax years 2013/14-2015/16 will not change.

B. Pre-Construction Assessment Status

Nassau County is defined as a "special assessing unit" under the Real Property Tax Law (RPTL) Article 18. Pursuant to RPTL Section §1801, all real property is divided into four classes for purposes of taxation. As of the writing of this opinion, the Department of Assessment has designated parcels which will serve as the site for the Project.

The total assessed value for the 2013/2014 and 2014/15 tax year is 66,143 with a total fair market value of $26,457,200.

As of the date of this writing, the parcels currently exist as residential vacant land. The classification of these parcels was previously litigated and it was conceded by the County that these parcels should be classified as Class I. Nassau County will continue to classify the parcels as Class I until the project is substantially constructed. Based on construction projections provided to me, the project will not be substantially completed until the January 2, 2016 taxable status date. Thus, my analysis for the Pre-Construction Assessment of the property spans the tax years 2013/14, 2014/15 and 2015/16 and is based on a Class I classification of the respective parcels.

1. Estimated Class I School and General Tax Rate

Over the last two tax years, the North Hempstead School District #9 Class I School tax rate increase has ranged from +.73% to +3.39 and the Class I General tax rate has ranged from -3.69% to +2.67%, therefore we are projecting a 3% increase in both the School and general tax rates per annum.

Actual 2013/14 Class 1 School tax rate:	536.360
Projected 2014 Class 1 General tax rate:	237.980
Projected 2014/15 Class 1 School tax rate:	552.450
Projected 2015 Class 1 General tax rate:	245.119
Projected 2015/16Class 1 School tax rate:	569.023
Projected 2016 Class 1 General tax rate:	252.472

a) Applied Tax Rates and Estimated Total Taxes for 2013/14 Tax Year
Total Combined Assessed Value = 66,143

	Tax Rates *	Estimated Total Taxes
School	536.360	354,764.59
General	237.980	157,407.11
Total	774.34	512,171.70

b) Applied Tax Rates and Estimated Total Taxes for 2014/15 Tax Year
Total Combined Assessed Value = 66,143

	Tax Rates *	Estimated Total Taxes
School	552.450	365,407.00
General	245.119	162,129.06
Total	797.569	527,536.06

a) Applied Tax Rates and Estimated Total Taxes for 2015/16 Tax Year
Total Combined Assessed Value = 66,143

	Tax Rates *	Estimated Total Taxes
School	569.023	376,368.88
General	252.472	166,992.55
Total	821.495	543,361.43

* The tax rates applied assumes that the entire property is located within school district # NH7 and General Tax Code 839.

**These estimates are based on the classification and assessments found on the 2013/2014 final assessment roll. As described in detail below, § 6-24.1 of the Nassau County Administrative Code mandates that when construction takes places after the taxable status date, the Board of Assessors shall determine a new assessment, on the following taxable status date, which should account for the new construction. However, pursuant to the statute, § 6-24.1 of the Nassau County Administrative Code as well as RPTL § 523-b was set to expire on December 31, 2012. The New York State Legislature adopted an eighteen (18) month extender of these laws. Therefore, the § 6-24.1 mandate as well as RPTL §523-b will continue to be in effect until June 30, 2014.

2. Estimated Village of North Hills Residential Tax Rate

Over the last three tax years, the Village of North Hills Residential tax rate increase has ranged from -13.76%% to -2.02, therefore a 5% overall increase will be estimated resulting in the following projected tax rates for the 2013/14 through 2015/16 tax year.

2012/13 Village tax rate:	0.0970/100
Projected 2013/14 Village tax rate:	0.1019/100
Projected 2014/15 Village tax rate:	0.1069/100
Projected 2015/16 Village tax rate:	0.1123/100

a) Tax Rates and Estimated Total Village Taxes for 2013/2014 Tax Year

Estimated Assessed Value = $66,143.

	Tax Rates	Estimated Total Village Taxes
Village	0.1019	6,739.97

b) Tax Rates and Estimated Total Village Taxes for 2014/2015 Tax Year

Estimated Assessed Value = $66,143.

	Tax Rates	Estimated Total Village Taxes
Village	0.1069	7,070.68

c) Tax Rates and Estimated Total Village Taxes for 2015/16 Tax Year

Estimated Assessed Value = $66,143.

C. Tax Rates

The following tax rates apply to the years following reclassification of the property to Class II. As stated above, the County will most likely reclassify the property once 75% of the construction has been completed. At that time, the property will likely be taxed as Class II and fully operable.

We have been requested to project the real estate taxes upon completion of Condominium Three and Four. We are anticipating that the completed assessment will be reflected on the April 1, 2016 Final Assessment Roll in the 2016/2017 tax year. This will affect the November 2016 and April 2017 School Bill and the January and August 2017 General Bills and the May 2017 Village bill.

	Tax Rates	Estimated Total Village Taxes
Village	0.1123	7,427.85

The fiscal year covered by these tax bills are as follows:

i. The school tax year runs from July 1st to June 30th – tax bills issued October and April.

ii. The general tax year runs from January 1st to December 31st – tax bills issued January and August.

iii. The Village tax year runs from June 1st to May 31st – tax bills issued May 30.

Tax rates have been projected based on past trends of current rates for Class II properties in all of the tax districts.

1. Tax Rates for all Lots except Lot 897B – Class 2

The project lies within two separate School Districts and General tax codes. Lots 892, 893, 894, 895, 896, 897C, 900 (see Exhibits A and B which includes the various units applicable to each of these lots) and lot 889 lie within North Hempstead School District #7, General Tax Code 839. Over the last four tax years, the Class II School tax rate increase has ranged from +1.84% to -6.81% and the Class II General tax rate decrease has ranged from -6.60% to -0%, therefore a stabilized tax rate will be estimated resulting in the following projected tax rates.

Projected 2016/17 Class 2 School tax rate: 290.706/100
Projected 2017 Class 2 General tax rate: 135.871/100

2. Tax Rates for Lot 897B-Class 2

Lot 897B lies within North Hempstead School District #9, General Tax Code 881. Over the last four tax years, the Class II School tax rate increase has ranged from +3.12% to -22.33% and the Class II General tax rate decrease has ranged from -6.47% to -3.45%, therefore a stabilized tax rate will be estimated resulting in the following projected tax rates.

Projected 2016/17 Class 2 School tax rate: 180.971/100
Projected 2017 Class 2 General tax rate: 160.957/100

3. Estimated Village of North Hills Residential Tax Rate

Over the last three tax years, the Village of North Hills Residential tax rate increase has ranged from -13.76% to -0%, therefore a 5% overall increase will be estimated resulting in the following projected tax rate for the 2013/14 tax year.

Projected 2016/17 Village tax rate: .1299/100

D. Interim Construction

As stated above in presumption 1, this opinion of real estate assessments and taxes for Condominiums Three and Four is based on a November 1, 2015 completion date.

According to the Real Property Tax Law, real property is taxed based on its actual condition as of the taxable status day. (RPTL §302) As described above, prior to construction, the property exists as residential vacant land and should be taxed as Class I property. Under the Nassau County Administrative Code § 6-24.1, when an assessment roll fails to reflect construction which occurred after the taxable status date applicable to such roll, but on or before the taxable status date applicable to the assessment roll for the following year, the Board of Assessors shall determine a new assessment. Such assessment is based on the value, use and condition of the property as of the January 2nd following the construction. However, the New York State Legislature enacted an 18 month extender to RPTL § 523-b through June 2015.

We have been advised that the construction for the Condominiums Three and Four will commence on or about January 1, 2014.

We have been advised of the following schedule for the partial construction of the Vanderbilt Condominium.

- As of January 2, 2014, 0% is expected to be complete and thus will likely be taxed as Class I and residential vacant land.
- As of January 2, 2015, 50% is expected to be complete and thus will likely be taxed as Class I residential vacant land
- As of January 2, 2016, 100% is expected to be complete and thus will likely be reclassified to Class II and be taxed as fully constructed.

As stated above, Nassau County Administrative Code §6-24.1 was scheduled to expire on December 31, 2012 but was extended through June 2015. Thus, for the 2013/2014 tax year, the construction commenced on January 1, 2013 should be taxed as it exists on January 2, 2012 as 0% complete and therefore residential vacant land as listed above.

For the 2014/15 tax year, January 2, 2013 will serve as the taxable status date. On this date, the project's construction is expected to be 25% complete and according to the policy of the Board of Assessors, the property will continue to be taxed as residential vacant land.

January 2, 2014 will serve as the taxable status date for the 2015/16 tax year. The property will most likely be classified as Class II as soon as the project's construction is substantially completed.

Based on the schedule for partial construction of the Condominiums Three and Four listed above, the taxes levied during the interim construction will most likely be as follows:

Tax Year	Percentage Complete	Taxable Status Date	Estimated Assessed Value	School Tax Rate*	Estimated School Taxes	General Tax Rate*	Estimated General Taxes	Estimated Total Taxes
2014/15	0%	January 2, 2014	$66,143	552.450	$365,407.00	245.119	$162,129.06	$527,536.06
2015/16	50%	January 2, 2015	$66,143	569.023	376,368.88	252.472	$166,992.55	$543,361.43
2016/2017**	100%	January 2, 2016	$236,791	357.335	$846,137.11	156.232	$369,943.31	$1,216,080.40
2017/18	100%	January 2, 2017	$320,000	375.202	1,200,646.4	164.044	$524,940.9	$1,725,587.20

* The School and General Tax Rates applied here assume that the entire project is located within School District # NH7 and General Tax Code 839.

**As stated above, on the taxable status date for the 2016/2017 tax year, construction on the property will be 100% complete. Therefore, starting in the 2016/2017 year, the property will be classified as Class II property and will be taxed accordingly. The tax rates and assessed values for the 2016/2017 year in the chart above are based on Class II.

E. Real Estate Taxes Upon Completion of Construction

Under Article 18 of the Real Property Tax Law, the condominium and its attendant amenities shall be categorized as Class II property on the subsequent taxable status date after the substantial completion of construction of the Vanderbilt Condominium. For purposes of this letter and based on various timelines provided by the owner, the date of completion for the Condominiums Three and Four is estimated November 1, 2015.

After the completion of construction but before the parcels receive individual assessments based on their condominium status, the property will have tax obligations based on the assessment of the parcel as described above in the first three paragraphs of this letter.

Class II property is defined in §1802 as "all other residential property, which is not designated as class one, except hotels and motels and other similar commercial property." Condominiums do not conform with the criteria outlined in Class I and therefore are taxed under the definition of "other residential property."

Class II condominiums are entitled to be valued under an income approach under RPTL §581. *D.S. Alamo and Associates v. Commissioner of Finance, 71 N.Y.2d 340.* Therefore, in determining the Fair Market Value of the subject parcel for assessment purposes, the property will be valued as an income-producing property. Critical to this analysis is a projection of market rental income for each unit. For purposes of selecting a reasonable income stream, this office has consulted with Standard Valuation Services, Real Estate Appraisers to survey a reasonable income stream for the subject property and estimate a market value for taxation purposes.

Once the Condominium Three and Four is fully operable and individual units are sold each unit will be assessed and a tax will be levied on each unit. For purposes of projecting taxes upon completion of construction, pursuant to the owner's request, each unit's estimated tax burden will be based on a percentage of common interest in the project. This allocation of tax burden is used for projection purposes. The allocation of the percentage of each unit's common interest will be followed by amendment.

F. Common Areas

Judicial precedent has recognized that for purposes of taxation, residential condominium is the "fee ownership of the living space together with a proportionate undivided interest in the common areas or elements of the land and building." *Rutherman v. Pelcher 89 Misc 2d 560, 562 (NY Misc1977)* By express definition under the Real Property Law Article 9-B § 339-g "each unit together with its common interest shall for all purposes constitute Real Property and under RPL §339-7each unit is deemed a parcel subject to separate assessments."

Accordingly, the value of the common areas will be reflected in the Condominium Unit Assessment. These common areas will include the parking garage, the retention ponds, a 43,000 square foot clubhouse and the restaurant. Standard Valuation Service provided a separate estimate and an Assessed valuation for the Clubhouse. Each unit's respective interest in the Clubhouse has been calculated and apportioned among the units in Exhibit C, attached hereto.

After the units are separately assessed, each unit will be taxed as a separate tax lot for real estate tax purposes and the unit owner will not be responsible for the payment of, nor will the unit be subjected to, any lien arising from the non-payment of taxes on other units.

G. Real Estate Tax Projection for Various Units

As a Class II Property, RPTL § 581 dictates use of the Income Approach on a four-story structure. Standard Valuation Services, Real Estate Appraisers has provided a market value estimate of the entire property based on an Income Capitalization approach resulting in the projected assessments and real estate tax projections previously supplied to the owners of the property.

H. Applicable Exemption Upon Completion of Project

The New York State Tax Relief Program ("STAR") provides an exemption from school property taxes for owner-occupied primary residencies. This state financed exemption is authorized by § 425 of the Real Property Tax Law. Therefore, if the condominium is the primary residence for an owner he or she may apply for the "STAR" exemption. However, exemptions such as Real Property Tax Law §421(a) do not apply to the subject condominiums because the property is not located in New York City. Rather the subject property is under the assessing authority of the Nassau County Department of Assessment as well as the Village of North Hills.

A taxpayer who is eligible for the STAR exemption will be partially exempt from school district taxes, as well as for any special ad valorem levies and special assessments. The amount of the basic exemption is $30,000 subject to equalization and other adjustments. In my experience in Nassau County, these generally provide an exemption of approximately $300 to $400 per taxpayer.

Primary-residence owners that meet additional requirements are eligible to receive the "Enhanced" STAR exemption. To be eligible, all property owners must be 65 years of age or older, with incomes that do not exceed $60,000 a year as amended annually according to the cost-of-living adjustment (COLA) used by the Social Security Administration. The office of Real Property Services has revised and promulgates the eligible income limit for each tax roll year. The amount of the enhanced exemption is $50,000, subject to equalization and other adjustments.

All estimates are based on the current New York State Law and the facts as provided to our office. No closings are projected to occur prior to when the post-completion assessment is given to the building. The real estate tax projection does not take into account any exemptions that the property may receive. If the physical plans change, the applicable law may also change and the estimate of real estate taxes will no longer be valid.

DISCLAIMER: The foregoing represents our best opinion based upon the facts and figures given to us. Our opinion is based on the Real Property Tax Law, Nassau County Administrative Code as well as all applicable law as it exists on the date of this writing. Our opinion presumes that these laws remain unchanged and in effect. Additionally, all statutory provisions are presumed to sunset at the statutorily mandated time frame. The legal opinion contained herein is not meant to be a legal representation and or warrant. It represents our best estimate of what an assessment should be and not what an assessor may arbitrarily choose to place on the subject property, which, of course, is subsequently subject to a tax certiorari proceeding.

Very truly yours,

CRONIN, CRONIN, HARRIS & O'BRIEN

U. INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of a Unit as a personal unit was prepared by Sponsor, based in part, upon the income tax opinion of Rosen Law LLC, 1010 Northern Boulevard, Suite 322, Great Neck, New York 11021, counsel to Sponsor, a copy of which is set forth in the Offering Plan.

ROSEN LAW LLC, IS COUNSEL TO SPONSOR AND NOT THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT PURCHASER'S OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF THE UNIT OWNERSHIP UNDER THE PLAN.

Income Tax Deductions to Unit Owners

A Unit Owner will own the Condominium Unit which the Unit Owner Purchases and its appurtenant Common Elements in fee simple absolute and each Unit will be a separate tax lot for purposes of County, Town and School taxes and Assessments. As a result, a Unit Owner may be entitled to deduct for Federal and New York State income tax purposes, real estate taxes assessed against the Unit and paid by such owner as well as interest paid by the Unit Owner on certain mortgages made against the Unit. Generally, an individual Unit Owner may only deduct interest on debt incurred to acquire his principal residence or a designated secondary residence subject to certain limitations. Each Purchaser should consult with his or her own tax counsel, accountant or other financial advisor as to the tax consequences of the ownership of a Condominium Unit.

It is the opinion of Rosen Law LLC that a Unit Owner who uses the Unit as a personal residence will, under present Law, for Federal and New York State income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that deductions, if applicable, may vary in the future due to changes in the interest rate or the Unit Owner's mortgage or from changes in the allocation of the constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing the real property. Purchasers who are individuals should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire, construct or substantially improve a principal or second residence (or which constitutes a refinancing of such debt) (up to a total indebtedness of $1 million, $500,000 for married tax payers filing separately) plus (2) other debt (not in excess of $100,000) secured by a principal or second residence. Interest on Unit mortgage debt in excess of these limitations would not be deductible. In addition, Unit Owners should note that special limitations may apply to the deductibility of points and prepaid interest, if any, on their mortgage loans and to the overall allowance of itemized deductions. Purchasers

should discuss the Alternative Minimum Tax ("AMT") with their accountant to understand the impact by AMT on their deductions.

Tax Status of the Condominium

Ordinarily, a Condominium Board may elect to be exempt from federal income taxes on Common Charges collected from Unit Owners under Section 528 of the Internal Revenue Code, provided certain prerequisites are met.

In order to elect such status,

a) the Condominium must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property;

b) 60% or more of the gross income of the Condominium for the taxable year must consist solely of amounts received as membership dues, fees or Assessments from Owners of Units in the Condominium;

c) 90% or more of the net expenditures of the Condominium for the taxable year must be for the acquisition, construction, management, maintenance and care of the Property;

d) no part of the net earnings of the Condominium may inure (other than by acquiring, constructing or providing management, maintenance and care of the Property and other than by a rebate of excess membership dues, fees, or Assessments) to the benefit of any private shareholder or individual;

e) substantially all of the Units must be used by individuals as residents; Treasury Regulation 1.528-4(b) provides that substantially all of the Units will be treated as used by individuals for residences only if at least 85% of the total square footage of all Units are used as such residences; and

f) the Condominium must make such election at such time in such manner as the Secretary of the Treasury prescribes by regulations.

Under the Treasury regulations issued pursuant to Section 528, a Condominium Management Association must qualify annually for the election under Section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

BASED ON THE OPINION OF ROSEN LAW LLC IT APPEARS THAT THE AFOREMENTIONED REQUIREMENTS WILL BE MET FOR A SECTION 528 ELECTION FOR AT LEAST THE FIRST YEAR OF OPERATIONS.

Each Purchaser should consult with his or her own tax counsel as to the tax consequences of the Offering Plan and of the purchase of a Condominium Unit.

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May 5, 2014

RXR North Hills Phase I Owner LLC,
625 RXR Plaza,
Uniondale, New York 11556

Re: The Residences, North Hills Phase I Condominium
The Residences, North Hills Homeowners Association, Inc.
1000 and 2000 Royal Court
North Hills, New York

RE: INCOME TAX OPINION LETTER

Gentlemen:

You have requested our opinion concerning (i) the deductibility, for Federal and New York State income tax purposes, of mortgage interest and real estate taxes paid by residents of New York who purchase the offered Units for their own residential use pursuant to the above-referenced Condominium Offering Plan (the "Offering Plan"), and (ii) the qualification of the Condominium and Association as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion does not address the tax consequences of the ownership of Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences of (i) ownership of any Unsold Units or any Unit that is used for commercial or mixed residential/commercial purposes, or (ii) any rebates or other payments that may be made, or benefits provided, to owners of Units. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Offering Plan.

In connection with rendering this opinion, we have reviewed the Offering Plan and have examined the schedules, exhibits and documents accompanying the Offering Plan, including the declaration establishing, and the By-Laws governing, the operations of the Condominium and the Association (the "Offering Plan Documents"). We have also considered the relevant sections of the Code, the New York State Tax Law, the regulations promulgated thereunder and such other materials as we deemed relevant. In rendering this opinion, we have assumed that the Offering Plan is the document pursuant to which owners of the Units will acquire his, her or their Unit and that the relevant facts are as set forth therein.

Pursuant to the Offering Plan, Purchaser of a Unit will receive legal title in fee simple to his, her or their Unit, coupled with ownership of an undivided interest in the appurtenant Common Elements held in common with other Unit Owners and as members of the Association. Such purchaser will have the right to place an individual mortgage on his or her separate Unit and will be liable to the local tax authority for the tax assessment with respect to his or her interest in the Property. Under these circumstances, the Internal Revenue Service has ruled that the owner of a residential condominium unit may deduct interest paid on his or her mortgage indebtedness and the real estate taxes assessed and paid on his or her interest in the property. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

Accordingly, based on the foregoing, it is our opinion that an owner of a Unit who itemizes deductions and who uses his, her or their Unit as a personal residence will be entitled under current law to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as may be in effect under Section 68 of the Code, real estate taxes assessed against his, her or their Unit and paid to the local tax authority. However, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax. Owners of the Units should consult their tax advisers regarding the applicability of the overall limitation on itemized deductions to the deductibility of real estate taxes.

Purchasers are advised that an exemption from real estate taxes may be available for veterans and other purchasers under the New York State Real Property Tax Law, as amended. Prospective purchasers are advised to consult with their own attorneys or other advisers to determine whether the prospective purchaser qualifies for any exemption from real estate taxes.

A taxpayer generally is entitled to a deduction for Federal income tax purposes for interest paid with respect to a principal and one secondary residence (a "qualified residence") to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which (i) is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) ("acquisition indebtedness"), up to a maximum of $1,000,000 for any period ($500,000 in the case of a married individual filing a separate return), or (ii) is any indebtedness other than acquisition indebtedness, up to the excess of the fair market value of any one qualified residence over the amount of acquisition indebtedness with respect to such residence ("home equity indebtedness"), but not to exceed $100,000 ($50,000 in the case of a married individual filing a separate return) in the aggregate for all qualified residences of the taxpayer in any period. Accordingly, an owner of a Unit who itemizes deductions and uses his, her or their Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as may be in effect under Section 68 of the Code, interest paid or accrued by him or her on (i) acquisition indebtedness incurred with respect to his, her or their Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred

with respect to a second qualified residence (if any), does not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his, her or their Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed $100,000 ($50,000 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to his, her or their Unit for Federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, owners of Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and any overall limitation on the allowance of itemized deductions.

Each owner of a Unit who uses his, her or their Unit as a residence will generally be entitled to the same deduction for mortgage interest and real estate taxes paid or accrued with respect to his, her or their Unit for New York State income tax purposes as is allowed for Federal (regular) income tax purposes. However, under New York State income tax law, itemized deductions, such as interest and real estate tax deductions, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Furthermore, purchasers should consult their tax advisers to determine the application, if any, of the New York State minimum taxes to the deduction for mortgage interest and real estate taxes with respect to his, her or their Unit.

If the Condominium and Association qualifies as homeowners associations within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve or working capital funds and possibly income from Commercial purposes, if any.

To qualify as a homeowners association, the Condominium and the Association must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least 60% of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Unit Owners, (3) 90% or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or assessments), (5) the Condominium must elect to be treated as a homeowners association, and (6) at least 85% of the total square footage of all

Units within the Condominium must be used by individuals for residential purposes. (Treasury Regulation § 1.528-4(b)). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless qualify in one or more future years.

Based on the information contained in Schedule A to the Offering Plan, more than 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes for purposes of Treasury Regulation § 1.528-4(b). Accordingly, assuming the Offering Plan becomes effective during the taxable year ending December 31, 2016 (the "2016 Taxable Year") and there are no changes in the facts and/or the relevant provisions of current law, the Condominium and Association will be eligible to elect to be treated as a homeowners associations under Section 528 of the Code for the 2016 Taxable Year.

Absent the application of Code Section 528, the present state of federal law is unclear as to the precise tax status of the Condominium. An entity classification regime was adopted in regulations issued by the United States Treasury Department on December 17, 1996 and there is no authority addressing the application of those entity classification regulations to condominiums. Because the By-Laws provide that the Boards will act as the agent of the Unit Owners represented by each such Board, the Condominium Board may take the position that the Condominium is not a separate entity and accordingly is not subject to the classification regime. In such case, the Unit Owners would, in the aggregate, include in their gross income and be taxed on all income earned by the Condominium (which income may include, among other things, interest or similar income earned from interim investments of the amounts assessed and collected from the Unit Owners), reduced by the expenses incurred in earning such income. For this purpose, the Residential Common Charges should not be considered income earned by the Condominium with respect to the Unit Owners. If, however, the Condominium is considered a separate entity it is unclear whether the Condominium would be taxable as a corporation or treated as a partnership for Federal income tax purposes. If the Condominium is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions and return filing requirements and would be subject to Federal corporate income tax. If the Condominium is treated as a partnership, the partnership would not be subject to an entity level tax, the items of income and deduction of the partnership would generally be passed through to the Unit Owners in accordance with the provisions of Subchapter K of the Code, and the partnership would be required to file information returns.

The precise tax status of the Condominium for New York State tax purposes is also unclear. The relevant New York State laws incorporate by reference federal entity classification provisions which, as discussed above, do not specifically address the treatment of condominiums. If the Condominium is properly treated as a separate entity that is an association taxable as a corporation for Federal income tax purposes, it appears likely that the Condominium would be subject to the New York State Corporation Franchise Tax. If the Condominium does not constitute an association that

is taxable as a corporation for Federal income tax purposes, it is still possible, although not certain, that the Condominium might be subject to the New York State Corporation Franchise Tax.

We express no views as to any Federal or New York State tax consequences other than those explicitly discussed in this opinion, or as to the tax status or tax consequences of the Offering Plan under the laws of any other United States or foreign jurisdiction. This opinion, while based on existing rules of law applied to the facts and documents referred to above, is not binding on the Internal Revenue Service or any court. No assurances can be given that the tax laws upon which we base this opinion will not change. In no event will Sponsor, Rosen Law LLC, the Board of Managers of The Residences, North Hills Phase I Condominium, the Board of Directors of The Residences, North Hills Homeowners Association, Inc., the Selling Agent or any other person be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which we have relied which cause the owners of Units not to be entitled to the income tax deductions described herein, or which would affect the tax treatment of the Condominium and Association as described herein.

You are hereby authorized to use a copy of this opinion in the Offering Plan and references to our name in the Offering Plan.

Very truly yours,

Rosen Law LLC

W. RESERVE FUND

The Condominium and the Association will have no funds as a reserve for capital expenditures. Since no reserve funds are being funded by Sponsor under this Plan, and the budget for the First Year of Operations does not provide for yearly contributions to reserve funds for capital expenditures, Sponsor does not represent or warrant that the Condominium will have sufficient funds for any such capital expenditures within or after five years following the Closing Date should such capital expenditures be needed.

However, the budget for the First Year of Operations as set forth in this Plan provides for an amount for contingencies, which the Board of Managers and Board of Directors may elect to use to apply to some or all of the costs of any such needed capital expenditures.

Neither Sponsor, nor Unit Owners are required to make any contributions to reserve funds.

Should monies be required by the Condominium for capital expenditures, the Condominium Board could vote to obtain loans for required expenditures as provided by the New York Real Property Law. Real Property Law § 339-jj states:

> 1. To the extent authorized by the Declaration or the By-Laws, the Board of Managers, on behalf of the Unit Owners, may incur debt. In addition, subject to any limitations set forth in the Declaration or the By-Laws, the Board of Managers, on behalf of the Unit Owners, may incur debt for any of the purposes enumerated in paragraph (b) of subdivision two of section three hundred thirty-nine-v of this article, provided that (a) such debt is incurred no earlier than the fifth anniversary of the first conveyance of a Unit and (b) the incurrence of such debt shall require the consent of a majority in Common Interest of the Unit Owners.
>
> 2. In connection with a debt incurred by it, the Board of Managers, on behalf of the Unit Owners, may (a) assign the rights in and to receive future income and Common Charges, (b) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds, (c) agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was incurred and subject to the provisions of subdivision two of section three hundred thirty-nine-1 of this article, all Common Charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose

before expending any part of the same for any other purpose, and (d) agree that at the lender's direction it will increase Common Charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. The preceding sentence shall not be construed to authorize the Board of Managers to create a lien on the Common Elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the Board of Managers to file liens in the lender's name on Units for unpaid Common Charges pursuant to sections three hundred thirty-nine-z and three hundred thirty-nine-aa of this article and the right to foreclose such liens pursuant to section three hundred thirty-nine-aa of this article.

3. Nothing in this section shall impair rights under any loan or other agreement existing prior to the effective date of this section or limit any right or power that a Board of Managers would otherwise have.

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X. WORKING CAPITAL FUND

At the time of Closing, each Purchaser will be required to pay a sum equal to two months of Common Charges applicable to the Purchaser's Unit to the Condominium as a Condominium Working Capital Contribution at the time of Closing and each Purchaser will be required to pay a sum equal to two months of Association Common Maintenance Charges applicable to the Purchaser's Unit to the Association as a Association Working Capital Contribution.

The Condominium Working Capital Contribution and the Association Working Capital Contribution paid by a Purchaser are non-refundable and are not transferable if a Unit Owners sells or transfers his or her Unit.

While Sponsor is in control of the Board of Managers, the Working Capital funds will not be used to reduce the Common Charges.

While Sponsor is in control of the Board of Directors, the Working Capital funds will not be used to reduce the Association Common Maintenance Charges.

Neither the Department of Law nor any other governmental agency has passed on the adequacy of the Working Capital Fund.

Except as expressly provided in this Section of the Plan, Sponsor shall have no obligation to establish or make any contributions to a working capital fund or reserve fund of any kind with respect to the Condominium or the Association.

No representation is made by Sponsor that the Condominium Working Capital or the Association Working Capital will be adequate to cover current or future expenses, including repairs or replacements. If additional funds are required over and above the working capital fund for the payment of items not covered by Sponsor's obligations, it may be necessary to increase Common Charges and/or Association Common Maintenance Charges.

At the First Closing, Sponsor will apportion with the Board the following items as of midnight the date preceding the First Closing:

(1) employees' wages, vacation pay, pension and welfare benefits and accruals, uniforms, and all other payments or obligations relative to the employees of the Condominium and/or the Association;

(2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any;

(3) charges for electricity and other utilities for the Common Elements and the Limited Common Elements;

(4) costs of fuel;

(5) charges and receipts in connection with any service and maintenance contracts;

(6) water charges and sewer rents on the basis of the fiscal or calendera year for which assessed;

(7) cost of building supplies on hand at Sponsor's cost (including sales tax);

(8) premiums for transferable insurance policies, if any;

(9) management fees and

(10) other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonable possible at the First Unit Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained.

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Y. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Management.

The affairs and management of the Phase I Condominium and The Residences, North Hills Homeowners Association, Inc. shall be managed by The Ritz-Carlton Hotel Company L.L.C. ("Ritz-Carlton") under the Ritz-Carlton Marks pursuant to one or more written management agreements which now provides that Ritz-Carlton will be the Manager. Ritz-Carlton is wholly owned by Marriott. MIF, L.L.C. is the Licensor of the Ritz Carlton Marks. Pursuant to a license agreement between Sponsor and MIF, L.L.C., MIF, L.L.C. HAS THE RIGHT TO TERMINATE THE LICENSE AGREEMENT AND RITZ-CARLTON HAS RIGHT TO TERMINATE THE MANAGEMENT AGREEMENT FOR A LIMITED NUMBER OF REASONS, AS SET FORTH IN THIS OFFERING PLAN AND AS OTHERWISE SET FORTH IN SUCH AGREEMENTS. IF RITZ-CARLTON OR AN AFFILIATE DOES NOT MANAGE THE PROPERTY, A MANAGEMENT COMPANY OF COMPARABLE QUALITY WILL BE SUBSTITUTED BY AMENDMENT TO MANAGE THE PROPERTY. MANAGEMENT COMPANY BRAND NAMES THAT MAY BE SUBSTITUTED BY SPONSOR IF RITZ-CARLTON DOES NOT MANAGE THE PROPERTY INCLUDE BUT ARE NOT LIMITED TO FOUR SEASONS HOTELS & RESORTS, CANYON RANCH, ST. REGIS, THE PENINSULA AND MANDARIN ORIENTAL HOTELS. Sponsor has not contacted and has no arrangements with the aforementioned possible substitutes and would only do so if Ritz-Carlton does not manage the Community.

MIF, L.L.C. may terminate the License Agreement and Ritz-Carlton may terminate the Management Agreement for, including but not limited to the following reasons:

MIF, L.L.C. may terminate the License Agreement: (i) upon thirty (30) days written notice to Licensee upon the occurrence of the failure to: (a) enter into signed contracts with prospective Unit Owners for at least a minimum of fifty (50) Units by June 30, 2018; or (b) enter into signed contracts with prospective Unit Owners for at least a minimum of one hundred (100) Units by December 31, 2019; or (c) close on the sale of one hundred percent (100%) of the Units to third-party purchasers in arm's length transactions on or before the tenth (10th) full Fiscal Year after the Phase I Opening Date; and (ii) upon ninety (90) days written notice to Licensee (and the failure to cure within such ninety (90) day period) upon the occurrence of Licensee's failure to close a construction loan for the Phase I and Commencement of Construction of Phase I by December 31, 2014. Licensor, at its option, may terminate the License Agreement at any time during the term of the License Agreement if a circumstance, development or event occurs with respect to the Community or Licensee which would have a material adverse reflection on the Ritz-Carlton Marks which is not cured as provided in the License Agreement. In the event that any circumstance, development or event occurs which would cause a material adverse reflection on the Ritz-Carlton Marks, Licensor shall have the right to send notice thereof to Licensee and in the event that the same is not cured to Licensor's satisfaction within thirty (30) days after the date of such written

notice, Licensor shall have the right to terminate the License Agreement by written notice to Licensee at any time thereafter; provided, however, that if such failure is not reasonably capable of being cured within such thirty (30) day period, then so long as Licensee has commenced curative action within such period and thereafter continues to pursue diligently such curative action, such thirty (30) day period shall be extended for the period reasonably necessary to cure such default, up to an additional period of sixty (60) days.

Licensor may terminate the License Agreement upon written notice to Licensee upon (i) termination of the Residential Condominium Management Agreement for the Phase I Condominium, the management agreement for the Phase II Condominium, or the Association, or (ii) upon the failure or refusal of the Board of Directors of the Association or the Board of Managers for the Phase I Condominium to execute the License Agreement or Management Agreement or upon the failure or refusal of the board of managers of the Phase II Condominium to execute the License Agreement or management agreement for the Phase II Condominium. The license to use the Ritz-Carlton Marks will be granted by Licensor to Licensee under the License Agreement so long as Licensor is the manager of the Phase I Condominium, the Phase II Condominium and the Association.

MIF, L.L.C. and Ritz-Carlton have no interest in the Condominium or the Association and is Ritz-Carlton is hired as an independent Manager.

The Members of the Association may terminate the Management Agreement with Ritz-Carlton upon a vote of seventy-five percent (75%) of all Members to terminate the Management Agreement. See the specific terms and conditions in the Management Agreement.

The Management Agreement will provide that Ritz-Carlton will manage The Phase I Condominium, The Phase II Condominium and The Residences, North Hills Homeowners Association, Inc.

The Manager will provide the following services to Unit Owners and Homeowners Association members as part of their management services:

a. Ninety (90) days prior to commencement date of the Fiscal Year or each year of operation of the Condominium, Ritz-Carlton will prepare and submit to the Board of Managers a budget for each Fiscal Year including budgetary line items for the Condominium's costs and expenses and working capital;

b. Bill and collect Common Charges, Association Common Maintenance Charges, Condominium Special Assessments (if any), Association Special Assessments (if any) from Unit Owners;

c. Establish and maintain bank accounts on behalf of the Board of Managers and the Board of Directors;

d. Disburse funds from the bank accounts of the Board of Managers and Board of Directors;

e. Prepare and distribute annual reports to all Unit Owners within ninety (90) days after the end of each Fiscal Year;

f. Keep and maintain books and records for the Board of Managers and Board of Directors in accordance with generally accepted accounting principles;

g. Execute and file tax returns and any instruments required of an employer under the Federal Insurance Contributions Act ("FICA"), the Federal Unemployment Tax Act, the United States Internal Revenue Code of 1986 and the Federal Income Tax Act and the filing of any similar state and local instruments;

h. Schedule and hold meetings of the Board of Managers and the Board of Directors, including the preparation of and mailing of notices of meetings in accordance with the provisions of the Condominium Instruments and the Condominium Act;

i. Suggest amendments to the Rules and Regulations for the use and occupancy of the Condominium Units and Common Elements;

j. Maintain a complete roster of Unit Owners including names and mailing addresses;

k. Maintain records including financial books and records sufficient to identify the source of all funds collected by Manager and disbursement of funds;

l. Retain and employ attorneys, accountants and other professionals and experts whose services are required to effectively perform the management services;

m. Obtain and maintain all licenses and permits required to be obtained by the Condominium and Association;

n. Operate the Condominium and Association in compliance with the terms and conditions of the Condominium Instruments and with the requirements of any insurance carrier and any covenants and restrictions on the property;

o. Purchase (at the cost of the Unit Owners) and maintain inventories of consumable items used in the administration or operation of the Condominium and the Association, including but not limited to cleaning materials, stationery and similar items;

p. Investigate, or have others investigate, all accidents, estimate the cost to repair any damage or destruction to the common elements, and make written reports to the Board of Managers and/or the Board of Directors, as to all claims for damages

relating to the ownership, operation and maintenance of the common elements as the claims shall become known to Manager;

q. Prepare all reports required by any insurance company;

r. Engage third parties as required to provide services that are necessary or desirable for the operation and maintenance of the common elements of the Condominium and Association;

s. Employ personnel consistent with the budget approved by the Board of Managers and Board of Directors for the delivery of the management services (including the hiring of vendors and third parties);

t. Hire, terminate and promote personnel and hire and terminate vendors or third parties providing personnel;

u. Make periodic physical inspections of the common elements and render reports and recommendations to the Board of Managers and the Board of Directors;

v. Have the right to enter any of the Units as necessary, without prior notice, for emergency repairs to prevent damage to the Buildings, any Unit or any element of the common elements, and for the purpose of abating any unlawful or prohibited activity (provided that except in cases involving manifest danger to the public safety or property, Manager shall make a reasonable effort to give notice to the Unit owner of any Unit to be entered into for such purposes);

w. Cause the Common Elements to be maintained, repaired and replaced in accordance with the condominium instruments, consistent with the Ritz-Carlton Quality Standards;

x. Procure and keep in full force all insurance and bonds required to be procured and maintained by the Condominium and Association;

y. Provide "Base Concierge Services". Manager shall provide hotel-type concierge services (such as arranging for seamstress, laundry, dry cleaning and transportation services by third party providers at additional cost to a Unit Owner), valet, day porter and business center services. Manager shall provide Base Concierge Services to Unit Owners as part of Association Common Maintenance Charges, however, all third party service charges shall be billed directly by the Board of Directors or Board of Managers to the Unit Owner utilizing such services. There will be no reduction in the Management Fees due to the cessation for any reason of any Base Concierge Services, so long as reasonably similar services continue to be provided.

z. Provide "Valet Service." Manager shall provide valet services for parking of guest's vehicles in the Parking Level. Each Unit will be assigned (i) one parking space, as Limited Common Element in the Parking Level for self-parking of one passenger

automobile by the Unit Owner and (ii) one parking space for the parking of one passenger automobile in the Parking Level through the use of valet parking services. The cost of the valet service shall be paid by the Unit Owners through Association Common Maintenance Charges. The Sponsor and/or the Board of Directors may, at their sole discretion, grant permission to a Unit Owner, on a first come, first serve basis, to park one additional passenger automobile in the Parking Level using valet services, at an additional cost to the Unit Owner.

aa. Provide "Additional Services". Manager shall make available to each Unit Owner, on an at-cost basis, certain additional services for which a price list shall be established from time to time, including but not limited to housekeeping services, maintenance and repair services, etc. (collectively "Additional Services"). Each Unit Owner will pay the Manager, the Board of Directors or the Board of Managers, as the case may be for all costs and expenses associated with providing and billing for the Additional Services to the Unit Owner, on a monthly basis. (See Part II, Exhibit "5" to this Plan for a schedule of current prices for Additional Services).

MIF L.L.C. and Ritz-Carlton have no interest in the Condominium or the Association and is hired as an independent manager.

In the event the Management Agreement or License Agreement is terminated for any reason, all use of the Ritz-Carlton Marks shall cease at the Condominium, all indicia of affiliation of the Condominium and Association with Ritz-Carlton, including all signs or other materials bearing any of the Ritz-Carlton Marks, shall be removed from the Condominium buildings and Community, and all services to be provided by Ritz-Carlton to the Condominium shall cease.

The term of the Management Agreement shall be for a period commencing on the commencement date as defined in the Management Agreement and for a period of twenty (20) years from the said commencement date.

Ritz-Carlton may terminate the Management Agreement for events of default, as set forth in the Management Agreement.

The Unit Owners may terminate the Management Agreement upon a vote of seventy-five percent (75%) of all Unit Owners to terminate the Management Agreement. See the specific terms and conditions in the Management Agreement.

The approximate fees to Ritz-Carlton shall be $1,500 per Unit ($1,200 per Unit paid through common charges and $300 per unit paid through Association charges) per Unit per year, subject to periodic increases as provided in the Management Agreement, which fees are included in Common Charges and/or Association charges. The fees to be paid to Ritz-Carlton are prevailing rates based on the services that will be performed by Ritz-Carlton. For all specific fees, see the Management Agreement.

Indemnification:

The Condominium and Association will defend, indemnify and hold harmless Manager from and against any and all costs, damages, claims, liabilities and expenses (including reasonable attorney's fees) arising from any claim by any person relating to the Condominium or any part thereof (including the Condominium, any Unit and the Common Elements), or directly or indirectly arising out of any defect or alleged defect in design or construction, or any death, injury to person or property damage occurring on or about the Condominium or any part thereof, or the conduct or operation of the Condominium or the performance of Manager's duties or services under the Management Agreement, provided that there is no willful misconduct or fraud of Manager.

Assignment of the Management Agreement by Ritz-Carlton:

Ritz-Carlton shall have the right to assign its rights and obligations under the Management Agreement without the consent of the Condominium Board of Managers or Association Board of Directors (a) to any affiliate so long as the said affiliate continues to have the benefit of the Ritz-Carlton Rights and the Ritz-Carlton Marks or (b) to any assignee that is not an affiliate but that acquires all or a substantial part of the assets of Ritz-Carlton, including all or a substantial part of the Ritz-Carlton Rights and Ritz-Carlton Marks, and assumes the obligations of Ritz-Carlton under the Management Agreement.

A complete copy of the proposed Management Agreement is set forth in Part II, Section "QQ" of this Offering Plan.

Contracts.

Sponsor will not bind the Condominium or The Residences, North Hills Homeowners Association, Inc. to any contracts except the Management Agreement between Sponsor and Ritz-Carlton and a Residential Condominium License and Development Agreement between Sponsor and MIF, L.L.C.

The Condominium will only be bound by contracts made by the Board of Managers.

The Association will only be bound by contracts made by the Board of Directors.

Leases.

The Condominium will not be bound by any leases.

The Association will not be bound by any leases.

Z. IDENTITY OF PARTIES

Sponsor.

The Sponsor of the Offering Plan is RXR North Hills Phase I Owner LLC, a Delaware limited liability company formed on December 20, 2012, with a local address at c/o RXR Co Realty LLC, 625 RXR Plaza, Uniondale, New York 11556. The principal of Sponsor is Scott Rechler.

The sole member of the Sponsor is RXR North Hills Phase I Holdings LLC.

RXR North Hills LLC is the sole member of RXR North Hills Phase I Holdings LLC. RXR North Hills LLC is an entity in which EMS LLC, a Delaware limited liability company ("EMS") is an investor and non-managing member. The managing member of RXR North Hills LLC is RXR Co Midtown North Hills Holdings LLC.

The managing member of RXR Co Midtown North Hills Holdings LLC is RXR Co Midtown Investors F&F LLC. Certain individuals hold passive non-managing member interests in RXR Co Midtown North Hills Holdings LLC.

The managing member of RXR Co Midtown Investors F&F LLC is RXR Co Midtown Investors LLC. Certain individuals hold passive non-managing member interests in RXR Co Midtown Investors F&F LLC.

The managing member of RXR Co Midtown Investors LLC is RXR Co Midtown Holdings LLC. Certain individuals hold passive non-managing member interests in RXR Co Midtown Investors LLC.

The managing member of RXR Co Midtown Holdings LLC is RXR Co MRE Midtown Holdings LLC. RXR Co Realty LLC holds passive non-managing member common and preferred interests in RXR Co Midtown Holdings LLC.

The managing member of RXR Co MRE Midtown Holdings LLC is RXR Co MRE Midtown LLC. Certain individuals hold passive non-managing member interests in RXR Co MRE Midtown Holdings LLC.

The managing member of RXR Co MRE Midtown LLC is RXR Co Midtown Equity LLC. SR Midtown Holdings LLC ("SR") owns certain preferred interests in RXR Co MRE Midtown LLC. SR is an entity controlled by Scott Rechler.

The managing member of RXR Co Midtown Equity LLC is RXR Co Realty Midtown Springing Interest LLC. RXR Midtown Funding LLC ("RXR Funding") owns certain preferred interests in RXR Co Midtown Equity LLC. RXR Funding is owned by RXR Co Realty LLC and RXR Midtown Investor LLC.

The principal owner and managing member of RXR Co Realty LLC is RXR Co Holdings LLC.

RXR Co Holdings LLC is owned and controlled by SMJ Holdings LLC. The sole members of SMJ Holdings LLC are Scott Rechler, Michael Maturo and Jason Barnett. Scott Rechler, Michael Maturo and Jason Barnett have a business address at c/o RXR Co Realty LLC, 625 RXR Plaza, Uniondale, New York 11556.

The sole owner and managing member of RXR Midtown Investor LLC is RXR Holdings LLC.

The majority owners of RXR Holdings LLC are Scott Rechler, Michael Maturo and Jason Barnett. Scott Rechler, Michael Maturo and Jason Barnett have a business address at c/o RXR Co Realty LLC, 625 RXR Plaza, Uniondale, New York 11556.

The sole owner and managing member of RXR Co Realty Midtown Springing Interest LLC is RXR Co Realty LLC.

RXR Co Realty LLC ("RXR") is a private real estate company with expertise in investment management, development, design, construction, leasing, financing and asset management. RXR is focused on the markets surrounding New York City. RXR, along with predecessor entities, has owned, managed and developed approximately $6 billion in assets encompassing over 20 million square feet.

Scott Rechler is the Chief Executive Officer and Chairman of RXR, a private real estate company which was formed subsequent to the merger of Reckson Associates Realty Corp., with SL Green, one of the largest public real estate management buyouts in REIT history.

Prior to the merger with SL Green, Mr. Rechler served as Chairman and Chief Executive Officer of Reckson Associates Realty Corp. (NYSE: RA), a publicly traded real estate investment trust with a market capitalization in excess of $6 billion ("Reckson"), where he oversaw in excess of $6 billion in acquisitions and developments and the management of over 20 million square feet of commercial property in New York's Tri-State Area throughout Long Island, New Jersey, New York City, Westchester and Connecticut.

The principal of Sponsor has not been involved in any condominium or cooperative offering plans for the last five years and does not own ten (10%) percent or more of the unsold units or unsold shares in any building in the State of New York except for: The Residences, North Hills Condominium One which was accepted for filing by the New York State Department of Law on March 5, 2008 under file number CD-07-0257, The Residences, North Hills Condominium Two which was accepted for filing by the New York State Department of Law on July 31, 2008 under file number CD-08-0234, The Residences, North Hills Condominium Three, which was accepted for filing by the New York State Department of Law on July 31, 2008 under file number CD-

08-0241, The Residences, North Hills Condominium Four which was accepted for filing by the New York State Department of Law on October 22, 2008 under file number CD-08-0483 and The Residences, North Hills Condominium Five which was accepted for filing by the New York State Department of Law on October 23, 2008 under file number CD-08-0484. The aforementioned condominium offering plans are stale and have or will be withdrawn by its Sponsors.

There have been no prior felony convictions of Sponsor, or any principals of Sponsor; and no prior convictions, injunctions and judgments against Sponsor, or any principals of Sponsor that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

Attorneys.

Rosen Law LLC, 1010 Northern Boulevard, Suite 322, Great Neck, New York 11021 represents Sponsor in connection with all legal matters pertaining to this Offering Plan. Gary Rosen, Esq. prepared this Offering Plan. Rosen Law LLC will act as Escrow Agent and will represent Sponsor in connection with the individual unit closings. Gary Rosen, Esq. and Jared Rosen, Esq. will be responsible for arranging for and preparing for and conducting the real estate closings.

Farrell Fritz, P.C. 1320 RXR Plaza, Uniondale, New York 11556 is counsel to Sponsor. John Racanelli, Esq. is the attorney at handling various matters for Sponsor including the loan and loan documents with German American Capital Corporation. John Armentano, Esq. is the attorney at Farrell Fritz, P.C. handling certain zoning issues for Sponsor.

Cronin, Cronin, Harris & O'Brien, P.C., Attorneys at Law, 333 Earle Ovington Boulevard, Suite 820, Uniondale, New York 11553 is counsel to Sponsor with regard to real estate tax projections for the completed project who have issued an opinion letter with regard to the projected real estate taxes on the Condominium Units and Association. Laureen Harris, Esq. is the attorney at Cronin, Cronin, Harris & O'Brien, P.C. responsible for the furnishing of the opinion letter with regard to the projected real estate taxes on the Condominium Units and Association.

Certilman Balin Adler & Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554 is counsel to Sponsor with regard to zoning issues. Louis Soloway, Esq. is the attorney at Certilman Balin Adler & Hyman, LLP handling certain zoning issues for Sponsor.

Selling Agent.

Sponsor, RXR North Hills Phase I Owner LLC, 625 RXR Plaza, Uniondale, New York 11556 is also the Selling Agent of the Condominium Units. Sponsor, as selling agent has no prior experience in selling Condominium Units. Sponsor's principals have no prior experience as selling agents of condominium projects.

Project Architect.

The project architect is Lessard Design Inc., P.C., 8521 Leesburg Pike, Suite 700, Vienna, Virginia 22182. Lessard Design Inc., P.C. consists of Registered Architects in the State of New York, who prepared the Floor Plans of Units set forth in this offering plan, which have been filed with the Nassau County Clerk in order to create the Condominium. Lessard Design Inc., P.C. has prepared the Description of Property and Specifications set forth in this offering plan.

Engineering Services.

Edwards and Zuck Consulting Engineers, 330 West 42nd Street, New York, New York 10036 are the mechanical engineers for the project. Edwards and Zuck consulting engineers are professional engineers in the State of New York and have provided mechanical engineering services for numerous similar buildings.

Landscape Architecture.

H2M Architects & Engineers, 538 Broad Hollow Road, Melville, New York 11747 provided landscaping architecture services and civil engineering services.

Insurance.

The estimated insurance rates have been proposed by The Signature Group of Companies, 950 Franklin Avenue, Garden City, New York 11530. The insurance estimate has been included in this Offering Plan in reliance upon the opinions of said broker and upon its authority as an expert. Sponsor has no knowledge that this estimate is not correct.

Manager.

The affairs and management of the Phase I Condominium and The Residences, North Hills Homeowners Association, Inc. shall be managed by The Ritz-Carlton Hotel Company L.L.C. ("Ritz-Carlton") under the Ritz-Carlton Marks pursuant to one or more written management agreements which now provides that Ritz-Carlton will be the Manager. Ritz-Carlton is wholly owned by Marriott. MIF, L.L.C. is the Licensor of the Ritz Carlton Marks. Pursuant to a license agreement between Sponsor and MIF, L.L.C., **MIF, L.L.C. HAS THE RIGHT TO TERMINATE THE LICENSE AGREEMENT AND RITZ-CARLTON HAS RIGHT TO TERMINATE THE MANAGEMENT AGREEMENT FOR A LIMITED NUMBER OF REASONS, AS SET FORTH IN THIS OFFERING PLAN AND AS OTHERWISE SET FORTH IN SUCH AGREEMENTS. IF RITZ-CARLTON OR AN AFFILIATE DOES NOT MANAGE THE PROPERTY, A MANAGEMENT COMPANY OF COMPARABLE QUALITY WILL BE SUBSTITUTED BY AMENDMENT TO MANAGE THE PROPERTY. MANAGEMENT COMPANY**

BRAND NAMES THAT MAY BE SUBSTITUTED BY SPONSOR IF RITZ-CARLTON DOES NOT MANAGE THE PROPERTY INCLUDE BUT ARE NOT LIMITED TO FOUR SEASONS HOTELS & RESORTS, CANYON RANCH, ST. REGIS, THE PENINSULA AND MANDARIN ORIENTAL HOTELS. Sponsor has not contacted and has no arrangements with the aforementioned possible substitutes and would only do so if Ritz-Carlton does not manage the Community.

Title Company.

First American Title Insurance Company of New York, 633 Third Avenue, New York, New York 10017 has reviewed the Offering Plan and the Condominium Documents and has committed to insure that a valid Condominium will be created pursuant to the Condominium Act. The Title Company is prepared to issue fee and/or mortgage title insurance policies to those Purchasers who request them. Purchasers may select any title company that they choose to utilize for the Purchase of Condominium Units.

Budget Expert.

Barnett Maller, licensed real estate broker, 6010 Little Neck Parkway, Little Neck, New York 11362 has prepared the projected budgets for the Condominium (Schedule "B"), the projected budgets for the Association (Schedule "B-1") and the projected individual utility costs (Schedule "C") in conjunction with Sponsor and Ritz-Carlton's projections provided to Sponsor.

Relationships.

There is no relationship between Sponsor or its principals and the architect, engineers, the attorneys or any person or firm who will provide services to the Condominium subsequent to the First Closing. Neither architect, attorneys, engineers, designers, insurance experts, manager or title company relied upon by Sponsor have any financial interests in the Units, the Condominium, the Association or this Offering, except for their fees for services rendered.

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AA. REPORTS TO THE UNIT OWNERS

It is the obligation of the Board of Managers of the Condominium and the Board of Directors of The Residences, North Hills Homeowners Association, Inc. to give all Unit Owners annually respectively:

1) a financial statement of the Condominium and Association prepared by a certified public accountant or public accountant within five (5) months of the end of each fiscal year;

2) prior notice of the annual Unit Owners meeting and Association meetings;

3) a copy of the proposed annual budget of the Condominium within thirty (30) days of the date set for adoption by the Board of Managers.

4) a copy of the proposed annual budget of the Association within thirty (30) days of the date set for adoption by the Board of Directors.

During the period Sponsor retains control of the Board of Managers of the Condominium and Board of Directors of the Association, Sponsor shall be required to provide certified financial statements in accordance with the regulations of the Department of Law for the Condominium and Association. The cost of such reports shall be a Condominium or Association expense respectively. In addition, during said period Sponsor will be required to provide a Certification of Adequacy of the budgets for the Condominium and Association from a manager or other expert who is unaffiliated with Sponsor.

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BB. DOCUMENTS ON FILE

Pursuant to Section 352-e of the New York General Business Law, Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge and copying at a reasonable charge at a specified location for six (6) years from the date of First Closing. In addition, Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the closing of the First Unit.

The Declaration and the By-Laws and the Declaration of Covenants, Restrictions, Easements, Charges and Liens and the By-Laws of the Association will be recorded in the Office of the Nassau County Clerk prior to or concurrently with the First Closing, and a copy thereof will be furnished to the Board of Managers at such time.

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CC. GENERAL

Pending Litigation

There are no lawsuits, administrative proceedings or other proceedings the outcome of which may materially affect the offering, the property, Sponsor's capacity to perform all of its obligations under the Plan, the Condominium or the operation of the Condominium and Association.

Prior Offerings

To Sponsor's knowledge, the property has not been the subject of any prior cooperative or Condominium offerings, except that the Sponsor's Predecessor had filed offering plans for the following condominiums which are stale and have or will be withdrawn by its sponsors: The Residences, North Hills Condominium One which was accepted for filing by the New York State Department of Law on March 5, 2008 under file number CD-07-0257, The Residences, North Hills Condominium Two which was accepted for filing by the New York State Department of Law on July 31, 2008 under file number CD-08-0234, The Residences, North Hills Condominium Three, which was accepted for filing by the New York State Department of Law on July 31, 2008 under file number CD-08-0241, The Residences, North Hills Condominium Four which was accepted for filing by the New York State Department of Law on October 22, 2008 under file number CD-08-0483 and The Residences, North Hills Condominium Five which was accepted for filing by the New York State Department of Law on October 23, 2008 under file number CD-08-0484.

There have been no preliminary binding agreements entered into and no money has been collected from prospective Purchasers. No contracts or agreements have been entered into by Sponsor and no Down Payments or advances have been accepted as of the date this Offering Plan was accepted for filing with the Department of Law.

Sponsor has tested the market pursuant to Cooperative Policy Statement No. 1 under New York State Department of law file number CP13-0090. No reservations or Down Payments for Condominium Units were taken by Sponsor during any market test period.

Non-Discrimination

Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, sexual orientation, marital status or other grounds prohibited by law.

Right of Rescission

A Purchaser shall have the right to rescind Purchase Agreements following a substantive or material revision to the Offering Plan that adversely affects Purchaser. If

an amendment materially adversely affects the rights, obligations or liabilities of then existing Purchasers, or substantially and materially reduces the undertaking or obligations of Sponsor, Purchasers shall have the right to rescind their Purchase Agreements by notice personally delivered or sent by certified mail to Sponsor within fifteen (15) days after the date of service of the amendment, and Sponsor shall refund any payments made by such Purchaser pursuant to his Purchase Agreement with interest earned thereon, if any, within thirty (30) days of receipt of such notice of rescission. However, such rescission, as to Purchasers who are then tenants of the Buildings, shall be conditioned on the cancellation of any interim or other lease and surrender of possession of their Unit.

No Circumstances Existing Which May Affect Use or Enjoyment of Property

There are no circumstances presently existing which may affect the use or enjoyment of the property and appurtenances, such as reciprocal covenants or easements, impending adjacent high-rise construction, any usage restriction by statute, ordinance or zoning resolution such as specified occupancy percentage by certified artists, or historic district or landmark designation.

No Contracts Entered Into For Sale of Any Unit

No contracts or agreement have been entered into and no Down Payments or advances of funds have been accepted as of the date of this Offering Plan for any Unit.

All Units Are Vacant

All Units are vacant and not occupied by any tenants as of the date of this Offering Plan for any Unit.

This Plan As Fair Summary

This Plan contains a fair summary of the material provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents.

No person has been authorized to make any representation which is not contained herein. Information, data or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. This Plan may not be changed or modified orally.

The documents and reports contained in Part II of this Plan are an integral part of the Plan and should be considered carefully by prospective Purchasers. Merely reviewing the summaries of documents set forth in Part I of the Plan is no substitute for a careful review of the actual documents, some of which are set forth in Part II of the Plan and others of which are available for inspection by all prospective Purchasers at the office of Sponsor. Therefore, prospective Purchasers and their attorneys and other,

financial advisors should read the entire Plan, which consists of Part I and Part II, and should review all documents in connection with the Plan.

Inconsistencies

In the event of any inconsistency between the provisions of this Plan and the provisions of the Purchase Agreement, the provisions of the Plan shall govern. In the event of any inconsistencies between the provisions of the Plan and the provisions of the Declaration and/or By-Laws, the provisions of the Plan shall govern until the Closing Date, following which, the provisions of the Declaration and By-Laws shall govern.

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DD. SPONSOR'S STATEMENT OF SPECIFICATIONS OF BUILDING CONDITION

Sponsor hereby adopts the description of property and building condition set forth in Part II, Section "II" of the Plan. Sponsor has no knowledge of any material defects or need for major repairs to the property except as set forth in the Description of Property and Specifications.

Date of Offering Plan: May 16, 2014
Uniondale, New York

RXR NORTH HILLS PHASE I OWNER LLC
Sponsor

PART II

EE. PURCHASE AGREEMENT

Sponsor also known as Seller (hereinafter defined) and Purchaser (hereinafter defined) hereby agree as follows:

Date of this Purchase Agreement: _____, 201_
Unit No. _____ (the "Unit")
Storage Bin License – Storage Bin #_____ (the "Storage Bin")
Including One Parking Space as limited common element (and one Parking Space for one automobile which will be valet parked)

Percentage of Common Interest: _____% ("Percentage of Common Interest")

Sponsor: RXR North Hills Phase I Owner LLC ("Sponsor")
Address: 625 RXR Plaza, Uniondale, New York 11556.

Purchaser: _____ ("Purchaser")
Address: _____

_____
Purchaser's Email address: _____

Residential Telephone Number: _____
Business Telephone Number: _____
Social Security Number: _____

Purchaser's Attorney: _____
Address: _____
Phone Number: _____ Fax Number: _____
Purchaser's Attorney's Email address: _____

Purchase Price for Residential Condominium Unit	**$_____**
License Fee for Storage Bin	**$_____**
Total Purchase Price	**$_____**
Price and Payment due upon execution of this Purchase Agreement for extras and/or upgrades	**$_____**
Down Payment due upon execution of this Purchase Agreement (20% of Purchase Price)	**$_____**
OR	
Down Payment paid over a period of time as follows:	
(i) A first installment payment equal to five percent (5%) of the Purchase Price due upon the execution of the Purchase Agreement;	**$_____**

(ii) The second installment payment equal to five percent (5%) of the Purchase Price due upon the later of (a) October 1, 2014 or (b) upon execution of the Purchase Agreement;	**$_____**
(iii) The third installment payment equal to five percent (5%) of the Purchase Price due upon the later of (a) April 1, 2015 or (b) upon execution of the Purchase Agreement; and	**$_____**
(iv) The fourth installment payment equal to five percent (5%) of the Purchase Price due upon the later of (a) October 1, 2015 or (b) upon execution of the Purchase Agreement;	**$_____**
BALANCE DUE AT CLOSING by official bank cashier's check (drawn on a New York bank) or Federal Funds wire, Payable directly to the order of Sponsor or paid as directed by Sponsor	**$_____**

All Down Payments may be wired to:
Name of Account: "Rosen Law LLC, The Residences, North Hills Phase I Condominium Master Escrow Account"
Bank: JP Morgan Chase Bank,
410 Northern Boulevard, Great Neck, New York 11021
ABA Routing No.: 021000021
Account Number: [redacted]

Any payment made by check accepted by Sponsor is subject to collection. If any check tendered is not honored, Purchaser shall provide a certified check or bank cashier's check payable directly to Sponsor within seventy-two (72) hours after demand for replacement therefor.

Notwithstanding the foregoing, if for any reason whatsoever, the check given by Purchaser as the Down Payment hereunder is dishonored, Sponsor shall have the right to cancel this Purchase Agreement. Sponsor 's election to cancel shall not be deemed a waiver by Sponsor of its right to pursue other remedies.

THE PAYMENT DUE AT CLOSING IN ACCORDANCE WITH THIS PURCHASE AGREEMENT ON ACCOUNT OF THE PURCHASE PRICE MUST BE MADE BY OFFICIAL BANK CHECK ON A NEW YORK CLEARINGHOUSE BANK PAYABLE DIRECTLY TO SPONSOR OR SPONSOR'S DESIGNEE OR BY FEDERAL FUNDS WIRE TO SPONSOR OR SPONSOR'S DESIGNEE. IF PAYMENT SHALL BE MADE TO SPONSOR'S DESIGNEE, SPONSOR SHALL GIVE PURCHASER PRIOR INSTRUCTIONS. UNCERTIFIED CHECKS OF FUNDING COMPANIES, ATTORNEY'S ESCROW CHECKS AND CHECKS PAYABLE TO PURCHASER OR

ANOTHER PARTY AND ENDORSED TO SPONSOR WILL NOT BE ACCEPTED AND TENDER OF SAME WILL NOT CONSTITUTE COMPLIANCE BY PURCHASER OF ITS OBLIGATIONS HEREUNDER.

Title to all items of personal property shall be delivered free and clear of all liens and encumbrances, except the lien of the mortgage applied for by Purchaser herein, if any.

All sums paid on account of this Purchase Agreement are hereby made liens upon said Unit, but such liens shall not continue after default by Purchaser under this Purchase Agreement.

2). DESCRIPTION OF UNIT - Sponsor shall sell to Purchaser and Purchaser shall buy from Sponsor the Unit together with the Percentage of Common Interest in the Common Elements of the Condominium known as The Residences, North Hills Phase I Condominium (the "Condominium") as described in the Declaration of Condominium recorded or to be recorded in the Nassau County Clerk's Office, to be built by Sponsor on property described on the Condominium Map (the "Property") filed or to be filed in the Nassau County Clerk's Office. The Unit that is to be built may vary from any model apartment shown by Sponsor at the Condominium and Purchaser shall not rely on items contained in any model apartment as containing items for the Unit being purchased. Purchaser shall only rely upon the items as set forth in the Plan and this Purchase Agreement. Although a model apartment may contain furniture and furnishings, no furniture and no furnishings are included in the sale of the Unit. All dimensions are approximate and the Unit as will be built and delivered to Purchaser, may vary from the dimensions contained on any Floor Plans.

The Unit shall not include decorative fixtures, furniture, furnishings, paint, wallpaper, carpeting, ceramic floors, mirrors, shelves, wall and window treatments, built-ins, burglar alarm systems, electric fixtures, site lighting, additional fixtures and switches added for decorative purposes, skylights and other optional fixtures or features exhibited in the any model units, if any and/or any sales office excepting those specifically set forth as may be attached to this Purchase Agreement. Any of the above features contained in model units and/or sales office are for display purposes only and are not included in this sale.

All amenities containing natural materials are subject to fade. In such event, Sponsor shall not be responsible to change, replace or remove the amenity.

3) OFFERING PLAN - Sponsor has exhibited and delivered to Purchaser and Purchaser acknowledges having received, read and understood the Offering Plan for Condominium Ownership of the Property and all filed amendments thereto, all of which are incorporated by reference and made a part of this Purchase Agreement with the same force and effect as if fully set forth in this Purchase Agreement. Purchaser agrees to be bound by the Offering Plan and all amendments thereto now or hereafter filed by Sponsor (collectively, the "Plan"). Sponsor may freely amend the Plan in any respect from time to time, without Purchaser's approval or consent. However, in the event any

amendment materially and adversely affects Purchaser, Purchaser shall have the right to rescind this Purchase Agreement. Any conflict between the Plan and this Purchase Agreement shall be resolved according to the terms of the Plan. Purchaser acknowledges having received and read the Plan at least three (3) business days prior to signing this Purchase Agreement and having had full opportunity to examine all papers and documents and investigate all matters set forth in the Plan.

4) ASSOCIATION - Sponsor has informed Purchaser and Purchaser acknowledges and agrees that the purchase of the Unit by Purchaser requires and includes mandatory membership of Purchaser in The Residences, North Hills Homeowners Association, Inc. (the "Association"). Upon acquiring title to the Unit, Purchaser acknowledges that Purchaser will thereby automatically become a member of the Association, subject to its rules and regulations and liable for its Assessments.

5) CHANGES - In building the Unit and performing any other work to the Unit or on the Property, Sponsor reserves the right to: (a) make changes or substitutions of materials or construction from those shown in the model or building plans, provided any such changes or substitutions are of substantially similar or better quality; (b) determine the exterior color, design and location of any building, landscaping and grading of all plots and dwellings to fit into the general pattern of the Community; (c) determine elevation and location of foundations (including reversal of Unit layout), walks, driveways, and streets to conform with topographical conditions; (d) determine the location and type of Unit to be constructed in the Building; (e) fix the location and setbacks of all buildings; (f) determine the ultimate Unit type mix to be constructed in the Condominium; (g) determine whether existing trees, shrubs and other Plant life are to be moved or removed, (h) add or remove retaining walls on the lots or Association Common Areas where required by grade conditions; (i) determine the location of electric, gas and water meters, electric transformers, air conditioning compressors, speed bumps, mailboxes, parking spaces, refuse dumpsters; (j) determine the location of stop signs, (l) relocate parking spaces; (m) change appliances as long as they are equal to or better than originally offered; and (n) make any other changes required by the governmental authorities.

Sponsor shall notify Purchaser of any major changes, specifications, deviations, additions or deletions which are beyond the scope of those set forth above ("Extraordinary Changes"). If Sponsor notifies Purchaser in writing of any Extraordinary Changes, Purchaser shall be deemed to have approved of same, unless Sponsor receives Purchaser's written disapproval thereof within ten (10) days from date of the notice by Sponsor. Upon receipt of Purchaser's disapproval, Sponsor may within thirty (30) days thereafter, give Purchaser written notice withdrawing its proposed Extraordinary Changes, in which case Sponsor shall thereafter continue with its development activities without the Extraordinary Changes. If Sponsor fails to give Purchaser notice of withdrawal within such thirty (30) day period, Purchaser may declare this Purchase Agreement null and void by so notifying Sponsor in writing delivered to Sponsor no later than forty-five (45) days after having delivered Sponsor the original notice of disapproval, whereupon Sponsor shall promptly return to

Purchaser all monies paid by Purchaser to Sponsor, except funds used towards upgrades, options or extras, on account of the Purchase Price and thereafter, neither party shall have any further liability or obligation to the other in connection with this Purchase Agreement or transaction.

6) CLOSING DATE; ADJOURNMENTS; CONSTRUCTION DELAYS BY SPONSOR. The act of transferring ownership of the Unit in return for payment in full of the Purchase Price and all other sums due from Purchaser under this Purchase Agreement is known as the "Closing", and shall take place at such time and place and on such date as Sponsor shall designate to Purchaser by prior written notice ("Notice For Closing"), which shall be given to Purchaser not earlier than thirty (30) days after the Plan has been declared effective provided that on or before the Closing Date there shall have been accepted for filing an amendment disclosing the basis of the effectiveness of the Plan. Sponsor shall give Purchaser notice of the Scheduled Closing Date at least thirty (30) days in advance thereof. Notwithstanding the foregoing, if the date of this Purchase Agreement is after the closing of the sale of the First Unit under the Plan, then the Closing Date shall be that date which is 45 days after the date of this Purchase Agreement and Sponsor shall not be required to give Purchaser notice of the Closing Date as Purchaser hereby waives the right to the aforesaid written notice.

Sponsor shall have the right, from time to time, to adjourn or accelerate such date and time for Closing on written notice to Purchaser. If the Closing is adjourned or accelerated by Sponsor, then Sponsor shall, by a new Notice For Closing, fix a new date and time for Closing and shall give Purchaser not less than fifteen (15) days prior written notice of the new scheduled date and time for Closing.

In the event the Closing is adjourned with Sponsor's consent at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of $250. The adjourned date shall be time of the essence to Purchaser.

In the event that Purchaser does not appear for Closing ready, willing and able to accept title from the Sponsor, and pay Sponsor the balance of the Purchase Price and associated costs on the date set forth in this Purchase Agreement, provided that the Sponsor is ready, willing and able to convey title to Purchaser, then, in that event, the Sponsor may set a closing date with "time of the essence" no less than thirty (30) days after the Scheduled Closing Date. If the Sponsor makes the closing "time of the essence" and Purchaser fails to close on the "time of the essence" closing date, Purchaser will forfeit his or her Down Payment. Sponsor must provide a Purchaser with a written demand for payment after default at least thirty (30) days before forfeiture of the Down Payment will be declared.

If Purchaser is not in default under this Purchase Agreement and the Closing has not taken place within twelve (12) months after the Condominium Commencement Date, as defined in the Offering Plan, Purchaser may cancel this Purchase Agreement by forwarding written notice of cancellation to the Sponsor no later than thirty (30) days

after expiration of such twelve (12) month period whereupon Sponsor shall refund to Purchaser, subject to the escrow provisions as disclosed in **Part II, Section "PP"** of the Plan, all payments, other than funds used towards upgrades, options or extras, made by Purchaser to Sponsor on account of the Purchase Price and neither party shall thereafter have any further liability or obligation to the other in connection with this Purchase Agreement or transaction. Failure to so notify Sponsor shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of this Purchase Agreement.

7) TRUST FUNDS –

7.1. Rosen Law LLC, with an address at 1010 Northern Boulevard, Suite 322, Great Neck, New York 11021, telephone number 516-437-3400, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Gary Rosen, Esq. or Jared Rosen, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Manager, or any principal thereof, or have any beneficial interest in any of the foregoing.

7.2 Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance of release of the Down Payment from escrow.

7.3 Escrow Agent will establish the escrow account at JP Morgan Chase Bank, located at 410 Northern Boulevard, Great Neck, New York 11021, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled The Residences, North Hills Phase I Condominium Master Escrow Account ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions.

7.4 All Down Payments received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by Purchaser to the order of "Rosen Law LLC, The Residences, North Hills Phase I Condominium Master Escrow Account".

7.5 The interest rate for all deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

7.6 Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Down Payment, the Escrow Agent shall sign the Purchase Agreement and place the Down Payment into the Escrow Account. Within ten (10) business days of the placing the Down Payment in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Down Payment. The notice shall provide the account number and the initial interest rate to be earned on the Down Payment. Purchasers shall note that any funds paid by Purchasers for upgrades and/or extras shall be paid directly to Sponsor at the time of the execution of the Purchase Agreement and not placed into escrow. In the event Purchaser is entitled to rescission of the Purchase Agreement, Purchaser will not receive a refund of any funds used for extras unless the plan is not consummated.

7.7 The Escrow Agent is obligated to send notice to Purchaser once the Down Payment is placed in the Escrow Account. If Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Down Payment, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Down Payment to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Down Payment was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Down Payments and requisite notice was timely mailed to Purchaser.

7.8 All Down Payments, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

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

7.10. The Escrow Agent shall release the Down Payment if so directed:

(a) pursuant to the terms and conditions set forth in the Purchase Agreement upon closing of title to the Unit; or

(b) in a subsequent writing signed by both Sponsor and Purchaser; or

(c) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Down Payment pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Down Payment, then the Escrow Agent must give both Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Down Payment. If the Escrow Agent has not received notice of objection to the release of the Down Payment prior to the expiration of the thirty (30) day period, the Down Payment shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Down Payment within said thirty (30) day period, the Escrow Agent shall continue to hold the Down Payment until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Down Payment contained in the Escrow Account with the clerk of the county where the unit is located and shall give written notice to both parties of such deposit.

Sponsor shall not object to the release of the Down Payment to:

(a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

(b) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

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

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

7.12 Escrow Agent shall maintain the Escrow Account under its direct supervision and control

7.13 A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e(2-b) and 352(h).

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

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

7.16 Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Down Payment and this Purchase Agreement.

7.17 Prior to release of the Down Payment, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Down Payment nor deducted from the Down Payment by any financial institution under any circumstance.

7.18 Sponsor agrees to defend, indemnify, and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

7.19 As an alternative to depositing Down Payments in an escrow account as set forth above, Sponsor may post a bond or indemnity contract with a licensed surety company, in accordance with regulations adopted by the Attorney General, insuring return of such monies, a copy of which bond or contract shall be delivered to Purchaser.

7.20 Down Payments will be retained in escrow or bonded as set forth above until: (i) Sponsor performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds (due to inability to obtain financing or otherwise) or defaults in performance, thereby excusing performance by Sponsor, or (iii) release or discharge of Sponsor's liability to refund such Down Payment , or (iv) upon transfer of title to the Unit to Purchaser, or by mutual consent of Sponsor and Purchaser.

The required Down Payment pursuant to this Agreement will be 15% of the Purchase Price for the Unit set forth in the Plan, as amended, which Down Payment shall be increased by special work or materials, if any, offered by Sponsor and ordered by Purchaser as itemized in Addendum No. 1 of this Agreement. If there is no special work or materials to be included, then no Addendum No. 1 will be attached hereto.

8). MORTGAGE LOAN/UNIT - This Purchase Agreement is not conditioned upon Purchaser obtaining mortgage financing. In the event Purchaser is unable to obtain a mortgage, this Purchase Agreement shall remain in effect and Purchaser shall have an

ongoing obligation to consummate the transaction. If a Purchaser does not consummate the transaction and close title to the Unit as a result of Purchaser's inability to obtain a mortgage, Purchaser will be in default under this Purchase Agreement and Sponsor may retain all monies as provided for in this Purchase Agreement, and/or seek specific performance to compel Purchaser to close title on the Unit.

9). DEED AND ENCUMBRANCES UPON OWNERSHIP - The deed to be given by Sponsor to Purchaser at Closing shall be a Bargain and Sale without Covenants against Grantor's Acts deed, but subject, nevertheless, to the matters set forth in sub-paragraphs (a) through (h) below which need not be recited in the deed given at Closing but shall survive Closing, and Sponsor's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Sponsor in proper statutory form for recording (subject to payment by Purchaser of the New York State Transfer Tax (20 NYCRR § 575.2 and New York Tax Law §1402) and New York State Mansion Tax (20 NYCRR § 575.3 and New York Tax Law §1402-a and local real property transfer taxes, if any)) so as to convey to Purchaser fee simple title to the Unit, free and clear of all liens and encumbrances, except as herein stated. The deed shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. Sponsor shall give and Purchaser shall accept such title and deed description of the, Unit subject to the liens, encumbrances and other matters set forth in this Purchase Agreement, as First American Title Insurance Company of New York, a title company authorized to do business in the State of New York, is willing to approve and insure without additional premium. At Purchaser's sole discretion, Purchaser may obtain title insurance from any other title insurance company or Purchaser may decline to obtain any title insurance at all. As of the filing date of the Plan, the State of New York Insurance Department has interpreted Section 6409(d) of the New York Insurance Law as prohibiting a Sponsor of real property from requiring a Purchaser of real property to pay a fee for using a title abstract company and/or title agent of Purchaser's choice while exempting a Purchaser who uses the title abstract company and/or title agent chosen by the Sponsor from paying such fee. In the event of a change or clarification of, or applicable ruling with respect to, such interpretation permitting the charging of such fee: if Purchaser chooses (or is required by its lender) to obtain title insurance, Purchaser may use any title insurance company it desires, however, if Purchaser shall use an abstract company or title insurance company other than First American Title Insurance Company of New York, 633 Third Avenue, New York, New York 10017, Attn: Steven M. Napolitano, Senior Executive Vice President or Phillip Salomon, Executive Vice President, Telephone (212) 551-9434, Fax (212) 331-1559, or such other or additional company or companies designated by Sponsor in an amendment to the Plan (any of the foregoing, the "Title Company") and Sponsor incurs additional legal fees or expenses as a result of such other title insurance company's form of title report or clearing the title exceptions, or addressing the requirements of such other abstract or title insurance company, then Purchaser shall reimburse Sponsor or pay directly to Sponsor's Counsel the amount of such legal fees and expenses so incurred, not to exceed $500 per closing. Purchaser shall be responsible to pay the title company the entire premium for Purchaser's title insurance, and shall also pay the applicable New York State transfer tax including the Mansion

Tax. The sale and transfer of Ownership of the Unit to Purchaser shall, even though not stated in the deed, be subject to:

a. Easement and Reservations for water and drainage pipes contained in deed dated 11/29/1944 and recorded 1/30/1945 in Liber 2831, Page 528 (Section 8, Block A, Lots p/o 22 and p/o 42).

b. Right of Way Easement in Liber 2804, Page 422;

c. Right of Way Easement in Liber 2787, Page 190;

d. Building, Restrictions and Regulations in Liber 3433, Page 34;

e. Covenants and Restrictions Agreement in Liber 7782, Page 63;

f. Covenants and Restrictions contained in Declaration dated 9/14/1993 and recorded 10/15/1993 in Liber 10358, CP 202 pertaining to the preservation of the westerly side yard setback between the satellite antenna installation and the westerly boundary line of the subject premises (Section 8, Block A, Lots 882, 702A, 702B, 302, 51 & 502);

g. Declaration Creating Easement (for park area) in Liber 12176, Page 86 (Section 8, Block A, Lot 302);

h. Reciprocal Easement Agreement made by and among X-Cell III Realty Associates LLC, Midtown North Hills LLC and the Board of Commissioners of the Manhasset Lakeville Water District dated as of 9/25/2006 and recorded 5/17/2007 in Liber 12267, Cp 206 and as referenced in deeds recorded on 8/8/2007 in Liber 12299 at pages 298 and 318 (Section 8, Block A, Lots 882, 702A, 702B, 302, 51 & 502);

i. Protective Easements in the Nature of a Declaration of Restrictive Covenants for the Benefit of Manhasset-Lakeville Water District dated 7/2/2007 and recorded 8/8/2007 in Liber 12299, Cp 260 (Section 8, Block A, Lot p/o 785);

j. Temporary Work Access Easement and Indemnity Agreement between Midtown North Hills LLC and Board of Commissioners of Manhasset-Lakeville Water District dated 7/2/2007 and recorded 8/8/2007 in Liber 12299, Cp 269 (Section 8, Block A, Lot p/o 785);

k. Declaration of Covenants and Restrictions made by Midtown North Hills, LLC dated as of 7/9/2007 and recorded 7/24/2007 in Liber 12292, Page 658 (Section 8, Block A, Lots 882, 702A, 702B, 302, 51 & 502);

l. Protective Easements in the Nature of a Declaration of Restrictive Covenants for the Benefit of Manhasset-Lakeville Water District made by The New York State Office of Parks, Recreation & Historic Preservation dated 9/23/2002 and recorded 10/25/2002 in Liber 11543, CP 332. (Section 8, Block A, Lot master (Adjacent to lot 785)).

m. Temporary Access Easement and Indemnity Agreement between Midtown North Hills LLC and Board of Commissioners of Manhasset-Lakeville Water District dated 7/2/2007 and recorded 8/8/2007 in Liber 12299, Page 280;

n. Terms, Restrictions and Conditions set forth in the Declaration of Condominium and By-Laws of The Vanderbilt at the Residences, North Hills f/k/a The Residences, North Hills Condominium Four dated 10/20/2008, recorded 10/28/2008 in LIber 12448, Page 1 (Section 8, Block A, Lot 892);

o. Terms, Restrictions and Conditions set forth in the Declaration of Condominium and By-Laws of The Vanderbilt at the Residences, North Hills f/k/a The Residences, North Hills Condominium Four dated 10/20/2008, recorded 10/28/2008 in LIber 12448, Page 1 (Section 8, Block A, Lot 892 and 900);

p. Declaration made by Midtown North Hills, LLC, as Declarant dated as of 11/30/2010 recorded 12/16/2010 in Liber 12678, Page 643;

q. Amended and Restated Declaration made by Midtown North Hills, LLC, as Declarant dated as of 7/11/2011 recorded 8/23/2011 in Liber 12750, Page 458;

r. Water Pipe Easement and Maintenance Agreement dated 2/19/1937 and recorded 2/25/1937 in Liber 1919, Cp 166 (Section 8, Block A, Lots p/o 22 & p/o 42);

s. Easement and Reservations for water and drainage pipes contained in deed dated 10/25/1944 and recorded 11/24/1944 in Liber 2806, Cp 394 (Section 8, Block A, Lots p/o 22 & p/o 42);

t. Easement and Reservations for water and drainage pipes contained in deed dated 9/26/1944 and recorded 1/23/1945 in Liber 2829, Cp 247 (Section 8, Block A, Lots p/o 22 & p/o 42);

u. Easement and Reservations for water and drainage pipes contained in deed dated 11/29/1944 and recorded 1/30/1945 in Liber 2831, Page 528 (Section 8, Block A, Lots p/o 22 and p/o 42).

v. Electric Easement dated 6/6/1956 and recorded 7/5/1956 in Liber 6046, Cp 21 (Section 8, Block A, Lots p/o 2 & p/o 42);

w. Right of Way Easement dated 8/30/1948 and recorded 8/31/1948 in Liber 3661, Cp 325 (Section 8, Block A, Lots p/o 202 & p/o 602);

x. Declaration of Covenants, Restrictions, Easements, Charges and Liens made by Midtown North Hills, LLC as Declarant dated as of 12/20/2013 recorded 3/24/2014 in Liber 13057, Page 418;

y. Site Development Restrictive Covenant Agreement made by and between RXR North Hills Phase I Owner LLC and RXR North Hills Phase II Owner LLC dated as of 12/20/2013 recorded 3/24/2014 in Liber 13057 page 618;

z. Water Easement in Document # 3738/70;

aa. Right of Way Easement in Reel 7351, Page 734;

bb. Utility Easements, if any;

cc. Easement to be recorded providing easements to the Sponsor and/or The Phase I Condominium, and if created, The Phase II Condominium and The Residences, North Hills Homeowners Association, Inc.

dd. Any other covenants, restrictions, easements, or any other encumbrance (other than for the payment of money), provided that they do not prohibit the existence and residential use of the Units or, if any, as the case may be;

ee. Rights, if any, to maintain vaults and chutes under the sidewalk;

ff. The lien of any Common Charges, real estate taxes, water frontage and/or meter charges, sewer rents, vault charges and Assessments, provided that apportionment of such items are made as provided in the Plan;

gg. Any interim lease with this Purchaser of such Unit and any other leases, tenancies and occupancies permitted by this Purchase Agreement for such Unit;

hh. Any lien, encumbrance or lis pendens either (i) for which the instrument required to remove said encumbrance of record is delivered at or prior to the Closing Date to the proper party or to Purchaser's title insurance

company together with the required recording or filing fee or (ii) as to which Purchaser's title insurance company or the preferred title company will insure that the lien, encumbrance or lis pendens will not be collected out of or enforced against the Unit;

ii. The lien of any Assessment or Assessments which are or may become payable in annual installments of which any installment is then a charge or a lien, provided that apportionment thereof is made as provided below;

jj. Party Wall agreements, if any;

kk. Judgments, bankruptcies or other returns against other persons having names the same as or similar to that of the Sponsor or any of its principals, provided Sponsor delivers to Purchaser or Purchaser's title insurance company or the preferred title company an affidavit showing that such judgments, bankruptcies or other returns are not against the Sponsor;

ll. Uniform Commercial Code financing statements or conditional bills of sale provided that (i) such statements were filed on a date more than five years prior to the Closing Date, (ii) Sponsor executes and delivers to the Condominium an affidavit setting forth that the property covered thereby is no longer in the Unit or is fully paid for, or (iii) a tenant is the debtor thereunder;

mm. The printed exceptions set forth in the title insurance policy issued by a title company that is authorized to do business in the State of New York and that is a Member of the New York Board of Title Underwriters, including, without limitation, the following:

1) Defects and encumbrances arising or becoming a lien after the Closing Date;

2) Consequences of the exercise and enforcement or attempted enforcement of any governmental, war or police powers over the Unit or the Property;

3) Any laws, regulations or ordinances (including, but not limited to zoning, building, and environmental protection) as to the use, occupancy, subdivision or improvement of the Unit or the Property, adopted or imposed by any governmental body, or the effect of any noncompliance with or any violation thereof;

4) Judgments against the insured or estates, interests, defects, objections, liens or encumbrances created, suffered, assumed or agreed to, by or with the privity of Purchaser;

5) Title to any property beyond the lines of the Unit or the Property, or title to areas within or rights to easements in any abutting streets, roads, avenues, lanes, ways or waterways, or the right to maintain therein vaults, tunnels, ramps or any other structure or improvement, other than the ordinary rights of access and egress belonging to abutting Owners;

6) Title to any personal property, whether the same be attached to or used in connection with the Unit or the Property or otherwise;

7) All of the terms, easements, covenants and conditions of the Declaration and By-Laws as they are subsequently filed or recorded and the Plan and Purchase Agreement and any amendments thereto, including, without limitations, the following:

8) Easements for the continuance of encroachments on the Unit and on the Common Elements then existing, by reason of the construction, renovation or rehabilitation of the Building, or thereafter occurring by reason of the settling or shifting of the Building, or by reason of the repair, alteration and/or restoration by Sponsor, or the Board or encroachments by such other Units 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 or repair to any Unsold Unit or the Common Elements made by Sponsor, or the Board and similar encroachments by the Unit on other Units, and/or the Common Elements, so that any such encroachments may remain as long as the Building stands;

9) Easements in favor of the Owners of other Units to use sidewalks, pipes, flues, wires, conduits, ducts, cables, storm drainage facilities, sanitary system, water, sewer, utility lines, and other Common Elements including those located in the Unit itself or elsewhere on the Property, serving such other Units, and easements of support, subjacency and necessity in favor of each Unit and/or the Common Elements;

10) Easements to the Sponsor, and their assigns, invitees, licensees, contractors, employees, and tenants on, in, over and across all areas of the Property for (i) construction, installation, maintenance, ingress to and egress from and the right to use sidewalks, pipes, flues, conduits, ducts, cables, wires, storm drainage facilities, sanitary system, water, sewer, and other utility lines and other Common Elements; (ii) ingress to and egress from all areas of the Property and the use thereof (in common with Unit Owners) for construction contemplated by the Plan and for development and maintenance of the Property or any Unit; and (iii) the erection, maintenance, repair and replacement from time to time of one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit (see also the heading "Sponsor's Right of Access" in "Rights and Obligations of Sponsor");

11) Easements in favor of the Board, its agents, contractors and employees to have an unlimited right of access to the Unit and to the Common Elements, to inspect, maintain or repair or to make repairs to the Unit to prevent damage to the Common Elements, or any other Units;

12) Sponsor shall have an easement without the necessity of obtaining the consent of the Condominium Board and/or Unit Owners (i) over the Property, including each Unit and the Common Elements, for access to and to construct, install, erect, inspect, maintain, repair, operate, use and replace from time to time one or more Signs (as hereinafter defined) on the Property (including, without limitation on any Common Element, exterior façade, lobby or any other public portion of the Property) for the purposes of advertising the sale of Units and the leasing of the Units or of space in any of the Units or advertising any of the services and/or facilities of such Unit Owner or the services and/or facilities of any tenant occupying such Unit Owner's Unit(s); (ii) over the Property, including each Unit and the Common Elements in connection with the sales and/or leasing of Units; (iii) over any portion of the Property, including each Unit and the Common Elements (including, without limitation, the stairways, walkways, vestibules and other public spaces within the Property) for purposes of access to and for all purposes in connection with the installation (whether on Common Elements or within its Unit), inspection, maintenance, repair, operation, improvement or use of any of the following serving their respective Units, the Service Equipment, flues and/or ducts, security systems, heating, air-conditioning systems and devices and exhaust and ventilation fan, systems and devices, in each case, located anywhere on the Property.

13) Any additional declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of each Unit as a Condominium Unit.

Purchaser shall deliver to Sponsor's attorney at least ten (10) days prior to Closing, a written notice setting forth each objection to title, if any (other than those specifically set forth herein subject to which the Unit are being sold), and a copy of Purchaser's title report. Sponsor shall have the right to a reasonable adjournment of Closing not to exceed sixty (60) days for the purpose of curing any title defect; however, no such action taken by Sponsor shall be deemed an admission by Sponsor that such defect is one that would entitle Purchaser to cancel this Purchase Agreement.

10) CONSTRUCTION LOAN MORTGAGE - This Purchase Agreement is subject and subordinate without the necessity of Purchaser signing or delivering any documents or papers, to the lien of the present Mortgagee, German American Capital Corporation ("GACC"), its replacements, successors, and/or assigns and of any existing or future construction loan mortgage and all payments or expenses already made or incurred or which may hereafter be made or incurred in connection with such construction loan mortgage. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the construction loan schedule of payments or accelerated thereunder by virtue of the Permitted Mortgagee's right to make advances before they become due in accordance with the schedule of payments. The Unit shall be released from the lien of such construction loan mortgage upon Closing, except where such mortgage is converted to Purchaser's individual mortgage on the Unit. In such case, the Unit shall remain subject to the lien of such

construction loan mortgage and Purchaser shall reimburse to Sponsor at Closing, in addition to all other sums to be reimbursed by Purchaser to Sponsor under this Purchase Agreement, an amount equal to the mortgage tax paid by Sponsor on such construction loan mortgage. In all other cases, any mortgage tax credit available under Real Property Law Section 339-ee shall inure exclusively to the benefit of Sponsor. In the event that the Phase I Lender assumes the role of Sponsor as a result of Sponsor's default on its loan, Purchasers shall not be granted an automatic right to rescind this Purchase Agreement.

11) CONDITION OF UNIT ON CLOSING DATE - The Sponsor agrees, at its own cost and expense to erect and complete the aforementioned Unit in accordance with the requirements as to materials and workmanship of the Building Department of the Village of North Hills and further agrees that when completed, same will be in substantial accordance with the Plans as filed with the Building Department. Purchaser agrees to close title even though there may be things remaining to be completed in the Unit. The issuance of a Temporary or Permanent Certificate of Occupancy shall mean that the Unit is substantially complete, in which event Purchaser agrees to accept a letter agreement from the Sponsor wherein the Sponsor shall agree to complete all unfinished items within ninety (90) days from the date of Closing, weather and other circumstances permitting. Any such incomplete items shall not constitute an objection to Closing provided Sponsor executes and delivers to Purchaser, a letter agreement in accordance with the foregoing Purchaser shall permit Sponsor, its agents, servants and/or employees to enter upon the Unit and shall provide reasonable access thereto subsequent to Closing to complete any incomplete items.

In the event Sponsor is required to make any repair or complete any item of work to be performed by Sponsor after Closing, the limit of Sponsor's liability shall be to make said repair and/or to complete such item. This paragraph shall survive the delivery of the deed.

12) ENCUMBRANCES EXISTING AT CLOSING - If there is anything affecting the sale which Sponsor is obligated to pay and discharge, Sponsor may use any portion of the balance of the Purchase Price to discharge it at Closing. As an alternative Sponsor may deposit money with or do whatever other acts may be required by First American Title Insurance Company of New York or Purchaser's title insurance company so that First American Title Insurance Company of New York or Purchaser's title insurance company is willing to insure Purchaser's title clear of the matter or is willing to insure against enforcement or collection out of the Unit.

13) INABILITY OF SPONSOR TO TRANSFER OWNERSHIP - Sponsor shall not be required to commence any action or proceeding or incur any expense in order to remove the condition which prevents Sponsor from transferring Ownership of the Unit in accordance with this Purchase Agreement.

14) PURCHASER MAY NOT ERECT SIGNS ON UNIT- Purchaser shall not place any sign anywhere on the Unit or Property or in any window at any time without

Sponsor's prior written consent. This paragraph shall survive delivery of the deed.

15) PURCHASER MAY NOT TAKE POSSESSION OF THE UNIT PRIOR TO CLOSING - It is expressly understood and agreed that Purchaser shall in no event take possession of the Unit prior to the time of the delivery of the deed and full compliance by Purchaser with the terms of this Purchase Agreement, nor shall Purchaser enter the Unit or have Purchaser's contractors or agents enter the Unit to perform work prior to Closing without the written authorization of Sponsor, and should Purchaser violate this provision, Purchaser consents that the Sponsor shall have the right to remove Purchaser from the Unit as a squatter and intruder by summary proceedings. Upon Purchaser's unauthorized possession, Purchaser shall be deemed in default hereunder at the option of the Sponsor, and upon such election, the amounts paid hereunder (including amounts paid for extras ordered) shall belong to the Sponsor as liquidated damages and this Purchase Agreement shall be deemed cancelled. It is further understood and agreed that the Sponsor will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the Unit on or after the Closing herein.

Neither Purchaser nor anyone acting on Purchaser's behalf may enter or take possession of any part of the Unit nor have any work performed or materials supplied or installed at the Unit prior to Closing without the prior written consent of Sponsor. This prohibition is regarded by Sponsor as extremely important and violation by Purchaser shall constitute a major default by Purchaser under this Purchase Agreement.

16) SPONSOR'S OBLIGATIONS END AT CLOSING - The delivery of the deed for the Unit to Purchaser or Purchaser's representative at Closing shall be deemed to mean that all things required to be done by Sponsor under this Purchase Agreement have been done and that Purchaser shall not claim otherwise except as to those things, if any, which are specifically stated in this Purchase Agreement or in a separate writing signed by Sponsor or Sponsor's attorney on Sponsor's behalf, to survive or continue beyond Closing or delivery of the deed. Notwithstanding the foregoing, the Limited Warranty shall survive Closing.

17) NO BROKER CONSULTED BY PURCHASER - In the event Purchaser is represented or has consulted with an outside broker, Purchaser shall be responsible for all costs and commissions associated therewith and Sponsor shall not be responsible for any co-broker commission. Upon execution of this Purchase Agreement, Purchaser agrees to indemnify Sponsor for any verbal or written representations made by anyone other than any written representations by Sponsor's authorized agents. This paragraph shall survive delivery of the deed.

18) REQUIRED PAPERS AND ACTS - Purchaser shall deliver all documents to Sponsor and perform all acts required by Sponsor for Sponsor to carry out the provisions of the Plan, establish the Condominium and conform to the by-laws and regulations of the Condominium and the Association. At Closing, Sponsor shall deliver to Purchaser a Temporary Certificate of Occupancy or Permanent Certificate of

Occupancy for the Unit (or building in which it is located) and, if available, a New York Board of Fire Underwriter's Certificate for the Unit. This Paragraph 18 shall survive delivery of the deed.

19) NO ASSIGNMENT – Purchaser shall have no right to assign this Purchase Agreement without the prior consent in writing of Sponsor, which consent may be withheld in Sponsor's sole discretion. Any purported assignment of this Purchase Agreement in violation hereof shall be voidable at the sole option of Sponsor. Any such conveyances in violation of the foregoing will be voidable by Sponsor.

20) NO RECORDING - This Purchase Agreement or any memorandum thereof may NOT be recorded in the office of any Governmental Authority. In the event that Purchaser records this Purchase Agreement or a memorandum thereof in the office of any Governmental Authority, then Sponsor may on behalf of Purchaser execute any and all documents required to record a cancellation or termination of the recordation of this Purchase Agreement or a memorandum thereof. Purchaser hereby irrevocably designates Sponsor as an authorized representative to record a cancellation or termination of the recordation of this Purchase Agreement or a memorandum thereof.

21) ADDITIONAL MONEY TO BE PAID BY PURCHASER AT CLOSING - At the Closing, Purchaser shall pay, or reimburse to Sponsor if Sponsor has already made payment, in addition to all other sums payable or reimbursable elsewhere under this Purchase Agreement, all charges for:

i. Inspections required by Purchaser's lender, if any;

ii. Appraisals required by Purchaser's lender, if any;

iii. $200 for survey and surveying services;

iv. Title examination and policy insuring Purchaser's lender's interest, if any;

v. Purchaser's lender's attorney's fees for preparation of all loan documents (if any);

vi. Purchaser shall be required to pay to the Sponsor or Sponsor's attorneys a fee in the sum of $2,750 for each Unit purchased which will cover the document preparation fees and other fees and expenses of processing the sale of the Unit, at the same time as the balance of the Purchase Price for the Unit is due and payable hereunder;

vii. All commitment fees, points, origination fees and other fees and charges (howsoever characterized) imposed or exacted by the lender or incurred by Sponsor or Purchaser in connection with Purchaser's mortgage loan (if any);

viii. Mortgage recording taxes, if any;

ix. Governmental charges which may be assessed on account of the mortgage loan, if any;

x. Mortgage insurance, if any and required;

xi. New York State real estate transfer tax on the deed including the Mansion Tax;

xii. All recording and filing charges payable on account of the transfer of title and recording of all documents in connection therewith;

xiii. A sum equal to the partial mortgage tax credit to which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Sponsor;

xiv. an initial non-reimbursable Condominium Working Capital Contribution equal to two months of Condominium Common Charges paid by a Unit Owner to the Board of Managers at the Closing to be used by the Board of Managers as working capital for the Condominium's operations;

xv. an initial non-reimbursable Association Working Capital Contribution equal to two months of Association Common Maintenance Charges paid by a Unit Owner to the Board of Directors at the Closing to be used by the Association as working capital for the Association's operations;

xvi. Recordation or filing fees of the Unit Power of Attorney to be executed by Purchaser at Closing;

xvii. Pro-rata share of the Condominium's and Association's Insurance Premiums for the First Year of Operations based on Unit's Percentage of Common Interest apportioned for the First Year of Operations wherein Purchaser shall only pay such adjustment from date of Closing; and

Purchaser shall also apportion with Sponsor as of the end of the day prior to Closing, and pay to Sponsor at Closing the apportioned amount due for real estate taxes, Common Charges, Association Common Maintenance Charges, sewer use, water use and any other utility costs. Purchaser shall also pay the Down Payments required by the lender to establish the estimated or escrow fund for future payments of Real estate

taxes; Pro-rata Insurance Premium to the Condominium and Association; Water and Sewer charges, if any; Common Charges, if they have been declared by the Board of Managers, and Association Common Maintenance Charges. If through no fault of Sponsor, Purchaser fails for any reason to close title within seven (7) days after the date originally scheduled in Sponsor's Notice For Closing or such later date (if applicable) to which Sponsor in a subsequent Notice For Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of the end of the day preceding (i) the date originally scheduled for Closing or (ii) Sponsor's adjourned closing date (as the case may be).

In addition, if a Closing takes place, at the request of Purchaser, at any location other than the office of Sponsor's attorney, the office of Sponsor or the on-site office at The Residences, North Hills Phase I Condominium, Purchaser shall pay to Sponsor's attorney a travel fee in the sum of $250 if the Closing location is in Nassau County, $350 if the Closing location is in Suffolk County, Queens County, Kings County or New York County and $450 if the Closing location is in Richmond County. Sponsor and Sponsor's counsel are not required to attend a closing at any location other than in Suffolk County, Nassau County or Queens County. A closing may not take place in any other location without Sponsor's prior written consent.

Purchaser shall pay to Sponsor at or prior to the actual Closing an amount equal to four one-hundredths of one percent (.04%) (which equals an annual rate of 14.6%) of the Purchase Price for the Unit for each day beyond such originally scheduled or Sponsor adjourned closing date, to and including the date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs and other charges, which amount Purchaser acknowledges to be reasonable and proper.

Any errors or omissions in computing apportionments or any other sums payable under this paragraph which are communicated to the other party within six (6) months after Closing shall be corrected and payment made to the proper party promptly after such communication.

22) EXTRA WORK AND EXTRA ITEMS ORDERED BY PURCHASER - Any work or items ordered from Sponsor by Purchaser which are not included in the Plans or standard model of the Unit shall, except as may otherwise be provided in this Purchase Agreement or in a writing signed by Sponsor, be paid for in full by Purchaser at the time they are ordered. The failure of Sponsor to perform or supply and install such work or items shall not entitle Purchaser to cancel this Purchase Agreement even if Purchaser has already paid for such work or items. Purchaser's only right in the event of Sponsor's failure to perform such extra work or supply and install such extra items is to receive a refund or credit at the time of Closing equal to the total payments made to Sponsor for such extra work or extra items. All extras must be ordered prior to commencement of construction and must not delay construction. In the event Purchaser orders upgraded or optional items or finishes other than the standard provided by Sponsor, Sponsor or Sponsor's contractors shall not be responsible or liable for any defects in quality of materials or workmanship in installation. Failure to make any payments due in

accordance with said payment schedule of Sponsor, Sponsor's contractors or sub-contractors, as applicable, shall constitute a breach in accordance with paragraph herein. As noted as a special risk of this sale, in the event a Purchaser is entitled to rescission Purchaser will not receive a refund of any funds paid for upgrades or extras. Sponsor shall have no responsibility for any work, fixtures, appliances, equipment or materials not ordered directly from Sponsor by Purchaser. For the purposes of this provision, any orders which Purchaser places directly with Sponsor's contractors or suppliers shall not be deemed to have been ordered directly from Sponsor.

23) OPTIONS AND COLOR SELECTIONS - Any choices given by Sponsor to Purchaser in colors, products, materials, design, features and similar matters shall be made by Purchaser in writing at Sponsor's office or model site, within ten (10) days after notification to Purchaser to make such choices. If there is anything as to which Purchaser has a choice, and Purchaser fails to inform Sponsor of Purchaser's choice within such ten (10) day time period, then Sponsor may make the choice on Purchaser's behalf and Purchaser shall accept such choice so made by Sponsor as if originally made, by Purchaser. No claim or objection to Closing shall be made by Purchaser because of any choice made by Sponsor in any case where Purchaser failed to give Sponsor timely notice of Purchaser's choice.

24) ACKNOWLEDGMENT THAT THERE ARE NO OTHER UNDERSTANDINGS - All prior understandings and agreements are hereby superseded and merged into this Purchase Agreement, which alone contains the final and entire understanding and agreement between Sponsor and Purchaser. Neither Sponsor nor Purchaser shall be bound by any terms, conditions, statements, or representations, oral or written, not set forth in this Purchase Agreement or in the Offering Plan. Purchaser acknowledges that Purchaser is buying a Condominium Unit in a Condominium development which may not yet have been formed at the time this Purchase Agreement is signed, and that, except as stated in this Purchase Agreement, the Declarations, By-Laws, Exhibits, Schedules and Plan, Purchaser has not relied on any representations or other statements of any kind or nature made by Sponsor or anyone else, including but not limited to any relating to the description, size or dimensions of the Unit or rooms therein, or the estimated Common Charges, Association Common Maintenance Charges or other expenses relative thereto.

Purchaser also acknowledges that none of Sponsor's Representatives has the authority to modify this Purchase Agreement or to make any oral promise, agreement or representation inconsistent or contrary to the terms of this Purchase Agreement. This Purchase Agreement may be changed only by a written document signed by both Purchaser and Sponsor's Authorized Agent. The invalidity or unenforceability of any particular provision of this Purchase Agreement will not affect the other provisions, and this Purchase Agreement will be interpreted in all respects as if such unenforceable provisions were omitted.

25) PURCHASER'S DEFAULT - If Purchaser fails to appear and close title in accordance with this Purchase Agreement on the date and at the time and place stated

in Sponsor's Notice For Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this Purchase Agreement, Sponsor may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such thirty (30) day period this Purchase Agreement shall, at Sponsor's option, be deemed cancelled and Sponsor shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Sponsor on account of the Purchase Price plus all additional sums paid and/or payable by Purchaser for all extra work and extra items ordered by Purchaser, together with all interest credited thereon, if any, which total amount Purchaser acknowledges to be fair and reasonable. Sponsor may obtain all legal and equitable remedies including, but not limited to, specific performance of this Purchase Agreement.

Notwithstanding the contents of any provision herein, if Purchaser loses rights and interest in the Unit as a result of a default or breach of this Purchase Agreement which occurs after Purchaser has paid 15 per centum or more of the Purchase Price, excluding any interest owed under this Purchase Agreement (if any), Sponsor (or successor thereof) shall refund to Purchaser any amount which remains after subtracting (A) 15 per centum of the Purchase Price, excluding any interest owed under this Purchase Agreement, or the amount of damages incurred by the Sponsor (or successor thereof) as a result of such breach, whichever is greater, from (B) the amount paid by Purchaser with respect to the Purchase Price, excluding any interest paid under this Purchase Agreement.

The notice of default shall be deemed notice to Purchaser by the Escrow Agent of the Escrow Agent's intent to release the funds being held in escrow on behalf of Purchaser pursuant to terms of the Escrow Agreement set forth in Part II, Section "PP" of this Offering Plan.

26) MORE THAN ONE PURCHASER LIABILITY; AUTHORITY TO SIGN - If two (2) or more persons are named as Purchaser in this Purchase Agreement, (i) each person shall be jointly and severally liable for payment, observance and performance of all obligations under this Purchase Agreement and (ii) anyone of them is hereby made agent for the other in all matters of any and every kind or nature with respect to the Unit and/or this Purchase Agreement. The act, assent, election or approval by one shall conclusively constitute the act, assent, election and approval by all.

27) SPONSOR'S RIGHT TO CANCEL - Sponsor may cancel this Purchase Agreement by forwarding a full refund of the Down Payment to Purchaser together with written notice of cancellation in the event of the occurrence of any of the following:

(a) any governmental authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from Sponsor's regular suppliers or from using same in the construction and/or completion of the Unit; or

(b) Sponsor is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, act of God or national emergencies; or

(c) the installation of public utilities is restricted or curtailed; or

(d) the Plan is abandoned, withdrawn or not consummated for any reason.

Upon such cancellation and refund, neither party shall thereafter have any further liability or obligation to the other in connection with this Purchase Agreement or transaction.

28) POWER OF ATTORNEY - At closing, Purchaser shall execute, acknowledge and deliver to Sponsor in recordable form, a power of attorney in the form set forth in Part II, Section "GG" of the Offering Plan (the "Power of Attorney"), in favor of the Board of Managers of the Condominium and Board of Directors of the Association relative to leasing and purchasing of Units under certain circumstances and to foreclose upon Units for which the payment of Common Charges is delinquent, and in favor of Sponsor relative to amending the Condominium documents to the extent provided for in the Plan.

29) DAMAGE TO PUBLIC IMPROVEMENTS, AMENITIES AND COMMON ELEMENTS - Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or Common Element on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Sponsor, then and in that event, Sponsor may complete same at the expense of Purchaser who shall reimburse Sponsor for the cost thereof immediately upon demand. This paragraph shall survive delivery of the deed.

30) NOTICES - Any notices, statements, certificates, requests or demand required or permitted to be given or delivered under this Purchase Agreement shall be in writing and may be sent by mail, overnight courier or personal delivery, addressed to Purchaser or to Sponsor, as the case may be, at their respective addresses shown at the beginning of this Purchase Agreement, or to such other address as Purchaser or Sponsor may designate in the manner herein provided. Such notice, statement, certificate, request or demand shall be deemed to have been given:

(a) when received by the person to whom it was sent, if sent by regular mail,
(b) when delivered to an overnight courier service, if sent by overnight courier,
(c) upon personal delivery actually being made, and
(d) within three (3) days after delivery to the United States Post Office with proper postage prepaid, if sent by registered or certified mail return receipt requested.

31) STRICT COMPLIANCE; SEVERABILITY; WAIVER OF TRIAL BY JURY; LIS

PENDENS; ARBITRATION OF DISPUTES - Any failure by Sponsor to insist upon strict performance by Purchaser of any of Purchaser's obligations under this Purchase Agreement shall not be deemed a waiver of such obligations, and Sponsor may at any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under this Purchase Agreement irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. If any part of this Purchase Agreement or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of this Purchase Agreement or the Plan and the applicability to other individuals or circumstances shall not be affected thereby but shall continue in full force and effect. Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this Purchase Agreement or the Plan (except that claims under the Limited Warranty set forth in Section "JJ" of the Offering Plan, is not required to be submitted to arbitration). All claims against Sponsor and/or Sponsor's Affiliates, as defined below, other than those claims brought by a Purchaser under the Limited Warranty, must be submitted to binding arbitration in accordance with the rules of the American Arbitration Association with the locale of any hearings being in New York City and no claims against Sponsor and/or Sponsor's Affiliates may proceed in any court or judicial action or proceeding. Purchaser, on behalf of Purchaser and all permanent residents of the Unit, including minor children (collectively defined as "Purchaser" for all purposes in this paragraph), hereby agree that any and all disputes with Sponsor, Sponsor's parent companies, if any, Sponsor's affiliates, Sponsor's subsidiaries, its principals, officers, members, agents, employees, independent contractors (collectively "Sponsor and/or Sponsor's Affiliates") arising out of this Purchase Agreement, the Unit, any other agreements, communications or dealings involving Purchaser, or the construction or condition of the Unit, including but not limited to, disputes concerning breach of contract, express and implied warranties (other than warranties covered under the Limited Warranty), personal injuries and/or illness, mold-related claims, representations and/or omissions by Sponsor and/or Sponsor's Affiliates, on-site and off-site conditions and all other torts and statutory causes of action ("Claims") shall be resolved by binding arbitration in accordance with the rules and procedures of the American Arbitration Association ("AAA") or its successor or an equivalent organization mutually agreed upon the parties. In addition, Purchaser agrees that Purchaser may not initiate any arbitration proceeding for any Claims unless and until Purchaser has first given Sponsor specific written notice of each claim at 625 RXR Plaza, Uniondale, New York 11556, Attention: Legal Department). The arbitration hearing shall be held in New York City. Purchaser agrees to pay all arbitration fees and if Purchaser commences any action or proceeding in any court, Purchaser agrees to pay all Sponsor and/or Sponsor's Affiliates costs and expenses, including reasonable attorney fees, should Purchaser bring an action against Sponsor in any court, in any jurisdiction in lieu of arbitration. Purchaser understands and agrees that it may not under any circumstances file a notice of pendency or "lis pendens" on or against the Condominium Unit which is the subject of this Purchase Agreement and Purchaser may not file a notice of pendency or "lis pendens" on any portion of the subject Condominium. Purchaser's sole remedy against the Sponsor and/or Sponsor's Affiliates shall be to commence an arbitration proceeding as set forth herein. The provisions hereof shall survive Closing.

32) RISK OF LOSS - Purchaser understands that Purchaser is not the legal owner of the Unit and that possession of the Unit shall remain exclusively in Sponsor until the Closing occurs. Except as may be caused by Purchaser's acts, omissions or negligence or Purchaser's possession of the Unit prior to the Closing (which shall be the sole and complete responsibility of Purchaser), Sponsor shall assume the risk of loss or damage to the Unit by fire or other casualty until the Closing, at which time the risk of loss shall pass to Purchaser. However, if Purchaser is or becomes the occupant or tenant of the Unit prior to Closing pursuant to a separate agreement, then as of the date of Purchaser's occupancy, Purchaser shall be responsible for all damage caused by any acts or omissions of Purchaser, Purchaser's agents, employees or invitees.

If any part of the Unit that is purchased is damaged or destroyed by any casualty prior to Closing, Sponsor will have the option to restore the Unit to its previous condition as soon as reasonably possible. In the event Sponsor elects to restore the Unit, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Sponsor. Sponsor agrees to notify Purchaser of Sponsor's decision within ten (10) business days of the date of such casualty. In the event Sponsor elects not to restore the Unit, this Purchase Agreement will terminate and Purchaser will receive a full refund of all monies paid to Sponsor. The parties shall thereafter be released from any further liability hereunder.

33) LIEN OF DOWN PAYMENT - All sums paid on account of this Purchase Agreement and the reasonable expense of the examination of the title to the Unit are hereby made liens hereon, but such liens shall not continue after default by Purchaser under this Purchase Agreement.

34) LIENS SATISFIED AT CLOSING -The existence of unpaid taxes or liens of any kind at the time of Closing shall not constitute an objection to title, provided the Sponsor 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 Sponsor may pay and discharge any liens and encumbrances upon the property, not provided for in this Purchase Agreement, out of the monies to be paid by Purchaser at the time of Closing.

35) EXECUTION OF REQUIRED DOCUMENTS - Purchaser agrees to perform all acts required by the Sponsor 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.

36) INSPECTION DURING CONSTRUCTION - Unless specifically agreed to by Sponsor, Purchaser shall not visit the construction site other than the Sales Office. Any unauthorized visits to the construction site by Purchaser is subject to a charge by Sponsor of $500 per visit, which Purchaser agrees to pay Sponsor within ten (10) days of billing thereof. Purchaser acknowledges that unsupervised visits to the construction site present a dangerous circumstance and could incur liability to Sponsor. Purchaser

hereby releases and agrees to indemnify, defend and hold Sponsor harmless for all claims and liabilities incurred by Sponsor resulting from the presence of Purchaser or Purchaser's family members or invitees in the Unit or Sponsor's other property during the term of this Purchase Agreement. Purchaser further agrees to execute the Express Assumption of Risk Form attached to and made a part of this Purchase Agreement as **Exhibit "1"**.

37) AUTOMOBILES - Purchaser agrees to register each car Purchaser owns with the Association and Board of Managers at Closing.

38) LIMITED WARRANTY - THE LIMITED WARRANTY SET FORTH IN PART II, SECTION "JJ" OF THE OFFERING PLAN AND INCORPORATED HEREIN BY REFERENCE (THE "LIMITED WARRANTY") IS IN PLACE OF AND EXCLUDES THE HOUSING MERCHANT IMPLIED WARRANTY, AS DEFINED IN ARTICLE 36-B OF THE NEW YORK GENERAL BUSINESS LAW, AS SAME MAY BE AMENDED FROM TIME TO TIME, AND ALSO EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS PURCHASE AGREEMENT AND THE CONSTRUCTION AND SALE OF THE UNIT. SPONSOR MAKES NO HOUSING MERCHANT IMPLIED WARRANTY AND, EXCEPT AS EXPRESSLY SET FORTH IN THE LIMITED WARRANTY, SPONSOR MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IN CONNECTION WITH THIS PURCHASE AGREEMENT AND THE CONSTRUCTION AND SALE OF THE UNIT.

PRIOR TO THE EXECUTION OF THIS PURCHASE AGREEMENT BY PURCHASER, PURCHASER ACKNOWLEDGES THAT SPONSOR HAS SUPPLIED TO PURCHASER FOR EXAMINATION AND PURCHASER HAS RECEIVED, READ AND UNDERSTOOD A WRITTEN COPY OF THE EXPRESS TERMS OF THE LIMITED WARRANTY.

39) COMPLETION OF CONSTRUCTION - PURCHASER'S INSPECTION. Purchaser shall accept title (without abatement in or credit against the Purchase Price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the Building in which it is located or (b) other Units or (c) the landscaped areas or (d) parking spaces or driveway or (e) other portions of the Common Elements or Association Common Areas have not been completed. Purchaser will inspect Purchaser's Unit with a representative of the Sponsor during normal business hours approximately three (3) days prior to the Closing Date and will sign and deliver to Sponsor on or before Closing a Pre-Title inspection Statement supplied by Sponsor, acknowledging the condition of the Unit. Receipt of the executed Pre-Title Inspection Statement shall be a condition precedent to closing. Roads, sewers, water, gas service, electric service and recreational amenities will be provided or completed by the Sponsor as represented in the Property Report. THIS ARTICLE 39 SHALL SURVIVE DELIVERY OF THE DEED.

40) ZONING - It is understood and agreed that should zoning and/or building restrictions and regulations, imposed by any Governmental body having jurisdiction over the construction of residential housing and appurtenances, either presently in effect or as enacted or promulgated in the future, create or impose requirements upon the Sponsor which are not presently contemplated, then in that event the Sponsor may cancel this Purchase Agreement with a notice in writing addressed to Purchaser at their address herein above set forth and return all funds deposited hereunder within twenty (20) days of such notice and upon making such payment, this Purchase Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Purchase Agreement and the Offering Plan.

41) PERSONAL PROPERTY INCLUDED IN SALE. All articles of personal property, fixtures and equipment for any Model Type Unit referred to herein are included in this sale, and same will be delivered free and clear of all liens and encumbrances except the lien of the mortgage applied for by Purchaser herein if any.

42) PROHIBITION AGAINST ADVERTISING AND SELLING. Prior to the Closing, Purchaser is prohibited from (a) listing the Unit for resale or rental with any broker or (b) advertising or otherwise offering, promoting or publicizing the availability of a Unit for sale or lease, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion. In addition, a Purchaser may not advertise, list or sell, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion, except for hardship conditions of Purchaser, a Unit acquired from Sponsor for twelve (12) months after acquisition of such Unit (provided however, such limitation shall not apply from and after the date that Sponsor conveys title to all of the Units). Any such conveyances in violation of the foregoing will be voidable by Sponsor. This paragraph shall survive Closing.

43) LIABILITY OF PROPERTY BELONGING TO PURCHASER - It is understood and agreed that the Sponsor will accept no liability whatsoever for any property belonging to Purchaser, their agents, employees, family, or belonging to any party other than Sponsor which is placed in the Unit prior to the Closing. No act of the Sponsor, whatever its nature, shall constitute a waiver of this paragraph.

44) PURCHASER'S INTERFERENCE - Purchaser acknowledges that it may not interfere with Sponsor's ability to construct this or other Unit(s) or facilities, including interference with work performed on site by Sponsor's staff in connection with the construction of Purchaser's Unit or any other Unit, attempts to hire any of Sponsor's staff or contractors, and/or attempts to bring contractors, materialman, subcontractors or workers onto the site for work on Purchaser's Unit prior to Closing to the Unit, unless otherwise agreed to in writing by Sponsor.

45) UNIT PART OF DEVELOPMENT - Purchaser acknowledges and agrees that other Units and infrastructure are presently being constructed at the project and that Sponsor

anticipates that such construction shall continue until the project is completed in accordance with the Sponsor's development plan. Purchaser further agrees that such construction shall not be deemed a nuisance nor an interference with Purchaser's quiet enjoyment of Purchaser's Unit.

46) PURCHASER'S REPRESENTATIONS - Purchaser represents that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements, written or oral, of any nature, including but not limited to, any of the above relating to the description or physical condition of the Condominium or Association or the above described Unit or the Property, the size or the dimensions of the Unit or the rooms therein contained or any physical characteristics thereof, the Condominium or Association services, the estimated Common Charge or Association Common Maintenance Charges or income tax deductions for the First Year of Operations or any other matter or estimate except for all such items as set forth herein and/or in the Plan. Purchaser further acknowledges having had full opportunity to examine all documents and investigate all facts referred to and stated herein and in the Plan. Purchaser agrees that the Sponsor shall have no liability or responsibility to Purchaser and that Purchaser will not be relieved from his or her obligations hereunder, by reason of any inaccuracy or error in the layout or dimensions of the Unit so long as the layout and specifications as they may be changed or amended are in accordance with the provisions of the Plan. Purchaser understands and acknowledges that the Sponsor cannot guarantee a firm completion and availability date for the Unit and agrees that the Sponsor shall not be obligated to make, provide or compensate for any accommodations to Purchaser as a result of construction delays nor shall such delays serve to cancel, amend or diminish any of Purchaser's obligations hereunder, except as stated in paragraph "6" of this Purchase Agreement.

47) MISCELLANEOUS - The terms and conditions contained in this Purchase Agreement shall survive the Closing. The start of any activity by Sponsor in connection with the Unit is not to be deemed a waiver of any of Sponsor's rights under this Purchase Agreement.

WHEN SIGNED BY SPONSOR AND PURCHASER, THIS PURCHASE AGREEMENT WILL BECOME A LEGALLY BINDING AGREEMENT. PURCHASER SHOULD MAKE SURE THAT ALL PROVISIONS ARE READ AND UNDERSTOOD BEFORE SIGNING. IF PURCHASER DOES NOT UNDERSTAND ANY PROVISION, PURCHASER SHOULD SEEK LEGAL ADVICE.

PURCHASER MUST BE GIVEN A COPY OF THE PUBLIC OFFERING PLAN PRIOR TO THE SIGNING OF THIS PURCHASE AGREEMENT. BY SIGNING THIS PURCHASE AGREEMENT, PURCHASER ACKNOWLEDGES RECEIPT OF THE OFFERING PLAN AND ALL AMENDMENTS THERETO AND THAT PURCHASER HAS HAD AN OPPORTUNITY TO READ THE OFFERING PLAN AND THE AMENDMENTS THERETO (I) FOR NOT FEWER THAN THREE (3) BUSINESS DAYS OR (II) PURCHASE WILL HAVE SEVEN (7) DAYS AFTER DELIVERING AN

EXECUTED PURCHASE AGREEMENT TOGETHER WITH THE REQUIRED DOWN PAYMENT TO SPONSOR TO RESCIND THIS PURCHASE AGREEMENT AND RECEIVE A REFUND OF THE DOWN PAYMENT.

48) ATTORNEYS - The attorneys representing the Sponsor or any lender represent such parties only and not Purchaser. Purchaser may retain independent counsel at Purchaser's own expense in order to protect Purchaser's own interest.

49) CONSTRUCTION SITE – Purchaser acknowledges that Purchaser will be living in an active construction site until the Phase I Condominium, the Phase II Condominium, if developed, and the Association Common Areas are constructed and completed. Purchaser acknowledges and understands that during this period, which may be several years, there may be storage of construction materials and equipment in the Community, construction vehicular traffic throughout the Community, construction noises, fumes, dirt, debris and dust in the roadways and throughout the Community, unfinished areas of the Community and other inconveniences which are normal in a new residential development or condominium development under construction until the completion of the Community.

50) The appropriate W-9 or W8 form executed by Purchaser – Purchaser or the designated interest recipient will execute and complete either IRS Form W-9 (Request for Taxpayer Identification Number and Certification) or IRS Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding) and annex the aforesaid form to this Purchase Agreement prior to execution of this Purchase Agreement by Sponsor. (W-9 form and W-8BEN form are annexed hereto as **Exhibit "2"**) or in a form as reasonably required by the Escrow Bank.

51) INSPECTION STATEMENT / PUNCHLIST - Purchaser will complete an Inspection Statement / Punchlist form prior to Closing and shall deliver to Sponsor at least 48 hours prior to Closing. (Inspection Statement / Punchlist form is annexed hereto as **Exhibit "3"**).

52) At Closing, Purchaser shall execute a form to release the Form for the Release of Escrow Funds annexed hereto as **Exhibit "4"**.

53) ACKNOWLEDGMENT - The terms, conditions and provisions of this Purchase Agreement are hereby accepted on dated executed by Purchaser.

Purchaser acknowledges that: (i) the Condominium Unit is being developed and sold by Declarant and not by THE RITZ-CARLTON HOTEL COMPANY, L.L.C., Marriott International, Inc. or any of their Affiliates (collectively, "RITZ-CARLTON"); (ii) RITZ-CARLTON has not confirmed the accuracy of any marketing or sales materials provided by Declarant, is not part of or an agent for the Declarant and has not acted as broker, finder or agent in connection with the sale of the Unit; (iii) Unit Owner has no right to use or interest in the RITZ-CARLTON Marks; and (iv) the Unit Owner waives and releases RITZ-CARLTON from and against any

liability with respect to any representations or defects or any claim whatsoever, relating to the marketing, sale or construction of the Unit, the Condominium or the Building.

Purchaser further acknowledges that in the event one or more of (a) the Residential Condominium License and Development Agreement, as may be amended, by and between Declarant and The Ritz-Carlton Hotel Company, L.L.C. ("RITZ-CARLTON"), or (b) the Management Agreement between the Association on behalf of each Residential Condominium Association and RITZ-CARLTON is terminated for any reason, all use of the RITZ-CARLTON Marks (which means those certain trademarks and service marks, including the mark "THE RITZ-CARLTON" and the "Lion and Crown Logo") shall cease at the Residential Condominium, all indicia of affiliation of the Residential Condominium with RITZ-CARLTON, including all signs or other materials bearing any of the RITZ-CARLTON Marks, shall be removed from the Condominium Buildings, and all services to be provided by RITZ-CARLTON to the Condominium shall cease.

So long as the Residential Condominium Management Agreement is in effect, and the Association is in existence, the Condominium shall have the right to be known as "THE RITZ-CARLTON RESIDENCES, LONG ISLAND, NORTH HILLS" or by any other name as may be approved by RITZ-CARLTON. Use of the RITZ-CARLTON Marks shall be limited to use of the approved name (i) on signage on or about the Condominium, and (ii) by any Unit Owners association, Condominium Board of Managers, condominium association, Condominium executive committee, individual Unit Owners, and their agents, solely to identify the address of the Condominium or the Units. No other use will be permitted of the RITZ-CARLTON Marks. All uses of the RITZ-CARLTON Marks, including the approved name, are subject to removal upon the expiration or termination of the Residential Condominium Management Agreement.

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[SIGNATURE PAGE]

YOU HAVE THE OPTION TO CANCEL THIS PURCHASE AGREEMENT BY NOTICE TO SPONSOR UNTIL MIDNIGHT OF THE SEVENTH DAY FOLLOWING THE SIGNING OF THIS PURCHASE AGREEMENT.

IF YOU DID NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE REGULATIONS OF THE OFFICE OF INTERSTATE LAND SALES REGULATION, UNITED STATES CONSUMER FINANCIAL PROTECTION BUREAU, IN ADVANCE OF YOUR SIGNING THIS PURCHASE AGREEMENT, THE PURCHASE AGREEMENT MAY BE CANCELLED AT YOUR OPTION FOR TWO YEARS FROM THE DATE OF SIGNING, UNLESS THE SPONSOR IS EXEMPT FROM FILING A PROPERTY REPORT WITH THE UNITED STATES CONSUMER FINANCIAL PROTECTION BUREAU OR ANY GOVERNMENTAL AUTHORITY.

PURSUANT TO THE INTERSTATE LAND SALES FULL DISCLOSURE ACT, AS AMENDED, THERE IS NO LIMITATION ON THE TYPE OR PLACE OF NOTICE OF CANCELLATION BY THE BUYER TO THE SELLER.

PURCHASER(S):

_____ _____
Purchaser's Signature Date

_____ _____
Purchaser's Signature Date

NOTE: THIS PURCHASE AGREEMENT IS NOT VALID AND IS NOT BINDING ON THE SPONSOR, UNLESS EXECUTED BY EITHER Scott Rechler, Michael Maturo, Jason Barnett or David Frank, the authorized persons of the Sponsor to execute this Purchase Agreement on behalf of the Sponsor.

SPONSOR:
RXR NORTH HILLS PHASE I OWNER LLC

By: _____ _____
NAME: _____ Date
TITLE: Authorized Person

YOU, AS PURCHASER OF THE UNIT, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR SECURITY AGREEMENT OR INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

RIDER TO PURCHASE AGREEMENT RE: STORAGE BIN LICENSE

This Rider is made as of _____, 201__, between Sponsor and Purchaser.

Re: Unit **TO BE ASSIGNED BY SPONSOR** ("Unit")
The Residences, North Hills Phase I Condominium and
The Residences, North Hills Homeowners Association, Inc.
North Hills, New York

1. LICENSE

(a) Sponsor agrees to sell and grant, and Purchaser agrees to purchase the right to use Storage Bin #_____ for a Purchase Price of $_____. The License to use Storage Bin shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan.

(b) Upon execution of this Rider, Purchaser has delivered a check to Sponsor (subject to collection) in the amount of $_____ representing the Down Payment due in connection with the purchase of the License.

(c) Upon execution of the License, Purchaser shall pay to Sponsor the balance of the Purchase Price allocable to the License in the amount of $_____.

2. DAMAGE TO THE STORAGE AREA

If there is a fire or other casualty to the Storage Bin and Sponsor does not elect to repair or restore such area following such fire or casualty, then this Purchase Agreement shall be deemed modified to provide for the Closing title with respect to the Unit only. In such event, the Purchase Price shall be reduced by the amount of the Purchase Price allocated to the affected License.

3. CROSS DEFAULT

A default by Purchaser under this Rider shall constitute a default under this Purchase Agreement for the Unit and any other default by Purchaser under this Purchase Agreement for the Unit shall constitute a default under the Rider entitling Sponsor to those default remedies as more fully described in this Purchase Agreement and the Plan. Notwithstanding an earlier Closing with respect to the Unit, the provisions of this Purchase Agreement with respect to the delivery of the License shall survive.

4. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in this Purchase Agreement to which this Rider is annexed or in the Plan.

5. CONFLICTS

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

6. FULL FORCE & EFFECT

Except as set forth in this Rider, all of the terms and conditions of this Purchase Agreement remain unchanged and in full force and effect.

PURCHASER(S):

_____ _____
Purchaser's Signature Date

_____ _____
Purchaser's Signature Date

SPONSOR:
RXR NORTH HILLS PHASE I OWNER LLC

By: _____ _____
Sponsor's Authorized Agent Date

Exhibit "1"

EXPRESS ASSUMPTION OF RISK AGREEMENT

Dated: _____

TO: RXR North Hills Phase I Owner LLC
625 RXR Plaza,
Uniondale, New York 11556

RE: The Residences, North Hills Phase I Condominium
North Hills, New York

I / We _____ understand that by entering onto a construction site, there are extraordinary risks of grave bodily injury and/or death. In consideration for being allowed to enter upon the Unit or the premises where the Unit is located herein, I expressly assume all risks associated with the construction site, including but not limited to:

(a) Falling debris;
(b) Falls associated with excavations, uncleared ice and/or snow incomplete sidewalks and roads and downed trees and/or bushes;
(c) Injuries associated with incomplete construction;
(d) Injuries associated with operating machinery;
(e) Injuries associated with incomplete or no railings; and
(f) Injuries associated with incomplete and/or insufficient lighting.

I / we further agree to fully indemnify and hold harmless RXR North Hills Phase I Owner LLC, its members, partners, officers, directors, principals, shareholders, successors and assigns for any and all damage to any personal property.

_____
Purchaser

_____
Purchaser

CHASE

CHASE CLIENT FUNDS W-9 SUB-ACCOUNT AGREEMENT

Client Funds Account Custodian: _____

Client Funds Sub-Account Holder Name: _____

Client Funds Sub-Account Number: _____

Form W-9-Request for Taxpayer Identification Number (TIN) and Certification

USE THIS BOX TO PROVIDE NAME AND ADDRESS

Taxpayer/Payee Name:

Address (number, street and apt. or suite no.)

City, State and ZIP Code:

Status: ☐ Individual/Sole Proprietor ☐ Corporation ☐ Partnership ☐ Other (describe)

☐ Check here if exempt payee

Enter your taxpayer identification number (TIN) below. If you are a resident alien and you do not have or are not eligible to get a SSN, your TIN is your IRS-issued individual taxpayer identification number (ITIN).

SSN/ ITIN: ___ ___ - ___ ___ - ___ ___ ___ ___ EIN: ___ ___ - ___ ___ ___ ___ ___ ___ ___
Social Security Number/ ITIN *Employer Identification Number*

CERTIFICATION:

Under penalties of perjury, I certify that (1) the number shown on this form is my correct Taxpayer Identification Number, and (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. citizen or other U.S. person (as defined in the Form W-9 instructions).

Certification Instructions: You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

Agreement Regarding Client Funds Account

By signing below I am authorizing the Client Funds Account Custodian identified above to open a bank account (the Client Funds Sub-Account) on my behalf. The Client Funds Sub-Account will not be under my control. I authorize the Client Funds Account Custodian to endorse checks payable to me and to deposit them into the Primary Client Funds Account to which this Client Funds Sub-Account is related and I authorize JPMorgan Chase Bank, N.A. to accept such deposits. I acknowledge that I will not receive notice of transactions, including deposits or withdrawals affecting the Primary Client Funds Account or the Client Funds Sub-Account.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Sign Here _____ Date _____

Taxpayer/Payee Signature

Scan

Form **W-9**
(Rev. August 2013)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____

☐ Other (see instructions) ▶

Exemptions (see instructions):
Exempt payee code (if any) _____
Exemption from FATCA reporting code (if any) _____

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
☐☐☐ - ☐☐ - ☐☐☐☐

Employer identification number
☐☐ - ☐☐☐☐☐☐☐

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here | **Signature of U.S. person** ▶ | **Date** ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at *www.irs.gov/w9*. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity,
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust, and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* on page 1.

What is FATCA reporting? The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulation section 301.7701-2(c)(2)(iii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Note. Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required U.S. federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.

Exempt payee code. Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 5[2]
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee [3] The actual owner [1]
5. Sole proprietorship or disregarded entity owned by an individual	The owner [3]
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor [4]
For this type of account:	**Give name and EIN of:**
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity [4]
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.ftc.gov/idtheft* or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid, the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

Form **W-8BEN**
(Rev. February 2006)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

► Section references are to the Internal Revenue Code. ► See separate instructions.
► Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for:

	Instead, use Form:
• A U.S. citizen or other U.S. person, including a resident alien individual	W-9
• A person claiming that income is effectively connected with the conduct of a trade or business in the United States	W-8ECI
• A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions)	W-8ECI or W-8IMY
• A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions)	W-8ECI or W-8EXP
Note: *These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.*	
• A person acting as an intermediary	W-8IMY

Note: *See instructions for additional exceptions.*

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner

2 Country of incorporation or organization

3 Type of beneficial owner: ☐ Individual ☐ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust ☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization ☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions) ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 I certify that (check all that apply):

a ☐ The beneficial owner is a resident of within the meaning of the income tax treaty between the United States and that country.

b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

c ☐ The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).

d ☐ The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).

e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, $500,000.

10 Special rates and conditions (if applicable—see instructions): The beneficial owner is claiming the provisions of Article of the treaty identified on line 9a above to claim a % rate of withholding on (specify type of income):

Explain the reasons the beneficial owner meets the terms of the treaty article:

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

1 I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates,

2 The beneficial owner is not a U.S. person,

3 The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income, and

4 For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ► Signature of beneficial owner (or individual authorized to sign for beneficial owner) Date (MM-DD-YYYY) Capacity in which acting

Exhibit "3"

INSPECTION STATEMENT / PUNCHLIST

Dated: _____

TO: RXR North Hills Phase I Owner LLC
625 RXR Plaza,
Uniondale, New York 11556

RE: The Residences, North Hills Phase I Condominium

I/We am/are Purchaser(s) of Unit # _____ located at The Residences, North Hills Phase I Condominium ("my/our Unit").

I/We have inspected my/our Unit and have found the Unit to be in good condition except as otherwise noted below:

_____
Sponsor's Representative

_____
Purchaser

_____
Purchaser

Exhibit "4"
Form for the Release of Escrow Funds

Dated: _____, 201__

Rosen Law LLC,
1010 Northern Boulevard, Suite 322
Great Neck, New York 11021

RE: Condominium Unit _____
The Residences, North Hills Phase I Condominium
North Hills, New York

Gentlemen:

You have been holding in a trust account my/our Down Payment for the above reference Condominium Unit in the amount of $_____. I/we acknowledge that a closing has occurred on this date. Accordingly, Rosen Law LLC is authorized to release the funds being held in said amount to whoever the Sponsor so designates. In addition, Rosen Law LLC, as escrow agent on said account, is hereby released from any liability or further obligation to me/us with respect to said Down Payment.

Very truly yours,

_____
Purchaser

_____
Purchaser

RXR NORTH HILLS PHASE I OWNER LLC

BY: _____
NAME: _____
TITLE: _____

FF. INSPECTION STATEMENT / PUNCHLIST

Dated: _____

TO: RXR North Hills Phase I Owner LLC
625 RXR Plaza,
Uniondale, New York 11556

RE: The Residences, North Hills Phase I Condominium

I/We am/are Purchaser(s) of Unit # _____ located at The Residences, North Hills Phase I Condominium ("my/our Unit").

I/We have inspected my/our Unit and have found the Unit to be in good condition except as otherwise noted below:

_____
Sponsor's Representative

_____
Purchaser

_____
Purchaser

UNIT POWER OF ATTORNEY

GG. UNIT POWER OF ATTORNEY

Unit Power of Attorney

All Terms used in this Unit Power of Attorney which are used in the (a) the Declaration (the "Declaration") establishing a Plan for Condominium ownership of the premises known as The Residences, North Hills Phase I Condominium and by the street number 1000 and 2000 Royal Court, North Hills, New York 11040 under Article 9-B of the Real Property Law of the State of New York, dated and recorded in the office of the Nassau County Clerk of the State of New York on April ____, 2014 in Reel _____, Liber _____ or (b) in the By-Laws of The Residences, North Hills Phase I Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in the Power of Attorney as in the Declaration or the By-Laws.

The undersigned having an residence at [1000] [2000] Royal Court, North Hills, New York 11040, the owner(s) of the Unit (the "Unit") known as **Unit No.**_____ at address [1000] [2000] Royal Court, North Hills, New York 11040 in The Residences, North Hills Phase I Condominium and also designated as **Tax Lot** _____ in Section _____, Block _____ on the Tax Map of the County of Nassau, State of New York and on the floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of The Residences, North Hills Phase I Condominium, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Board of Managers or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Owners respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect:

(1)(a) Following due authorization by the Unit Owners, to acquire or lease any Unit, together with its Appurtenant Interests

(1)(b) Whose Owner elects to surrender the same pursuant to the By-Laws of The Residences, North Hills Phase I Condominium,

(1)(c) To acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Board of its designee, corporate or otherwise, on behalf of all Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote, the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present;

(2) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate; and

(3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the County of Nassau, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Common Elements or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Common Elements which the Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Board shall constitute the acts of said attorneys-in-fact.

The undersigned do(es) hereby irrevocably nominate, constitute and appoint RXR North Hills Phase I Owner LLC ("Sponsor") as attorney-in-fact from the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its Designee in accordance with the Declaration or (2) shall be required by (a) an institutional lender procured by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) and the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, 201__.

_____

_____

State of New York) ss.:
County of _____)

On the ____ day of _____ in the year 201__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

State of New York) ss.:
County of _____)

On the ____ day of _____ in the year 201__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

Unit Power of Attorney

The Residences, North Hills Phase I Condominium
North Hills, New York.

Title No. _____

County of Nassau

Section 8

Block A

Lot _____

Record and Return To:
Rosen Law LLC
1010 Northern Boulevard, Suite 322,
Great Neck, New York 11021

UNIT DEED

HH. FORM OF UNIT DEED

Unit Deed

THIS INDENTURE, made this ___ day of _____, 201__ between RXR North Hills Phase I Owner LLC, a Delaware limited Liability Company, having an office at 625 RXR Plaza, Uniondale, New York 11556 (the "Grantor"), and _____(the "Grantee(s)"), having an address at _____.

WITNESSETH:

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

ALL that certain piece or parcel of real property, with the improvements therein contained, situate and being a part of a Condominium in the Village of North Hills, Town of North Hempstead, Nassau County and State of New York, known and designated as **Unit No.** _____ together with a _____**%** undivided interest in the Common Elements of the Condominium hereinafter described as the same is defined in the Declaration of Condominium hereinafter referred to.

The real property above described is a Unit shown on the Plans of a Condominium prepared and certified by Lessard Design Inc., P.C., and filed in the Office of the Clerk of the County of Nassau on the _____ day of _____, 201___ as Map No. _____ defined, in the Declaration of Condominium entitled The Residences, North Hills Phase I Condominium, made by RXR North Hills Phase I Owner LLC under Article 9-B of the New York Real Property Law dated _____, 201___ and recorded in the Office of the Clerk of the County of Nassau on the _____ day of _____, 201___, in Liber _____ of Conveyance's at page _____ covering the property therein described. The land area of the property is

described as follows:

SEE SCHEDULE "A" ("Property Description")

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants running with the Land and shall bind any person having any title, interest or estate in the Unit as though recited and stipulated at length herein;

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters of record as pertain to the Unit and/or to the Building (which Land and Building are collectively referred to as the "Property")

All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the By-Laws of The Residences, North Hills Phase I Condominium (Said By-Laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws");

SUBJECT TO: The provisions of the Declaration, By-Laws, site plan and Floor Plans of the Condominium and the Declaration of Covenants, Restrictions, Easements, Charges and Liens and By-Laws of The Residences, North Hills Homeowners Association, Inc. as the same may be further amended from time to time by instruments recorded or filed in the Office of the Clerk of the County of Nassau, which provisions, together with any amendments thereto shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited at length herein;

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the New York Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Board of Managers as provided in the Declaration or the By-Laws, the Unit is intended for residential use only, except as otherwise permitted pursuant to condominium by-laws or the rights of the Sponsor and/or its designee.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatsoever, except as aforesaid.

The Grantor, in compliance with Section "13" of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund 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 same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

Grantee may not advertise, list or sell this Unit, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion, except for hardship conditions of Purchaser, for a period of twelve (12) months the date of this deed, provided however, this limitation shall not apply from and after the date that Grantor conveys title to all of the Units in The Residences, North Hills Phase I Condominium. Any such conveyances in violation of the foregoing will be voidable by Grantor.

This conveyance is made in the regular course of business actually conducted by the Grantor.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first above written.

RXR North Hills Phase I Owner LLC
A Delaware limited Liability Company

By:_____
(Grantor)

_____ _____
(Grantee) (Date)

_____ _____
(Grantee) (Date)

Uniform Acknowledgment

State of New York) ss.:
County of _____)

On the ____ day of _____ in the year 201__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

State of New York) ss.:
County of _____)

On the ____ day of _____ in the year 201__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

Schedule A
Property Description

The Condominium Unit (the "Unit") known as Unit No. _____ in the Premises known as The Residences, North Hills Phase I Condominium, located at 1000 / 2000 Royal Court, North Hills, New York, said Unit being designated and described as Unit No. _____ in the Declaration Establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act") dated _____ and recorded on _____, 2014 in the office of the Nassau County Clerk in Liber _____ Page _____ and also designated as Tax Lot ____ in Block ____ in the County of Nassau and on the plans of said building certified by Lessard _____ Architects on _____ and filed in the Nassau County Clerk's Office as Map No. _____;

Together with a total undivided _____% interest in the common elements (as such term is defined in the Declaration of Condominium).

Tax Lot Description around Building 7 & 8
Nassau County Tax Map Section 8, Block A
Lot 902

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Beginning at the most north westerly corner of Tax Lot 902. Said point of beginning being described as the following four (4) courses from the intersection of the southerly side of the Long Island Expressway South Service Road with the easterly side of New Hyde Park Road.

4. 583.06 feet easterly along the southerly side of the Long Island Expressway, south service road, I-495, formerly Little Neck- Old Westbury and Old Powerhouse Roads, to a concrete monument.
5. Thence easterly along the southerly side of the Long island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 561.41 feet.
6. Thence South 00 degrees, 31 minutes, 00 seconds east, 621.48 feet.
7. Thence South 56 degrees, 47 minutes, 35 seconds west, 37.66 feet to the northwest corner of Tax Lot 902 and the point or place of beginning.

Thence the following fourteen (14) courses around Tax Lot 902.

1. North 90 degrees, 00 minutes 00 seconds east. 192.83 feet.
2. South 00 degrees, 00 minutes, 00 seconds west, 50.75 feet.
3. North 90 degrees, 00 minutes, 00 seconds east, 12.17 feet.
4. South 00 degrees, 00 minutes, 00 seconds west, 26.75 feet.
5. North 90 degrees, 00 minutes, 00 seconds east, 17.42 feet.
6. South 00 degrees, 00 minutes, 00 seconds west, 33.83 feet.
7. North 90 degrees, 00 minutes, 00 seconds, east, 43.08 feet.
8. South 00 degrees, 00 minutes, 00 seconds west, 249.08 feet.
9. South 90 degrees, 00 minutes, 00 seconds, west, 130.17 feet.
10. North 00 degrees, 00 minutes, 00 seconds east, 207.68 feet.
11. North 45 degrees, 00 minutes, 00 seconds west, 20.51 feet.
12. North 00 degrees, 00 minutes, 00 seconds east, 8.07 feet.
13. South 90 degrees, 00 minutes, 00 seconds west, 120.83 feet.
14. North 00 degrees, 00 minutes, 00 seconds, east, 130.17 feet to the most north westerly corner of Tax Lot 902 and the point of beginning.

Schedule A
Property Description

The Condominium Unit (the "Unit") known as Unit No. _____ in the Premises known as The Residences, North Hills Phase I Condominium, located at 1000 / 2000 Royal Court, North Hills, New York, said Unit being designated and described as Unit No. _____ in the Declaration Establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act") dated _____ and recorded on _____, 2014 in the office of the Nassau County Clerk in Liber _____ Page _____ and also designated as Tax Lot ____ in Block ____ in the County of Nassau and on the plans of said building certified by Lessard _____ Architects on _____ and filed in the Nassau County Clerk's Office as Map No. _____;

Together with a total undivided _____% interest in the common elements (as such term is defined in the Declaration of Condominium).

Tax Lot Description around Building 9 &10
Nassau County Tax Map Section 8, Block A
Lot 901

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Beginning at the most north westerly corner of Tax Lot 901. Said point of beginning being described as the following three (3) courses from the intersection of the southerly side of the Long Island Expressway South Service Road with the easterly side of New Hyde Park Road.

1. 583.06 feet easterly along the southerly side of the Long Island Expressway, south service road, I-495, formerly Little Neck- Old Westbury and Old Powerhouse Roads, to a concrete monument.
2. Thence easterly along the southerly side of the Long island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 256.91 feet.
3. Thence South 26 degrees, 53 minutes, 10 seconds east, 112.36 feet to the north westerly most corner of Tax Lot 901 and the point or place of beginning.

Thence the following eight (8) courses around Tax Lot 901.

1. North 78 degrees 53 minutes 02 seconds east. 130.17 feet.
2. South 11 degrees, 06 minutes, 58 seconds east, 410.17 feet.
3. South 78 degrees, 53 minutes, 02 seconds west, 130.17 feet.
4. North 11 degrees, 06 minutes, 58 seconds west, 180.90 feet.
5. North 23 degrees, 53 minutes, 02 seconds, east, 18.31 feet.
6. North 11 degrees, 06 minutes, 58 seconds west, 18.37 feet.
7. North 46 degrees, 06 minutes, 58 seconds west, 18.31 feet.
8. North 11 degrees, 06 minutes, 58 seconds west, 180.90 feet to the northwest most corner of Tax Lot 901 and the point or place of beginning and the point of beginning.

Condominium Deed

The Residences, North Hills Phase I Condominium

North Hills, New York

Title No. _____

Section 8

Block A

Lots: _____

Record and Return To:

_____

Attorney for Purchaser

_____

_____

_____

THE RESIDENCES, NORTH HILLS PHASE I, CONDOMINIUM
ARCHITECT'S REPORT
DESCRIPTION OF PROPERTY AND SPECIFICATIONS

Dated: April 18, 2014

(1) The Address of the project is:
85-95 Long Island Expressway, Village of North Hills, NY
Note: See State of New York, Department of State Variance # 2013.0396
Exhibit "A"

(a) Location and use of the property:
This property and proposed use will comply with all zoning and use requirements at closing. The property consists of vacant land with no structures and no visual inspections have been made.

(2) The block and lot number of the project is:
Section 8, Block A, Lot 902 (Building 7 and 8).
Section 8, Block A, Lot: 901 (Building 9 and 10).

(3) Zoning of the project is:
This Project has been zoned by the Village of North Hills as Residential R-3 with an Incentive Zoning Permit (permits 15 units per acre, among other conditions).

See attached Permit for details.

(4) Permissible use of the project site is:
Residential, parking, clubhouse and amenities.

(5) Handicapped Access:
This project is designed within the requirements of all applicable federal, state, and local codes and regulations governing accessibility to the disabled including the ADAAG standard and any applicable local laws.

(6) Fire Hydrants
There will be 6 fire hydrants located throughout the site. In addition, there is an existing hydrant located on the recently constructed water supply well site property located on the south side of the project's access road leading to New Hyde Park Road. The 7 hydrants are placed such that there is not more than 500 feet between hydrants. In addition, two new fire hydrants are being installed on Powerhouse Road, along the subject property frontage.

(b) The status of construction is as follows:

(1) The project will be built as follows:

lessard DESIGN
8521 Leesburg Pike, Suite 700
Vienna, VA 22182

It is projected that construction of the development will begin by the first quarter of 2014, and it is anticipated that the first closing of Phase I (described below) will occur during the fourth quarter of 2015.
It is anticipated that the first temporary certificate of occupancy will be issued prior to December 31, 2015

The Project will be constructed in two phases which will consist of the following:

Phase I:

- Condominium (Buildings 7 and 8) with 64 residential units total. (Permit # 3327)
- Condominium (Buildings 9 and 10) with 60 residential units total. (Permit # 3327)
- Clubhouse building.
- Parking garage at grade under Buildings 7 and 8 with approximately 128 spaces.
- Parking garage at grade under Buildings 9 and 10 with approximately 124 spaces.
- Entry Gatehouses at Power House Road and New Hyde Park Road.
- Service road acceleration and deceleration lanes.
- Utilities extensions and connections.

Phase II:

- Condominium Buildings 1, 2, 3, 4, 5 and 6 anticipated to contain a total of 120 Residential Units.
- Parking garage at grade under buildings.
- Associated roadwork, site work, and landscaping.

THE SPONSOR RESERVES THE RIGHT TO COMBINE OR FURTHER SUBDIVIDE THE PHASES AS DESCRIBED ABOVE, AS WELL AS TO ALTER THE ORDER IN WHICH THE PHASES ARE CONSTRUCTED.

THERE IS NO WARRANTY BY THE SPONSOR THAT THE SPONSOR WILL BUILD THE UNITS IN OR DEVELOP ALL FIVE CONDOMINIUM STRUCTURES DISCUSSED HEREIN.

The dates for the start of construction and substantial completion are anticipated unless delayed by weather, strikes, lockouts, acts of God, shortages of or inability to obtain materials, equipment, or labor; governmental restrictions or preemption, damage by fire or the elements, or any other cause over which the Sponsor has no control.

(2) Class of construction of the project is:

The residential buildings are an R-2 Use Group with a Construction Type II (A) classification. The parking garage is S-2 Use Group with a Construction Type II (A) classification. The clubhouse is A-3 Use Group with a Construction Type II (B) classification. All buildings will conform to all applicable regulations of the Building Code of the State of New York (Building Code).
Type II (A) in the project is as follows:

Types II (A) construction is that type of construction in which the building elements: structural frame including columns, girders, trusses, bearing walls - exterior and interior, floor construction including beams and joists, roof construction including supporting beams and joists are of noncombustible materials and fireproofed as required per Table 601 of the Code.

Type II (B) in the project is as follows:

Type II (B) construction is that type of construction in which the building elements: structural frame including columns, girders, trusses, bearing walls - exterior and interior, floor construction including beams and joists, roof construction including supporting beams and joists are of noncombustible materials without fireproofing as per Table 601 of the Code.

Project is self-certified, Engineer of record, Tadjer Cohen Edelson Associates, Inc. 1109 Spring Street, Silver Spring MD 20910

(3) Certificate of occupancy, type and number:

Certificate of occupancy, type and number:

It is the intention of the Sponsor to obtain Certificates of Occupancy for all elements and units in the development upon completion of that portion of the work as is required by the Village of North Hills. Certificates of Occupancy may be obtained from the Village of North Hills separately for:

a. Parking Structures or any portions thereof.
b. Recreational Facility (Clubhouse) with pools or any portion thereof.
c. One (1) Guard/Gate Houses
d. Five (5) Residential Buildings (Shell Only)
e. Residential units

SPONSOR SHALL OBTAIN A TEMPORARY OR PERMANENT CERTIFICATE OF OCCUPANCY FOR THE CONDOMINIUM UNIT AT OR PRIOR TO CLOSING OF THAT PARTICULAR UNIT.

(4) Alteration permit numbers and description of work done:

The construction is permitted as new construction, not an alteration.
A set of approved site plans have been submitted to the New York State Department of Law.

The legal description of the premises is:

(c) Site:

The land and premises is situated on the southern side of the Long Island Expressway, the northern side of the Northern State Parkway, and the Eastern side of New Hyde Park Road in the

incorporated Village of North Hills, Town of North Hempstead, County of Nassau, and State of New York.

(1) Size: The property is bounded as follows:

Phase I Condominium - Buildings 7 and 8,
Nassau County Tax Map Section 8, Block A
Lot 902

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Commencing at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

THENCE along the southerly side of the Long island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 561.41 feet.

Thence South 00 degrees, 31 minutes, 00 seconds east 621.48 feet.

Thence South 63 degrees, 33 minutes, 45 seconds west, 56.00 feet to the previous most north westerly corner of Tax Lot 902.

Thence the following two (2) courses:

1. North 90 degrees, 00 minutes, 00 seconds east, 18.63 feet.
2. North 00 degrees, 00 minutes 00 seconds east, 4.31 feet to the Northwest corner of the reconfigured corner of Tax Lot 893, around Building 8 and the point or place of beginning

Thence the following seventeen (14) courses along the reconfigured lot line around Buildings 7 & 8.

1. North 90 degrees, 00 minutes 00 seconds east. 192.83 feet.
2. South 00 degrees, 00 minutes, 00 seconds west, 50.75 feet.
3. North 90 degrees, 00 minutes, 00 seconds east, 12.17 feet.
4. South 00 degrees, 00 minutes, 00 seconds west, 26.75 feet.
5. North 90 degrees, 00 minutes, 00 seconds east, 17.42 feet.
6. South 00 degrees, 00 minutes, 00 seconds west, 33.83 feet.
7. South 90 degrees, 00 minutes, 00 seconds, west, 43.08 feet.
8. South 00 degrees, 00 minutes, 00 seconds west, 249.08 feet.
9. South 90 degrees, 00 minutes, 00 seconds, west, 130.17 feet.
10. North 00 degrees, 00 minutes, 00 seconds east, 207.68 feet.
11. North 45 degrees, 00 minutes, 00 seconds west, 20.51 feet.
12. North 00 degrees, 00 minutes, 00 seconds east, 8.07 feet.

13. South 90 degrees, 00 minutes, 00 seconds west, 120.83 feet.
14. North 00 degrees, 00 minutes, 00 seconds, east, 130.17 feet to the to the reconfigured lot corner around Building 7 & 8 And the point of beginning.

Containing within said bounds 57,988.37 S.F.

Phase I Condominium - Buildings 9 and 10,
Nassau County Tax Map Section 8, Block A
Lot 901

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Commencing at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

THENCE along the southerly side of the Long island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 242.05 feet.

Thence South 26 degrees, 53 minutes, 10 seconds east, 128.72 feet to the previous most northwest corner of Building Tax Lot 901,

Thence the following two (2) courses;
1. North 78 degrees, 53 minutes, 03 seconds east, 9.86 feet.
2. North 11 degrees 06 minutes 58 seconds west, 19.78 feet to the Northwest corner of the reconfigured lot corner around Building 9 & 10 and the point or place of beginning

Thence the following fourteen (8) courses along the reconfigured lot line around Buildings 9 & 10.
1. North 78 degrees 53 minutes 02 seconds east. 130.17 feet.
2. South 11 degrees, 06 minutes, 58 seconds east, 410.17 feet.
3. South 78 degrees, 53 minutes, 02 seconds west, 130.17 feet.
4. North 11 degrees, 06 minutes, 58 seconds west, 180.90 feet.
5. North 23 degrees, 53 minutes, 02 seconds, east, 18.31 feet.
6. North 11 degrees, 06 minutes, 58 seconds west, 18.37 feet.
7. North 46 degrees, 06 minutes, 58 seconds west, 18.31 feet.
8. North 11 degrees, 06 minutes, 58 seconds west, 180.90 feet to the reconfigured lot corner. Around Building 9 &10 and the point of beginning.

Containing within said bounds 53,039.95 S.F.

(2) <u>Number of buildings and use:</u>
Each building will include on parking level at grade, Atop this garage will be Residential use structures consisting of two wings of four stories each, connected by a common one-story lobby at grade level and a common use space at the second (Terrace) level.

The approximate areas of the condominiums anticipated to be developed are as follows:

Phase I Condominium (B7&B8)will contain:
64 units and 128 parking spaces; Residential gsf + 43,388 Parking gsf.

Phase I Condominium (B9 & B10) will contain:
60 units and 124 parking spaces; 131,991 Residential gsf + 41,350 Parking gsf
Phase II Condominium are anticipated to contain a total of 120 Units.

There will be a Clubhouse building of approximately 24,263 gsf in the central area of the site consisting of indoor amenities. The amenity portions of the Clubhouse, totaling approximately 19,460 gsf in area, will be owned by the Home Owners Association and managed by the Management Company, and the operating expenses will be borne by the residential unit owners as a common charge.

The site shall also contain an outdoor swimming pool and spa, landscaped streets and walkways, and a guardhouse at each entrance to the site.

(3) Street owned or maintained by the project:

Paving

The street pavement is composed of asphalt. The construction of the roadway is as follows: a 1-1/2" thick n asphalt concrete wearing course, a 2" thick n asphalt concrete intermediate course, and a 6" thick dense grade aggregate base course on a compacted sub-base.
The indoor parking garage floor will consist of concrete.

(i) Curbing and sidewalks:

The curbs will be Belgian block or concrete. The sidewalks will consist of concrete over porous material. Association shall be responsible for maintaining the sidewalks per requirements of the authority having jurisdiction.

(ii) Catch basins, drainage:

The sidewalk slopes away from the buildings providing positive drainage without ponding. Under current approved plans, this site will be graded to conduct storm water away from the buildings. Catch basins are located in the roadway to drain the storm water run-off into the drainage structures of the storm system.

(iii) Street lighting:

Street lighting is provided by pole lights with high-intensity discharge type halogen lamps. Street lights will be located in front of the buildings along the roads as specified pursuant to the approved project site plan. In addition, lighting will be provided to illuminate the driveways to the parking area.

(iv) The aforesaid items are in conformity with local fire district, town, or municipal building codes.

(d) Utilities:

(1) Water and sewer:

Water service will be provided by the Manhasset Lakeville Water District and sewer service will be provided by the Nassau County Department of Public Works. The Home Owners Association will bill individual unit owners for this cost on an apportioned basis as part of the HOA maintenance charges. Sewer usage fees for units will be billed / paid directly by individual unit owners as part of their real estate taxes, based on property assessment value. Sewer usage fees for the common condominium areas and Home Owners Association common spaces (such as the clubhouse, gatehouses, etc.) will be billed / paid by the Home Owners Association as part of their real estate taxes, based on property assessment. The Home Owners Association will bill individual unit owners for this cost on an apportioned basis.

(2) Gas:

Natural gas, for heating, hot water, cooking, fireplaces, clothes dryer, etc., will be provided by National Grid and each residential unit will be separately metered in central locations and billed to each unit owner separately. The cost of the natural gas consumed in the common elements of each condominium building (such as heating and fireplaces) in the Clubhouse and on the site will be separately metered by National Grid and billed to the Home Owners Association. The Home Owners Association will bill individual unit owners for this cost on an apportioned basis.

(3) Electric:

Electricity will be provided by the Long Island Power Authority (LIPA). Each Unit shall be separately metered via meter centers located at the garage level of each building. LIPA will bill individual unit owners directly for their use. The cost of electricity consumed in each condominium's common elements, the Clubhouse, gatehouses, and on the site other than the condominium buildings will be separately metered by LIPA and billed to the Home Owners Association. The Home Owners Association will bill individual unit owners for this cost on an apportioned basis.

(4) Telephone:

Telephone service is expected to be provided by Verizon Communications or another service provider. A minimum of one (1) service outlet for voice, data, and video services will be provided in all living rooms, master bedrooms, and kitchens. Every residential unit owner will be required to pay their associated telephone charge and activation charge if required. The telephone charges with respect to the public areas of the each condominium building (such as the concierge's desk, maintenance offices, etc.) will be borne by the unit owners of that condominium building as a common expense.

(5) **Television / internet service:**

Television and internet service will be provided by:

- Retail supply to be purchased / billed and billed between the individual unit owners and retail suppliers.

Distribution for the above services will be provided to the property through the Main Distribution Frame (MDF) room located in the garage level below the clubhouse which will feed the Intermediate Distribution Frame (IDF) rooms located in the garage level below the residential structures and on each level within the residential structures. A minimum of one (1) service outlet for voice, data, and video will be provided in all living rooms, master bedrooms, and kitchens.

(e) Sub-soil conditions:

The site is primarily underlain by a moderately dense silty fine sand with layers of silt and clay throughout the upper 20 feet. The eastern portion of the site has soft areas of silt, clay, and peat where foundations of Buildings 7 and 8, the southern half of Building 9 and the Clubhouse will transfer loads through piles to the underlying firm silt fine sands. All other buildings will be supported on conventional spread footings.

The soil bearing capacity has been established at 2 tons per square foot under the spread foundations.
The depth of the water table is generally in excess of 100 feet. There is some trapped water near the surface in the low-lying areas of the site where the buildings will be pile-supported. There is no risk of infiltration through the foundation.
Backfilling with free-draining soils, with minimum build up of moisture to be implemented in order to negate ad-freezing stresses at foundation walls.

On-site soils and the imported soils are/will be free of radon.

(f) Landscaping and enclosures:

(1) **Grass cover:**

Lawn areas will be sodded with regionally appropriate turf-grass.

(2) **Plantings:**

Planting beds and raised plantings over structure will include but are not limited to ornamental grasses, perennial groundcovers, deciduous and evergreen shrubs. Container plantings will consist of seasonal rotations of annual and perennial plants.

(3) **Trees:**

Trees will include but not be limited to flowering ornamental and under-story species, deciduous shade tree species and evergreen tree species for screening.

(4) **Fencing:**
There will be fencing or masonry walls along the property lines. The masonry walls will be along the northern side of the property along Power House Road. The fencing around the remainder of the property will be vinyl coated chain link. There will also be decorative metal fencing with masonry piers around the recreation area.

(5) **Gates:**
There will be gates in the fencing separating certain areas or functions within the landscaped areas and around recreational areas, as shown in the attached Landscape Plan. The gates will be decorative metal.

(6) **Garden walls:**
N/A

(7) **Retaining walls:**
There will be some retaining walls in the southern, southeastern, and western property lines of the site. The material for these walls has not been finalized.

(g) **Building size:**

(1) **Total height:**
The Condominium buildings, as measured to the highest point of the highest flat roof, will be approximately 57'-8" in height. The Clubhouse building, as measured to the highest point of the highest flat roof, will be approximately 40'-0" in height. These heights exclude the heights of perimeter mansards, rooftop mechanical rooms, rooftop stair enclosures, and other rooftop structures.

(2) **Crawl spaces:**
None

(3) **Number of sub-cellars and cellars:**
There will be a sub-cellar floor under the club house with 8,743 gsf approximately that will be used for amenities, general services and employee parking.

(4) **Number of floors:**
The Condominium buildings will be 5 stories above grade (1 Parking + 4 Residential). The Clubhouse building will be 2 stories above grade with one story partially below grade. The cellar floor will be common to all condominium and clubhouse buildings.

(5) **Equipment rooms:**
Common area service equipment rooms are located in the parking levels at each building as shown on floor plans.

(6) **Parapets:**

Parapets, although not required per IBC Section 705.11.1 will be formed by mansards of varying heights and shall not be less than 30 inches in height.

(h) Structural system:

The structural design of the foundations and superstructure will be in accordance with the Building Code of New York State, including all regulations for wind and seismic loads.

Foundation walls are reinforced concrete. Walls and columns are supported by reinforced concrete spread footings (f'c = 3,000psi) with 4,000 psf soil bearing capacity (over controlled fill for buildings 7, 8 and 9). See Geotechnical Report by Soil Mechanics Drilling Corp. dated March 27,2014). Slab on grade will be 5" thick concrete (f'c = 5,000psi) (over controlled fill for buildings 7, 8 and 9) with 6x6-10x10 wwf (welded wire fabric),
For in-ground pool, the walls of the pool will be 12' thick concrete (f'c = 5000psi) with #4 rebars at 12" each face, each way, and the slab will be 12" concrete (f'c = 5,000psi) with #4 at 12" rebars top and bottom each way.

The lateral loads for both seismic and wind are resisted by Light Framed Walls with bracing - ordinary moment frames.

(1) Exterior of buildings:

(i) Walls:

All exterior walls shall consist of masonry brick veneer cavity wall, exterior rigid insulation, exterior sheathing, metal studs (size and gauge as required), additional insulation, as required, between the metal studs, vapor barrier, and gypsum board interior finish. All exterior wall assemblies shall have insulation values in compliance with the Energy Conservation Construction Code of New York State and fire resistance ratings in compliance with the Building Code of New York State.

The insulation in the exterior walls is glass-fiber blanket with foil-faced vapor-retarder on one face by Dow Chemical Company or equal to provide a wall R-value of 19.

(ii) Windows:

Exterior windows will be metal clad wood and aluminum with factory-glazed insulating glass. All windows shall be provided with weather stripping and caulking and shall meet the requirements of the Energy Conservation Construction Code of New York State.
Window and door units are designed to withstand without excessive deflection, damage, or impairment of function the higher of the wind or seismic load established by the requirements of the Building Code of New York State.
Windows will meet all State and Local law requirements as to safety. No window guards are required under the current code.

Lot line windows:

None.

(iii) Landmark status:

The building does not have landmark status.

(2) Parapets and copings:

Parapets, although not required per IBC Section 705.11.1 will be formed by mansards of varying heights and shall not be less than 30 inches in height.

(3) Window Sills:

Windows will have pre-cast or cast-stone sloped sills. Window sills and heads will be flashed out through wall and below sill components. Doors will be similar.

(4) Chimneys and caps (materials and locations):

Boiler flues located on the roofs will be constructed of U.L. listed factory-built double wall steel chimney. All vents and caps will be provided in accordance with applicable codes. Bathroom, dryer, and residential kitchen exhaust vents will be provided with central fan systems exhausting to the exterior, where required by code. All fireplaces will be ventless. There are 4 false chimneys per building faced in brick to match building exterior.

(5) Balconies and Terraces:

(i) Deck finish:

Residential balconies and terraces will be stamped concrete and/or pedestal pavers with a waterproofing sealant.

(ii) Balustrade:

There will be glass fiber reinforced concrete pickets at maximum spacing as per code requirements. Some balconies and terraces will have solid masonry walls.

(iii) Railings:

There will be metal powder coated weather resistant railings with heights and maximum openings as per code requirements.

(iv) Copings:

Cast stone coping will be provided at balconies and terraces with solid masonry walls.

(v) Doors to balconies and terraces:

Balcony and terrace doors will be the same construction as the windows. Doors will be glazed with insulated glass and frames will be finished with a custom color.

Doors shall be provided with weather stripping and caulking and shall meet the requirements of New York State Energy Code.

(6) Exterior Entrances:

(i) **Exterior doors and frames:**

The residential lobby entrance doors and frames will be wood and/or aluminum with insulated glass. Exterior entrances, including the primary residential lobbies, will be master-keyed with mechanical or electronic locks.

The egress stair exits will have painted hollow metal doors with hollow metal frames. The vehicular entrances to the garages will have metal roll-up doors. The doors to the residential building roofs will be fire-rated, self-closing, hollow metal doors with metal frames complying with code.

(ii) **Vestibule doors and frames:**

The residential vestibule doors and frames will be anodized aluminum. Exterior entrances, including the primary residential lobbies, will be master-keyed with mechanical or electronic locks.

(iii) **Exterior stairs:**

Exterior stair at Terrace Building 7/8 will be cast-in-place concrete cladded with EIFS.

(iv) **Railings:**

There will be metal powder coated weather resistant railings with heights and maximum openings as per code requirements.

(v) **Mailboxes:**

Mailboxes are located in a designated area in the entrance lobbies on the first floor of the residential buildings. Mailboxes will be approved for use by the U.S. Postal Service. Mailboxes are to be front-loading type.

(v) **Lighting:**

INDOOR LIGHTING:

Lighting will be recessed and /or surface-mounted incandescent, fluorescent, or LED fixtures.

OUTDOOR LIGHTING:

Walkway lighting will be provided and will include but not be limited to bollards, pole, and wall sconce types located at regular intervals.

(7) **Service Entrances:**

Service doors will be fire-rated, self-closing, painted hollow metal doors with metal frames labeled as required by code.

(8) **Roof and roof structures:**

(i) **Flat roofs for all areas:**

(a) **Material:**

The perimeter roofs will be mansard roofs which consist of synthetic slate shingles as a surface finish on nailing board supported by steel framing.

The flat roofs in the central areas of the buildings will be insulated built-up roofing system on concrete slab on metal decking supported by structural steel framing. The pop-up roofs over the higher rooms on the apartments will be insulated built-up roofing system on metal decking supported by structural steel framing. The roof will be sloped to achieve the required drainage. The bulkheads will consist of stairs and elevator overruns. The total roofing assembly system will provide a roofing R-value of 20 of continuous rigid insulation, as required by code.

The material for the roofing system will be an SBS-Modified Bituminous Membrane or equal.

(b) **Insulation:**

Insulation will be tapered as required for proper drainage, and will be installed on the exterior side of the decking. Minimum thickness and R-value will comply with code.

The insulation for the roof will be Composite Polyisocyanurate Board insulation faced with board on one surface and felt or glass-fiber mat facer on the other.

(c) **Surface finish:**

Flat roofs, pop-up roofs, and bulkhead roofs will have roofing membrane finish. The mansard roofs will be finished with synthetic slate shingles.

(d) **Bond or guarantee:**

The roofing system shall be guaranteed by Sponsor's roofing contractor for one year and such roofing system shall include a manufacturer's twenty (20) year warranty on roofing materials.

(e) **Flashing materials including counter flashing:**

Flashing material shall include but not be limited to aluminum cap and base flashing, roofing manufacturer's pre-molded/prefabricated reinforced membrane, or coated metal flashing.

(ii) **Drains:**

(a) **Location, material, and type:**

General purpose cast iron floor drains and area drains will be provided. Roof drains will be cast iron.

(b) **Gutters and leaders:**

Not applicable.

(iii) Skylights:

Skylight at Building 7/8 over Lobby / Amenity area will be anodized aluminum system with 1" insulating glazing.

(iv) Bulkheads:

Bulkhead walls will be constructed with metal stud or concrete masonry back-up walls with exterior cladding. Bulkhead roofs will be metal deck, insulation, and built-up roofing.

(a) Stairs:

There will be two stair bulkheads in the condominium, one in each wing. There will be no stair bulkheads in the clubhouse. Access to the Clubhouse roof will be provided by a rooftop hatch in one of the interior stairs.

(b) Elevator:

There will be low overrun elevator bulkheads for each of the elevators in the condominiums and none in the clubhouse.

(c) Other:

None.

(v) Metalwork at roof levels:

Metalwork at the roof level will consist of ducts and vents. All metalwork will be weather-protected and flashed at each roof penetration.

(a) Exterior metal stairs:

None.

(b) Vertical ladders, including gooseneck:

None.

(c) Railings:

None.

(d) Hatches to roof:

Smoke hatches will be provided at elevator hoistways in accordance with the Building Code of New York State.

(e) Other:

None.

(vi) Rooftop facilities:

None.

(9) **Fire escapes:**
None.

(10) **Yards and Courts:**
Not applicable.

(11) **Interior Stairs:**

(i) **Number of stairs of each type:**
There shall be two interior exit stairs in each of the two condominium wings which shall be of non-combustible steel pan concrete-filled construction. There shall be two interior exit stairs in the Clubhouse of the same type. No winder stairs are designed in Phase 1.

(ii) **Enclosure:**
All stairways will be enclosed in two-hour rated fire walls at all floors.

(iii) **Stair construction:**
All interior exit stairs, including intermediate landings, are to be steel-framed with concrete-filled metal pan stair treads. Stairs will be provided with continuous metal piping railing.

(iv) **Treads:**
All interior exit stairs are to have concrete-filled metal pan stair treads.

(v) **Risers:**
All interior exit stairs are to have metal stair risers.

(vi) **Guardrails:**
Guardrails will be metal. Heights and openings of guardrails shall comply with code requirements.

(vi) **Balustrade:**
Balustrade will be metal. Balustrade shall comply with code requirements.

(12) **Interior doors and frames:**

(i) **Unit entrance and interior doors and frames:**
The entrance door and frame to each Residential Unit will be painted hollow metal frame and painted raised-panel MDF door, 1 and 3/4 inch thick, self-closure, with a chime, a viewing device, and stone saddle. Unit entry doors will be 20-minute fire rated and labeled as required. Residential Unit interior doors will be 1 and 3/4 inches thick, painted raised-panel MDF doors in painted wood frames with saddles where floor finishes change.

(ii) **Corridor doors and frames:**

Corridor doors will be painted, flush-panel, 1 and 3/4 inch thick, hollow metal, self-closure doors with stone saddles. Corridor doors will be fire rated and labeled as required. Frames will be welded steel and conform to door ID and UL numbers.

(iii) **Stair hall doors and frames:**

Stair hall doors and frames will be painted, flush-panel, hollow metal, 1 and ¾ inch thick. Stair doors will be one and ½ hour rated fire proofed self-closure with stone saddles and labeled as required. .

(iv) **Roof doors, basement doors, and frames:**

Bulkhead doors will be hollow metal, self-closing doors with ID number and UL for 1-1/2 hour fire rating. Frames will be welded steel and conform to door ID and UL numbers. Knob latch set is passive from both sides.

Cellar Trash Room and Mechanical Room doors are hollow metal, self-closing doors with ID number and UL number for 1-1/2 hour fire rating. Frame is welded steel and conforms to door ID and UL numbers.

(13) **Elevators:**

There are elevators to the buildings as outlined below. No stair lift is required.

(i) **Number of passenger and service elevators:**

The number of elevators servicing the various buildings will be as follows:

Condominium Building 7 and 8: 2 passenger and 2 passenger/service elevators
Condominium Building 9 and 10: 2 passenger and 2 passenger/service elevators
Clubhouse: 2 passenger and 1 service elevators

Stair lifts are not required.
No winder stairs are designed for the project.

(ii) **Manufacturer and capacity (in pounds and number of passengers):**

The model and manufacturer of the elevators will be Thyssen Krupp – passenger elevator model "Fleetwood 21" or substantially equal and Service elevator model "Continental 45" or equal. The elevators will be new.

The lifting capacity of the elevators will be as follows:

Passenger elevators: 3500 pounds
Service elevators: 3500 pounds

(iii) **Type of operation for each elevator by elevator number or location in building (for large numbers of elevators describe by class-passenger / freight):**

Passenger and service elevators will be hydraulic with machine rooms/closets located at the parking level.

First floor will have fireman service access key and floor indicator.

First floor of each condominium will have Doors on Front and back sides of the elevator with direct access to the Residential Lobby and Parking.

Floors 2 through 5 of each condominium will have Doors on one side of the elevator with direct access to a common corridor.

(iv) Automatic (type of controls):

Elevators will be fully automatic type landing control system with fireman service override. Each elevator will have call station recessed into the wall adjacent to each door frame, and direction indicator with audible and visual signal as per code.

(v) Floors served:

All passenger and service elevators stop at floors 1 through 5 of the condominiums (floors 1 through 3 in the Clubhouse)

(vi) Type:

Elevators will be hydraulic type elevators.

(vii) Doors:

Passenger elevator doors will be automatic, single-speed sliding doors. Service elevator doors will be automatic, two-speed sliding doors.

(viii) Location of machine rooms:

The machine rooms/closets located at the parking level.

(ix) DC motor (manufacturer):

Not applicable.

(x) AC motor-generator set (manufacturer):

As manufactured by elevator manufacturer with microcomputer-based AC / DC integrated modular circuit board controller, or equal

(xi) Other:

A one year elevator maintenance contract will be provided covering all Phase 1 elevators for labor and parts.

(14) Elevator cabs:

(i) Kind (manufacturer):

As manufactured by Thyssen Krupp Elevator or substantially equivalent.

(ii) **Floor (material):**
Stone.

(iii) **Walls (material):**
Stone or stained wood and aluminum.

(iv) **Ceiling (material):**
Stained or painted wood or aluminum.

(v) **Lighting:**
Cove lighting and/or recessed lighting. Some cabs may include one decorative pendant light in the center.

(vi) **Alarm, safety system:**
Alarm shall comply with local building code.

(i) **Auxiliary facilities:**
The Second floor (Terrace level) of each condominium will have a common area containing resident lounge and auxiliary amenity areas.

(1) **Laundry rooms:**
There will be no common laundry rooms. Each of the residential units will be furnished with an electric washer and a gas dryer. The dryers will be mechanically vented to the roof. A lint trap at the bottom of the vent duct will be provided.

(i) **Location and number of rooms:**
None.

(ii) **Clothes washers, number and type:**
None.

(iii) **Clothes dryers:**
None.

(iv) **Room ventilation:**
Rooms to be exhausted at a minimum rate of 1 cfm per sq. feet.

(v) **Dryer ventilation:**
Not applicable.

(2) **Refuse disposal:**
Each of the residential buildings is provided with a refuse disposal system consisting of vertical chute in a centrally located trash room at every floor. Trash room will be ventilated and air conditioned.

(i) **Incinerator:**

There will be no incinerator on the premises.

(ii) **Refuse collector:**

The refuse chute will terminate in the trash room located in the parking garage level. Containers will be provided by a private carting company. Trash rooms will ventilated and air- conditioned.

(iii) **Approvals by authority having jurisdiction:**

Compactor will be approved by Authority having jurisdiction.

(iv) **Initial storage location**

Refuse will be taken from the refuse collection room located in the cellar for pick-up by a private carting company.

(v) **Pick-up schedule, and whether public or private provider:**

Refuse removal will be made by a private carting company and will be an expense of the Home Owners Association.

(3) **Fitness Center:**

There will be a Fitness Center located on the lower level of the Clubhouse.

The fitness center will consist of an exercise equipment room, an aerobics room, separate Men's and Women's locker rooms, restrooms, and showers. Exercise equipment will include but is not limited to treadmills, upright bikes and universal gym equipment.

The natatorium area will consist of an indoor heated swimming pool, a whirlpool and a passive deck

(j) **Plumbing and drainage:**

Domestic hot and cold water piping will be "L" copper tubing. Water distribution system piping will be of hard temper type "K" copper tube below grade, hard temper type "L" copper tube above grade.

(1) **Water supply:**

Water will be supplied by dedicated domestic water service from Manhasset Lakeville Water District. Domestic water booster pumps are provided.

The water mains are manufactured from ductile iron.

The water pressure for domestic water servicing the condominium is provided by street pressure from the Manhasset Lakeville Water District located in the street at the property line. Street pressure feeds the domestic water to the condominium. There are no on-site storage tanks, and the condominium relies on street pressure.

(2) **Fire protection system:**

There is a fire sprinkler system in the subject premises as required by and pursuant to the Fire Code of New York State.

A wet sprinkler system will be installed. The sprinkler mains are manufactured from ductile iron. Sprinkler piping will be black steel.

Water will be supplied by a dedicated fire water line connected to the service water line from Manhasset Lakeville Water District main located on South Service Road and from the well site adjacent to New Hyde Park Road.

Required pressure will be provided by a fire pump if required.

Sprinkler riser and floor control valves are located in stairs on each floor.

Separate riser is provided for trash chute.

When more than one smoke alarm is required to be installed within an individual dwelling unit, the alarm devices shall be interconnected in such a manner that the actuation of one alarm will activate all of the alarms in the individual unit. The alarm shall be clearly audible in all bedrooms over background noise levels with all intervening doors closed.

(i) **Standpipes:**

Standpipes will be constructed of black iron and will be located in the egress stairs. Dry standpipes will be provided throughout the parking garage level as required.

(ii) **Hose racks, hoses, and nozzles (location):**

Hose valves will be provided at fire standpipe locations in the stair enclosures.

(iii) **Sprinkler heads (type, system, location):**

A wet pipe sprinkler system will be provided throughout the Residential buildings including interiors of units and Clubhouse. A dry pipe sprinkler system will be provided throughout the parking garage. The fire sprinkler systems will be in conformance to the Fire Code of New York State, NFPA 13, and the requirements of the Office of the Nassau County Fire Marshal, and other applicable codes.

(iv) **Siamese connection (type, location):**

Siamese connections are located at the front of each wing of the condominium building. A siamese connection will also be provided at the Clubhouse. A dry horizontal standpipe will be provided at each wing of the condominium with siamese connections located at the front and rear of the building.

(3) **Water storage tanks and enclosures:**

There are no water storage tanks or enclosures.

(i) **Number, type, location of each:**
Not applicable.

(ii) **Material:**
Not applicable.

(iii) **Access to tank:**
Not applicable.

(iv) **Capacity:**
Not applicable.

(4) **Water pressure and how maintained:**
Domestic water is provided by the Manhasset Lakeville Water District. Pressure will be provided from the local water utility system and it is anticipated that a pressure booster will be required for the buildings.
Sprinkler system pressure will be maintained at 100 psig at the topmost hose connection.

(5) **Sanitary sewage system:**
Sanitary sewage system is a gravity system, connected to street sewer main.

(i) **Sewage piping (materials):**
Sewer piping material is cast iron, standard weight above grade and service weight below grade.

(ii) **Sewage pumps:**
There will be a sewer ejector pump unless sewage can be routed by gravity.

(iii) **Sewage disposal:**
The sewage system carries both waste and sanitary sewage from each apartment unit. Sewage is carried by gravity to local Nassau County sanitary sewer system.

(6) **Permit(s) required:**
Installation and tie-in permits will be obtained by the plumbing and sprinkler contractors.

Builder to retain the service of an architect or engineer for controlled inspection for borings, sub-grade, drywell installation, concrete, concrete test cylinders, concrete design mix, structural steel, sprinkler, mechanical ventilation and fire-stopping, all in accordance with the requirements of the Building Code of New York State.

(7) **Storm drainage system:**
Gravity roof drainage from roof drains to storm water drainage lines discharging into the on-site leaching pools. The roof storm drainage system is adequate to carry runoff without ponding. Water is disposed of by drains located in all paved areas to the on-site storm sewers to drywells and diffusion wells.

(i) **Catch basins:**

The roadway network will be equipped with catch basins. Storm water runoff on lawn area will be captured via field inlets and drywell structures.

(ii) **Yard and roof drains:**

Cast iron yard and roof drains are connected with storm piping to leaching pools and diffusion wells.

(iii) **Piping:**

Site Drainage piping will be high density polyethylene plastic.

(iv) **Eject or sump pumps:**

There will be ejection or sump pumps where necessary.

(8) **Backflow preventers:**

Each building is equipped with an approved backflow preventer on the incoming domestic water service and fire water service. These devices are located within the main water service room in each building.

(k) **Heating:**

(1) **Heating and distribution of domestic hot water and whether capable of providing peak required services:**

Exterior heating design temperatures are based on Table 302.1 of the Energy Conservation Construction Code of New York State, namely 13 degrees F. dry bulb winter design day; 89 degrees F. dry bulb and 73 degrees F. coincident wet bulb summer design day. Indoor design conditions are 72 degrees F. in the winter and 75 degrees F. in the summer. Heaters are sized to accommodate peak flow demand.
All exterior metals and fasteners shall be corrosion resistant.

Each Residential Unit will be provided with a gas-fired furnace with a split-system DX coil. The condensing unit will be located on the roof.

The Homeowners Association will be responsible for regular maintenance of the above-mentioned equipment. Replacement of the equipment or any part of the equipment beyond the warranty period will be the responsibility of the unit owner.

Common lobbies and entrances to each building from the walkways will be heated by ducted hot air distribution system from gas-fired rooftop equipment and electric cabinet heaters. All exterior rooftop equipment to have corrosion resistant exterior components. The Garage will be tempered by means of hot water fan coil units throughout the space.

(2) **Number of gas-fired water heaters and description:**

Each apartment unit will have one (1) dedicated gas-fired water heater located in a mechanical closet. No instant hot water devices are provided.

(3) **Manufacturer and age of gas-fired water heaters:**
The water heaters provided for the residential units will be model number NPE-210S as manufactured by Navien or equal. The water heaters will be new. The noise emission rating shall be NC 30.

(4) **Manufacturer and age of burners:**
Burners will be internal to the boilers as part of the complete boiler package by the boiler manufacturer. The boilers and burners will be new.

(5) **Type of controls:**
Controls are low-voltage electric type, utilizing seven day programmable thermostats in accordance with the Energy Conservation Construction Code of New York State.

(6) **Radiators, piping, insulation, valves, pumps:**
Radiators and hydronic baseboard units will not be provided. Piping will either be copper or PEX tubing depending upon size. Valves will be brass ball valves. Pipe insulation will be in accordance with the Energy Conservation Construction Code of New York State. Electric baseboard and wall units will be provided in service corridors and vestibules where appropriate.

(7) **Fuel:**
Natural gas is supplied to each unit and connected to burners via shut-off valves. Gas supplied from National Grid gas main at high pressure is metered individually for each apartment. Gas distribution piping is steel pipes with malleable iron fittings. High pressure is not yet confirmed.

(8) **Location:**
The gas lines enter the building at the parking garage level.

(9) **Capacity of oil tank:**
There is no oil tank on the premises.

(10) **Testing and Balancing, Operations Manuals**
Testing and balance report and Operations Manuals shall be provided by sponsor.

(l) **Gas supply:**

(1) **Type:**
Natural gas supplied by National Grid at high pressure. The buildings will be provided with natural gas service for boilers, water heaters, cook tops, and fireplaces.

(2) **Meters:**
Natural gas is metered through individual meters located in an internal meter room – one for each condominium unit. Common area gas meters will be provided for common area heating equipment and fireplaces.

The size of the gas service is to be determined.

The size of the gas risers is to be determined.

(m) Air conditioning:

(1) Type of system:

Split systems and self-contained, single or multi-zoned rooftop package air conditioning systems will be provided to cool common areas such as machine rooms, support areas, service and residential corridors, entrance lobbies, and the fitness center. Units shall be specifically designed for outdoor rooftop applications and include a corrosion resistant weatherproof cabinet, including fasteners.

Cooling design temperatures are based on Table 302.1 of the Energy Conservation Construction Code of New York State, namely 13 degrees F. dry bulb winter design day; 89 degrees F. dry bulb and 73 degrees F. coincident wet bulb summer design day. Indoor design conditions are 72 degrees F. in the winter and 75 degrees F. in the summer.

(2) Central system:

Each condominium building will have in each wing a rooftop mounted makeup air unit with gas heating and electric cooling to provide makeup air and ventilation to service corridors. Each condominium unit will draw off this makeup air via ducted connections to compensate for the exhaust systems (toilet, kitchen, dryer) in use. The corridors will be pressurized as required by code.

(3) Individual units covered by the offer:

Each Residential Unit will be provided with a gas-fired furnace with a split-system DX coil. The condensing unit will be located on the roof.

The Homeowners Association will be responsible for regular maintenance of the above-mentioned equipment. Replacement of the equipment or any part of the equipment beyond the warranty period will be the responsibility of the unit owner.

(n) Ventilation:

Residential kitchens will be provided with range hoods containing exhaust fans discharging into a vertical riser with booster fans on the roof.

Residential toilet and bathrooms will be provided with an exhaust system consisting of an exhaust fan connected to a vertical riser ducted to the roof.

Building ventilation to be provided by roof-mounted ventilation unit at each wing directly ducted into each residential unit. Sound power rating of equipment not to exceed 100db.

The parking garage will have a carbon monoxide detection system that will energize the exhaust fans.–Makeup air will be provided to the garage by intake fans.

(o) **Electrical system:**

Only copper wire will be used for branch wiring. Aluminum wiring will be used #2 AWG and larger.

Lighting circuits will be 15 amp minimum.

Appliance and air-conditioning circuits will be 20 amp.

(1) **Service from main service switchgear:**

The site electrical distribution system will consist of a looped primary feeder system. The feeder system will comprise two underground primary electric circuits for supplying utility owned submersible transformers.

There will be a separate meter servicing and obligating to the condominium owners for common service public spaces.

Meters are located in the lower level garage of each building.

(2) **Service to individual units:**

Electrical power to the individual residential units will be from meter centers located at the garage level via conduit and cable risers.

Electric service to each residential unit will be provided depending on the size of the unit and will range from 150 to 200 amp.

(3) **Compartment switch gear:**

Electrical meters and switchboard are located in cellar level (garage) in electrical meter room. Each individual building will have dedicated electrical risers. These risers will be used to connect residential unit load centers and common area electrical distribution equipment. All switchgear and standby power equipment will be located in the garage level electric service room. Standby power distribution equipment includes an automatic transfer switch and an emergency distribution board. Meters will be on the floors

(4) **Unit service:**

Residential units will be provided with electric panels of the circuit breaker type. The equipment will be rated to comply with the National Electrical Code and takes into account all equipment provided in the Residential Units such as personal computers, air conditioning equipment, microwaves, dishwasher, washing machines, and clothes dryers.

(5) **Adequacy:**

The electrical service provided is adequate for a full complement of modern appliances.

(i) **Service:**

Power circuits will be provided in each residential unit as required by code.
Arc Fault Circuit Interrupters (AFCI) will be provided within residential units.

Tamper resistant receptacles will be provided in apartment units.
Exterior receptacles will be provided with weatherproof point of use covers.
There will not be any 3-way switching.
Each building will have a diesel emergency standby generator that will provide emergency power to life safety loads.

Building 7/8 – The emergency generator (at its closest point) is located 10 feet horizontally away from nearest residential unit with a one story vertical separation between the generator and the nearest unit.

Building 9/10 – The minimum horizontal separation distance is 60 feet from nearest residential unit with a one story vertical separation between the generator and the nearest unit.

All generators are located on grade and all units begin on the second/terrace level.

(ii) Lighting and fixtures:

Outside fixtures shall be waterproof type.
Switched lighting fixtures will be provided in bathrooms, foyers, and kitchens. Fixtures will be incandescent with fluorescent type in the kitchens. A switched receptacle will be provided in rooms without ceiling lighting fixtures.
Public area lighting will be connected to the emergency generators to operate in the event of a power failure.

(iii) Convenience outlets, appliance outlets:

Receptacles will be provided in all rooms in accordance with the National Electrical Code. All appliances will be connected to dedicated circuits or shared circuits denoted as small appliance branch circuits. Ground fault interrupters will be provided as required by code. Tamper resistant receptacles are specified in the dwelling units. Weatherproof receptacles with outdoor point of use receptacles will be utilized in outdoor/pool areas. No three-way switches are designed.

(p) Intercommunication and/or door signal systems, security closed circuit TV:

Telephone, Internet, Cable—Telephone, Internet and Cable will be fed from the Minimum Point of Entry (MPoE) and distributed through a series of conduits and sleeves to the Main Distribution Frame Rooms (MDF) and Intermediate Frame Rooms (IDF) located in common areas. Each residential unit will be provided with access to voice, data, and video services through wiring from the nearest associated IDF closet. Wiring will be installed in each Residential Unit to enable the Unit Owner to obtain telephone and television service at the Unit Owner's expense and / or services provided by the condominium association or the homeowners association.

Each residential unit will be provided with basic telecommunication services from the nearest associated Intermediate Frame Room (IDF).

There will be a stand-alone intercom system to afford the residential unit owner a direct access communication system to the lobby and associated areas of the property. This system may utilize a phone-like device installed near the front entrance of each residential unit.
Closed circuit television cameras will be employed to monitor certain common areas with remote viewing available by security personnel. Monitoring of said cameras will be designed to cover the immediate area within view of the cameras but will not necessarily cover all of the area involved. Access to the individual units will be by mechanical or electronic keyed locking hardware.

(q) Public area lighting:

Residential building corridors will be lit as required by code by surface mounted wall fixtures or recessed ceiling fixtures. Fixtures will be fluorescent, incandescent, or LED.

Service corridors, lobbies, and stairs will be lit with surface mounted fluorescent fixtures and shall be illuminated according to code requirements for egress and emergency lighting.
Emergency lighting will be powered by the emergency generators.

Landscaped walkways and sitting/play areas will be lit to emphasize specific site features.

(r) Garages and parking areas

Automobile access to the parking area in the ground floor is by means of two asphalt driveways as shown on the attached Site Plan. There will be no fewer than 488 parking stalls. Handicapped parking stalls will be provided as per code requirements. Access from / to the garage to / from the residential units will be provided by passenger and service elevators. Stairs will serve the egress requirements as required by code.
Sponsor intends to complete construction of at least 128 parking spaces allocated to Condominiums Three and Four prior to closing of the first unit included within this condominium offering plan.

(1) Location of garages:

The garage is located on the ground floor of each building.

(2) Location of parking areas:

Parking spaces are located in the garage on the ground floor of each building.

(3) Surfaces:

The garage floor will be a reinforced concrete slab on grade.

(4) Parking:

Parking will be self-parking and optional valet type parking managed by the managing agent.

(5) Garage ventilation:

The parking garage will have a carbon monoxide detection system that will energize exhaust fans. Makeup air will be provided by intake fans.

(6) **Garage fire protection:**
The garage will be provided with a dry pipe sprinkler system.

(7) **Drainage:**
Driveway and parking areas will be served by floor drains where required.

(8) **Parking stalls:**
Parking stalls will be striped with epoxy, reflectorized 6 mil thick and 6" wide.

(9) **Safety Signs:**
All Safety signs will be of type B reflectorized i.e. Stop / Yield, Exit / Entrance signs but not limited to. Traffic safety signs of the following type will be found throughout the site;

Stop
Yield
Roundabout
Do Not Enter
One Way
Divided Island

The Board of Directors of the homeowners association shall be responsible for the maintenance of all safety and warning devices.

(10) **ADA Parking Stalls:**
Building 7, 8, 9 and 10 each have three (3) ADA parking stalls located next to the lobby entrance.

(s) **Swimming pools:**
The property will have one indoor and one outdoor pool to be constructed with either gunite or steel materials.

The indoor pool is located in the lower level of the clubhouse adjacent to the fitness center. It is 20 ft wide by 46 ft long and 5 ft deep lap pool with an occupant load of 62 for the pool and deck areas. This pool will be the main element in the aquatics area of the clubhouse which will also have a whirlpool, and separate male and female facilities with changing areas, lockers, restrooms, saunas, seating areas, and showers.

The outdoor pool and spa is located in the central landscaped area by the clubhouse. A fence will enclose the pool area as per code requirement.

There will be an outdoor open, roofed bar structure.
The outdoor pool, landscaped area, and bar structure will be provided as part of Phase I improvements.
Pool equipment will consist of:

1) Heater; Ray Pak P962 natural gas heater with 14" flue.
2) Filters: 2 Pentair Triton TR 100C 30"- C101A. NSF rated 98 GPM max. ea.
3) Pumps: 1 Pentair CM-50, 1 PH 230V, 130 GPM at 68' TDH with spare strainer basket.

4) Flow Meters: 1 Blue-White AS100
5) Thermometer: 1 AHSCROFT

(t) Tennis courts, playgrounds, and recreation facilities:

There are no tennis courts or playgrounds.

Indoor recreation space is provided in the Clubhouse, which includes but is not limited to the following spaces:

- Fitness center with indoor natatorium
- Women's and Men's restrooms
- Private Event rooms
- Game room / billiards room
- Media room
- Outdoor terraces

The fitness center on the lower level will consist of an exercise equipment room, an aerobics room, separate Men's and Women's locker rooms, restrooms, and showers. Exercise equipment will include but is not limited to treadmills, upright bikes, and universal gym equipment. The natatorium area will consist of a swimming pool, a whirlpool, and a passive deck as described above.
The indoor recreation space in the Clubhouse is intended to be completed prior to closing of the first unit included within this condominium offering plan.

Outdoor recreation facilities which are also part of the clubhouse will consist of outdoor pool and spa with a sundeck. The pool area with deck and lawn will be enclosed by fencing. The outdoor recreation facilities are currently intended to be completed with Phase III of the Project development plan.

(u) Permits and certificates

The project received a Certificate of Approval of Realty Subdivision Plans from the Nassau County Department of Health on August 7, 2008. The project will be constructed under a new building application. Building plans have not yet been approved by the local authority having jurisdiction on this project. All required permits will be obtained including but not limited to the following:

- Site Work Permit
- Building Permits – Separate building permits for each of the buildings: condominiums, units, clubhouse and guard houses. This will allow separate Certificates of Occupancy to be issued upon completion.
- NC Fire Marshal – Approval for the site and the smoke detection / fire alarm system and sprinkler systems.
- NC Health Services
    - Sanitary waste unit for food services at Clubhouse.
    - Pool / Health Club Facility
    - RPZ's (2) (along with Water District)

- NYS DOT – Final curb cut approvals & permits
- NC DPW
    - Final curb cut approvals & permits
    - Signalization approvals & permits
    - Permits for off-site improvements – curbs, sidewalks
    - Sewer connection (Sewer District)
- Water District
    - RPZ approval & on-site hydrant approvals
    - Water availability letter – *Refer to Certificate of Approval received on 8/6/2007*
- LIPA & National Grid – Electric and gas availability letters
- Sewer District – Sewer availability and connection approval – *Refer to Certificate of Approval received on 8/6/2007*
- Annual or periodic inspections
    - V of North Hills – Elevator permit
    - V of North Hills – Public assembly permit
    - NC Fire Marshal – Sprinkler & fire alarm inspections
    - NC Health Department – Health Club facility – pool
    - Water District – RPZ permits (hydrant inspection)

Inspections:
Builder to retain the service of an architect and/or engineer for controlled inspection for borings, sub-grade, drywell installation, concrete, concrete test cylinders, concrete design mix, structural steel, sprinkler, mechanical ventilation and firestopping, in accordance with the requirements of Code.

(v) Violations:
None.

(w) Unit information (dimensions and information):

(1) Residential Unit information:
See Site Plans, Condominium Key Plans, and Unit Plans.

Ceiling heights in the Residential Units will range from approximately 10.5 feet to approximately 11.7 feet. Higher ceilings may be provided in some penthouse unit living areas. Ceiling heights at bathrooms, kitchens, vestibules, and foyers in the Residential Units will typically be at approximately 9 feet. Ceiling heights in the public corridors will be approximately 9 feet. At beam drops and / or where there are concealed mechanical pipes, ducts, or dropped ceilings, heights may be lower than the above-stated heights and may also vary from room to room.

(2) Dimensions of the Units and Condominiums:

The approximate floor area of each Unit has been measured from the exterior side of the exterior building walls to the centerline of the interior walls and partitions separating the

Unit from adjacent units, stairs, elevators, or any other common elements, and to the corridor side of the wall between the Unit and the public / service corridor. Columns, pipe chases, and mechanical shafts are not deducted for the purpose of floor area measurements.

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall within a room or space. The Sponsor reserves the right to make changes due to field conditions in accordance with the Offering Plan.

(3) Residential Unit finishes, fixtures, and appliances

Finish Schedule for Residential Units – Typical for Condominium Four					
LOCATION	**FLOOR**	**WALL**	**BASE**	**CEILING**	**REMARKS**
Foyer	Wood	Painted gypsum board	Painted wood	Painted gypsum board	
Service Corridors	Carpet	Painted gypsum board	Vinyl or rubber base	Acoustical tile	
Residence Corridors (outside units)	Carpet and stone	Upholstered wall panels, painted wood trim, and painted gypsum board	Painted wood	Painted gypsum board	
Living/Dining room, closets, all other rooms and halls in Unit	Wood	Painted gypsum board	Painted wood	Painted gypsum board	
Bedroom	Wood/carpet option	Painted gypsum board	Painted wood	Painted gypsum board	
Master Bathroom	Stone or marble tile	Stone or marble tile on water-resistant gypsum board and painted gypsum board	Stone or marble tile	Water-resistant gypsum board	Full-height stone or marble tile at stall showers. Backsplash at tub walls. Wainscot or base elsewhere, stone or marble vanity tops, full-

					width mirror with sconces.
Bathrooms	Porcelain tile or stone tile	Porcelain or stone tile on water-resistant gypsum board and painted gypsum board	Porcelain or stone tile	Water-resistant gypsum board	Ceramic tile or stone to one course above showerhead at stall showers and showers over tub. Backsplash at tub walls. Wainscot or base elsewhere, stone or marble vanity tops, full-width mirror.
Kitchen	Wood flooring	Painted gypsum board	Painted wood	Painted gypsum board	Stone countertops & glass mosaic backsplash.
Laundry closet	Porcelain tile	Painted gypsum board	Painted wood	Painted gypsum board	
The Residential Units will be provided with the above finishes subject to Sponsor's right to substitute materials of equal or better quality than those set forth in this report.					

Bathroom Fixtures for Residential Units – Typical for Condominium Four	
Water Closet	Master bath: Kohler, Memoirs line, White Secondary bath: Kohler, Memoirs line, White
Bathtub	Master bath: Kohler, Underscore Bubblemassage, White Master bath (corner): Kohler, Sojourn Bubblemassage, White Secondary bath: Kohler, Dynametric line, White
Shower pan	Stone tile.
Lavatory	Master bath: Kohler, Ladena line, White Secondary bath: Kohler, Bolero line, White Powder room: Town Basin Set, White

The Residential Units will be equipped with the above fixtures subject to Sponsor's right to substitute materials, fixtures, and equipment of equal or better quality than those set forth in this report.

Kitchen Appliances for Residential Units – Typical for Condominium Four	
Gas range	Wolf, gas cooktop
Sink	Kohler, Undertone line, single bowl, stainless steel
Dishwasher	Asko, stainless steel or equal
Refrigerator	Sub-Zero, stainless steel
Microwave oven	Sharp, Insight Pro line, stainless steel
Double Oven	Wolf, stainless steel
Undercounter refrigerator	Sub-Zero, stainless steel or custom cabinet panel
The Residential Units will be equipped with the above appliances / items subject to Sponsor's right to substitute materials, fixtures, and equipment of equal or better quality than those set forth in this report.	
Laundry Appliances for Residential Units – Typical for Condominium Four	
Electric Washer: GE (model WT32I362SB) or equal Electric Dryer: GE (model DPVV890E) or equal The Residential Units will be equipped with the above appliances subject to Sponsor's right to substitute materials, fixtures, and equipment of equal or better quality than those set forth in this report.	
Fireplaces for Residential Buildings – Typical for Condominium Four	
Unit Fireplace: Majestic Fireplace (model UVDR36) or equal Lobby Fireplace: Majestic Fireplace (model UVSRC36A) or equal All Residential Units will be equipped with the above appliances subject to Sponsor's right to substitute materials, fixtures, and equipment of equal or better quality than those set forth in this report.	

(i) <u>Finish schedule of spaces other than units:</u>

<u>Clubhouse:</u>

Finish Schedule for Clubhouse

LOCATION	FLOOR	WALL	BASE	CEILING	REMARKS
Lobby	Stone or marble tile	Wood veneer panels	Stone or marble base	Painted gypsum board	
Pre-function	Carpet	Wood veneer panels	Painted wood	Painted gypsum board	
Formal Dining / Private Dining	Carpet	Wood veneer panels, vinyl and fabric wall covering	Painted wood	Painted gypsum board	
Bar Lounge	Carpet	Wood veneer panels, vinyl wall covering	Stained wood	Painted gypsum board	
Media Room	Carpet	Wood veneer panels, vinyl and fabric wall panels	Stained wood	Painted gypsum board	
Game Room	Carpet	Vinyl wall covering	Stained wood	Painted gypsum board	
Banquet Room	Carpet	Fabric wall panels	Painted wood	Painted gypsum board or decorative lay-in tile	
Prefunction	Carpet	Fabric wall panels	Painted wood	Painted gypsum board or decorative lay-in tile	
Public Restrooms	Marble or stone tile	Marble or stone tile, vinyl wall covering	Marble or stone base	Painted gypsum board	
Fitness Room	Carpet, suspended wood floor	Vinyl wall covering	Painted wood	Painted gypsum board or decorative lay-in acoustical tile	
Changing Room	Porcelain tile	Porcelain tile, vinyl wall covering, glass tile	Porcelain tile	Water-resistant gypsum board, painted	Full-height porcelain tile, at granite countertops, full-width mirror.
Fitness Restroom	Porcelain tile	Vinyl wall covering, glass tile	Porcelain tile	Water-resistant gypsum board, painted	Granite tops & backsplash

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Office	Carpet	Vinyl wall covering	Painted wood	Painted gypsum board or decorative lay-in acoustical tile	
Board Room	Carpet	Wood veneer panels, fabric wall covering	Painted wood	Painted gypsum board	
Storage	Carpet	Painted gypsum board	Rubber base	Painted gypsum board or lay-in acoustical tile	
Indoor pool and spa	Porcelain tile	Porcelain tile on water-resistant gypsum board and painted gypsum board	Porcelain tile	Water-resistant gypsum board	
The Clubhouse will be provided with the above finishes subject to Sponsor's right to substitute materials of equal or better quality than those set forth in this report.					

(j) Safety and warning devices:

Addressable ADA-compliant fire alarm system including smoke detectors, heat detectors, pull stations, and horn-strobes as well as carbon monoxide detectors will be provided in the common areas and the units in accordance with the requirements of NFPA, NYS Building Code and Nassau County Fire Marshal.

The manufacturer and model of the smoke detectors will be SIGA-PHS and smoke detector with sounder base SIGA-AB4G, (Edwards Fire Alarm System model EST 3FACP) or equal and the manufacturer and model of the carbon monoxide detectors is Ultraguard model 12 VDC or equal.

(k) Additional information:

1. Area Map
2. Site Plan
3. Landscape Plan
4. Master Key Plans (with Unit designations)
   a. Ground Floor
   b. Second Floor
   c. Third Floor
   d. Fourth Floor
5. Condominium / Unit Plans
6. Clubhouse Plans

THE FULL ADDRESS OF THE ARCHITECT IS

Lessard Design Inc., P.C.
8521 Leesburg Pike
Suite 700
Vienna, VA 22182

I hereby certify that I and / or a member Lessard Design Inc. reviewed the Architectural Plans for the Residential Building Design prepared Lessard Design Inc. on January 13, 2014 and that I and / or a member of Lessard Design Inc. reviewed the Architectural Plans to confirm that they conform to New York State Standards.

The Specifications were prepared in January 2014, when the Permit documents were completed.

Dated: April 18, 2014

Christian J. Lessard, AIA
Lessard Design Inc., P.C.
8521 Leesburg Pike
Suite 700
Vienna, VA 22182

REGISTERED ARCHITECT
CHRISTIAN J. LESSARD
APR 18 2014
020072-1
STATE OF NEW YORK

SEAL

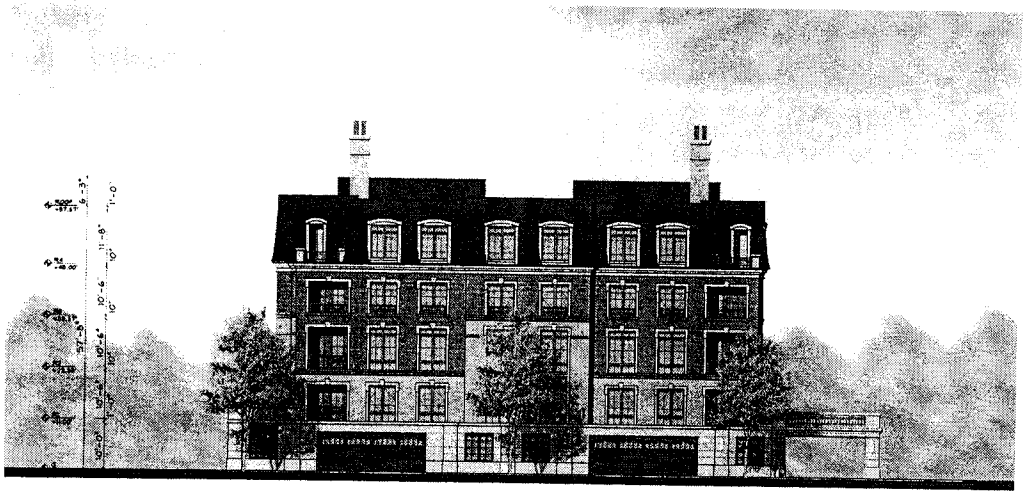
Sworn to before me
This18th day of April, 2014

Notary Public, State of Virginia

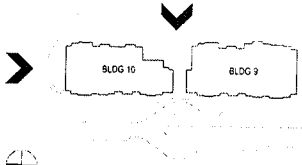
JEAN TWYMAN PETERSON
COMMONWEALTH OF VIRGINIA
REGISTRATION NO. 7087689
MY COMM. EXPIRES 03/31/2015
NOTARY PUBLIC



EAST ELEVATION



NORTH ELEVATION



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BUILDINGS 9&10 - ELEVATIONS

SITE PLAN AMENDMENT

THE RITZ-CARLTON RESIDENCES

NORTH HILLS, NEW YORK

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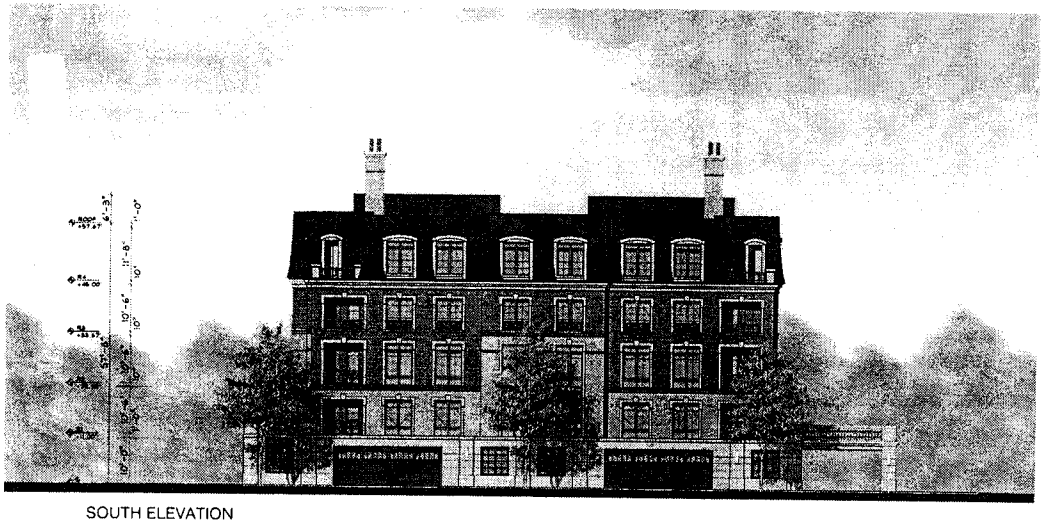
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WEST ELEVATION



SOUTH ELEVATION



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BUILDINGS 9&10 - ELEVATIONS

SITE PLAN AMENDMENT

THE RITZ-CARLTON RESIDENCES

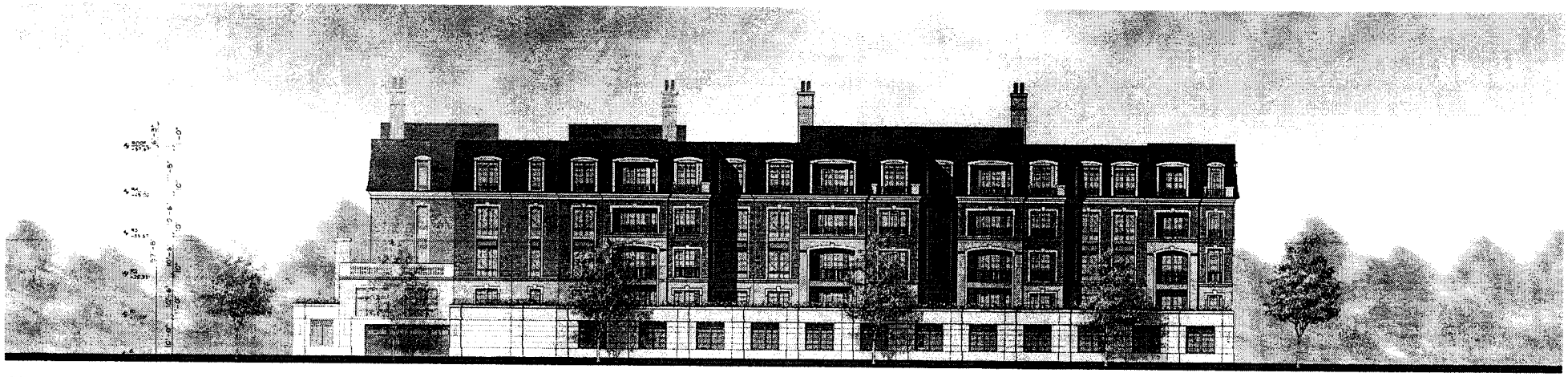
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OCT 01 2013
RXR 0048

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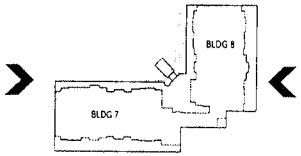
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SOUTH ELEVATION



NORTH ELEVATION



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BUILDINGS 7&8 - ELEVATIONS

SITE PLAN AMENDMENT

THE RITZ-CARLTON RESIDENCES

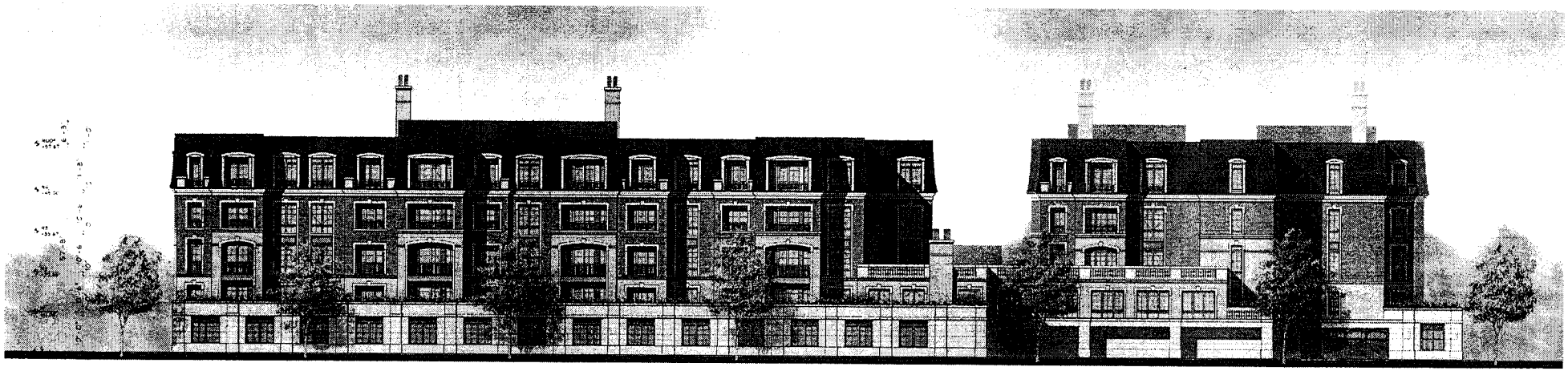
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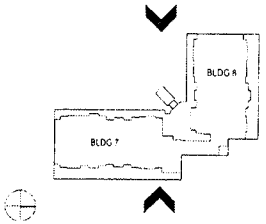
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EAST ELEVATION



WEST ELEVATION



KEY PLAN

EXHIBIT "A"

STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA
99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
Governor

CESAR A. PERALES
Secretary of State

SOUTHERN REGION – BOARD OF REVIEW

In the Matter of the Petition of
RITZ CARLTON RESIDENCE
For a Variance to the New York State
Uniform Fire Prevention and Building Code

DECISION

PETITION NO. 2013-0396

Upon the application of Ritz Carlton Residence filed pursuant to 19 NYCRR 1205 on October 2, 2013, and upon taking testimony and hearing argument thereon at a duly noticed hearing before the Southern Region – Board of Review held at the Perry B. Duryea Jr. State Office Building, 250 Veterans Memorial Highway, Hauppauge, New York, on October 10, 2013, and upon all other papers in this matter, the Board makes the following determination

NATURE OF GRIEVANCE AND RELIEF SOUGHT

The petition pertains to a new development of buildings. The subject buildings are of mixed R-2, permanent multiple residence, and S-2, parking garage occupancies, a maximum of five stories in height, of Type 2 and Type 1A construction. The building development is located at 95 Powerhouse Road in the Incorporated Village of North Hills, County of Nassau, State of New York.

The Petitioner is seeking relief from:

19 NYCRR Part 1225, The Fire Code of New York State, Section 503.1.1, which requires that approved fire apparatus access roads shall be provided for every facility, building, or portion of a building hereafter constructed or moved into or within the jurisdiction. The fire apparatus access road shall comply with the requirements of this section and shall extend to within 150 feet of all portions of the facility or any portion of the exterior wall of the first story of the building, as measured by an approved route around the exterior of the building or facility.

Exception 1 permits the distance to be 300 feet where the building is equipped throughout with an approved automatic sprinkler system, installed in accordance with Section F903.3.1.1 or Section F903.3.1.2, when approved by the Code Enforcement Official. [The petitioner requests that an access road through the center of the development serve as the approved fire access road for all buildings in the development.]

19 NYCRR, Part 1225, The Fire Code of New York State, Appendix D, Section D105.2, which requires that fire apparatus access roads shall have a minimum unobstructed width of 26 feet in the immediate vicinity of any building or portion of building more than 30 feet in height.

The Petitioner requests that two 20 foot wide roads through the center of the development serve as the approved fire access road for buildings located at the north of the development.

FINDINGS OF FACT

1. A Group R-2, residential-condominiums occupancy development in five paired buildings is proposed at subject property location.
2. After considerable deliberations involving the Office of The Fire Marshal and local and State officials, a layout, with a main access road running through the center of the property, was agreed to.
3. The centerpiece of the development is a clubhouse with an accessory swimming pool and recreational facilities.
4. The main access road runs through the center of the development and loops around the clubhouse building and recreational area. This road will connect to New Hyde Park Road in the south and the Long Island Expressway service road to the north.
5. The five, five-story residential buildings surround the main access road following the run of the property line.
6. The rear walls of the multiple residence building are as close as approximately 24 feet from the property line, making it impossible to locate viable fire access roads at the rear of these buildings.
7. Section 509.2 of The Building Code of New York State has special provisions which allow the building's parking structure to be regulated separately from the multiple residence buildings above.
8. The parking garage will be located at the first story level and should adequately supply parking for the residents and guests so as to eliminate the need for parking on the main access road through the development.
9. All the buildings in the development and the entire parking garage will be fully sprinklered in accordance with NFPA 13. For this reason, the Fire Marshal and the local building officials are agreeable to regulating the buildings under Exception 1 of Section 503.1.1 of The Fire Code of New York State, which allows the reach of fire hoses following a path around a building to be within 300 feet of the fire access road.

10. 300 foot fire hoses, extended from optimally located fire trucks, would not completely encircle three residential buildings located east of the central fire access road.

11. The Petitioner proposes to place dry hydrant valve outlet connections at the rear of these buildings to cover gaps beyond such extended fire hoses.

12. Each hydrant valve outlet connection is to be connected to a dry pipe line with an inlet connection at the other end. These pipelines can be charged with water as needed by Fire Department personnel by connecting the dry pipe inlet via hose to a fire truck. A total of three of these outlet-inlet combinations are proposed throughout the development to serve the rear of the three buildings located east of the central fire access road.

13. A decorative landscaped median is proposed to separate the north portion of the central fire access road into two 20 foot one-way roads instead of a single 26 foot wide road.

14. The landscaped median does not appear to significantly impede Fire Department access.

15. The Office of The Fire Marshal of Nassau County has voiced support for the site layout presented at this hearing.

16. The Board has expressed concerns that during phased construction, all access roads shall be maintained clear and accessible for emergency response.

CONCLUSIONS OF LAW

The Board finds that strict compliance with the provisions of the Uniform Fire Prevention and Building Code would entail practical difficulty or unnecessary hardship and would be unnecessary in light of alternatives which ensure the achievement of the Code's intended objective, or in light of alternatives which without a loss in the level of fire safety, achieve the Code's intended objective more efficiently, effectively and economically. The granting of this variance will not substantially adversely affect the Uniform Code's provisions for health, safety, and security.

DETERMINATION

WHEREFORE IT IS DETERMINED that the application for a variance from 19 NYCRR Part 1225, The Fire Code of New York State, Section 503.1.1, and 19 NYCRR, Part 1225, The Fire Code of New York State, Appendix D, Section D105.2, be and is hereby PROPOSED TO BE GRANTED with the following conditions:

1. That no surface parking shall be allowed on the main access road through the development in order to allow optimal placement of fire trucks in an emergency.

2 That the use of dry or wet hydrant valve connections in the rear of the three buildings east of the central fire access road shall be provided, subject to the approval of the authorities having jurisdiction, and local Fire Department.

3 That an approved fire safety plan be submitted to the authorities having jurisdiction, including but not limited to provisions to maintain the integrity of the firefighting water supply and access to all safety equipment and features at all times, and under all weather conditions, including all phases of construction.

4 That the buildings throughout the complex shall have fire sprinkler systems installed in accordance with NFPA 13, as proposed by the Petitioner.

5 That the building shall comply in all other respects to the provisions of the Uniform Code, including but not limited to the applicable provisions of Section 502.9 of The Building Code of The State of New York.

Furthermore, it should be noted that the decision of the Board is limited to the specific building and application before it, as contained within the petition, and should not be interpreted to give implied approval of any general plans or specifications presented in support of this application.

Chairman Richard Magee and members, Robert Peterson & Pey-Lin Nee, all concur.

So ordered.

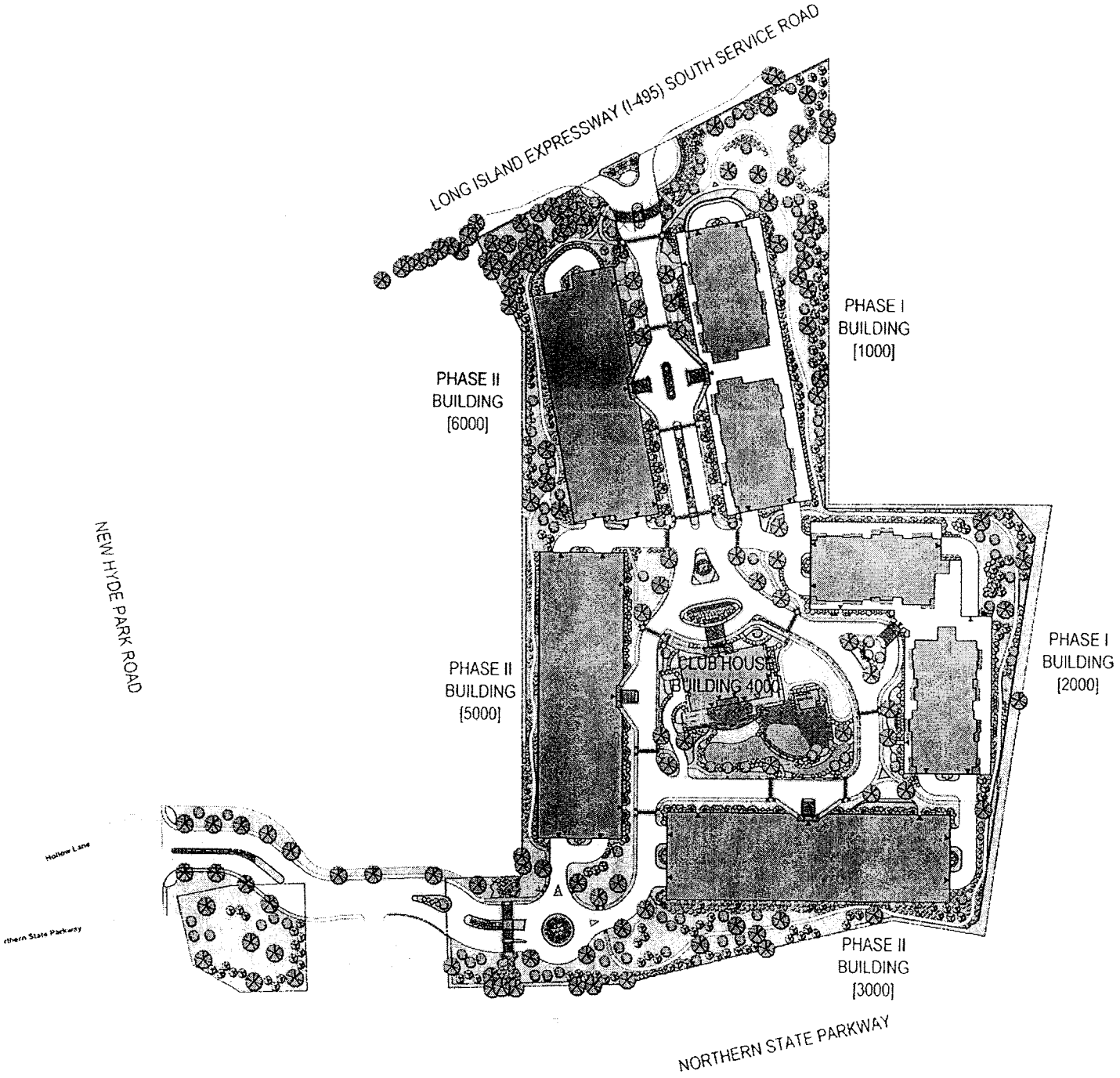
Southern Region – Board of Review

Richard Magee

By: Richard Magee, Chairman

Date: 11/22/13

CFG:eh



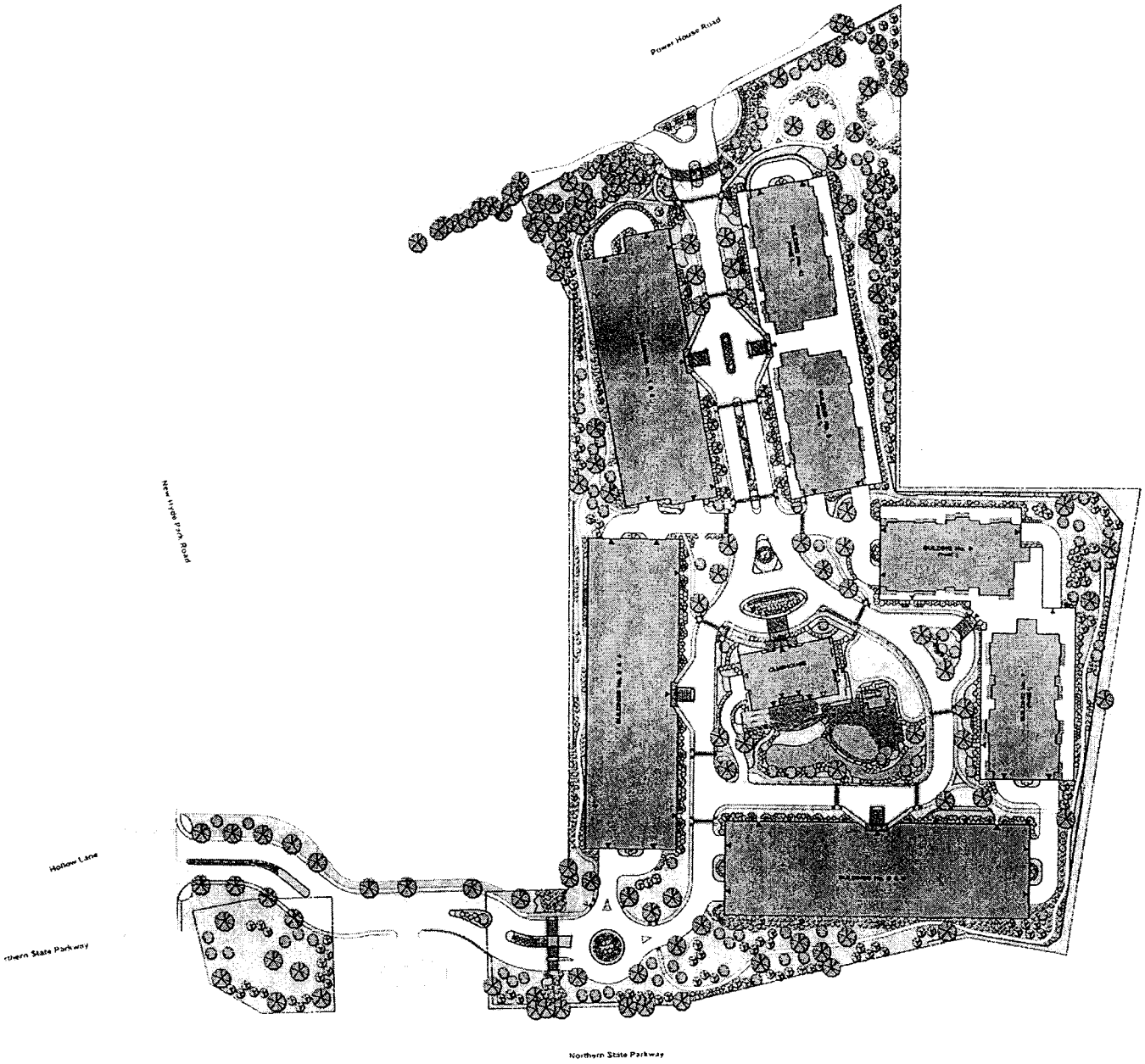
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SITE PLAN

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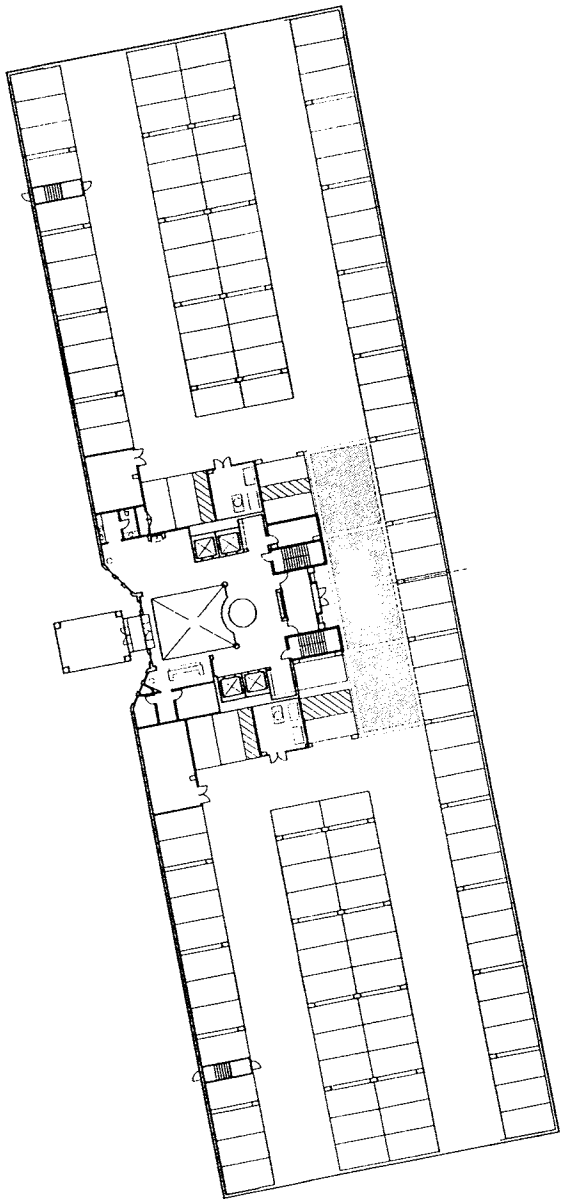
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LANDSCAPE PLAN

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SCALE: NOT TO SCALE



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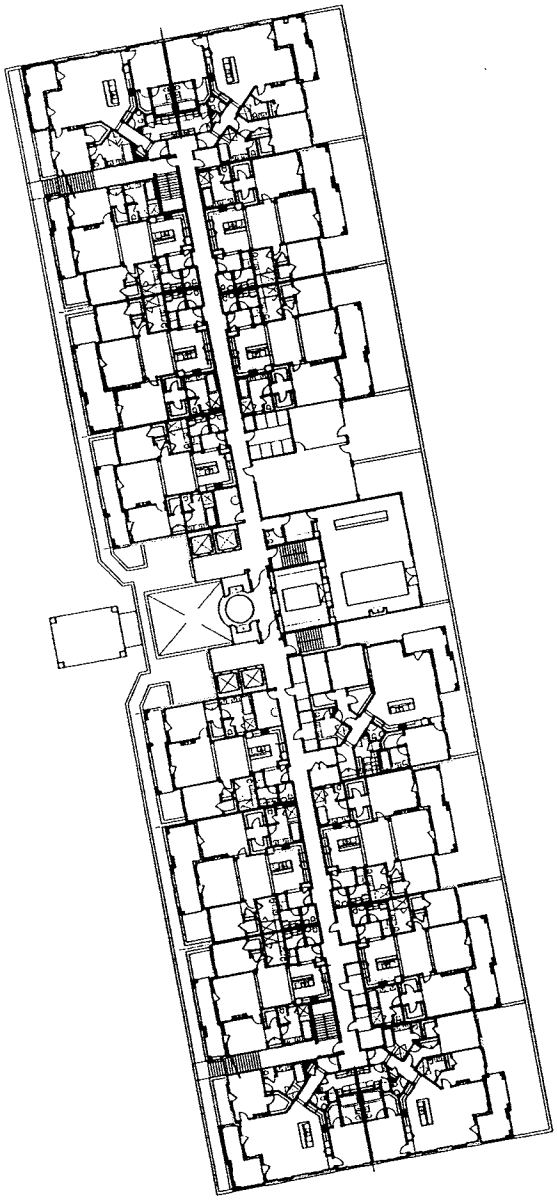
GROUND FLOOR PLAN

BUILDING 1000

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

NOVEMBER 08, 2013
RXR 004B

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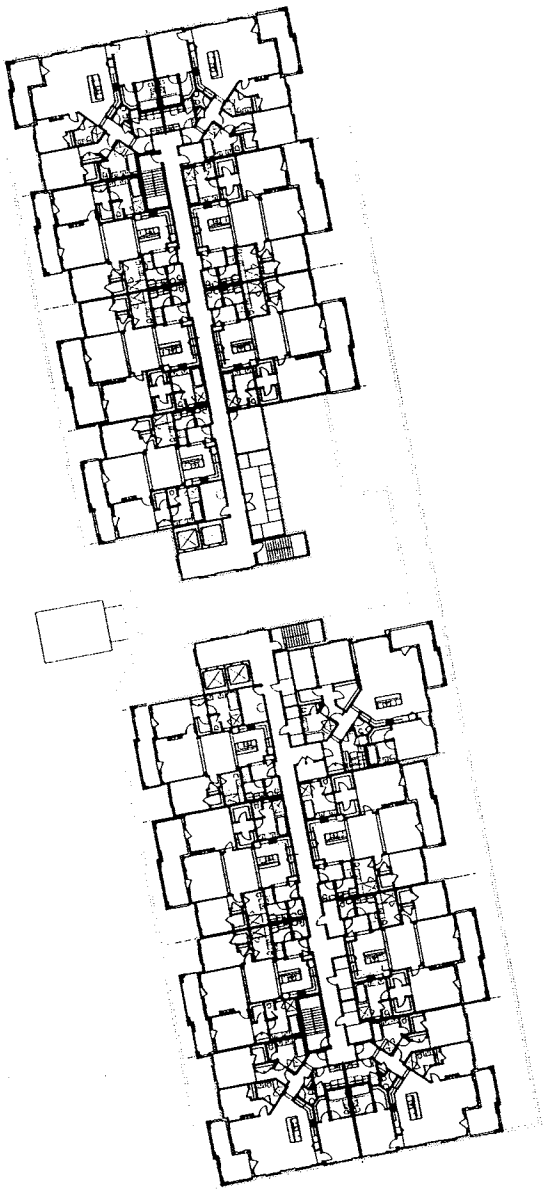
TERRACE LEVEL PLAN

BUILDING 1000

340 THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

NOVEMBER 08, 2013
RXR.004B

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SCALE: 1/64" = 1'



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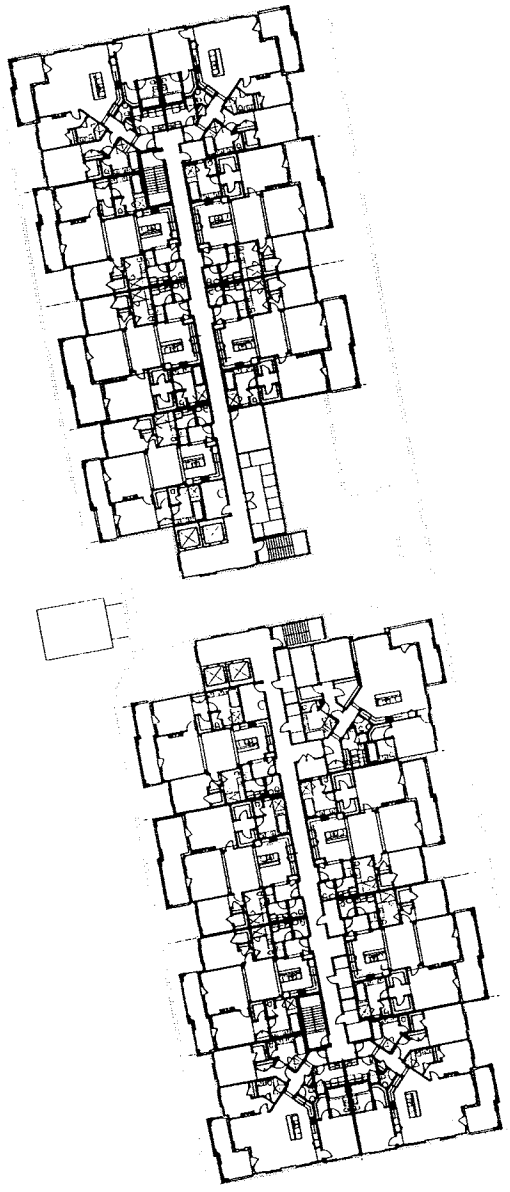
2ND & 3RD LEVEL PLAN

BUILDING 1000

NOVEMBER 08, 2013
RXR.004B

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NORTH HILLS, NEW YORK
RXR

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SCALE 1/64" = 1'



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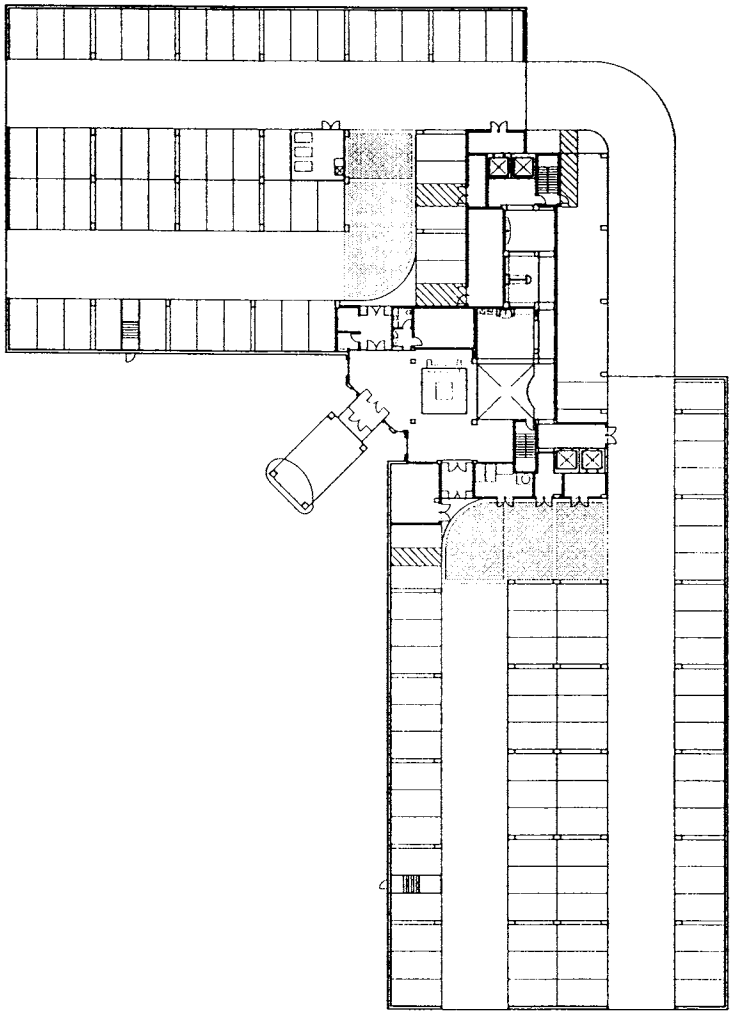
PENTHOUSE LEVEL PLAN

BUILDING 1000

NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 16' 32' 64'
SCALE 1/64" = 1'



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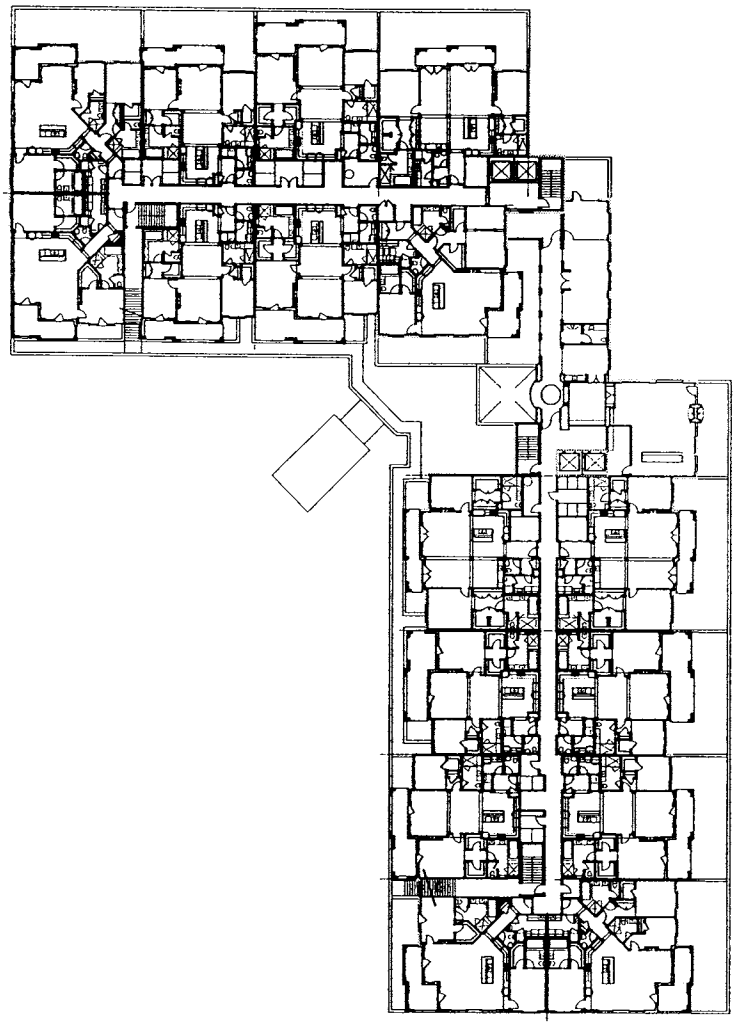
GROUND FLOOR PLAN

BUILDING 2000

NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
343 NORTH HILLS, NEW YORK
RXR

0 16' 32' 64'
SCALE: 1/64" = 1'



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TERRACE LEVEL PLAN

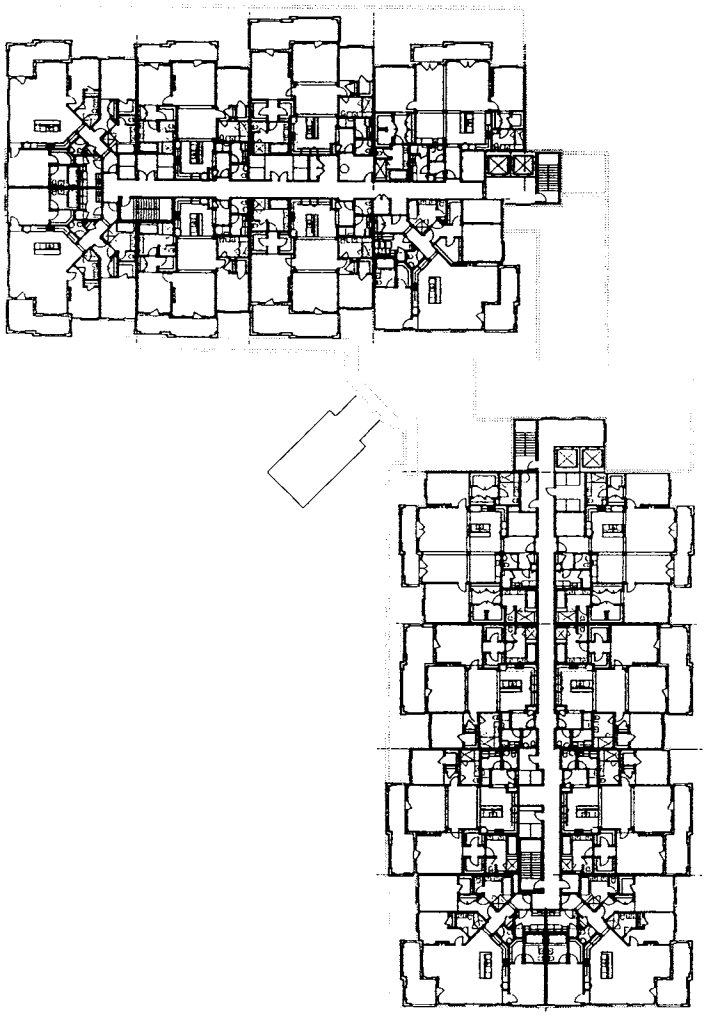
BUILDING 2000

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK

RXR

NOVEMBER 08, 2013
RXR 004B

0 16' 32' 64'
SCALE: 1/64" = 1'



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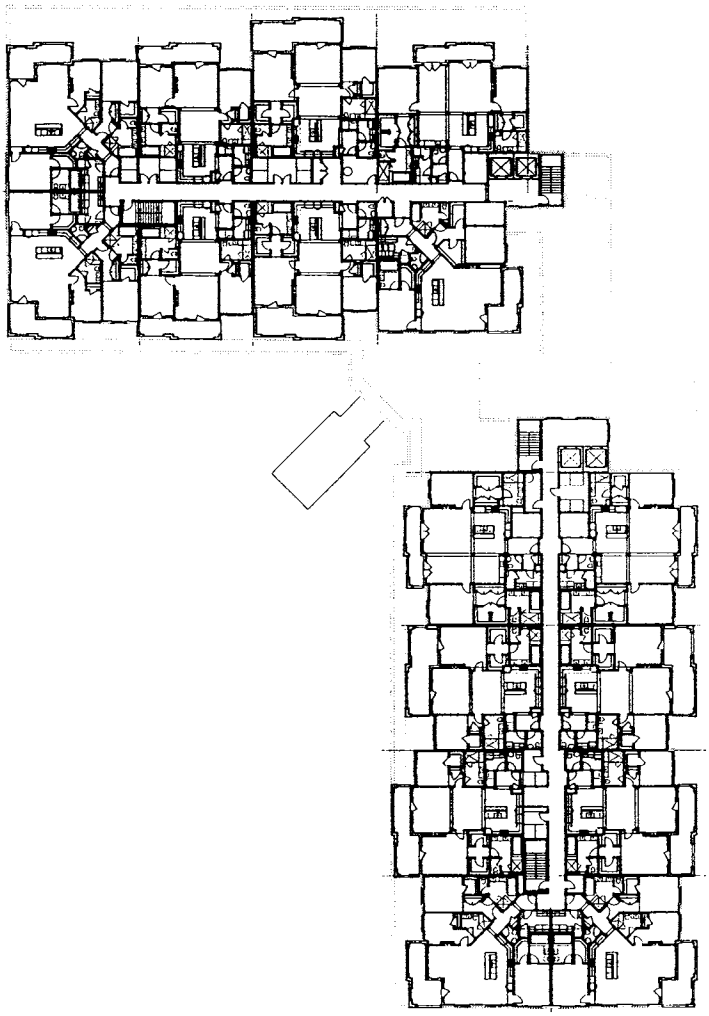
2ND & 3RD LEVEL PLANS

BUILDING 2000

345 THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

NOVEMBER 08, 2013
RXR.004B

0 16' 32' 64'
SCALE: 1/64" = 1'



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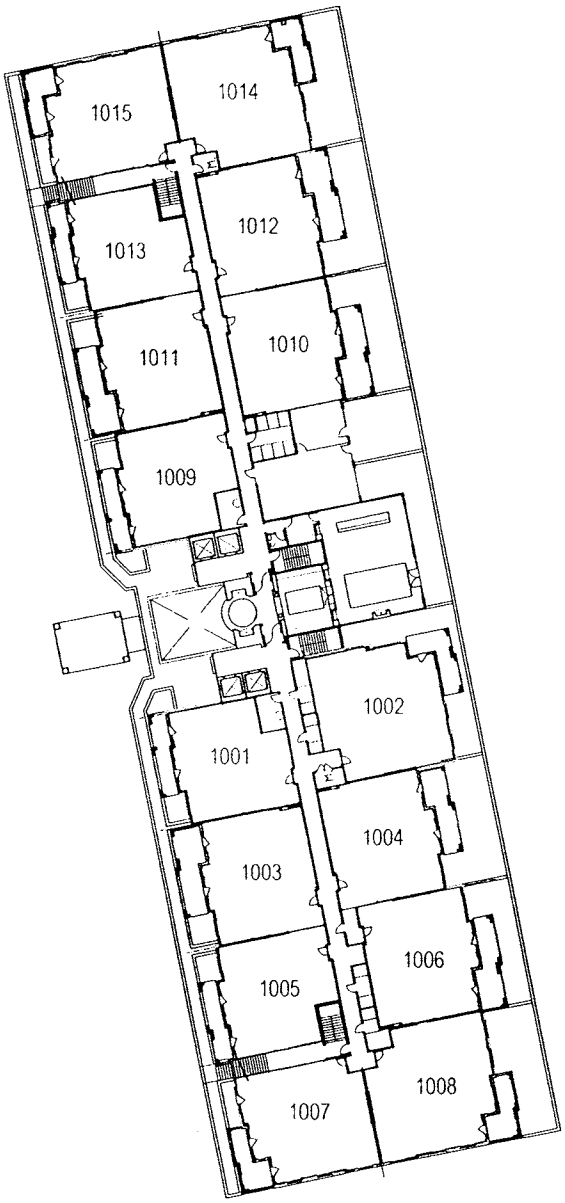
PENTHOUSE LEVEL PLAN

BUILDING 2000

THE RITZ-CARLTON RESIDENCES
346 NORTH HILLS, NEW YORK
RXR

NOVEMBER 08, 2013
RXR.004B

0 16' 32' 64'
SCALE: 1/64"=1'



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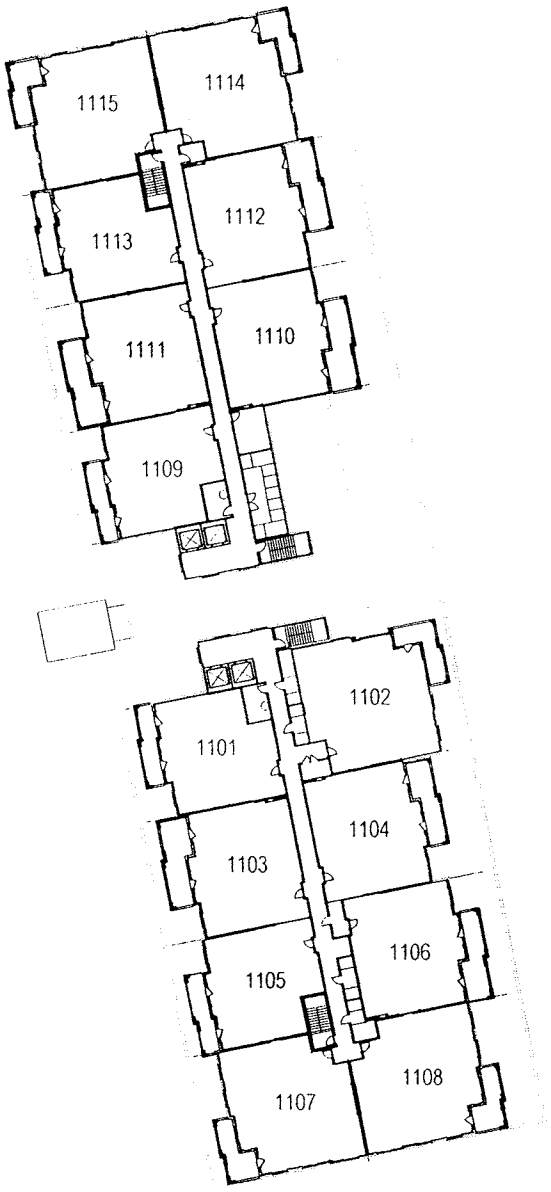
TERRACE LEVEL KEY PLAN

BUILDING 1000

NOVEMBER 08, 2013
RXR 004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 16' 32' 64'
SCALE 1/64" = 1'



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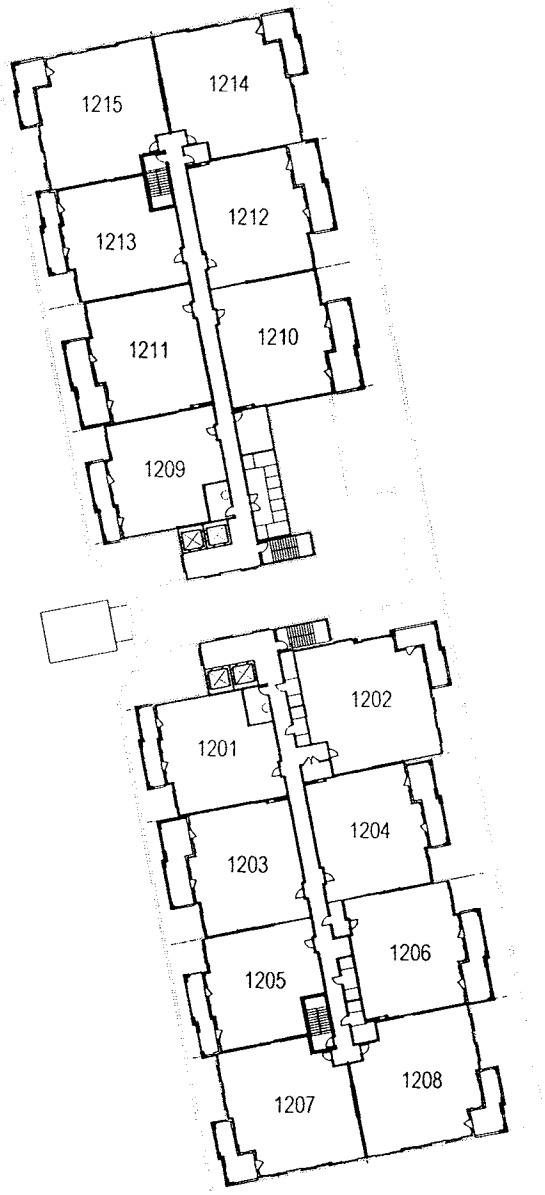
SECOND LEVEL KEY PLAN

BUILDING 1000

NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 16' 32' 64'
SCALE: 1/64" = 1'



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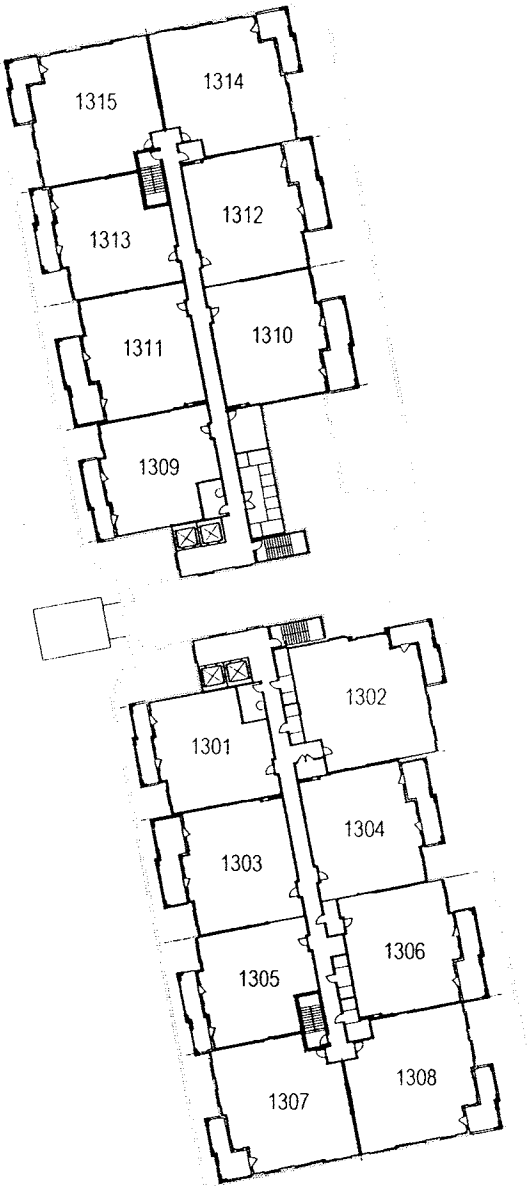
THIRD LEVEL KEY PLAN

BUILDING 1000

NOVEMBER 08, 2013
RXR 004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 16' 32' 64'
SCALE 1/64" = 1'



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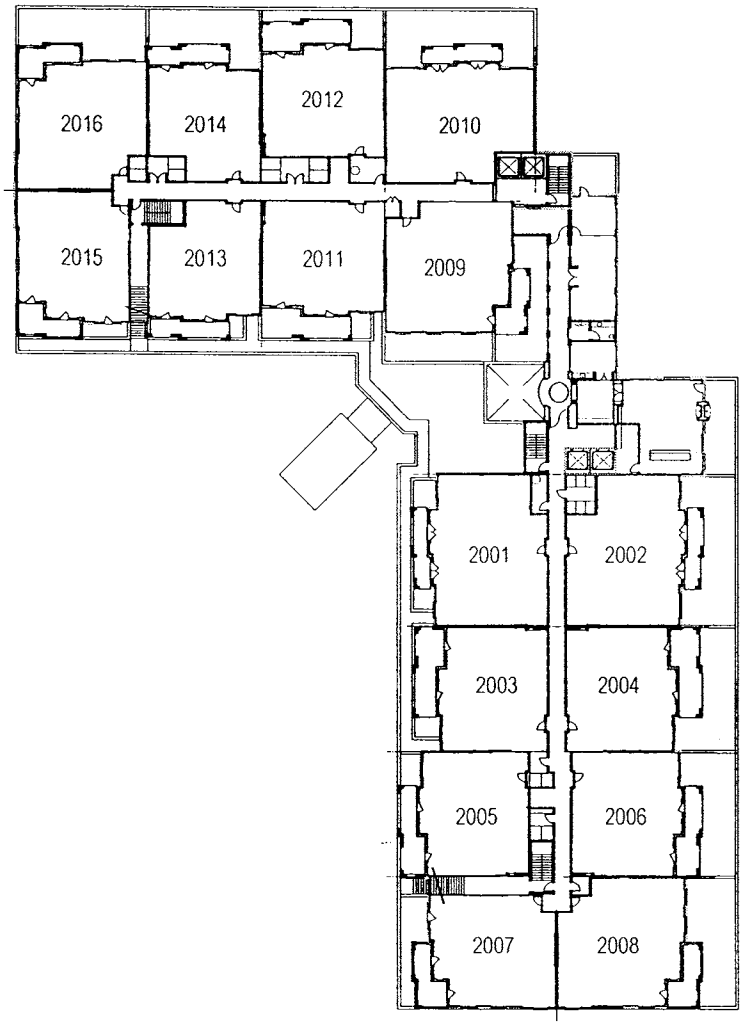
PENTHOUSE LEVEL KEY PLAN

BUILDING 1000

NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
350 NORTH HILLS, NEW YORK
RXR

0 16' 32' 64'
SCALE: 1/64" = 1'



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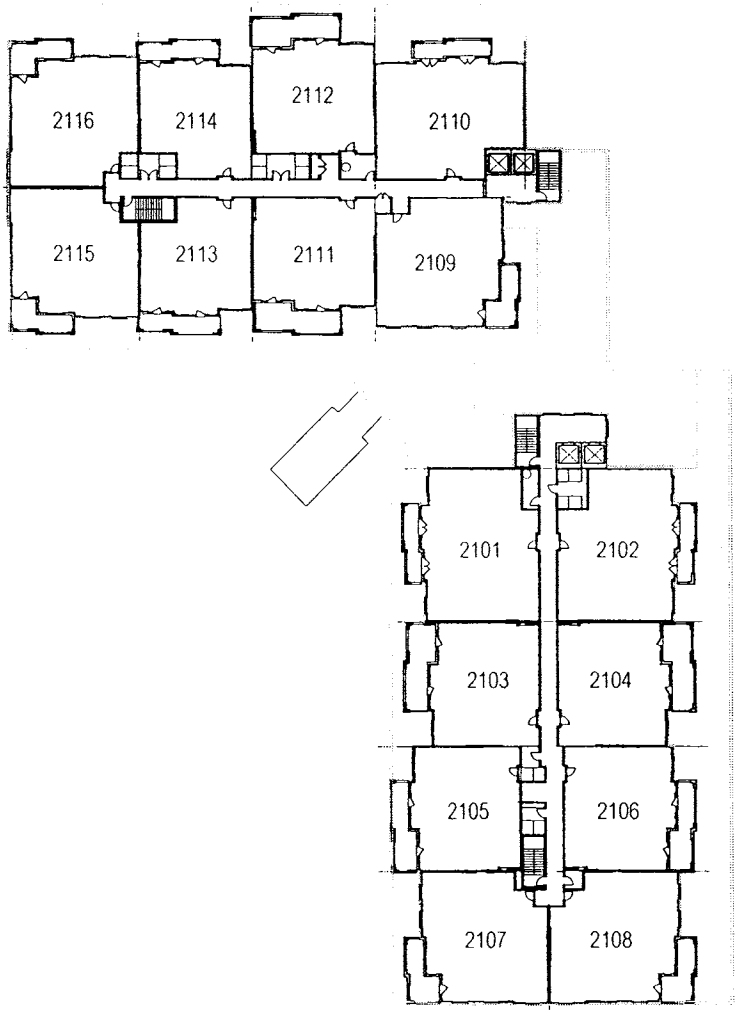
TERRACE LEVEL KEY PLAN

BUILDING 2000

NOVEMBER 08. 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 16' 32' 64'
SCALE: 1/64" = 1'



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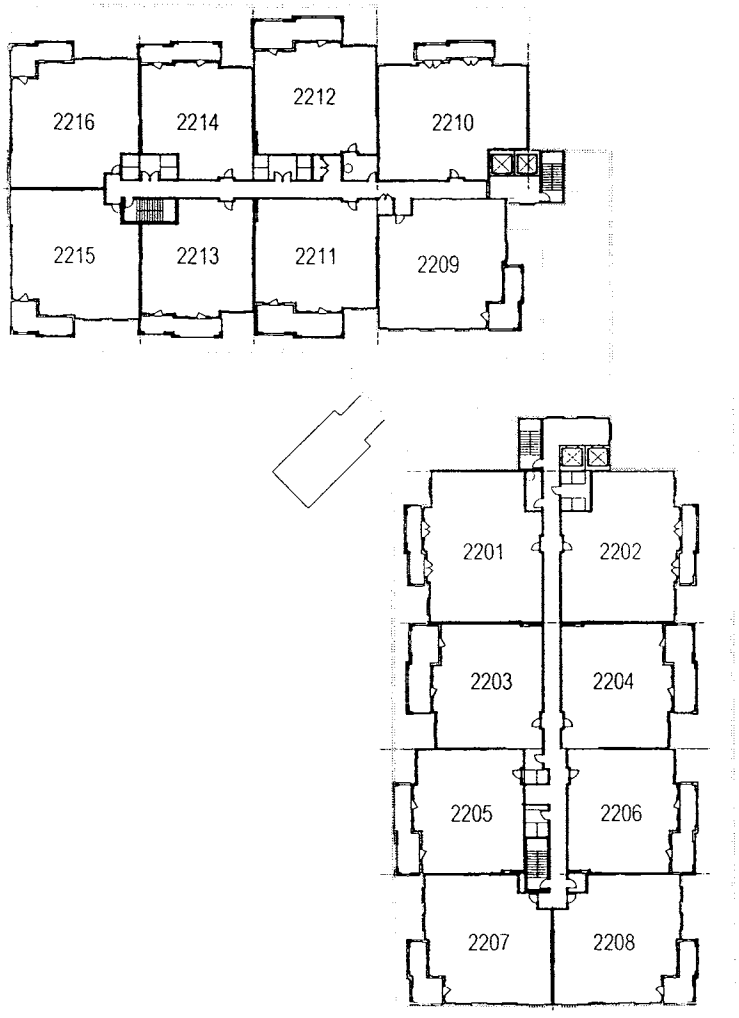
SECOND LEVEL KEY PLAN

BUILDING 2000

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

NOVEMBER 08, 2013
RXR.004B

0 16' 32' 64'
SCALE: 1/64"= 1'



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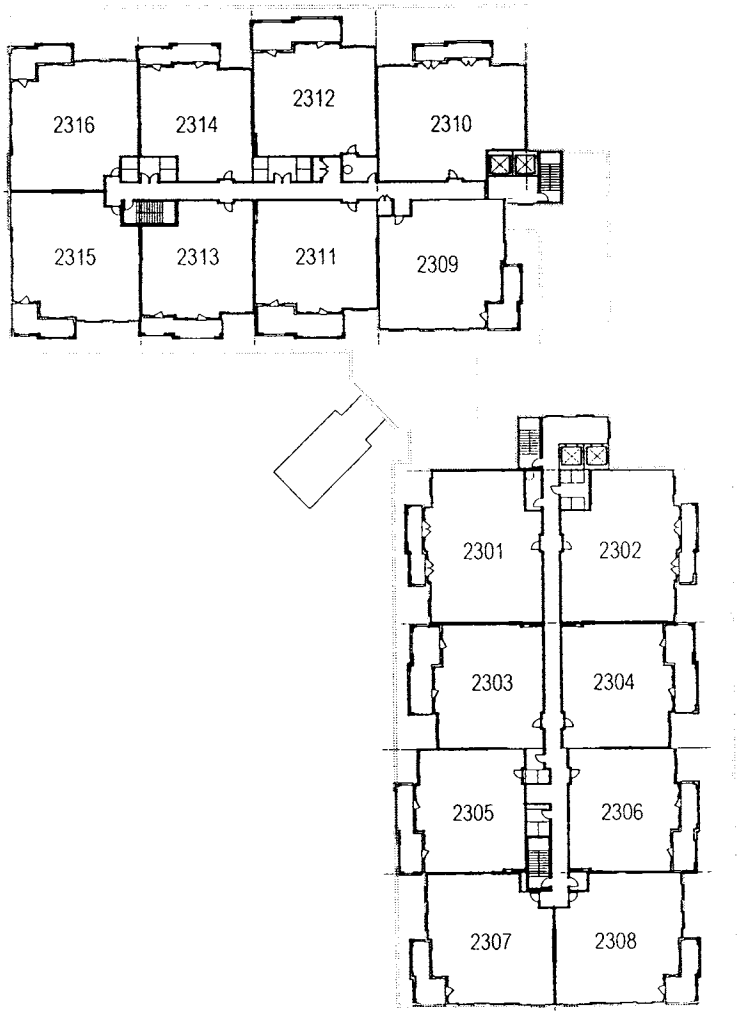
THIRD LEVEL KEY PLAN

BUILDING 2000

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

NOVEMBER 08, 2013
RXR.004B

0 16' 32' 64'
SCALE: 1/64" = 1'



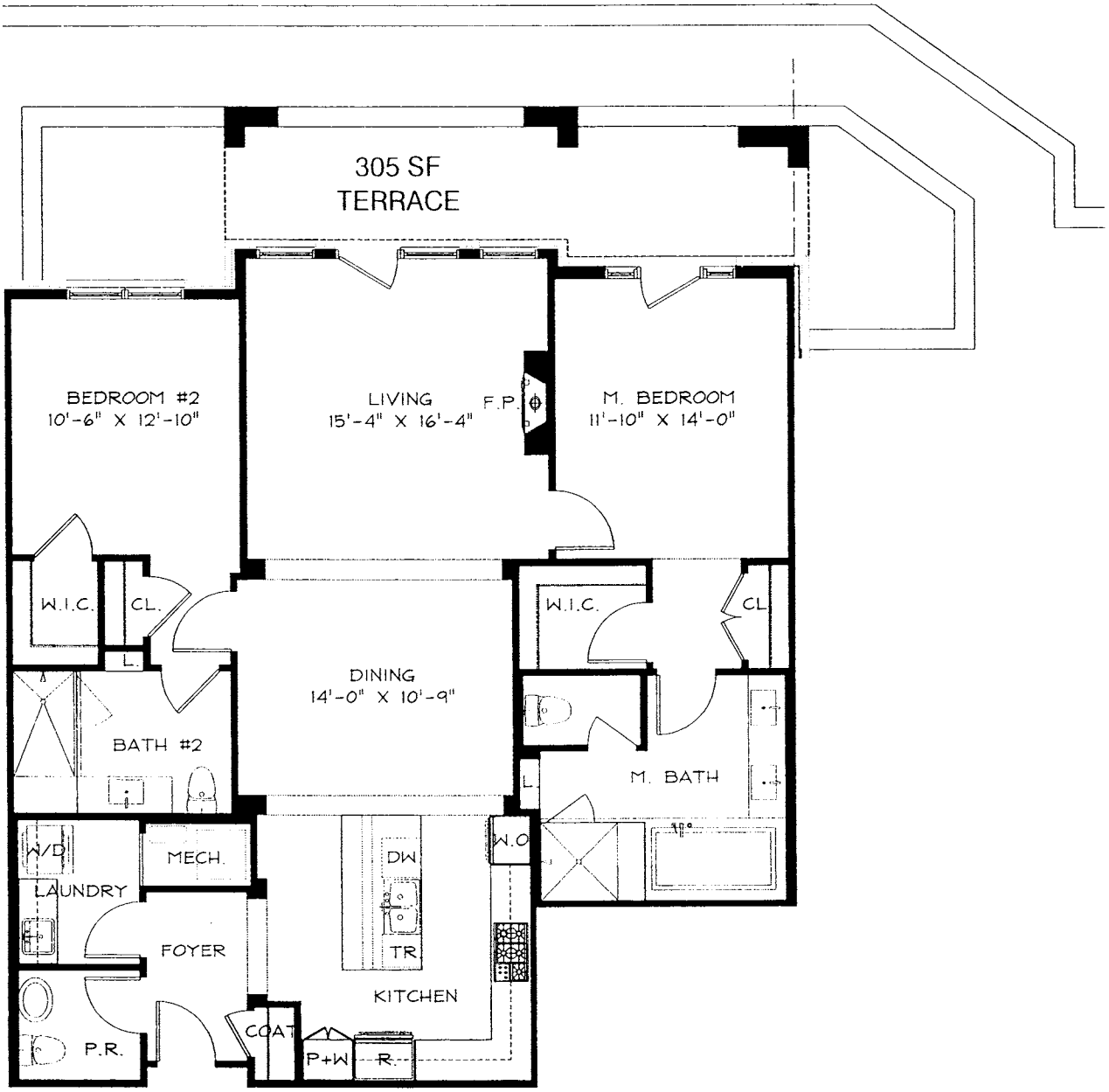
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PENTHOUSE LEVEL KEY PLAN
BUILDING 2000

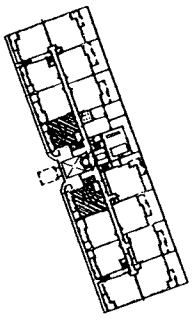
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 16' 32' 64'
SCALE: 1/64" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,528 SF



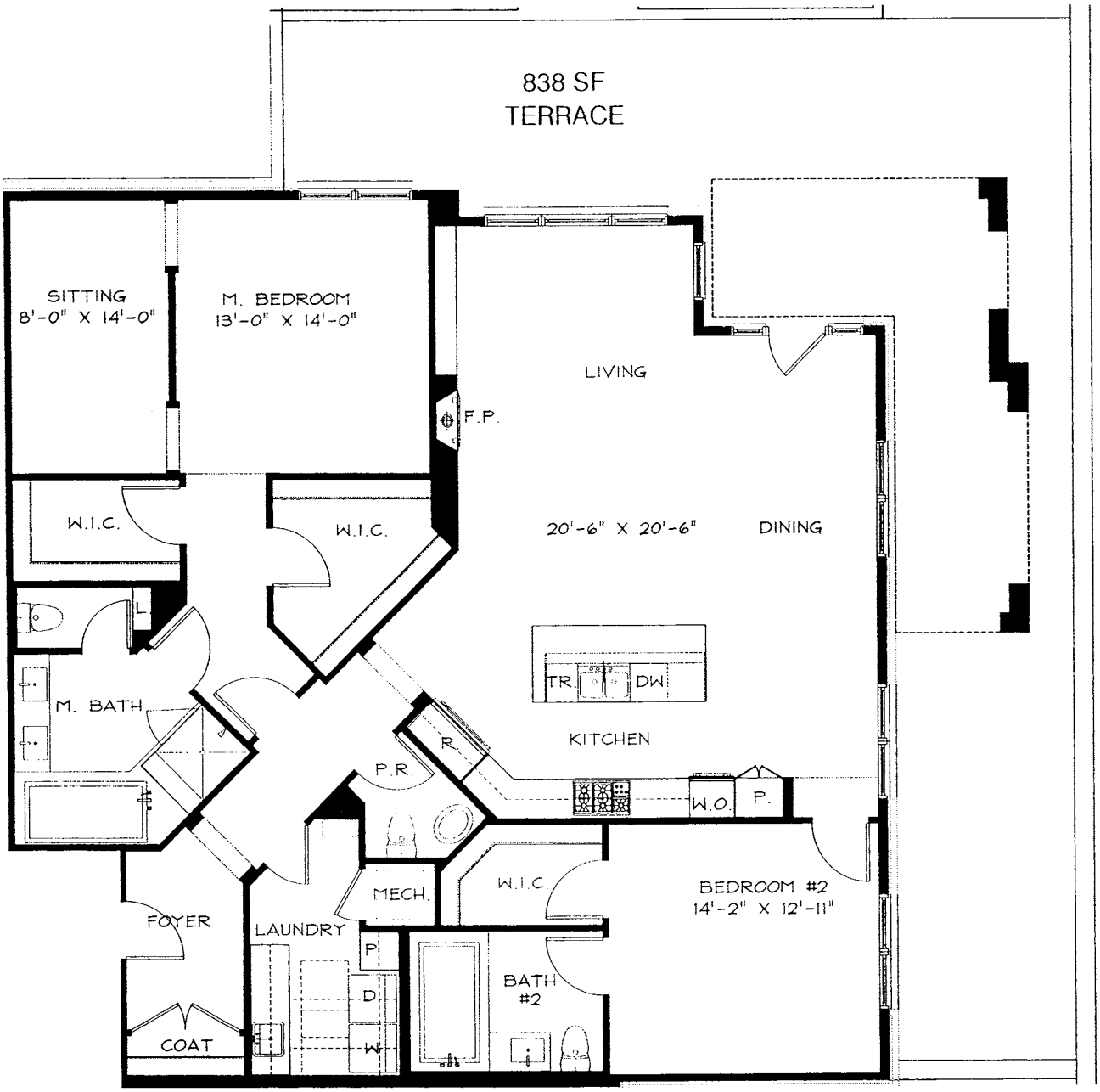
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UNITS 1001 & 1009
BUILDING 1000 - TERRACE LEVEL

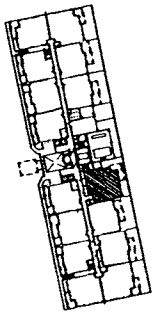
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
355 NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,963 SF



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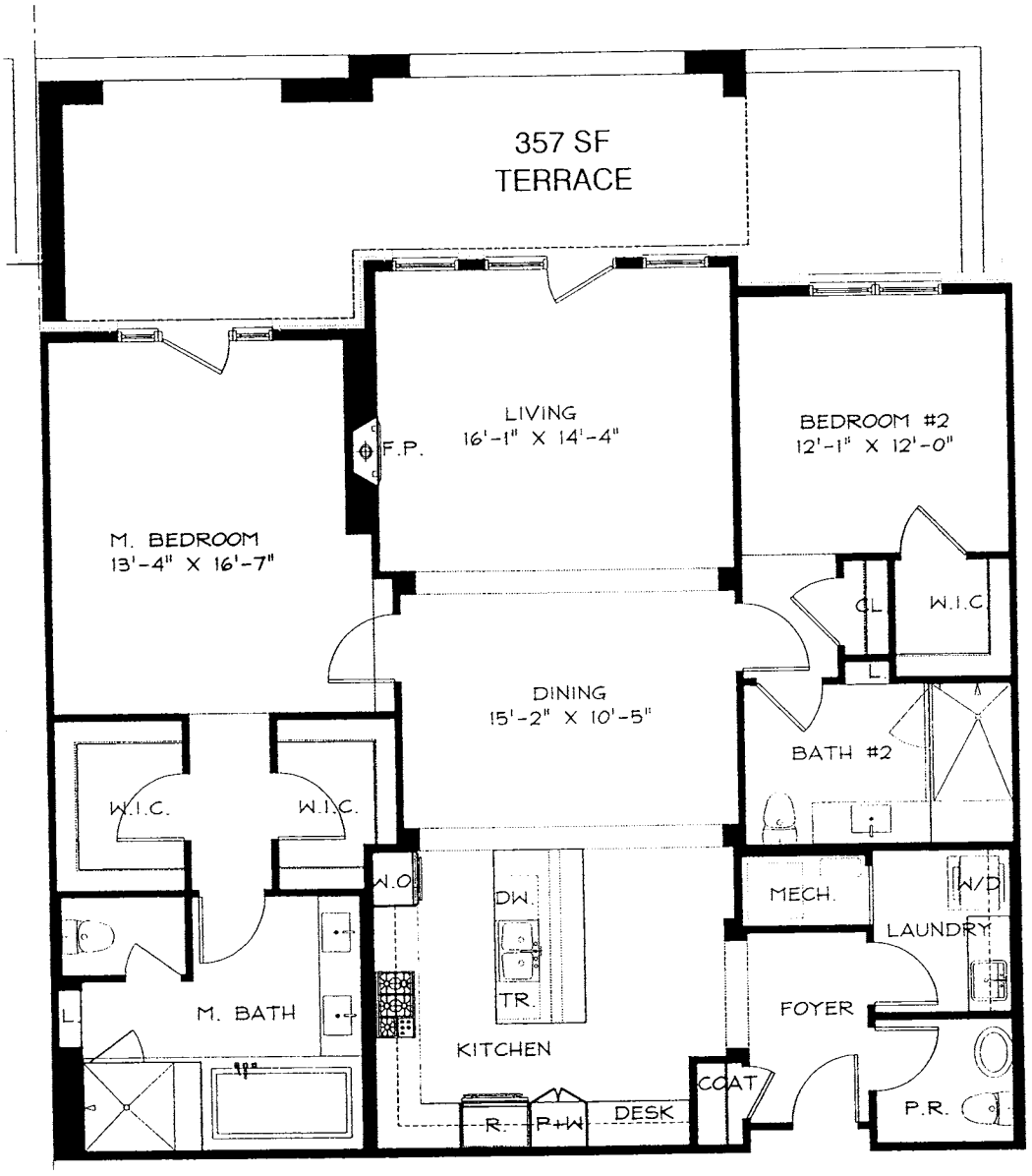
UNIT 1002
BUILDING 1000 - TERRACE LEVEL

NOVEMBER 08, 2013
RXR.004B

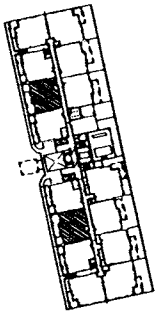
THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

356

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,693 SF



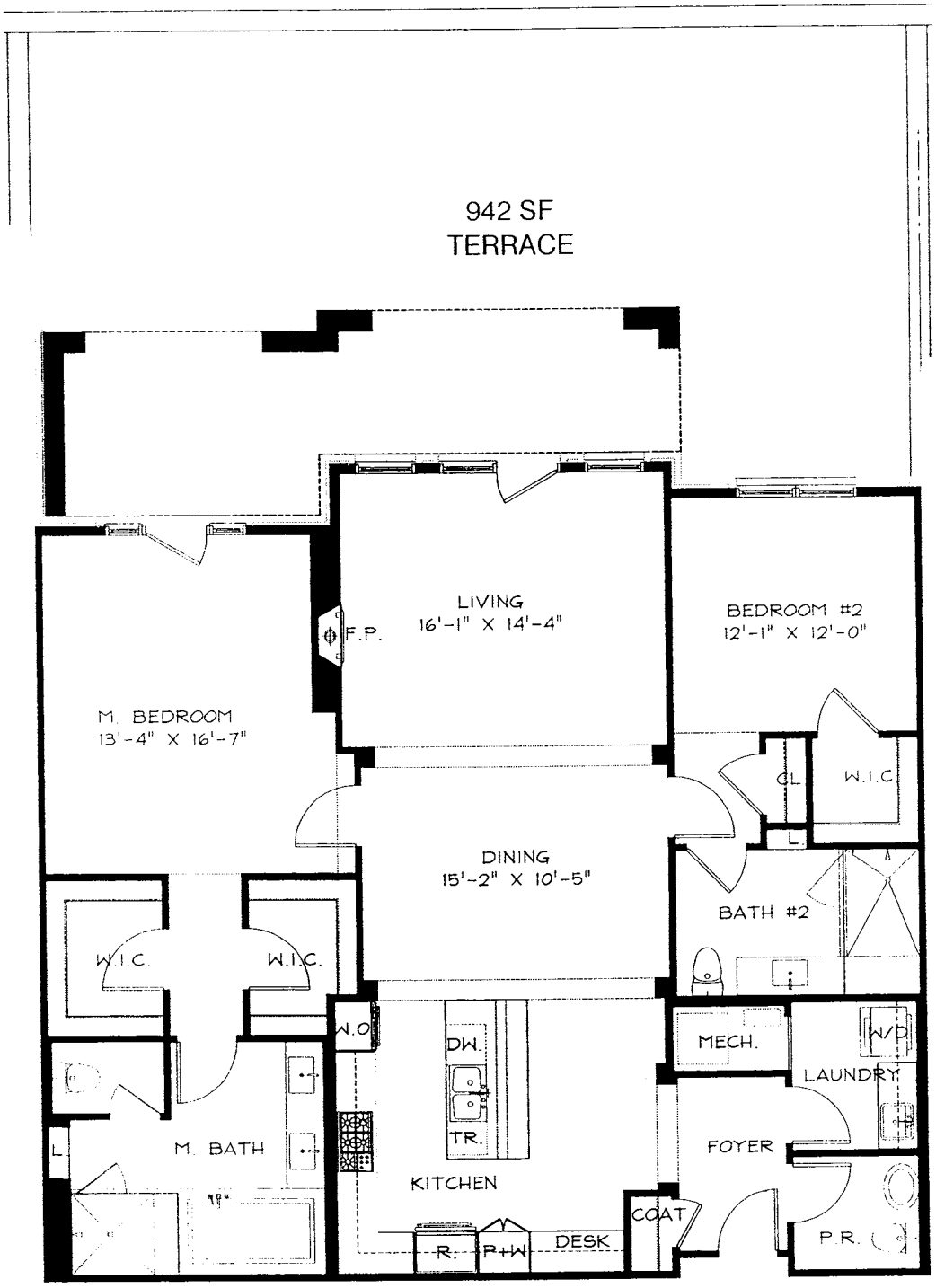
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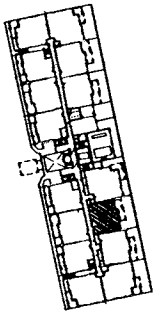
UNITS 1003 & 1011
BUILDING 1000 - TERRACE LEVEL

NOVEMBER 08, 2013
RXR.004B

357 THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE 1/8" = 1'





2 BEDROOMS
2.5 BATHROOMS
1,693 SF

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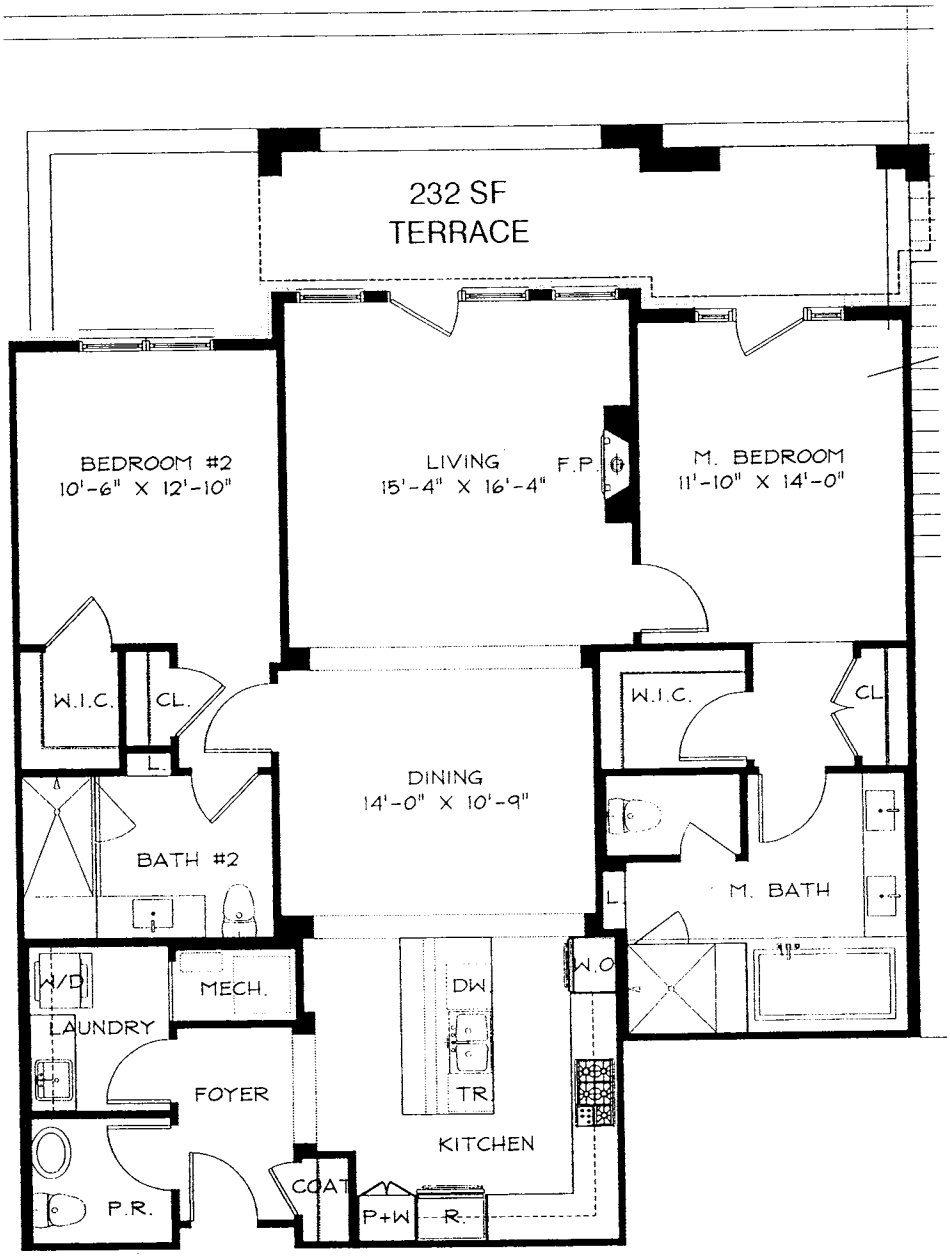
UNIT 1004
BUILDING 1000 - TERRACE LEVEL

NOVEMBER 08 2013
RXR 004B

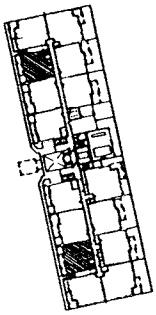
THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

358

0 2' 4' 8'
SCALE 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,528 SF



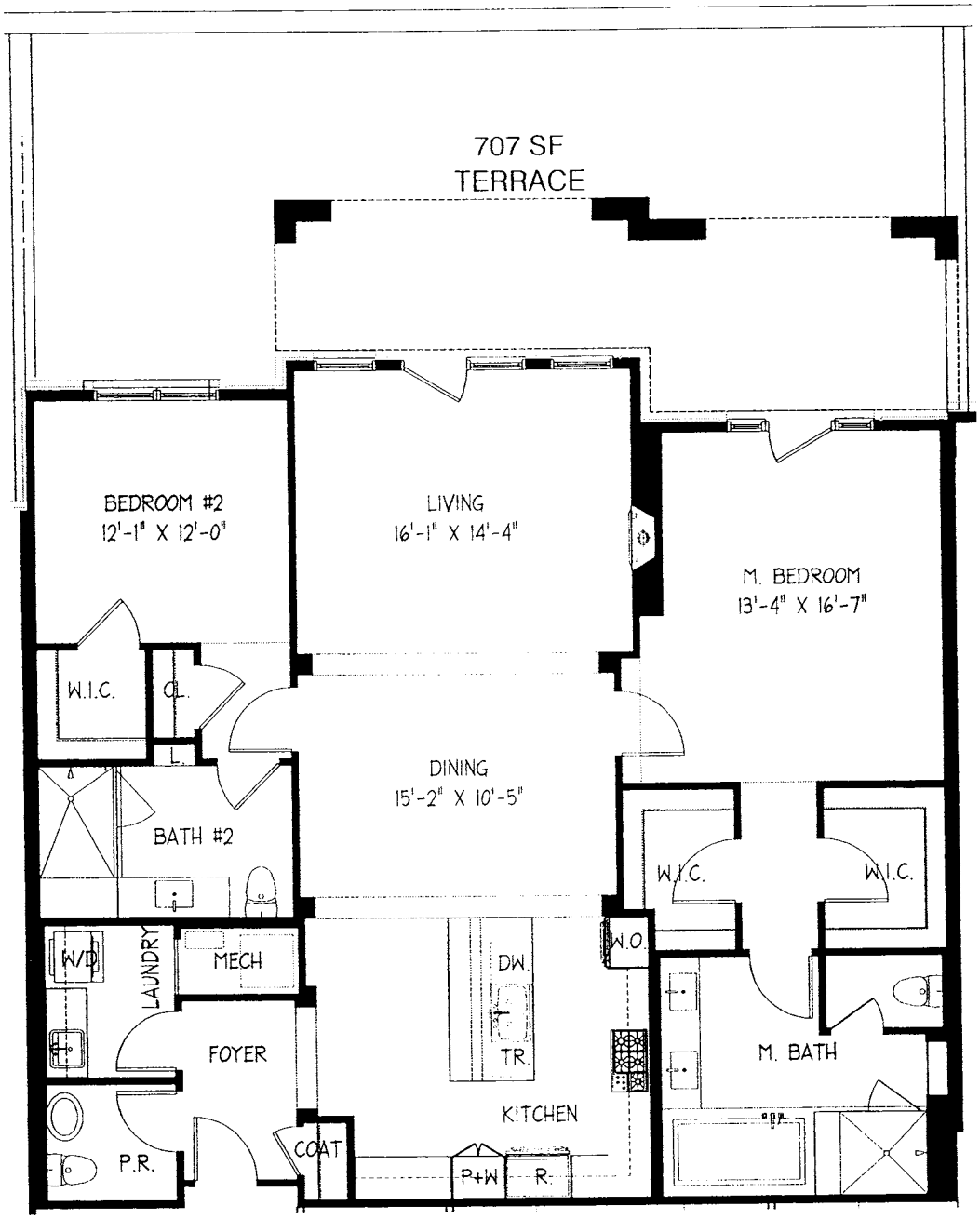
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UNITS 1005 & 1013
BUILDING 1000 - TERRACE LEVEL

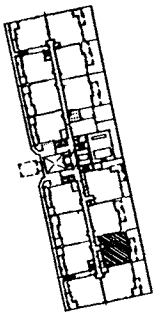
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,693 SF



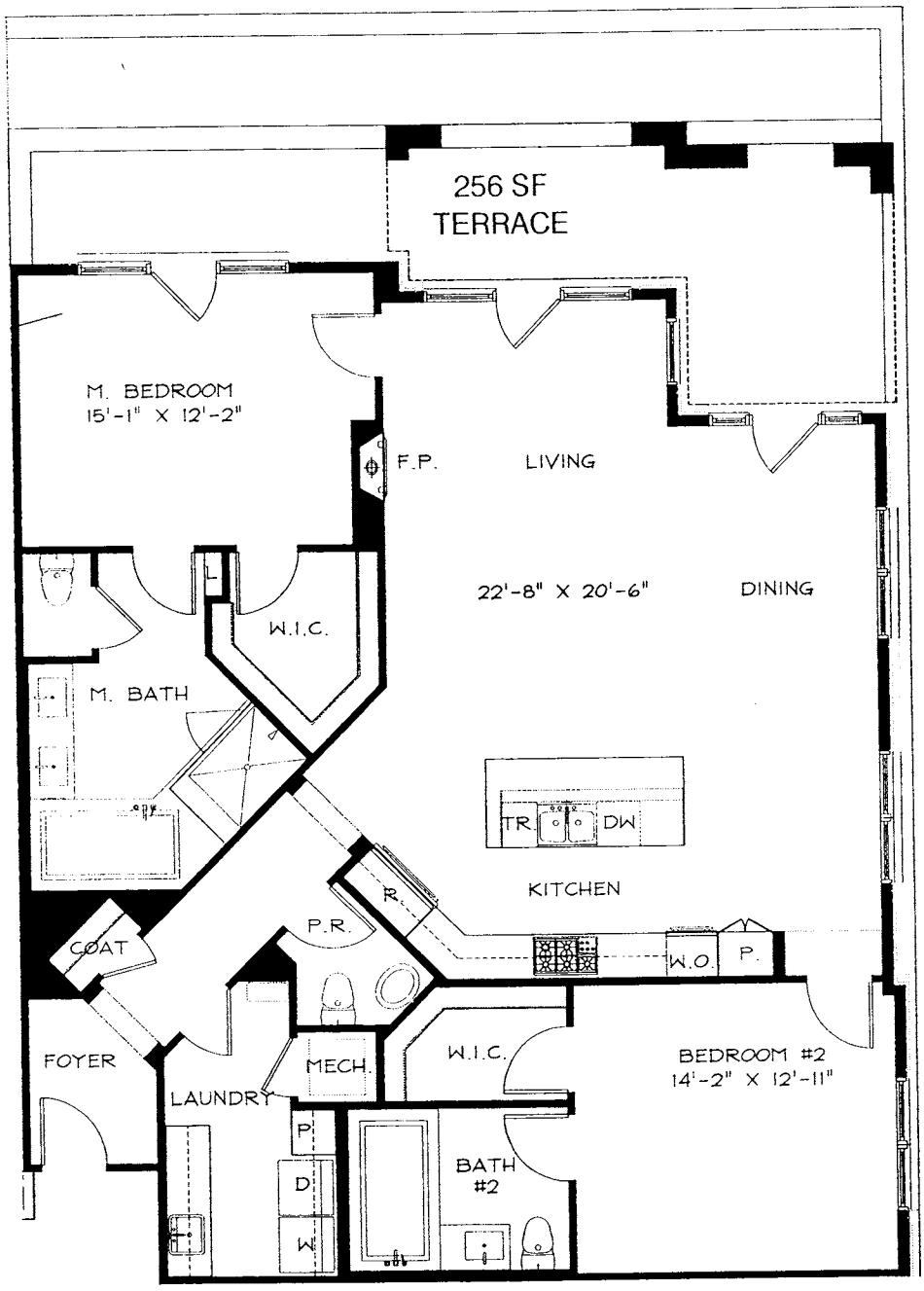
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UNIT 1006
BUILDING 1000 - TERRACE LEVEL

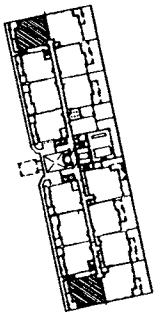
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
360 NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,725 SF



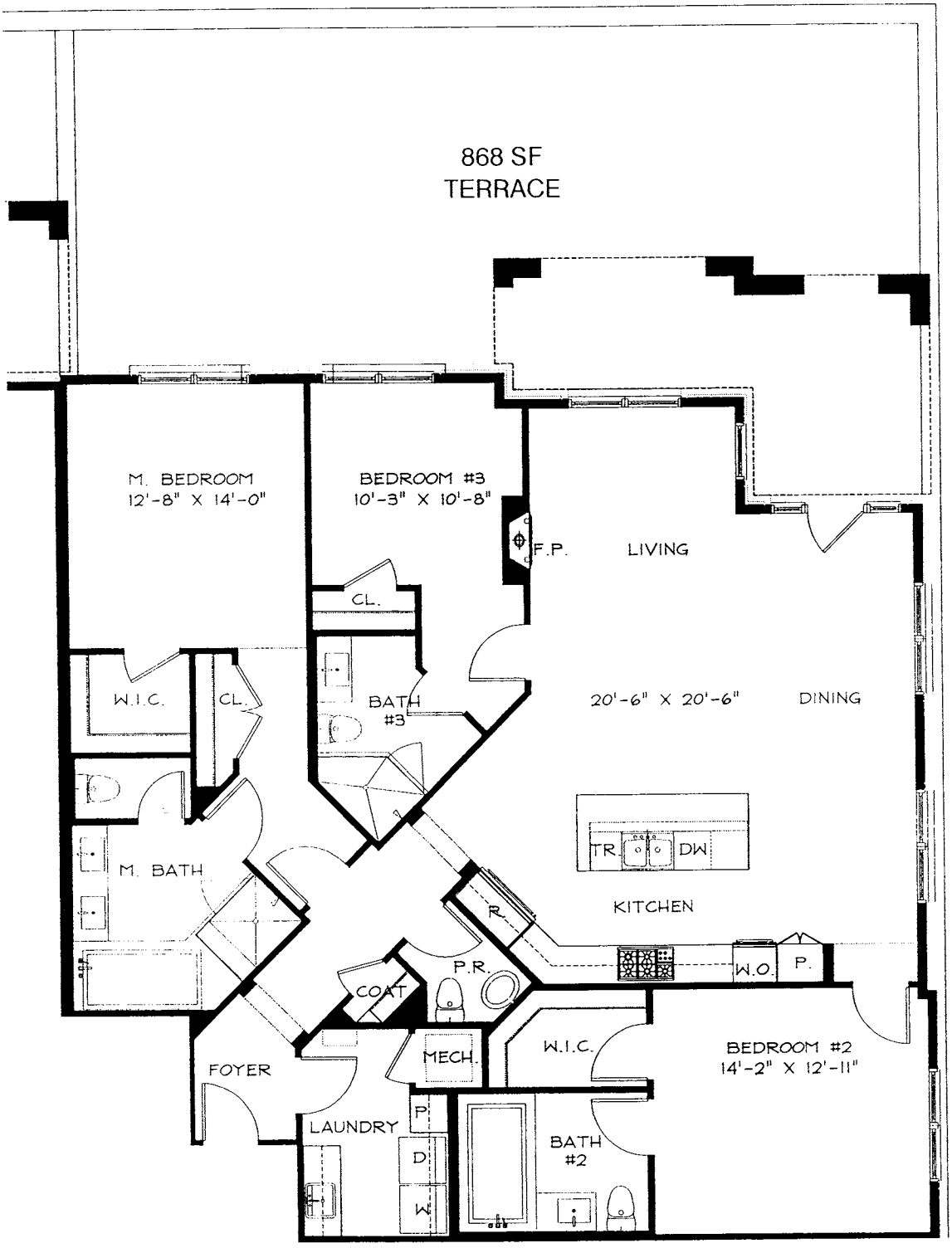
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UNITS 1007 & 1015
BUILDING 1000 - TERRACE LEVEL

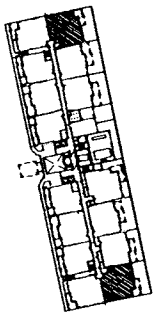
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,925 SF



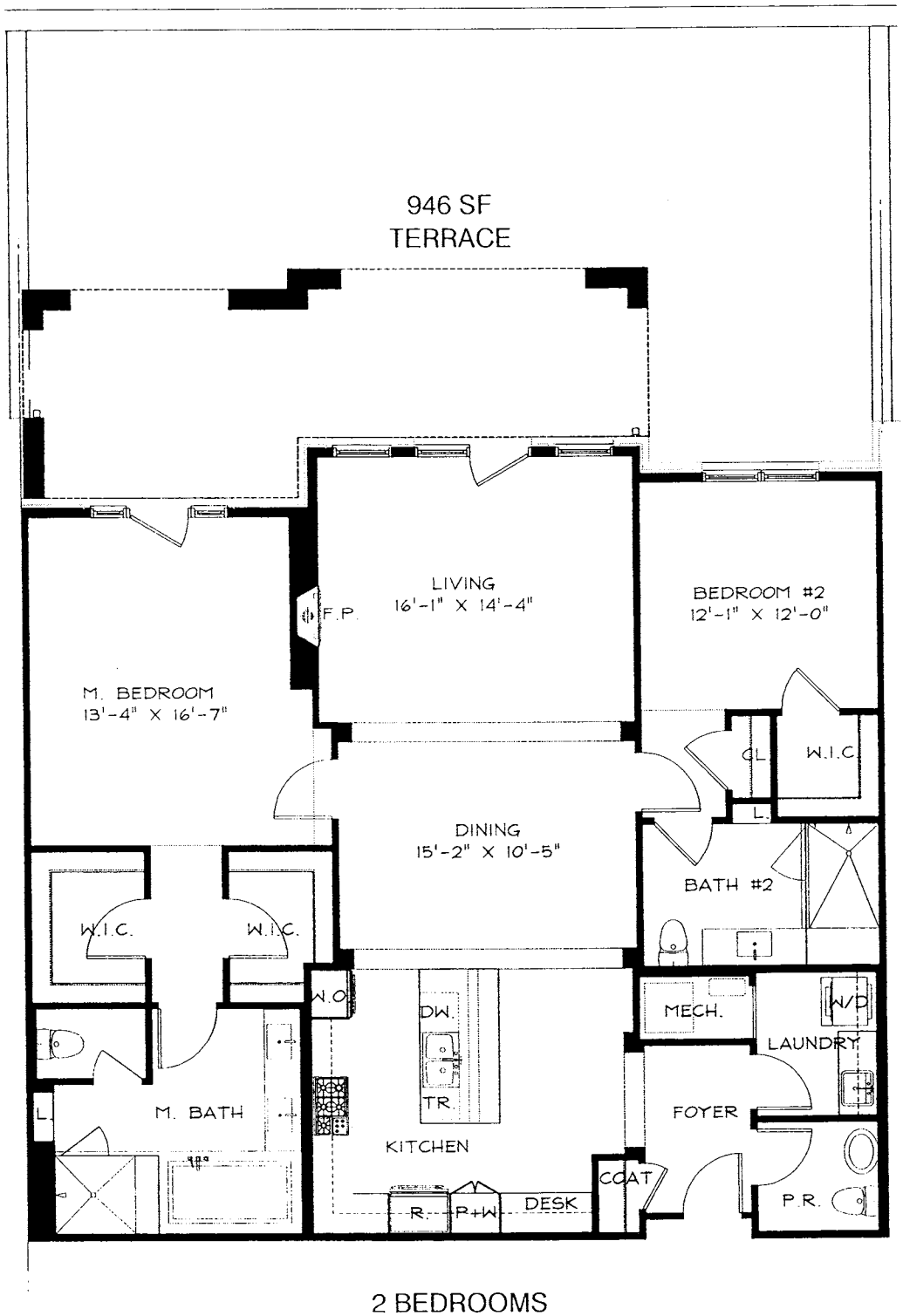
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UNITS 1008 & 1014
BUILDING 1000 - TERRACE LEVEL

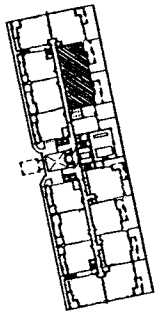
NOVEMBER 08, 2013
RXR 004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,693 SF



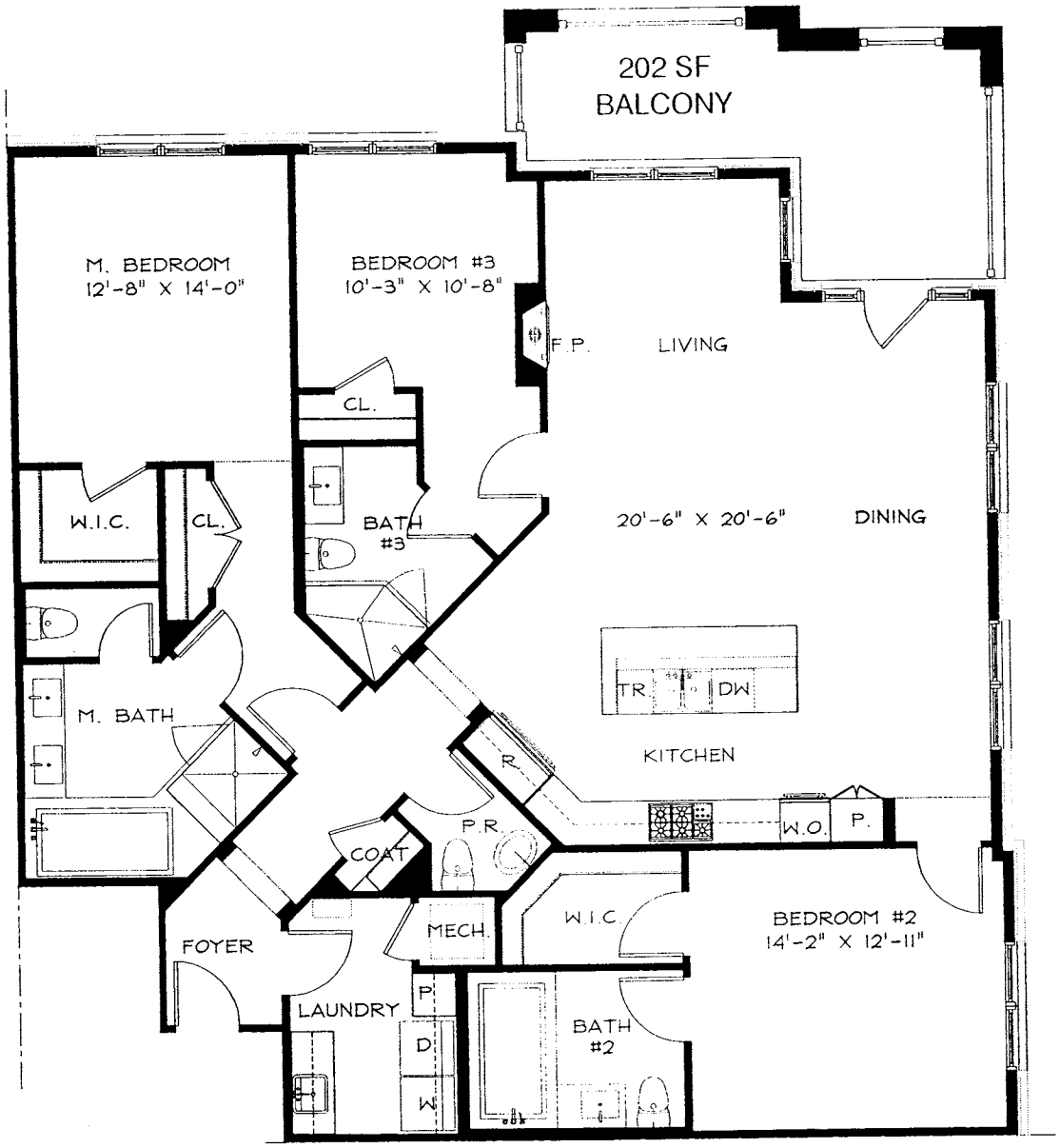
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UNITS 1010 & 1012
BUILDING 1000 - TERRACE LEVEL

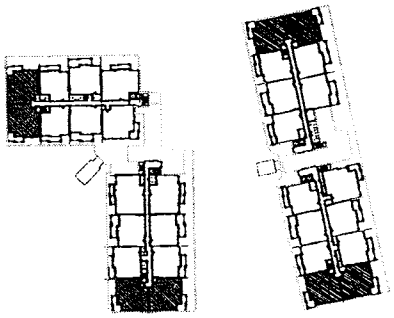
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE: 1/8" = 1'



3 BEDROOMS
3.5 BATHROOMS
1,925 SF



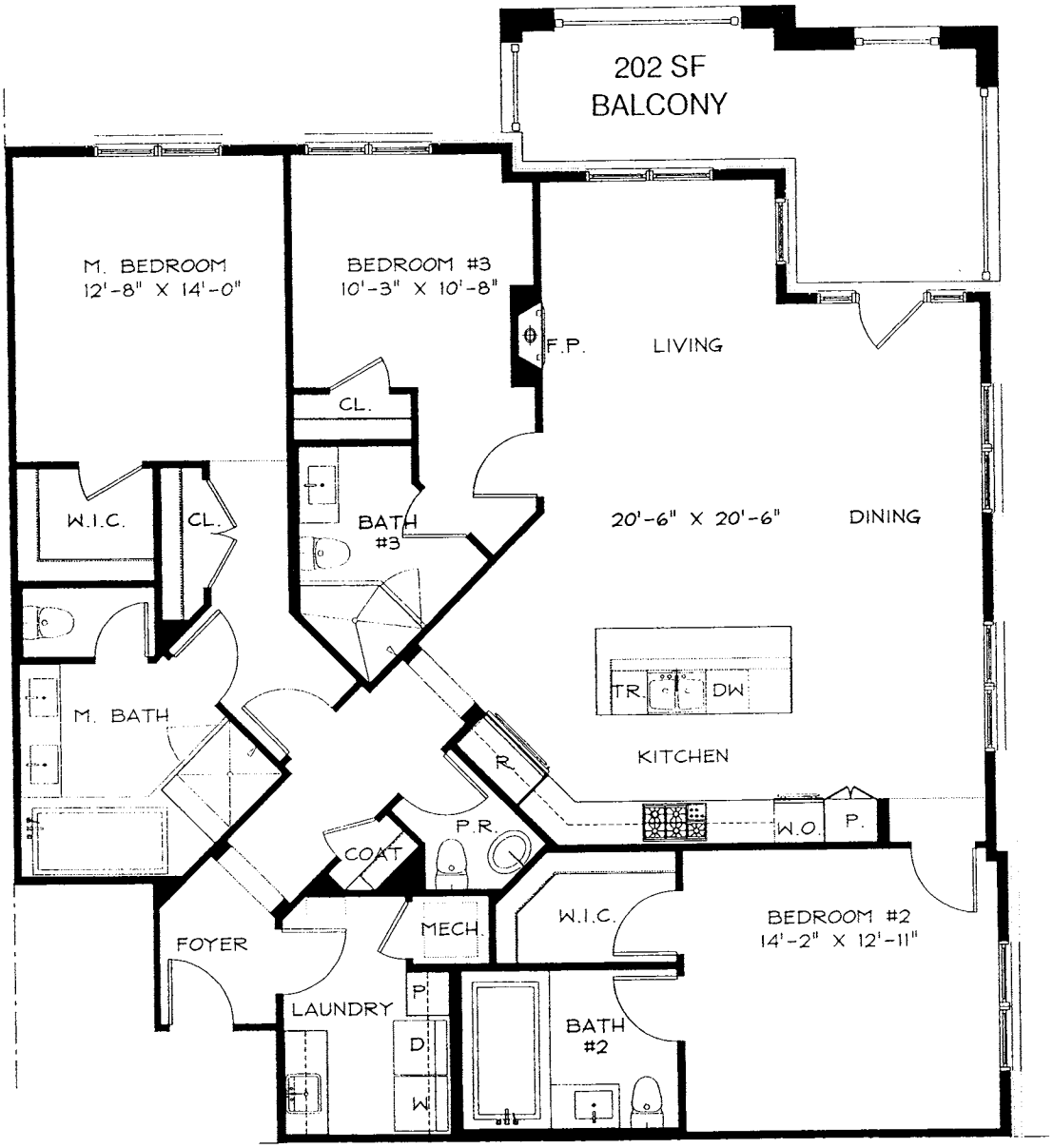
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UNITS 1107 1108 1115 1116 1207 1208 1215 1216
2107 2108 2115 2116 2207 2208 2215 2216
BUILDING 1000 - 2ND & 3RD LEVEL
BUILDING 2000 - 2ND & 3RD LEVEL

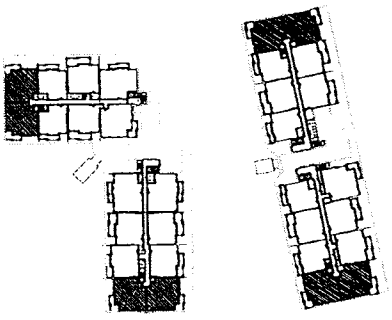
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
364 NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE: 1/8" = 1'



3 BEDROOMS
3.5 BATHROOMS
1,925 SF



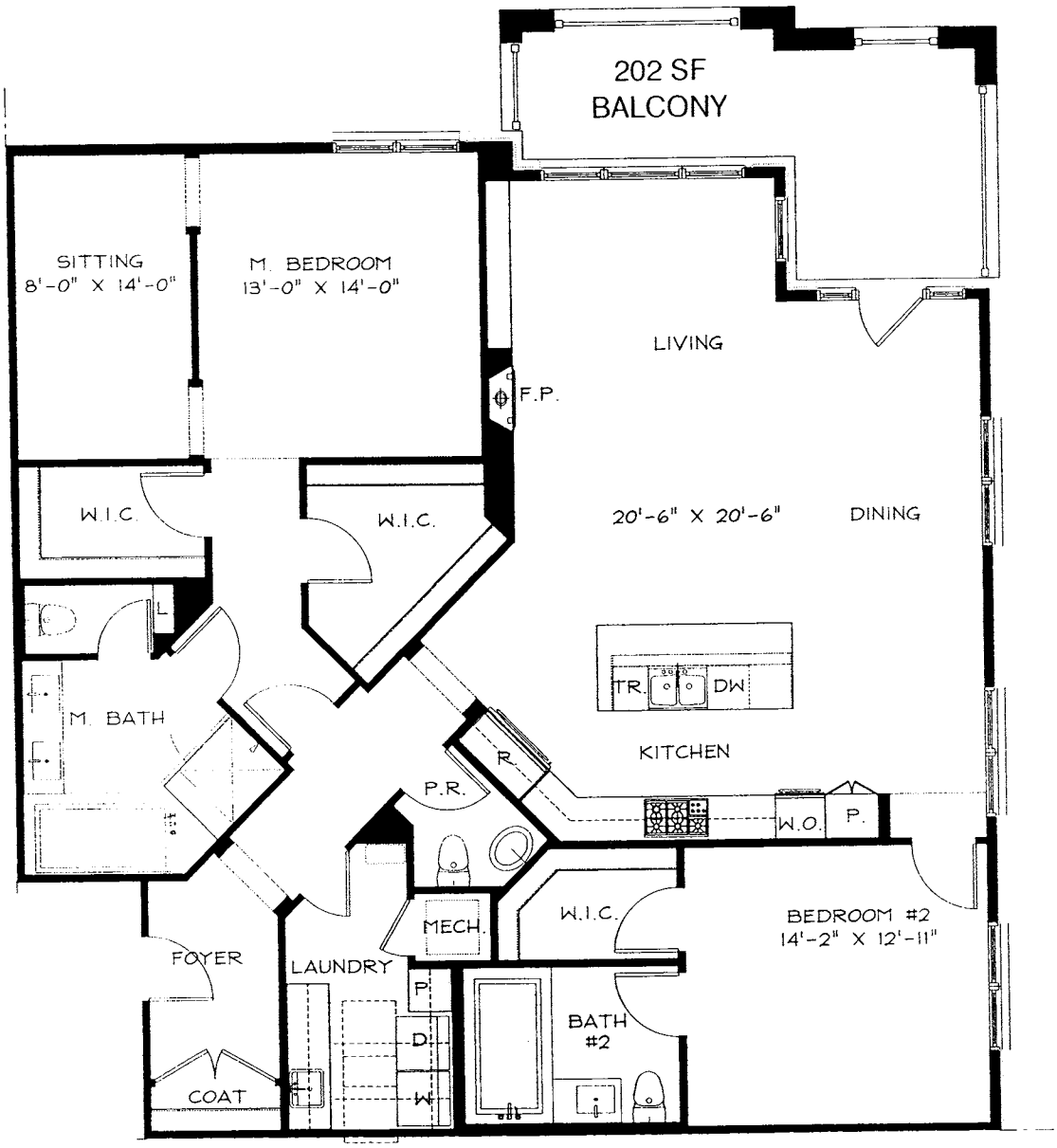
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UNITS 1307 1308 1315 1316
2307 2308 2315 2316
BUILDING 1000 - PENTHOUSE LEVEL
BUILDING 2000 - PENTHOUSE LEVEL

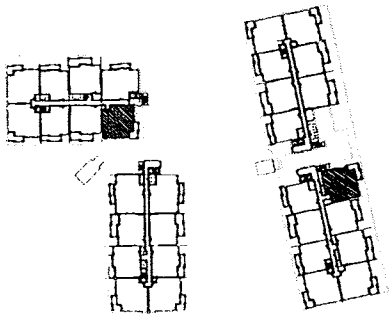
NOVEMBER 08, 2013
RXR.004B

365 THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,963 SF



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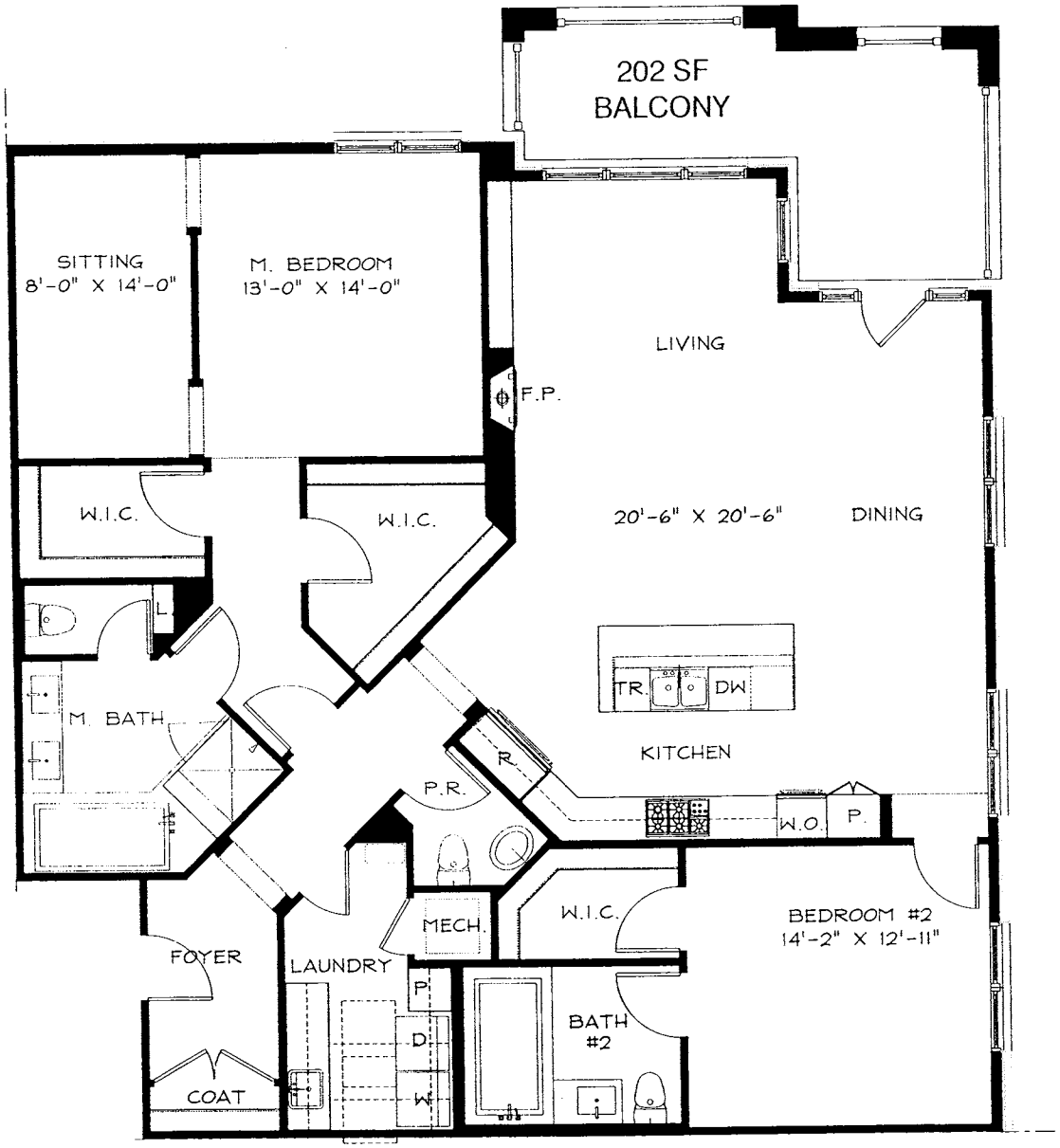
UNITS 1102 1202 2109 2209
BUILDING 1000 - 2ND & 3RD LEVEL
BUILDING 2000 - 2ND & 3RD LEVEL

NOVEMBER 08, 2013
RXR.004B

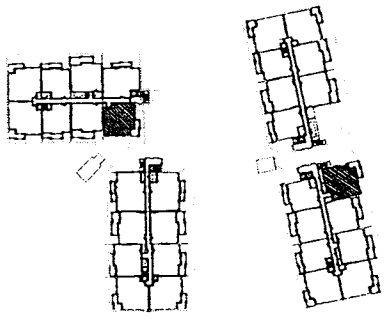
THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

366

0 2' 4' 8'
SCALE 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,963 SF



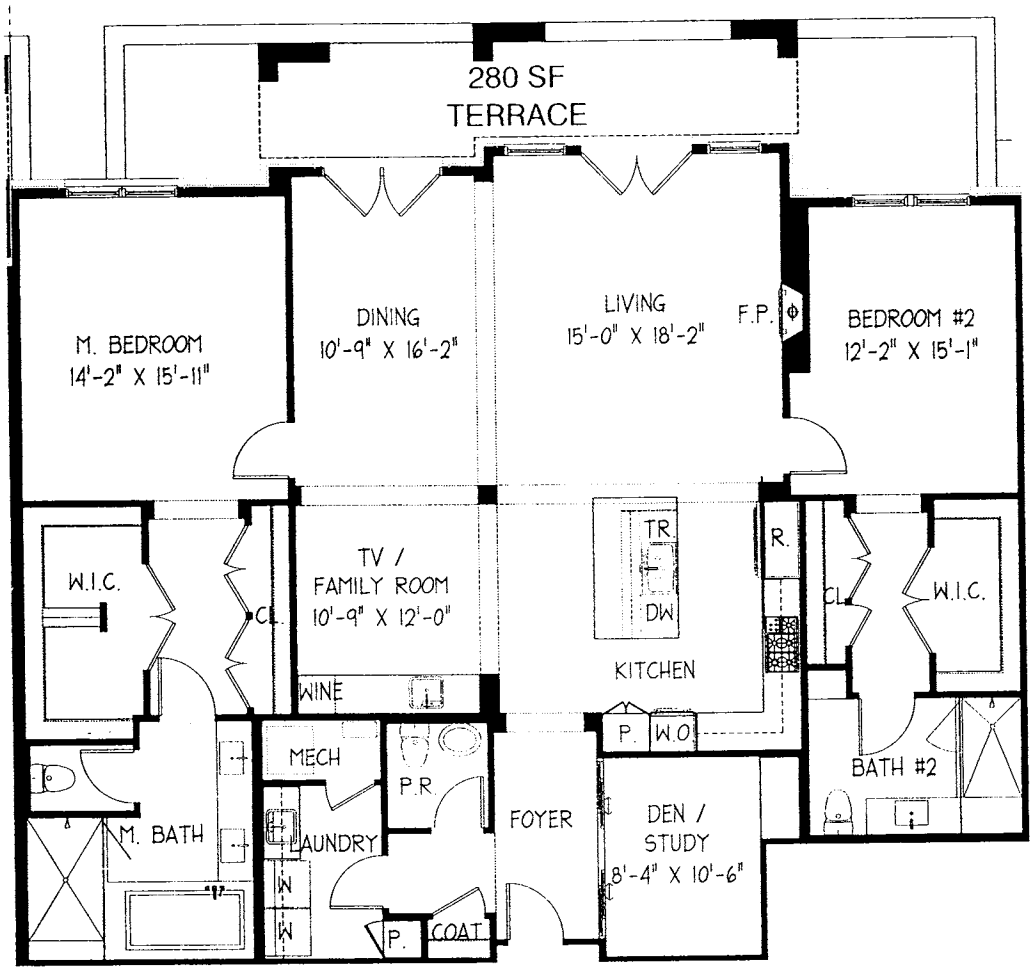
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UNITS 1302 & 2309
BUILDING 1000 - PENTHOUSE LEVEL
BUILDING 2000 - PENTHOUSE LEVEL

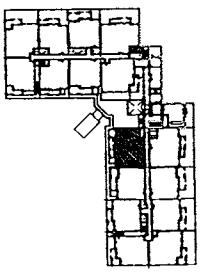
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
2,155 SF



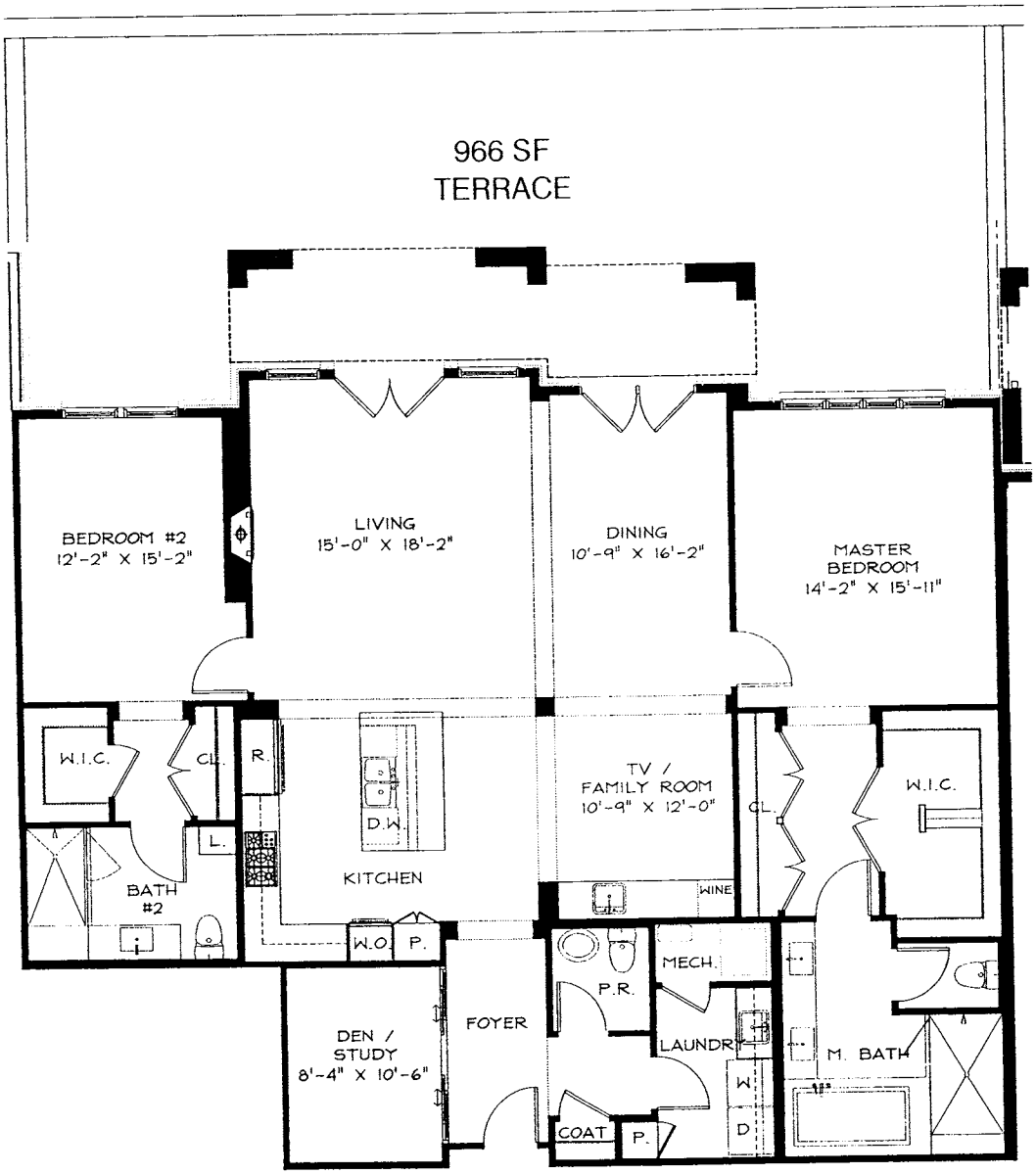
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UNIT 2001
BUILDING 2000 - TERRACE LEVEL

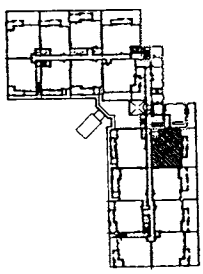
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
2,093 SF



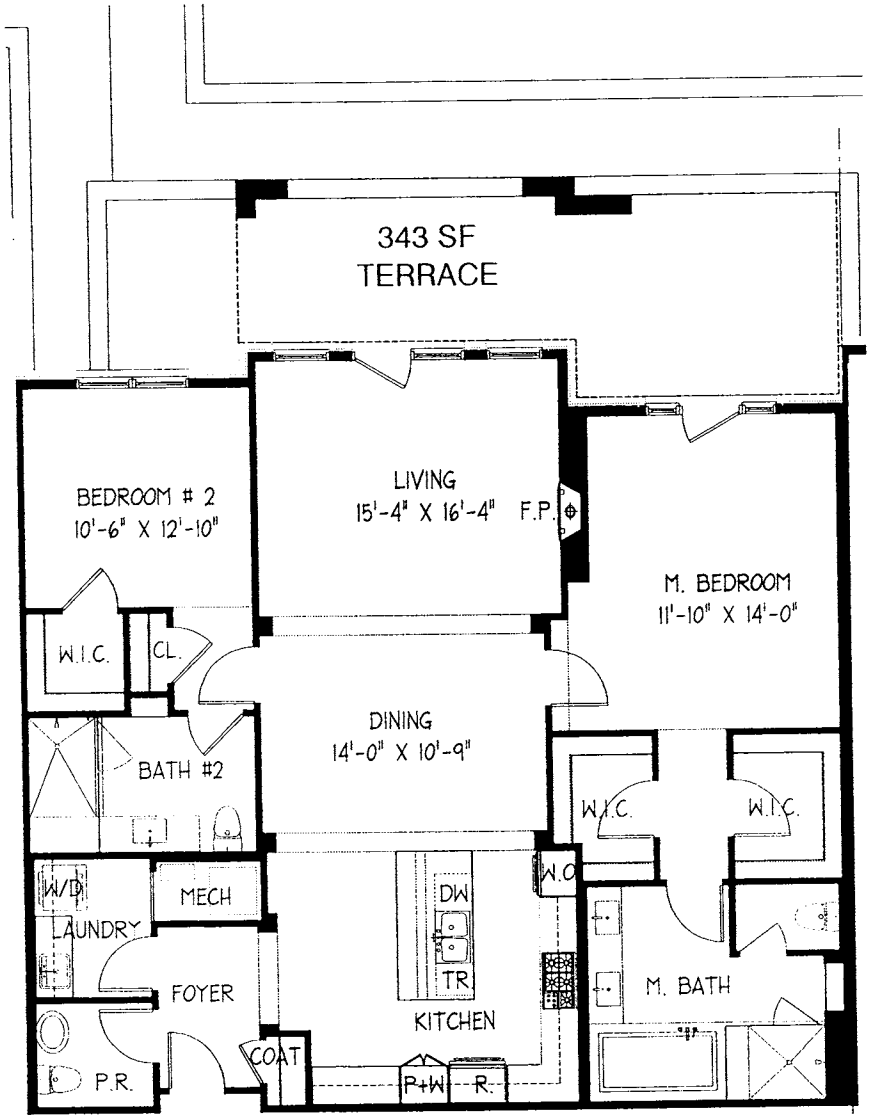
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UNIT 2002
BUILDING 2000 - TERRACE LEVEL

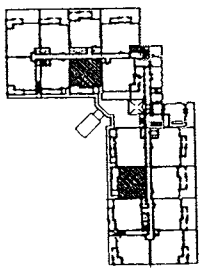
NOVEMBER 08, 2013
RXR 004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,693 SF



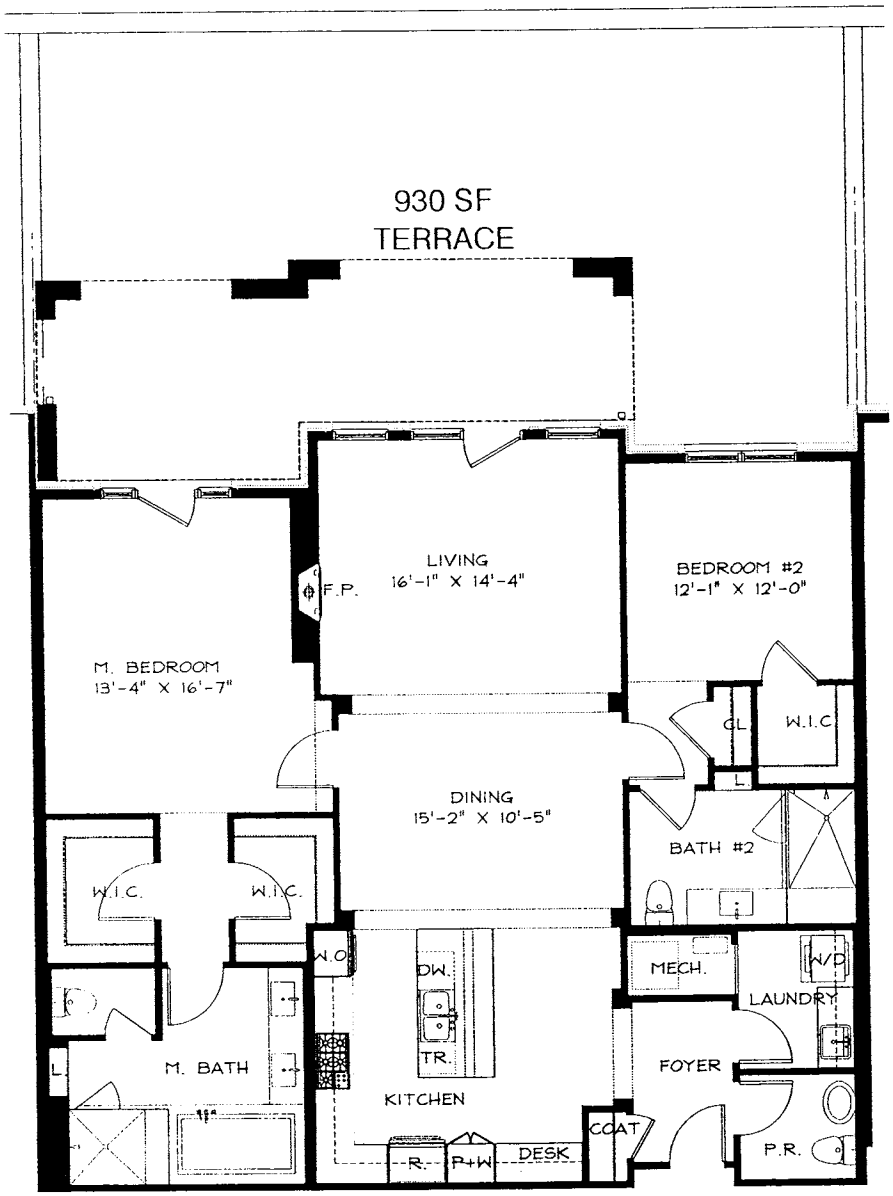
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UNITS 2003 & 2011
BUILDING 2000 - TERRACE LEVEL

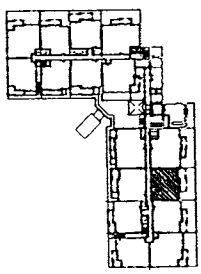
NOVEMBER 08 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
370 NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,693 SF



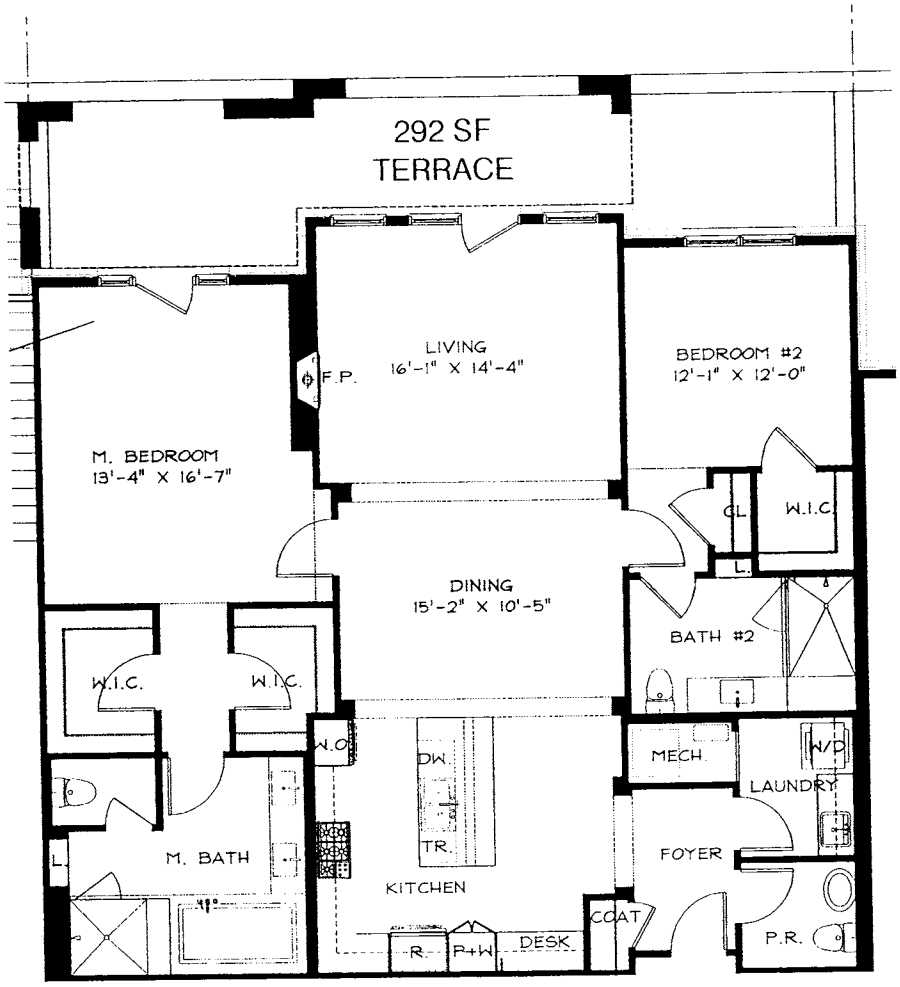
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UNIT 2004
BUILDING 2000 - TERRACE LEVEL

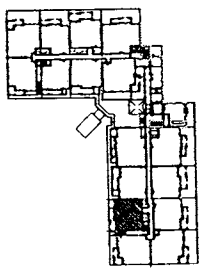
NOVEMBER 08 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,963 SF



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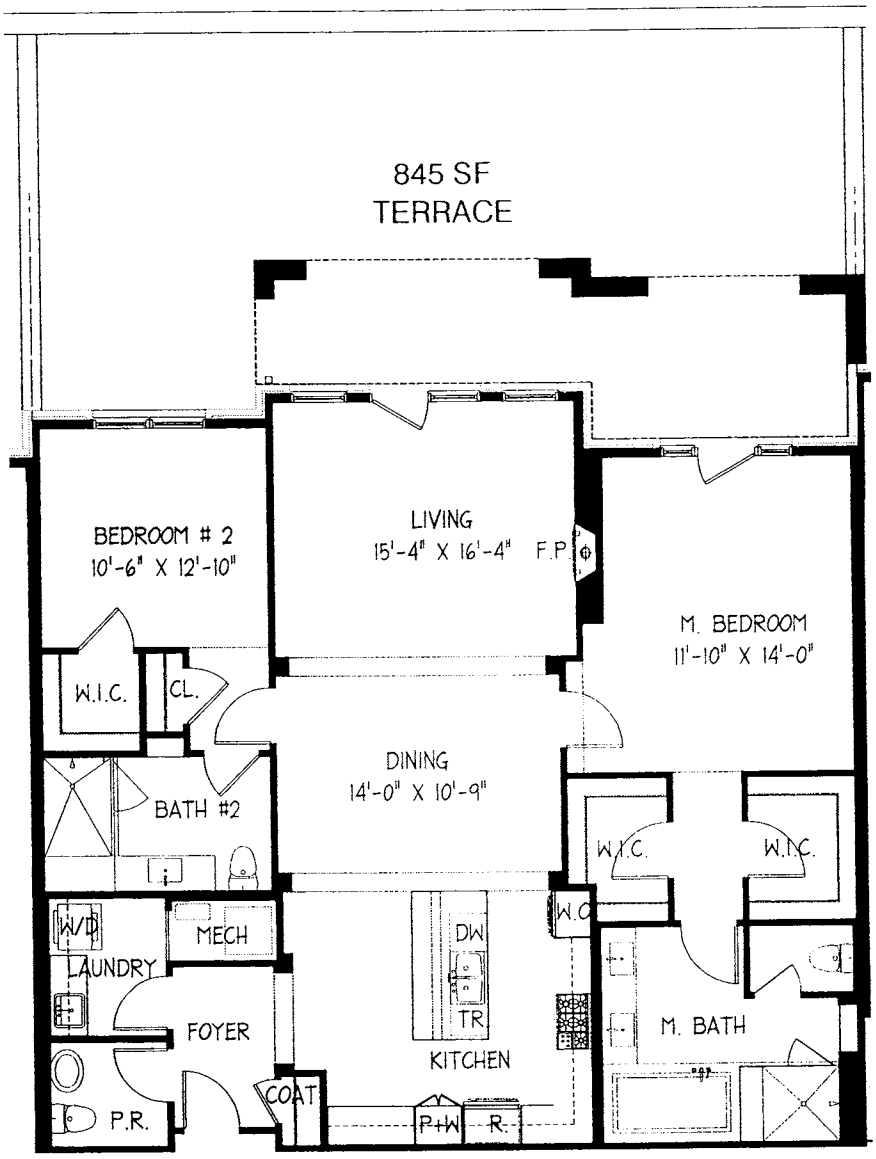
UNIT 2005
BUILDING 2000 - TERRACE LEVEL

NOVEMBER 08, 2013
RXR.004B

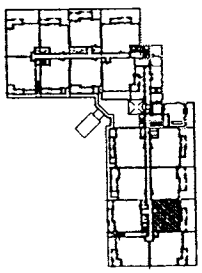
THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

372

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,693 SF



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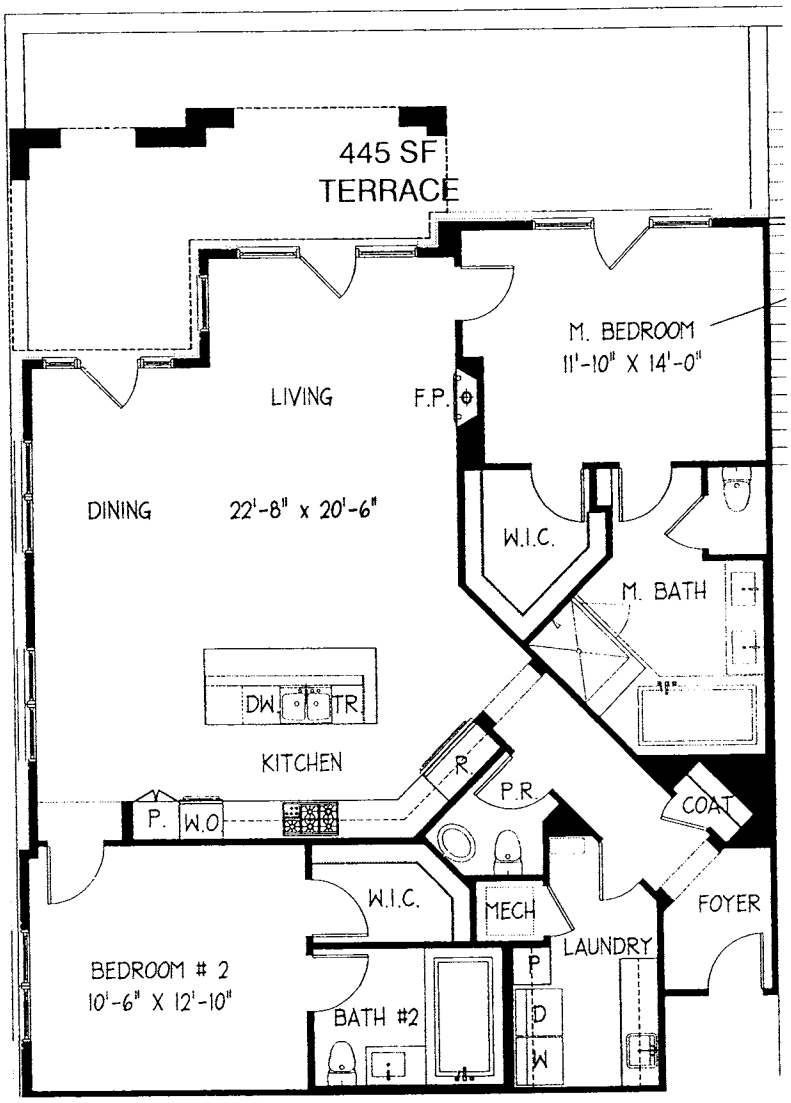
UNIT 2005
BUILDING 2000 - TERRACE LEVEL

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

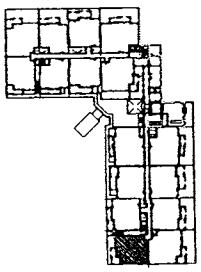
373

NOVEMBER 08, 2013
RXR 004B

0 2' 4' 8'
SCALE: 1/8"= 1'



2 BEDROOMS
2.5 BATHROOMS
1,725 SF



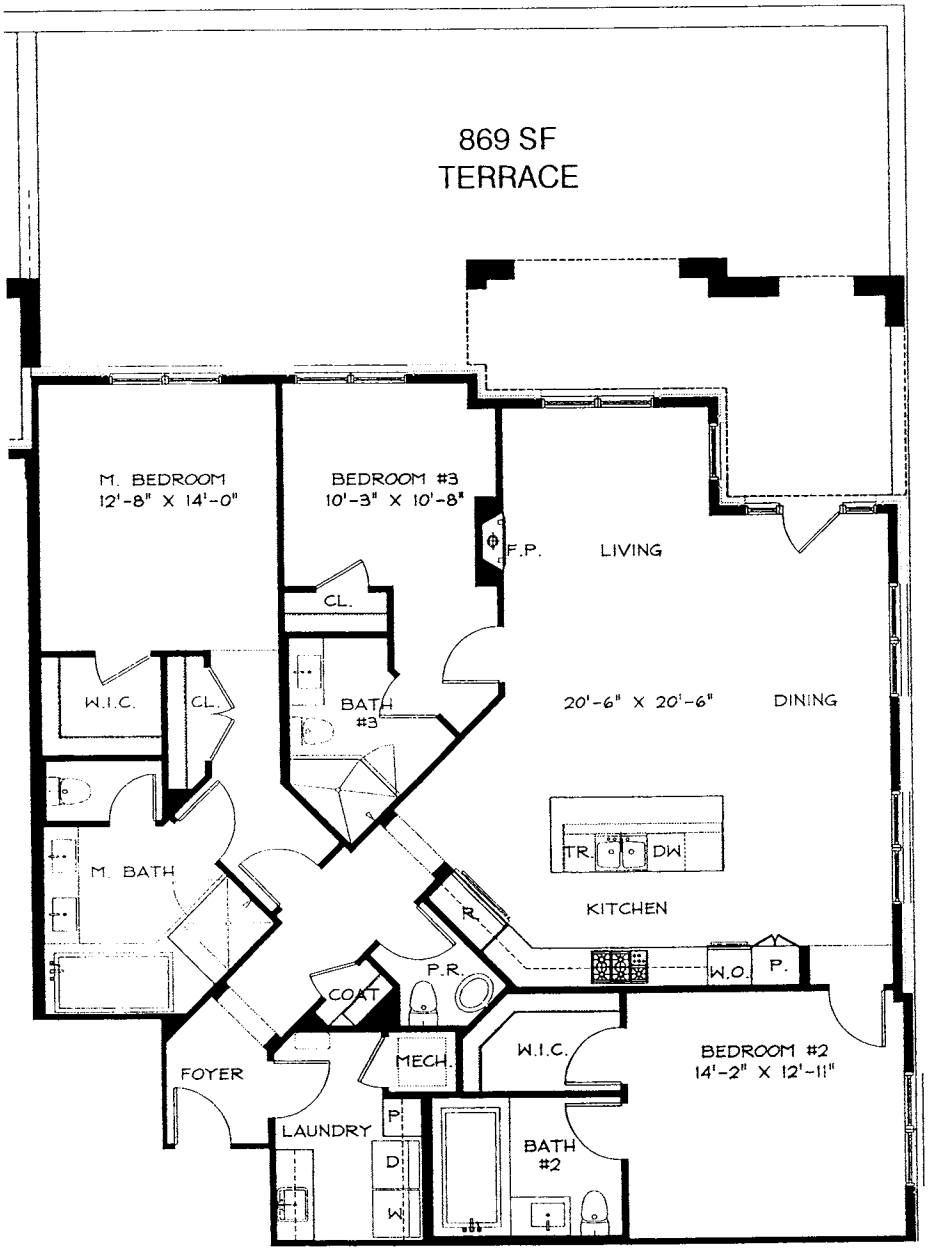
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UNIT 2007
BUILDING 2000 - TERRACE LEVEL

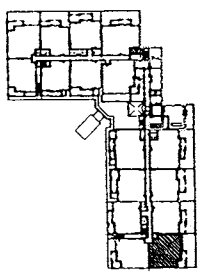
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
374 NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,925 SF



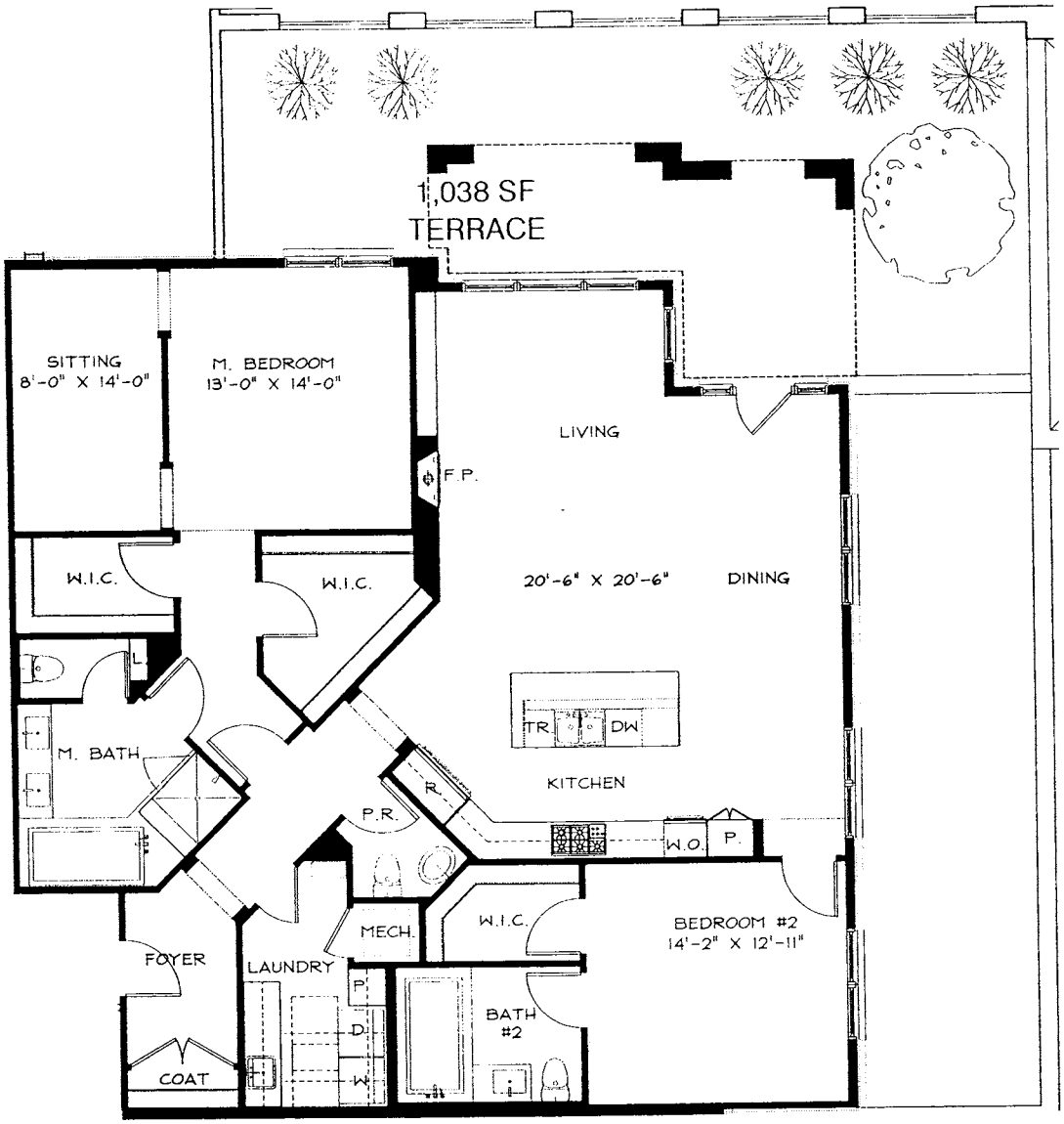
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UNIT 2008
BUILDING 2000 - TERRACE LEVEL

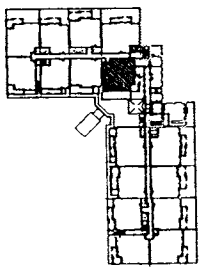
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
375 NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,963 SF



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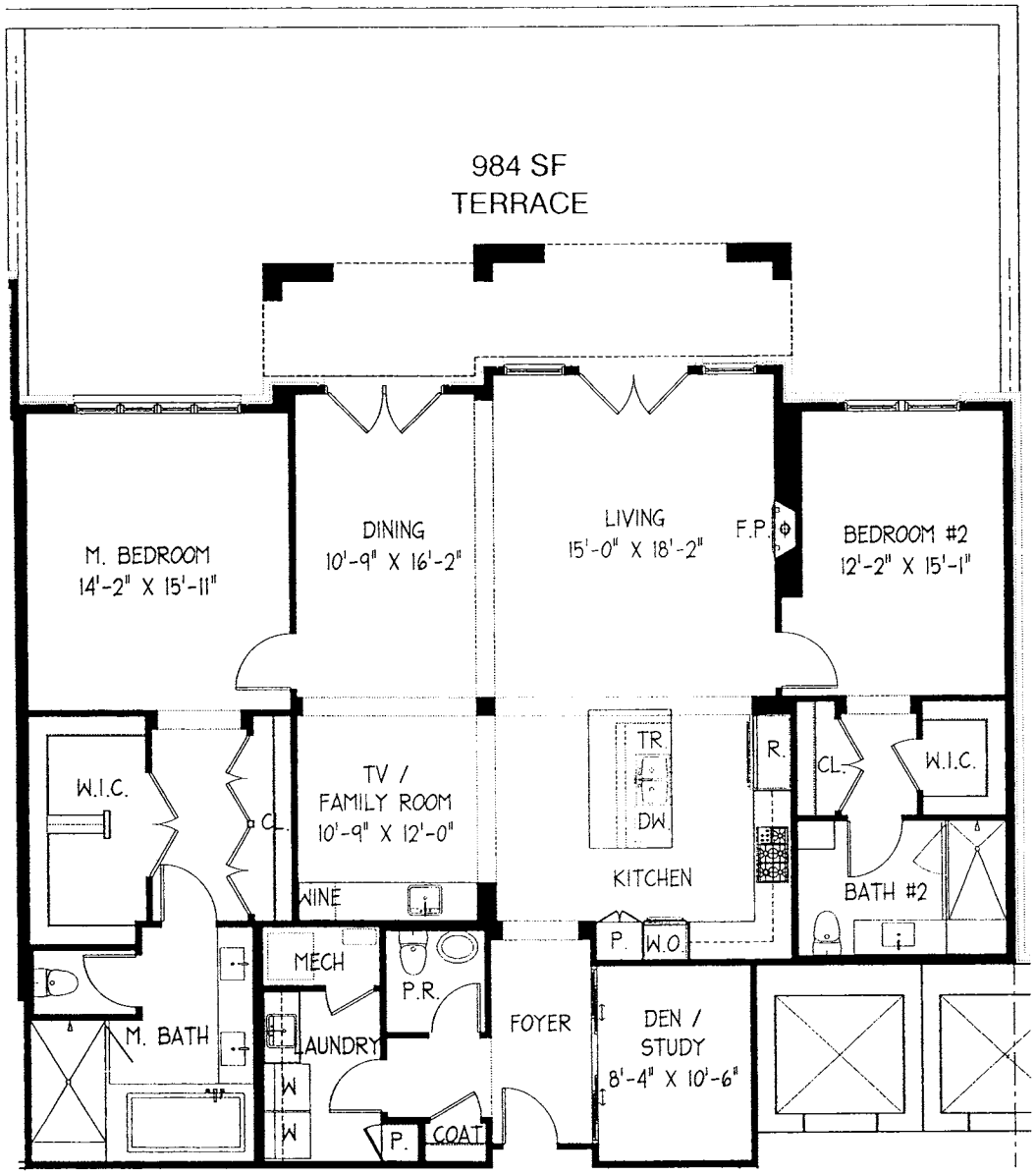
UNIT 2009
BUILDING 2000 - TERRACE LEVEL

NOVEMBER 08, 2013
RXR.004B

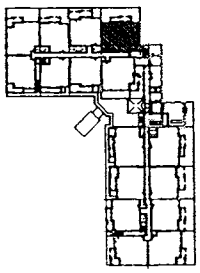
THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

376

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
2,093 SF



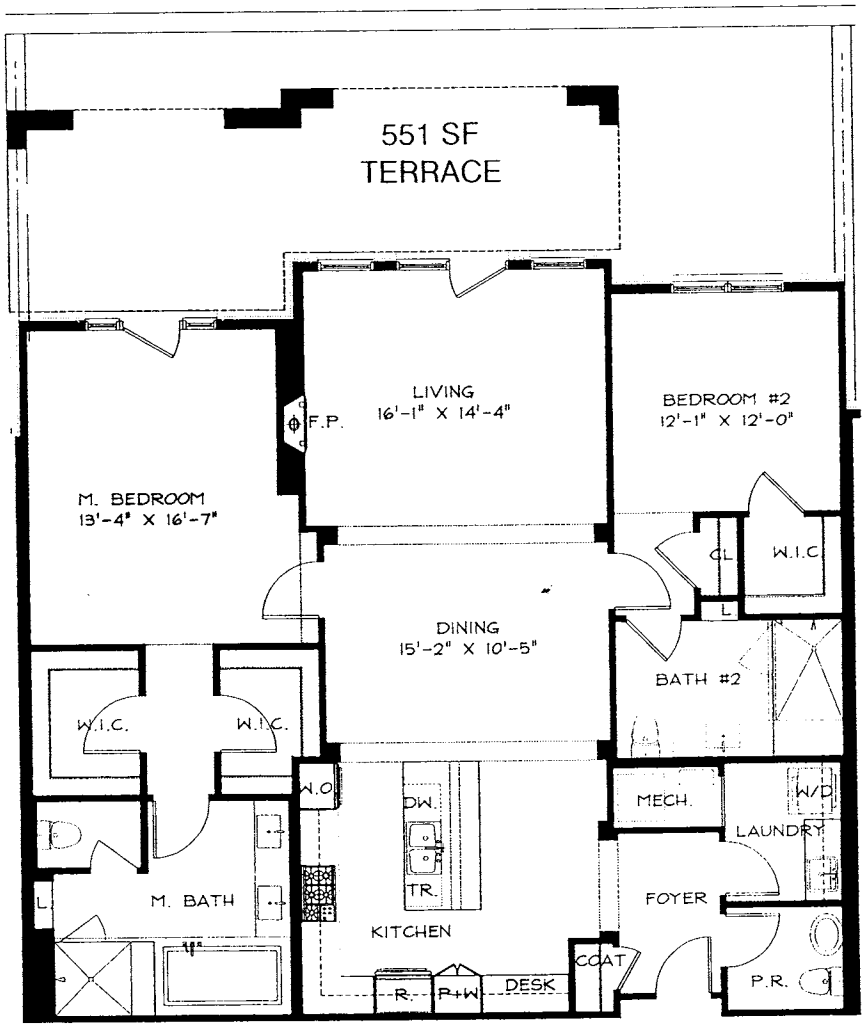
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UNIT 2010
BUILDING 2000 - TERRACE LEVEL

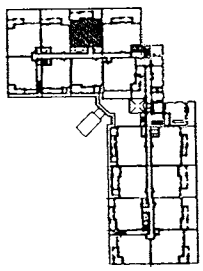
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,693 SF



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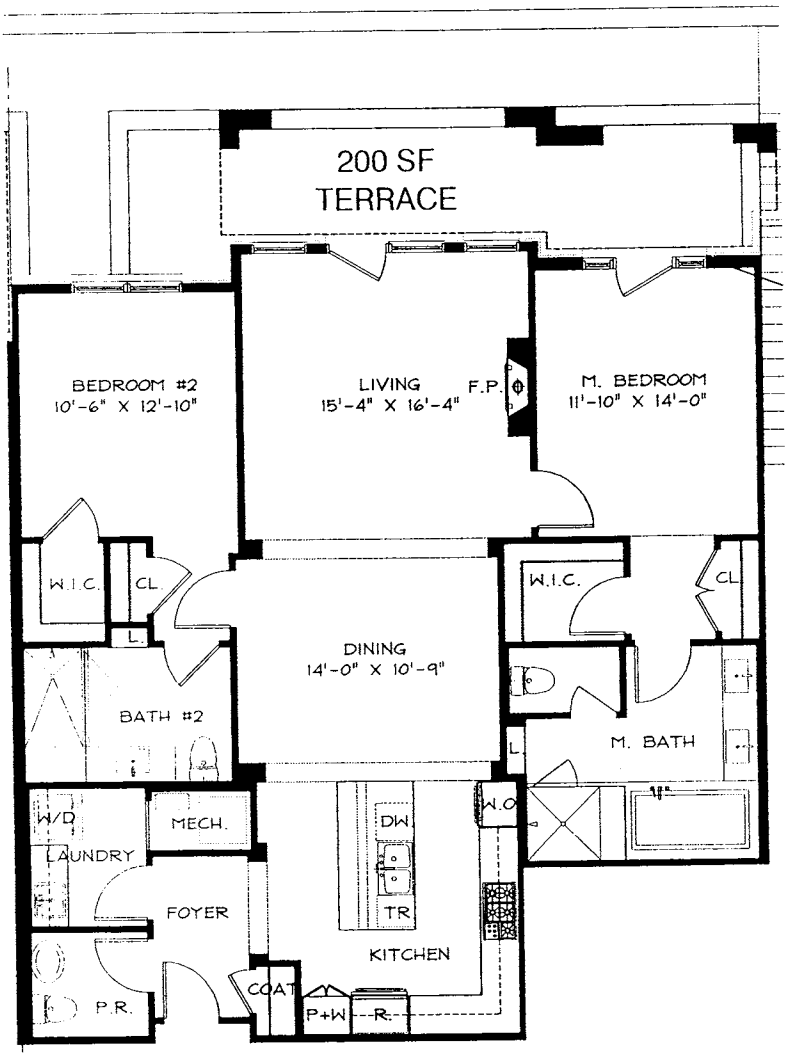
UNIT 2012
BUILDING 2000 - TERRACE LEVEL

NOVEMBER 08, 2013
RXR.004B

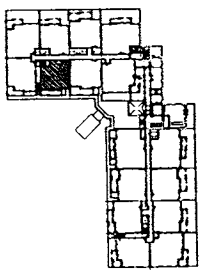
THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

378

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,528 SF



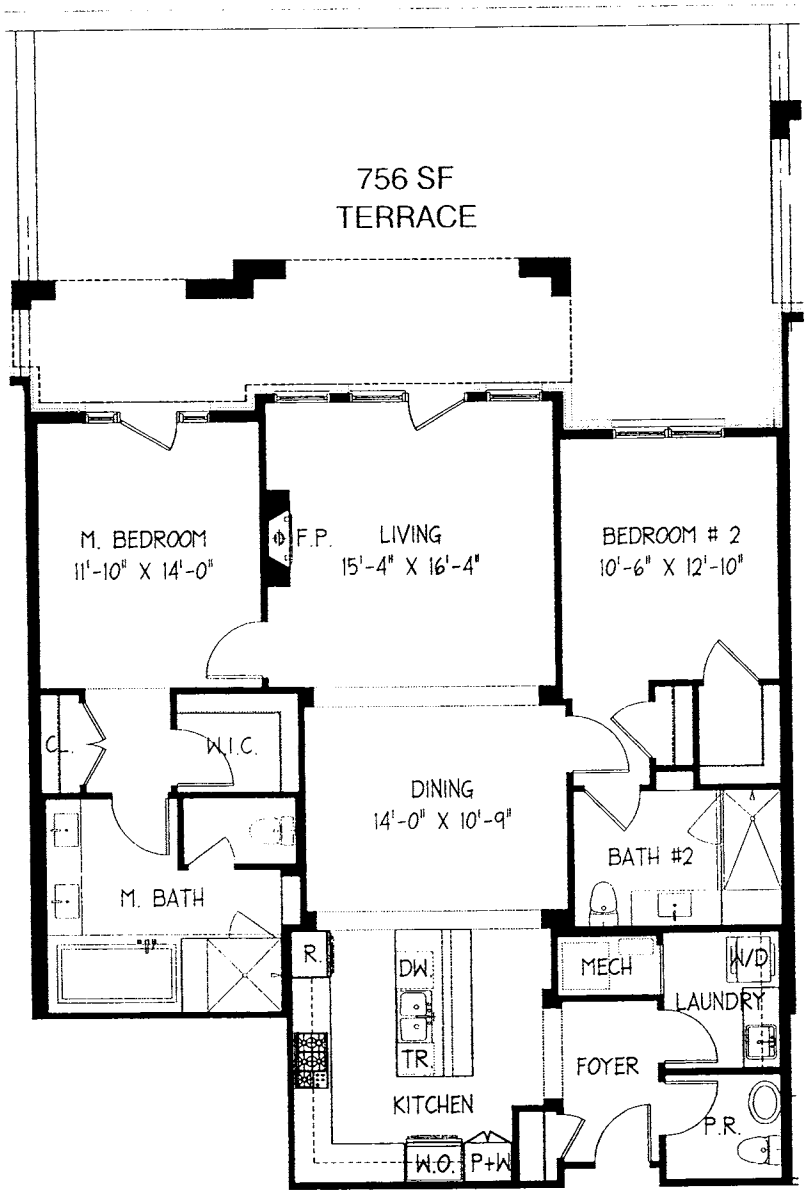
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UNIT 2013
BUILDING 2000 - TERRACE LEVEL

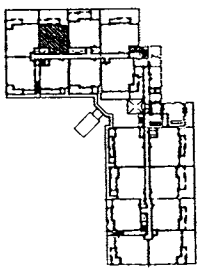
NOVEMBER 08, 2013
RXR 004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,528 SF



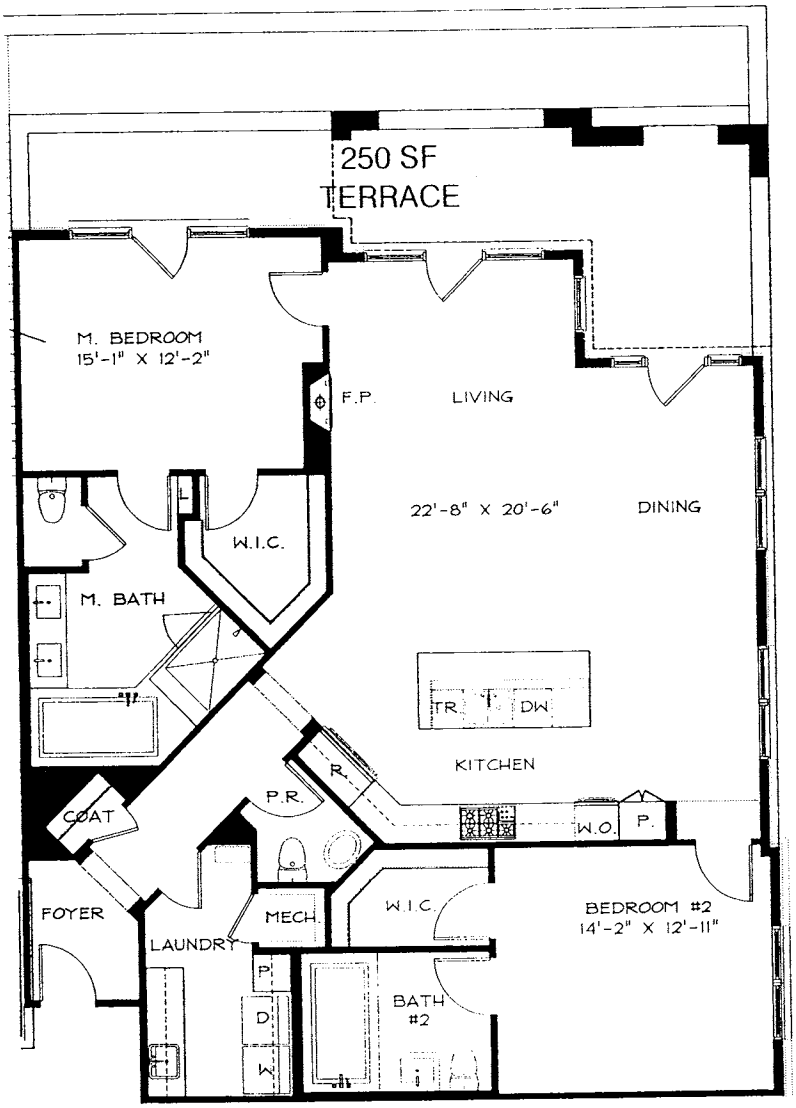
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UNIT 2014
BUILDING 2000 - TERRACE LEVEL

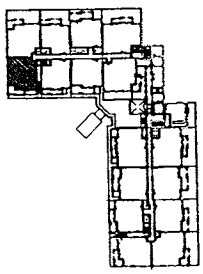
THE RITZ-CARLTON RESIDENCES
380 NORTH HILLS, NEW YORK
RXR

NOVEMBER 08, 2013
RXR.004B

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,725 SF



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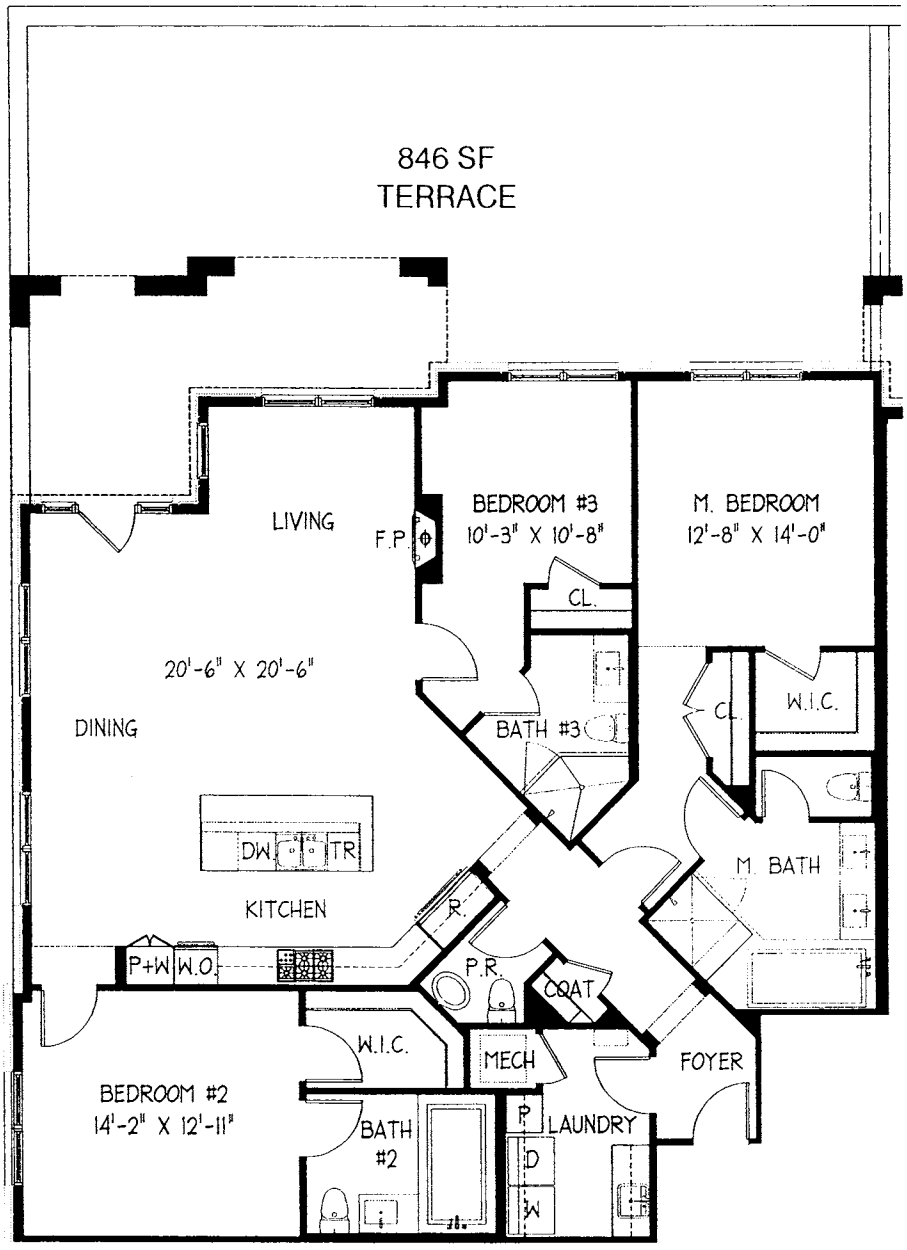
UNIT 2015
BUILDING 2000 - TERRACE LEVEL

NOVEMBER 08, 2013
RXR.004B

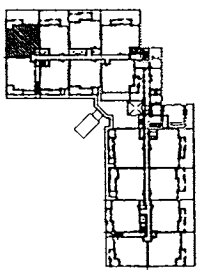
THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

381

0 2' 4' 8'
SCALE: 1/8" = 1'



3 BEDROOMS
3.5 BATHROOMS
1,925 SF



lessard
DESIGN INC. P.C.
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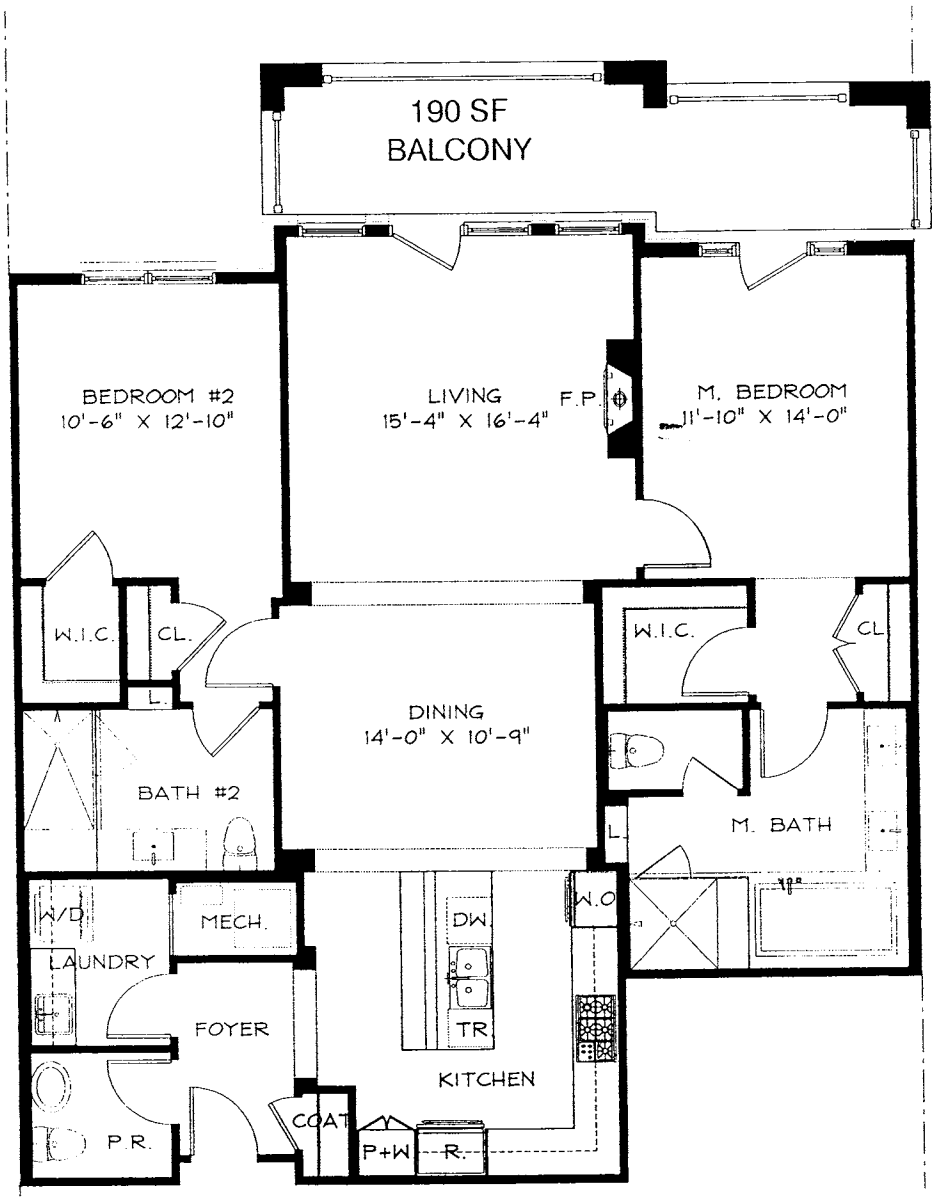
UNIT 2016
BUILDING 2000 - TERRACE LEVEL

382

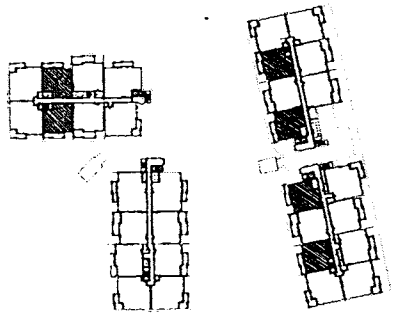
THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

NOVEMBER 08, 2013
RXR.004B

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2 BATHROOMS
1,528 SF



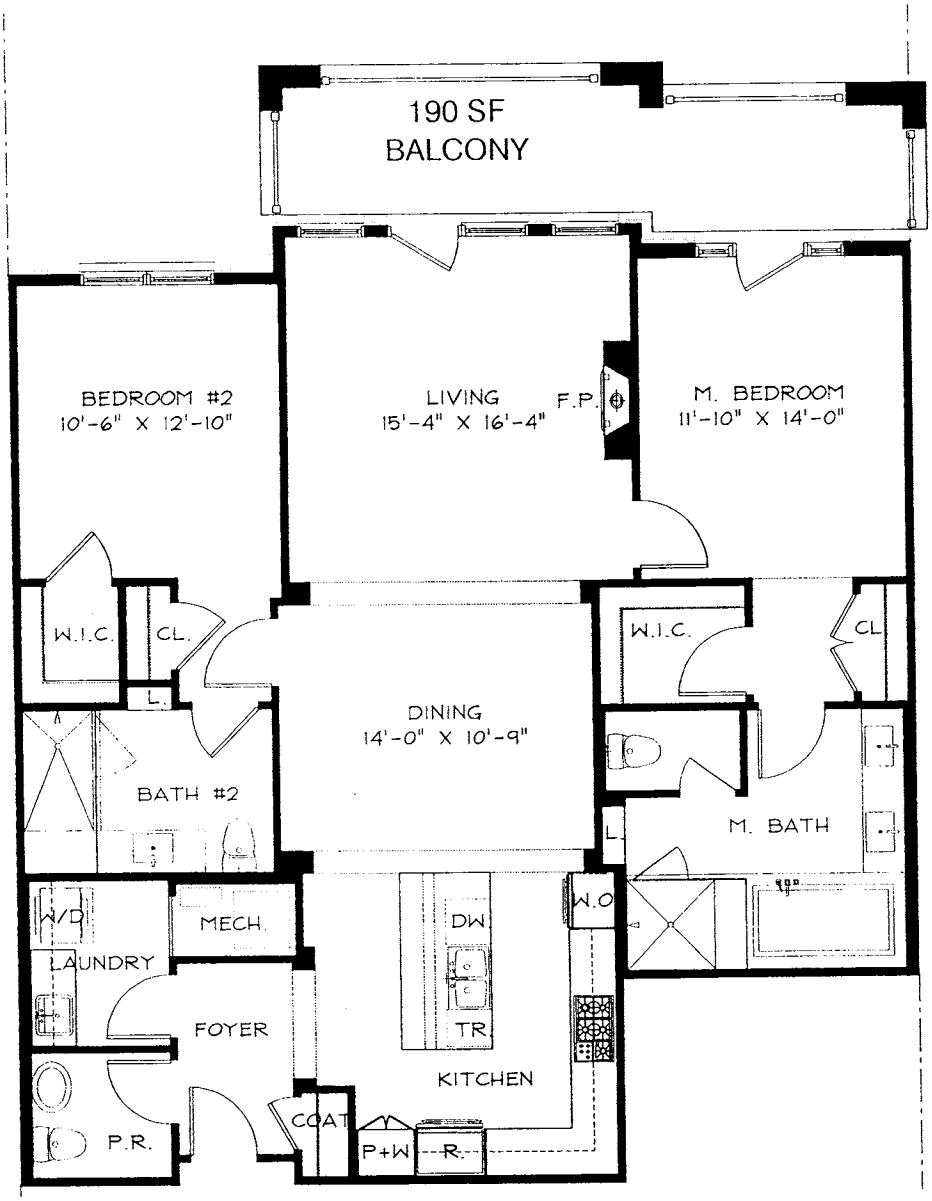
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UNITS 1101 1105 1109 1113 1201 1205 1209 1213
2113 2114 2213 2214
BUILDING 1000 - 2ND & 3RD LEVEL
BUILDING 2000 - 2ND & 3RD LEVEL

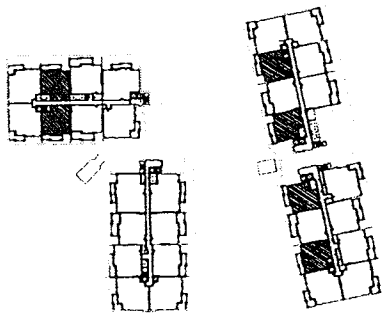
NOVEMBER 08, 2013
RXR 004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE 1/8" = 1'



2 BEDROOMS
2 BATHROOMS
1,528 SF



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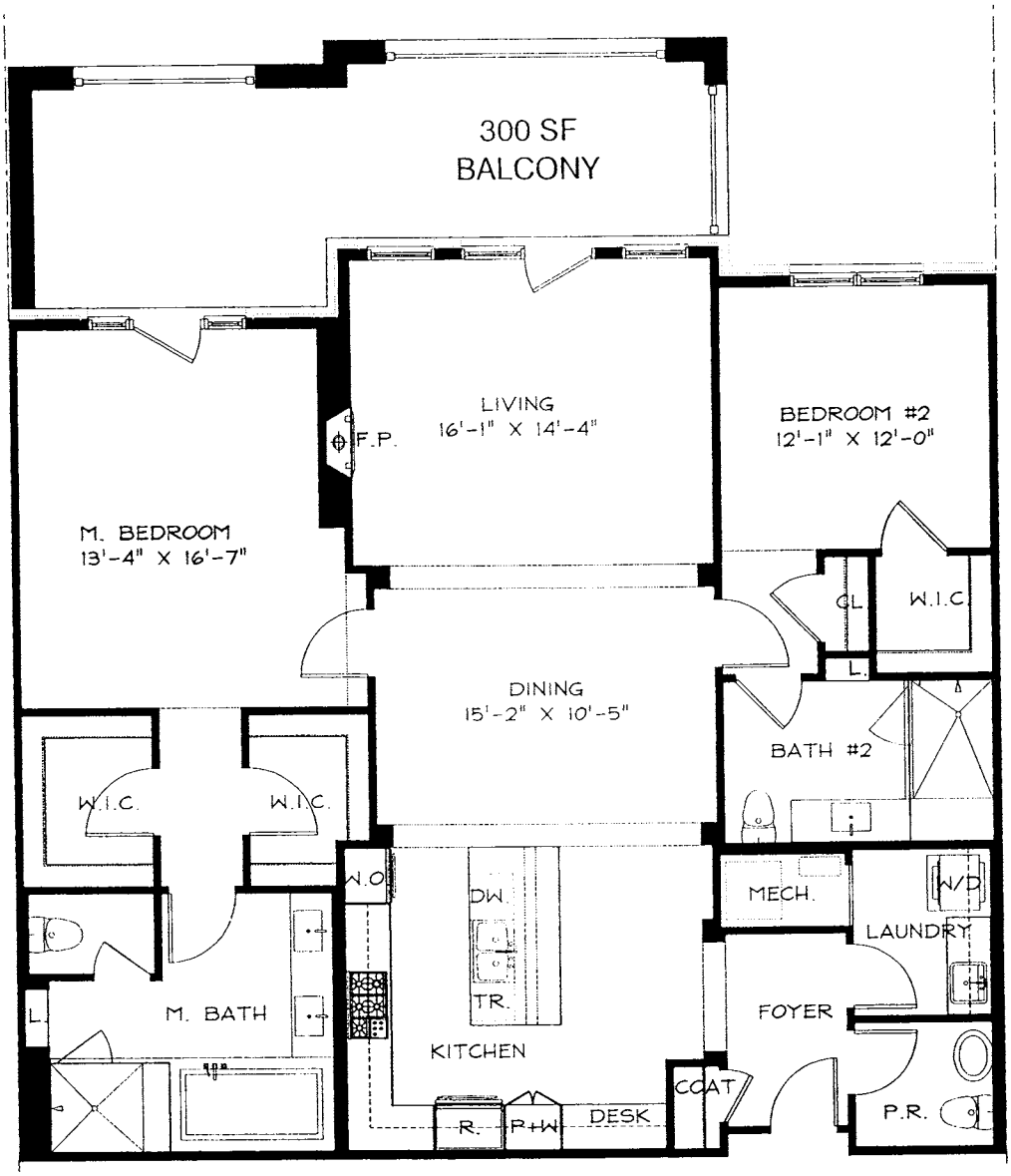
UNITS 1301 1305 1309 1313 2313 2314
BUILDING 1000 - PENTHOUSE LEVEL
BUILDING 2000 - PENTHOUSE LEVEL

NOVEMBER 08, 2013
RXR.004B

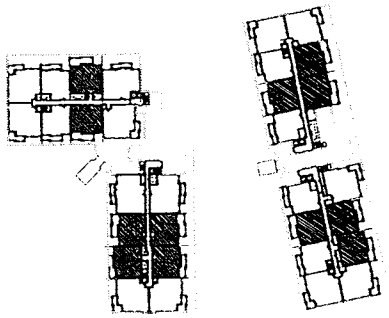
THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

384

0 2' 4' 8'
SCALE 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,693 SF



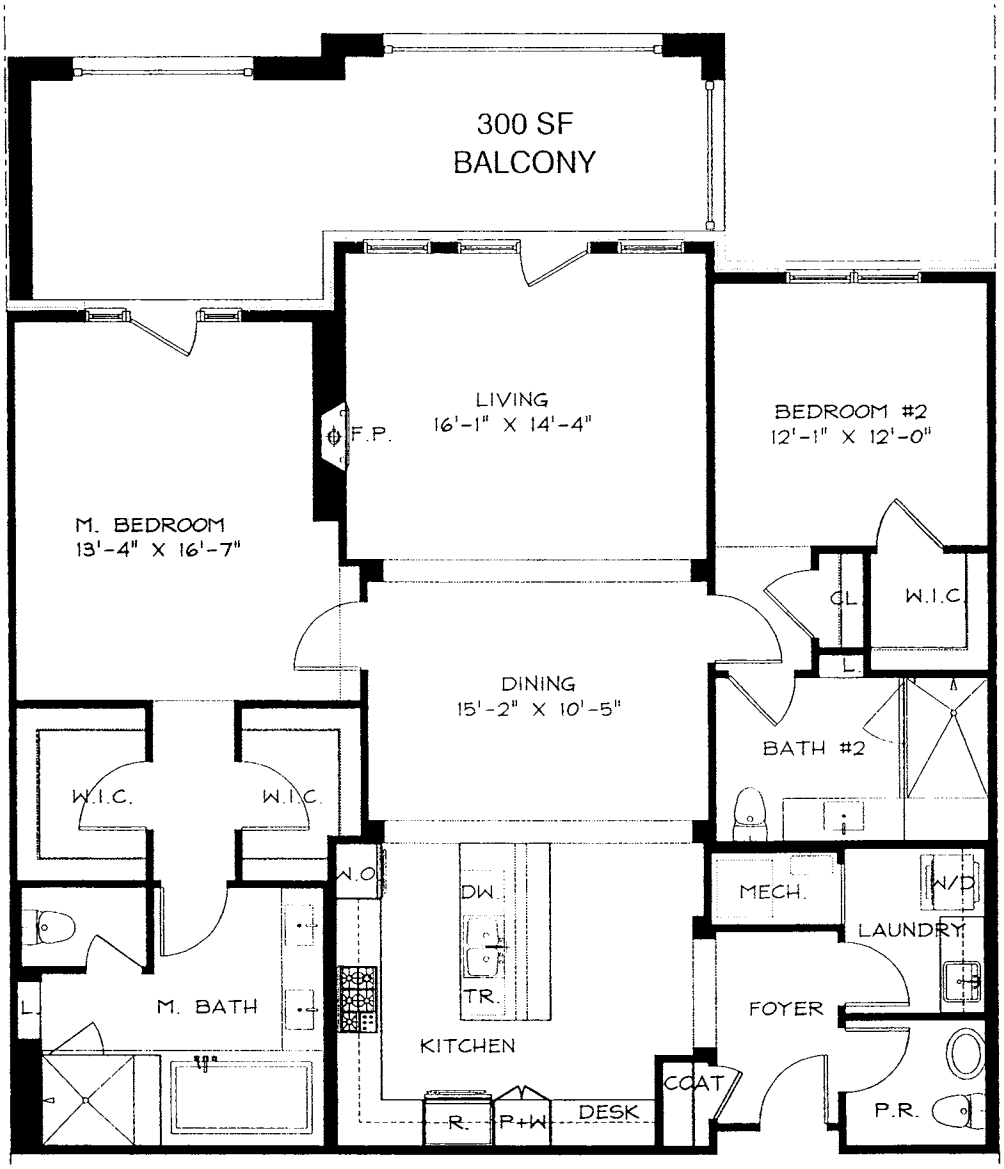
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UNITS 1103 1104 1106 1110 1111 1112 1203 1204 1206 1210 1211 1212
2103 2104 2105 2106 2111 2112 2203 2204 2205 2206 2211 2212
BUILDING 1000 - 2ND & 3RD LEVEL
BUILDING 2000 - 2ND & 3RD LEVEL

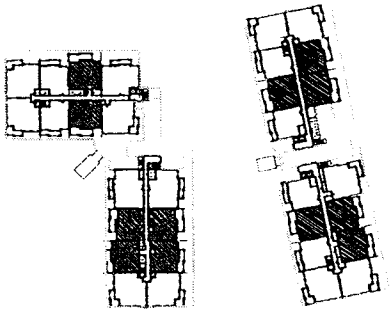
THE RITZ-CARLTON RESIDENCES
385 NORTH HILLS, NEW YORK
RXR

NOVEMBER 08, 2013
RXR.004B

0 2' 4' 8'
SCALE 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
1,693 SF



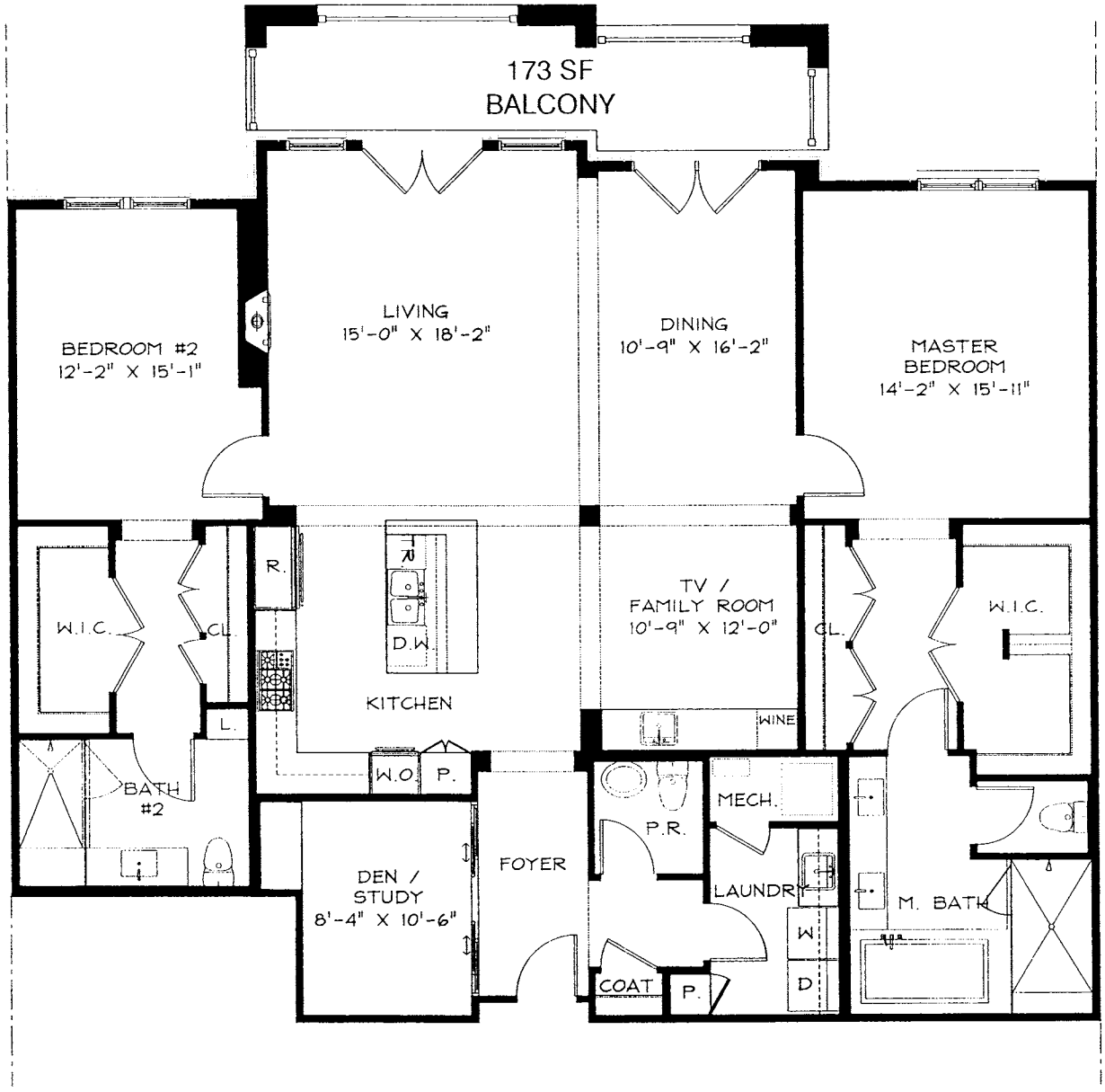
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UNITS 1303 1304 1306 1310 1311 1312
2303 2304 2305 2306 2311 2312
BUILDING 1000 - PENTHOUSE LEVEL
BUILDING 2000 - PENTHOUSE LEVEL

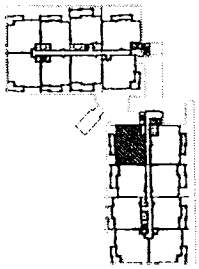
THE RITZ-CARLTON RESIDENCES
386 NORTH HILLS, NEW YORK
RXR

NOVEMBER 08, 2013
RXR.004B

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
2,155 SF



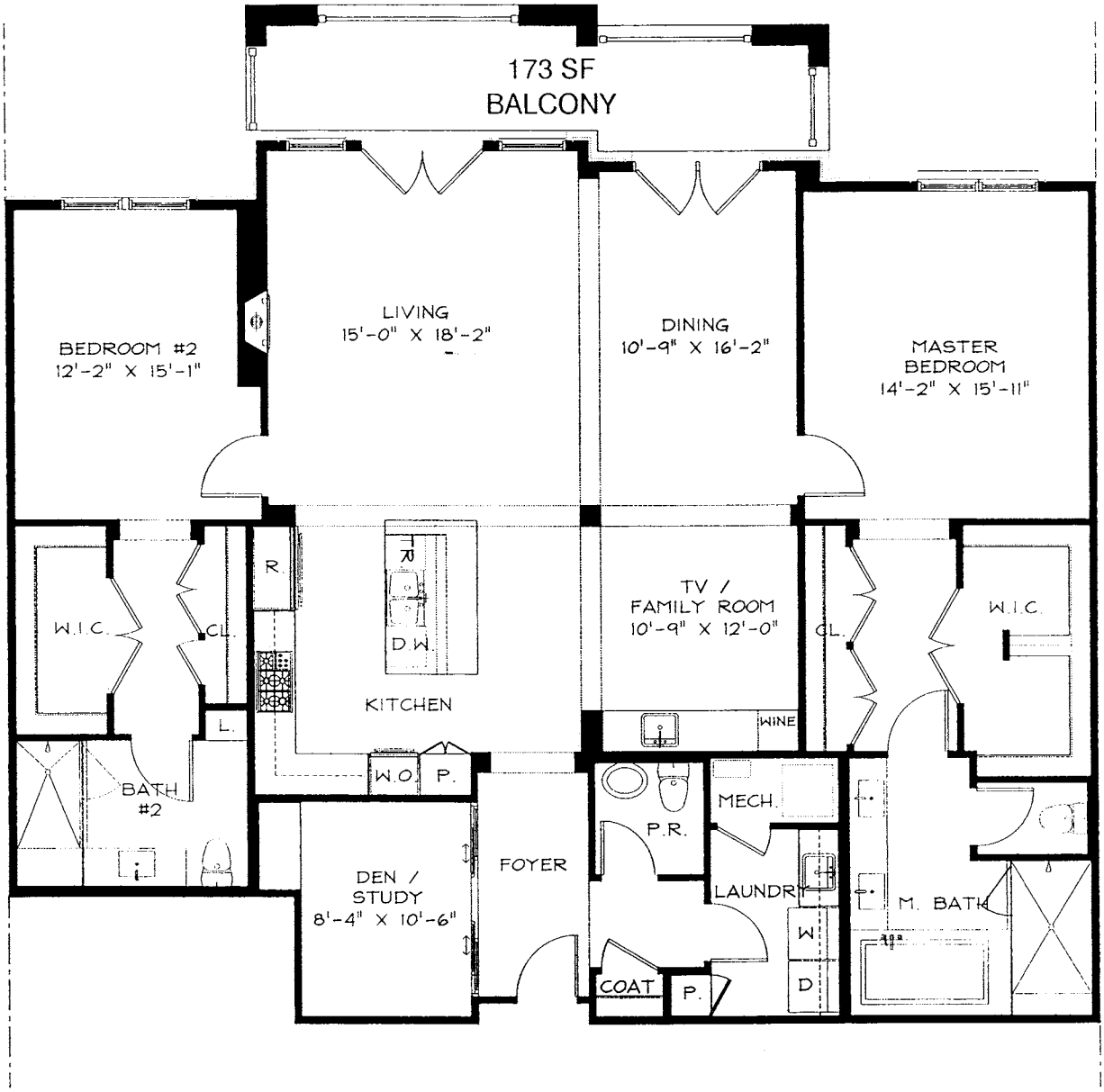
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UNITS 2101 2201
BUILDING 2000 - 2ND & 3RD LEVELS

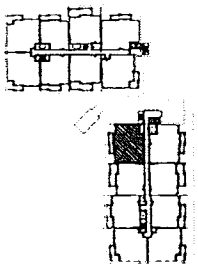
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
2,155 SF



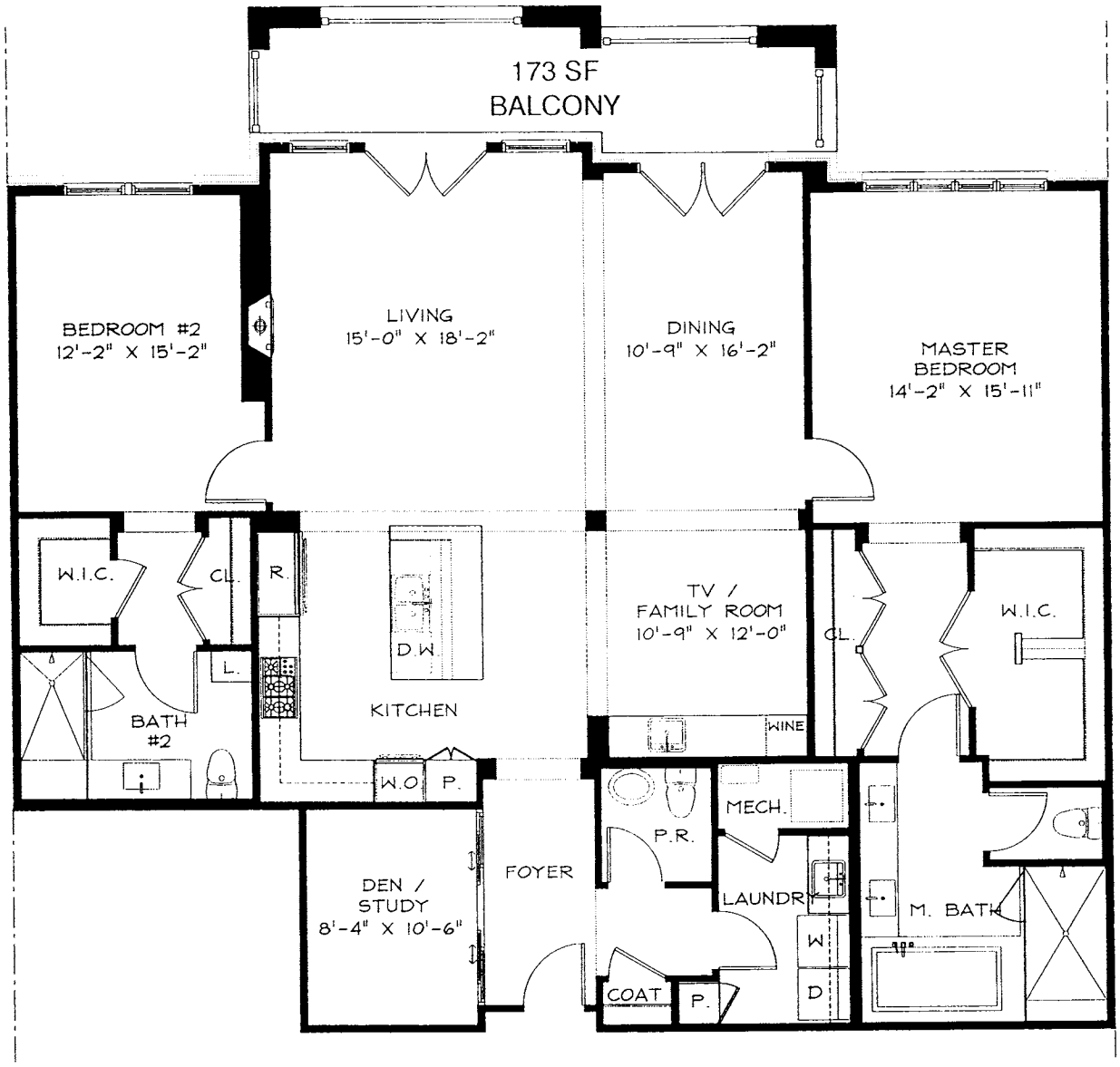
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UNIT 2301
BUILDING 2000 - PENTHOUSE LEVEL

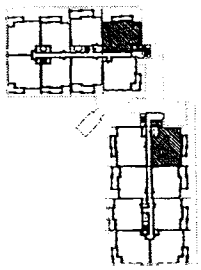
NOVEMBER 08, 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
388 NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
2,093 SF



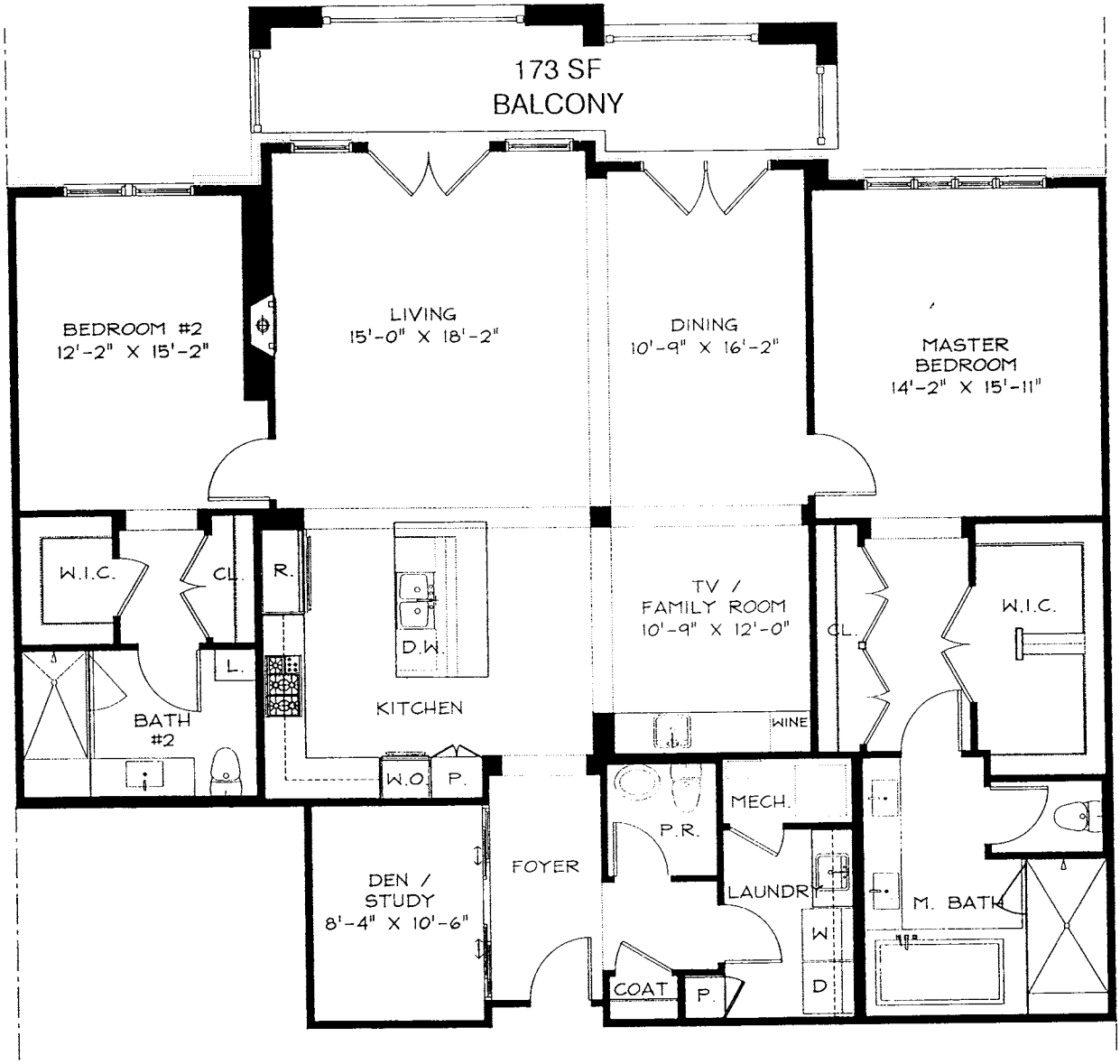
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UNITS 2102 2110 2202 2210
BUILDING 2000 - 2ND & 3RD LEVELS

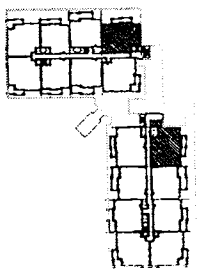
NOVEMBER 08. 2013
RXR.004B

THE RITZ-CARLTON RESIDENCES
NORTH HILLS, NEW YORK
RXR

0 2' 4' 8'
SCALE: 1/8" = 1'



2 BEDROOMS
2.5 BATHROOMS
2,093 SF



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UNITS 2302 & 2310
BUILDING 2000 - PENTHOUSE LEVEL

THE RITZ-CARLTON RESIDENCES
390 NORTH HILLS, NEW YORK
RXR

NOVEMBER 08, 2013
RXR.004B

0 2' 4' 8'
SCALE 1/8" = 1'

BUILDING 1000 - TERRACE LEVEL					
Unit	Unit Plan Type		Net Interior Area (Sq Ft)	Net Balcony/Terrace Area (Sq Ft)	Total Net Area (Sq Ft)
1001	C1	2 BR, 2.5 BA	1,528	305	1,833
1002	E1a	2 BR, 2.5 BA + Breakfast nook + Sitting area	1,963	838	2,801
1003	C2	2 BR, 2.5 BA	1,693	357	2,050
1004	C2	2 BR, 2.5 BA	1,693	942	2,635
1005	C1	2 BR, 2.5 BA	1,528	232	1,760
1006	C2	2 BR, 2.5 BA	1,693	703	2,396
1007	C3	2 BR, 2.5 BA + Breakfast nook	1,725	256	1,981
1008	E1	3 BR, 3.5 BA + Breakfast nook	1,925	868	2,793
1009	C1	2 BR, 2.5 BA	1,528	305	1,833
1010	C2	2 BR, 2.5 BA	1,693	946	2,639
1011	C2	2 BR, 2.5 BA	1,693	357	2,050
1012	C2	2 BR, 2.5 BA	1,693	946	2,639
1013	C1	2 BR, 2.5 BA	1,528	232	1,760
1014	E1	3 BR, 3.5 BA + Breakfast nook	1,925	868	2,793
1015	C3	2 BR, 2.5 BA + Breakfast nook	1,725	256	1,981

BUILDING 1000 - 2ND LEVEL					
Unit	Unit Plan Type		Net Interior Area (Sq. Ft.)	Net Balcony/Terrace Area (Sq. Ft.)	Total Net Area (Sq. Ft.)
1101	C1	2 BR, 2.5 BA	1,528	190	1,718
1102	E1a	2 BR, 2.5 BA + Breakfast nook + Sitting area	1,963	219	2,182
1103	C2	2 BR, 2.5 BA	1,693	299	1,992
1104	C2	2 BR, 2.5 BA	1,693	248	1,941
1105	C1	2 BR, 2.5 BA	1,528	190	1,718
1106	C2	2 BR, 2.5 BA	1,693	256	1,949
1107	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
1108	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
1109	C1	2 BR, 2.5 BA	1,528	190	1,718
1110	C2	2 BR, 2.5 BA	1,693	308	2,001
1111	C2	2 BR, 2.5 BA	1,693	299	1,992
1112	C2	2 BR, 2.5 BA	1,693	306	1,999
1113	C1	2 BR, 2.5 BA	1,528	190	1,718
1114	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
1115	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127

BUILDING 1000 - 3RD LEVEL					
Unit	Unit Plan Type		Net Interior Area (Sq. Ft.)	Net Balcony/Terrace Area (Sq. Ft.)	Total Net Area (Sq. Ft.)
1201	C1	2 BR, 2.5 BA	1,528	190	1,718
1202	E1a	2 BR, 2.5 BA + Breakfast nook + Sitting area	1,963	219	2,182
1203	C2	2 BR, 2.5 BA	1,693	299	1,992
1204	C2	2 BR, 2.5 BA	1,693	248	1,941
1205	C1	2 BR, 2.5 BA	1,528	190	1,718
1206	C2	2 BR, 2.5 BA	1,693	256	1,949
1207	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
1208	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
1209	C1	2 BR, 2.5 BA	1,528	190	1,718
1210	C2	2 BR, 2.5 BA	1,693	308	2,001
1211	C2	2 BR, 2.5 BA	1,693	299	1,992
1212	C2	2 BR, 2.5 BA	1,693	306	1,999
1213	C1	2 BR, 2.5 BA	1,528	190	1,718
1214	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
1215	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127

BUILDING 1000 - PENTHOUSE LEVEL					
Unit	Unit Plan Type		Net Interior Area (Sq. Ft.)	Net Balcony/Terrace Area (Sq. Ft.)	Total Net Area (Sq. Ft.)
1301	C1	2 BR, 2.5 BA	1,528	190	1,718
1302	E1a	2 BR, 2.5 BA + Breakfast nook + Sitting area	1,963	219	2,182
1303	C2	2 BR, 2.5 BA	1,693	299	1,992
1304	C2	2 BR, 2.5 BA	1,693	248	1,941
1305	C1	2 BR, 2.5 BA	1,528	190	1,718
1306	C2	2 BR, 2.5 BA	1,693	256	1,949
1307	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
1308	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
1309	C1	2 BR, 2.5 BA	1,528	190	1,718
1310	C2	2 BR, 2.5 BA	1,693	308	2,001
1311	C2	2 BR, 2.5 BA	1,693	299	1,992
1312	C2	2 BR, 2.5 BA	1,693	306	1,999
1313	C1	2 BR, 2.5 BA	1,528	190	1,718
1314	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
1315	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127

BUILDING 2000 - TERRACE LEVEL					
Unit	Unit Plan Type		Net Interior Area (Sq. Ft.)	Net Balcony/Terrace Area (Sq. Ft.)	Total Net Area (Sq. Ft.)
2001	E2	2 BR, 2.5 BA + Family room + Den/Study	2,155	280	2,435
2002	E2m	2 BR, 2.5 BA + Family room + Den/Study	2,093	966	3,059
2003	C2	2 BR, 2.5 BA	1,693	343	2,036
2004	C2	2 BR, 2.5 BA	1,693	930	2,623
2005	C2	2 BR, 2.5 BA	1,693	292	1,985
2006	C2	2 BR, 2.5 BA	1,693	845	2,538
2007	C3	2 BR, 2.5 BA + Breakfast nook	1,725	445	2,170
2008	E1	3 BR, 3.5 BA + Breakfast nook	1,925	869	2,794
2009	E1a	2 BR, 2.5 BA + Breakfast nook + Sitting area	1,963	1,038	3,001
2010	E2m	2 BR, 2.5 BA + Breakfast nook + Sitting area	2,093	984	3,077
2011	C2	2 BR, 2.5 BA	1,693	343	2,036
2012	C2	2 BR, 2.5 BA	1,693	551	2,244
2013	C1	2 BR, 2.5 BA	1,528	200	1,728
2014	C1	3 BR, 3.5 BA + Breakfast nook	1,528	756	2,284
2015	C3	2 BR, 2.5 BA + Breakfast nook	1,725	250	1,975
2016	E1	3 BR, 3.5 BA + Breakfast nook	1,925	864	2,789

BUILDING 2000 - 2ND LEVEL					
Unit	Unit Plan Type		Net Interior Area (Sq. Ft.)	Net Balcony/Terrace Area (Sq. Ft.)	Total Net Area (Sq. Ft.)
2101	E2	2 BR, 2.5 BA + Family room + Den/Study	2,155	173	2,328
2102	E2m	2 BR, 2.5 BA + Family room + Den/Study	2,093	173	2,266
2103	C2	2 BR, 2.5 BA	1,693	300	1,993
2104	C2	2 BR, 2.5 BA	1,693	300	1,993
2105	C2	2 BR, 2.5 BA	1,693	247	1,940
2106	C2	2 BR, 2.5 BA	1,693	240	1,933
2107	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
2108	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
2109	E1a	2 BR, 2.5 BA + Breakfast nook + Sitting area	1,963	202	2,165
2110	E2m	2 BR, 2.5 BA + Breakfast nook + Sitting area	2,093	173	2,266
2111	C2	2 BR, 2.5 BA	1,693	300	1,993
2112	C2	2 BR, 2.5 BA	1,693	306	1,999
2113	C1	2 BR, 2.5 BA	1,528	190	1,718
2114	C1	3 BR, 3.5 BA + Breakfast nook	1,528	190	1,718
2115	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
2116	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127

BUILDING 2000 - 3RD LEVEL					
Unit	Unit Plan Type		Net Interior Area (Sq. Ft.)	Net Balcony/Terrace Area (Sq. Ft.)	Total Net Area (Sq. Ft.)
2201	E2	2 BR, 2.5 BA + Family room + Den/Study	2,155	173	2,328
2202	E2m	2 BR, 2.5 BA + Family room + Den/Study	2,093	173	2,266
2203	C2	2 BR, 2.5 BA	1,693	300	1,993
2204	C2	2 BR, 2.5 BA	1,693	300	1,993
2205	C2	2 BR, 2.5 BA	1,693	247	1,940
2206	C2	2 BR, 2.5 BA	1,693	240	1,933
2207	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
2208	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
2209	E1a	2 BR, 2.5 BA + Breakfast nook + Sitting area	1,963	202	2,165
2210	E2m	2 BR, 2.5 BA + Breakfast nook + Sitting area	2,093	173	2,266
2211	C2	2 BR, 2.5 BA	1,693	300	1,993
2212	C2	2 BR, 2.5 BA	1,693	306	1,999
2213	C1	2 BR, 2.5 BA	1,528	190	1,718
2214	C1	3 BR, 3.5 BA + Breakfast nook	1,528	190	1,718
2215	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
2216	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127

BUILDING 2000 - PENTHOUSE LEVEL					
Unit	Unit Plan Type		Net Interior Area (Sq. Ft.)	Net Balcony/Terrace Area (Sq. Ft.)	Total Net Area (Sq. Ft.)
2301	E2	2 BR, 2.5 BA + Family room + Den/Study	2,155	173	2,328
2302	E2m	2 BR, 2.5 BA + Family room + Den/Study	2,093	173	2,266
2303	C2	2 BR, 2.5 BA	1,693	300	1,993
2304	C2	2 BR, 2.5 BA	1,693	300	1,993
2305	C2	2 BR, 2.5 BA	1,693	247	1,940
2306	C2	2 BR, 2.5 BA	1,693	240	1,933
2307	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
2308	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
2309	E1a	2 BR, 2.5 BA + Breakfast nook + Sitting area	1,963	202	2,165
2310	E2m	2 BR, 2.5 BA + Breakfast nook + Sitting area	2,093	173	2,266
2311	C2	2 BR, 2.5 BA	1,693	300	1,993
2312	C2	2 BR, 2.5 BA	1,693	306	1,999
2313	C1	2 BR, 2.5 BA	1,528	190	1,718
2314	C1	3 BR, 3.5 BA + Breakfast nook	1,528	190	1,718
2315	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127
2316	E1	3 BR, 3.5 BA + Breakfast nook	1,925	202	2,127

HOUSING MERCHANT LIMITED WARRANTY

JJ. HOUSING MERCHANT LIMITED WARRANTY

The following is General Business Law §777 which is the Housing Merchant Warrant Law, which Sponsor excludes in favor of the Limited Warranty contained in this Offering Plan:

New York General Business Law § 777. Definitions:

As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new Unit.

2. "Building Code" means the Building Code of New York State, uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the Unit caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New Unit" or "Unit" means any single family house or for sale Unit in a multi-Unit residential structure of five stories or less in which title to the individual Units is transferred to Owners under a Condominium or cooperative organization. Such terms do not include dwellings constructed solely for lease, mobile Units as defined in section seven hundred twenty-one of this chapter, or any house or Unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the Unit is sold and, during the unexpired portion of the warranty period, each successor in title to the Unit and any mortgagee in possession. Owner does not include the builder of the Unit or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the Unit as a residence, whichever first occurs.

New York General Business Law § 777-a. Housing merchant implied warranty:

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new Unit and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the Unit will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the Unit will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the Unit will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the Unit as fully as the buyer desired, or has refused to examine the Unit.

3. In the case of goods sold incidentally with or included in the sale of the new Unit, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods

shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the Unit shall afford the builder reasonable opportunity to inspect, test and repair the portion of the Unit to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the Unit proximately caused by the breach of warranty, not to exceed the replacement cost of the Unit exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the Unit caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new Unit which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

New York General Business Law § 777-b. Exclusion or modification of warranties:

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new Unit may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new Unit may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new Unit only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the Unit.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the Unit must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the Unit; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent Owners; the limited warranty must be extended to

the first owner of the Unit and survive the passing of title but may exclude any or all subsequent Owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the Unit or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the Unit is habitable, by permitting conditions to exist which render the Unit unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the Unit proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of Unit builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

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LIMITED WARRANTY
DATED _____, 201__
BY AND BETWEEN
RXR NORTH HILLS PHASE I OWNER LLC, AS SPONSOR,
AND
_____, AS PURCHASER.

LIMITED WARRANTY

NAME OF PURCHASER(S): _____

_____

ADDRESS OF PURCHASER(S): _____

_____

DESIGNATION OF UNIT WARRANTED: _____

NAME OF SPONSOR: RXR NORTH HILLS PHASE I OWNER LLC

ADDRESS OF SPONSOR: 625 RXR Plaza, Uniondale, New York 11556.

EFFECTIVE DATE OF THIS LIMITED WARRANTY:
The date that Purchaser or its family shall first occupy the Unit warranted or the date of delivery of the deed to such Unit to Purchaser, whichever occurs first.

SPONSOR'S LIMIT OF TOTAL LIABILITY: In no event shall the Sponsor's total liability to Purchaser under this Limited Warranty exceed ten (10%) percent of the Purchase Price of the Unit exclusive of options and less, any insurance proceeds received by Purchaser (the "Maximum Liability of Sponsor").

THIS LIMITED WARRANTY EXCLUDES AND PRECLUDES ALL CONSEQUENTIAL, INCIDENTAL, SPECIAL, AND INDIRECT DAMAGES.

THIS LIMITED WARRANTY IS IN LIEU OF AND REPLACES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE UNIT AND ITS COMPONENTS, BOTH EXPRESS AND IMPLIED (INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE). THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THE PURPOSE OF THIS LIMITED WARRANTY IS TO IDENTIFY THE SPONSOR'S RESPONSIBILITIES FOR CONSTRUCTION DEFECTS OF A LATENT OR HIDDEN NATURE THAT COULD NOT HAVE BEEN FOUND OR DISCLOSED ON FINAL INSPECTION OF THE UNIT.

1. To Whom Given. This Limited Warranty is given to Purchaser named on the first page of this Rider to Purchase Agreement while Purchaser owns the Unit. IT DOES NOT EXTEND TO SUBSEQUENT OWNERS, HEIRS, TENANTS OR MORTGAGEES IN POSSESSION OF THE UNIT, ANY ONE WHO MAY SUCCEED TO THE RIGHTS OF PURCHASER OR ANY OTHER PERSONS.

2. By Whom Made. This Limited Warranty is made exclusively by the Sponsor whose name and address appear on the first page of this Rider to Purchase Agreement.

3. Final Inspection of the Unit. Before Purchaser moves into the Unit or accepts the deed, the Sponsor will schedule an appointment for final inspection of the Unit with Purchaser. The purpose of this final inspection is to discover any defects, of a visible, obvious or patent nature, or any other unfinished work.

All defects found on final inspection of the Unit will be itemized on a Final Inspection Sheet, which will be signed by Purchaser and the Sponsor before occupancy of the Unit or delivery of the deed.

4. Warranty Coverages and Periods.

FIRST YEAR BASIC COVERAGE:

For one year from the Warranty Date, the Unit will be free from latent defects that constitute:

(a) defective workmanship performed by Sponsor, and agent of Sponsor or subcontractor of Sponsor;

(b) defective materials provided by Sponsor, an agent of Sponsor or subcontractor of Sponsor; or

(c) defective design, provided by an architect, engineer, surveyor, or other design professional engaged solely by Sponsor.

(d) defective installation of appliances sold as part of the Unit by the Sponsor or an agent, employee or subcontractor of the Sponsor.

Sponsor under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Sponsor's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the Building Code of

New York State or, in the event such standards do not exist in connection with any warranty item, if they fail to meet the locally accepted building practice.

TWO-YEAR MAJOR SYSTEMS COVERAGE:

For two years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Unit which have been installed by Sponsor are warranted to be free from latent defects that constitute defective installation by Sponsor.

Installation will be considered to be defective if Sponsor's workmanship upon the installation fails to meet or exceed the relevant standards and specifications of the Building Code of New York State or in the event such standards do not exist in connection with a warranty item, if they fail to meet locally accepted building practice.

The Plumbing Systems means: oil supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, oil and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system.

The Electrical System means: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System means: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

All systems are expressly exclusive of appliances, fixtures and items of equipment.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE:

For six years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects, as defined below, and that constitute:

(a) defective workmanship performed by Sponsor, an agent of Sponsor or subcontractor of Sponsor;

(b) defective materials provided by Sponsor, an agent of Sponsor or subcontractor of Sponsor; or

(c) defective design, provided by an architect, engineer, surveyor, or other design professional engaged solely by Sponsor.

Workmanship, materials and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the Building Code of

New York State or, in the event such standards do not exist in connection with a warranty item, if they fail to meet locally accepted building practice.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the Unit caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

By way of example and not in limitation of the foregoing, damage to the following non-load bearing portions of the Unit do not constitute a Material Defect for the Material Defect coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load bearing walls and partitions; concrete floors in the garages and basements that are built separately from foundation walls or other structural elements of the Unit; electrical, plumbing, heating, cooling and ventilation systems; appliances; fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; insulation and items of a similar nature.

5. Exclusions From All Coverages.

The following are expressly excluded from the Basic Coverage, Major System Coverage, and Major Structural Defect Coverage:

(a) Loss or damage caused by workmanship performed by any person other than (i) Sponsor, (ii) an agent of Sponsor, or (iii) a subcontractor of Sponsor.

(b) Loss or damage caused by defective materials supplied by any person other than (i) Sponsor, (ii) an agent of Sponsor, or (iii) a subcontractor of Sponsor.

(c) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by Sponsor.

(d) Any fixtures, equipment or appliance included within, without limitation including, stoves, refrigerators, freezers, room air conditioners, dishwashers, washers, dryers and similar items, unless a latent defect is caused by the failure of Sponsor, its agent or subcontractor to have installed same in a skillful manner.

(e) Patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Unit prior to acceptance of the deed or occupancy of the Unit ought to have revealed.

(f) Defects in outbuilding including but not limited to detached garages and detached carports (except outbuilding which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Unit); site located swimming pools and other

recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); off-site improvements or any other improvements not as part of the Unit itself.

(g) After the first year Basic Coverage, concrete floors of cellars and concrete floor of garages that are built separately from foundation walls or other structural elements of the Unit.

(h) Damage to real property which is not part of the Unit covered by the Limited Warranty and which is not included in the Purchase Price of the Unit.

(i) Any damage to the extent that it is caused or made worse by:

(i) negligence, improper maintenance, or improper operation by anyone other than Sponsor, its employees, agents, or subcontractors; or

(ii) failure by Purchaser or anyone other than Sponsor, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment; or

(iii) failure of Purchaser to give notice to Sponsor of any defects or damage within the time periods set forth in the Housing Merchant Implied Warranty Law; or

(iv) changes in the grading of the ground by anyone other than Sponsor, its employees, agents or subcontractors; or

(v) changes, alterations or additions made to the Unit by anyone after the Warranty Date; or

(vi) dampness or condensation due to failure of Purchaser or occupant to maintain adequate ventilation;

(j) Any condition which does not result in actual physical damage to the Unit;

(k) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightening, windstorm, hail, flood, mud slide, earthquake, volcanic eruption, wind-driven water, changes in the underground water table or other matters not reasonably foreseeable and within the reasonable control of Sponsor;

(l) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect;

(m) Any damage caused by soil movement, settlement or lumber shrinkage;

(n) Any damage which the Unit owner has not taken timely action to minimize;

(o) Normal wear and tear and normal deterioration;

(p) Insect damage;

(q) Bodily injury or damage to personal property;

(r) Failure of Sponsor to complete construction of the Unit;

(s) Loss or damage which arises while the Unit is being used primarily for nonresidential purposes;

(t) Loss or damage due to abnormal loading on floors by the Unit owner which exceeds design loads as mandated by the Building Code;

(u) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair;

(v) Consequential damages (except where required by state law);

(w) Any claim not filed in a manner set forth below in paragraph 8, "Claims Procedures".

6. What Sponsor Will do in the Event of a Defect-Covered by This Warranty. If a defect occurs in an item covered by this warranty, the Sponsor will repair, replace, or pay Purchaser the reasonable cost of repairing or replacing the defective item(s), within a reasonable period of time after the Sponsor's inspection or testing discloses the problem, subject to weather conditions, acts of God, availability of materials, and other events beyond Sponsor's control. The choice among repair, replacement or payment is solely that of the Sponsor. In making any repairs or replacements, Sponsor shall have the right to select the method and materials to be used in performing such repairs or replacements.

Sponsor's liability under this warranty is limited in the aggregate to the amount listed on the first page of this Rider to Purchase Agreement / Warranty.

Repair of damage to the load-bearing portions of the Unit will be limited to that which is necessary to restore their load-bearing function. Repair of other Major Structural Defects will be limited to repair of those defects which made the Unit unsafe, unsanitary or otherwise unlivable.

7. Step by Step Claims Procedures.

(a) Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and must be received by the Sponsor no later than the tenth (10th) day after the expiration of the applicable warranty period. Such notice must be sent by Purchaser to Sponsor strictly by certified or registered mail, return receipt requested. If this form shall not properly be completed and received by the Sponsor by that deadline, the Sponsor will have no duty to respond to any complaint or demand contained in such form, and any or all claims may be rejected. COMPLETION AND DELIVERY OF SUCH NOTICE OF WARRANTY CLAIM IN A TIMELY MANNER IS NECESSARY TO PROTECT THE RIGHTS OF PURCHASER UNDER THIS LIMITED WARRANTY.

8. No steps taken by the Sponsor, Purchaser or any other person to inspect, test or correct defects will extend any time period under this Warranty. No steps taken by the Sponsor in response to an improperly completed or untimely notice of a warranty claim will give rise to any liability of Sponsor to Purchaser in connection with such claim.

9. In response to a Notice of Warranty Claim, or any other complaint or request of Purchaser, the Sponsor and the Sponsor's agents will have the right to inspect and test the portion of the Unit to which the claim, complaint or request relates. Purchaser and occupants of the Unit must provide reasonable access to the Sponsor and the Sponsor's agents during normal business hours, Monday through Friday, to complete inspection, testing and repair or replacement. Failure by Purchaser to provide such access shall invalidate this warranty with respect to the defect(s) set forth on the Notice of Warranty Claim.

10. The Sponsor will complete inspection and testing within a reasonable time under the circumstances after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Sponsor will determine whether to accept or reject the claim. If the Sponsor rejects the claim, the Sponsor will give written notice of that decision to Purchaser at the address shown on the Notice of Claim Form if the Sponsor, accepts the claim, the Sponsor will take corrective action within a reasonable time under the circumstances. The Sponsor will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessary are subject to weather conditions, availability of materials, and other events beyond the Sponsor's control.

11. Legal Actions. (a) No claim under this warranty may be commenced or asserted against Sponsor in any lawsuit unless a properly completed Notice of Warranty Claim Form has been received by the Sponsor in the time period set forth in paragraph 7 of this warranty; (b) No lawsuit against the Sponsor under this warranty may be commenced more than thirty (30) days after the expiration date of the applicable warranty coverage, or thirty (30) days after Sponsor has given written notice of its rejection of Purchaser's claim with respect to such claim, or thirty (30) days after Sponsor has substantially completed corrective action for a defect with respect to such defect.

12. Miscellaneous Provisions.

(a) To the extent any coverage under this warranty applies to Common Elements of a Condominium, such coverage shall be deemed given to the Board of Managers of the Condominium.

1. This warranty may not be amended in any way without Sponsor's prior written consent in each instance.

2. If any provision of this warranty will not be enforced by an appropriate court, the determination will not affect the enforceability of the remaining provisions.

3. Use of one gender in this warranty includes the other gender, and use of the plural includes the singular, as may be appropriate.

4. This warranty shall be governed in accordance with the laws of the State of New York.

5. The annexed Building Standards, as they may be amended, establishes the standards by which it will be determined whether the Unit has a problem which is covered by this Limited Warranty and the obligation of the Sponsor to correct such problem.

INSTRUCTIONS TO COMPLETE

KK. NOTICE OF WARRANTY CLAIM FORM

To ask the Warrantor to correct a defect in your Unit that you think is covered by the Warrantor's Limited Warranty, you must complete this form and deliver it to the Warrantor. This is necessary to protect your rights to warranty performance under the Limited Warranty.

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem. If you do not know the answers to any questions, write "Don't know." **Please do not leave any items blank.**

NOTICE OF WARRANTY CLAIM FORM

I (We) (_____)
insert your name
am (are) the owner of Unit #_____ located at _____
_____.

My mailing address and office and Unit telephone numbers are_____
_____
(mailing address)
_____
(Office telephone number) (Unit telephone number)

I first occupied the Unit as my residence on _____.

I closed title to the Unit on _____.

Set forth below are defects in my Unit and the approximate date the defects occurred or I became aware of them:

NATURE OF DEFECTS	DATE OCCURRED OR FIRST OBSERVED

_____ _____
(Signature) (Date)

_____ _____
(Signature) (Date)

This completed and signed form must be sent to Warrantor at its address listed on the first page of the Warranty by certified or registered mail, return receipt requested.

LONG ISLAND BUILDERS INSTITUTE

ACCEPTED BUILDING STANDARDS 2007

Long Island Builders Institute
Performance Standards

SITE WORK
Coverage 1st Year Only, Workmanship and Materials

1-0-1 Observation: The ground has settled around the foundation, over utility trenches, or in other areas.

Performance Guideline: Settling of ground around foundation walls, over utility trenches, or in other filled areas shall not interfere with water drainage away from the home.

Corrective Measure: If the contractor provided final grading, upon request by the owner, one time only the contractor will fill areas that settle more than 6 inches and that affect proper drainage. The owner will be responsible for removal and replacement of shrubs, grass, other landscaping, pavement, sidewalks, or other improvements affected by placement of such fill.

1-0-2 Observation: The site does not drain properly.

Performance Guideline: The necessary grades and swales shall have been established by the contractor to ensure proper drainage away from the home. Standing or ponding water shall not remain for extended periods in the immediate area of the house after a rain (generally no more than 24 hours), except in swales that drain other areas or in areas where sump pumps discharge. In these areas a longer period can be anticipated (generally no more than 48 hours). The possibility of standing water after an unusually heavy rainfall should be anticipated by the owner. No grading determination shall be made while frost or snow is on the ground or while the ground is saturated or before any lawn or Plantings are established.

Corrective Measure: The contractor is responsible only for initially establishing the proper grades and swales. The owner is responsible for maintaining such grades and swales once they have been properly established by the contractor.

Discussion: Grass and other landscaping are integral components of the storm water management practice needed to minimize erosion from the site. It is the owner's responsibility to maintain such grass and other landscaping to help ensure proper functioning of the site drainage system. The owner is responsible for maintaining such grades and swales once the contractor has properly established them. If a Unit Owner, their landscaper or another subcontractor changes the contractor grades or if they create impediments to the original drainage scheme, such as walkways, patios, decks, etc., the contractor is no longer responsible for proper drainage in the areas so affected.

1-0-3. Observation: The site has soil erosion.

Performance Guideline: The contractor shall grade the disturbed areas of the property in accordance with municipal requirements. Contractor is not responsible for soil erosion due to acts of God, or other conditions beyond the contractor's control.

Corrective Measure: No action required. The contractor is not responsible for erosion due to acts of God, site alterations by the owner, lack of maintenance by the owner, or other conditions beyond the contractor's control.

1-0-4 Observation: Water from a nearby or adjacent property flows onto the owner's lot.

Performance Guideline: The contractor is responsible for providing a means of draining water (rain, melting snow or ice) that originates from the lot he is working on (1-0-2). The contractor is not responsible for water flowing from a nearby or adjacent property that he does not own or control, onto the disturbed portions of the owner's lot. The contractor is obliged only to make a reasonable effort in

accordance with the municipal requirements to control water flowing from another lot that he does not own or control or on which no dwelling has been erected by providing proper slopes around the newly erected dwelling.

Corrective Measure: It is the contractor's responsibility to control water only in the area immediately surrounding a new dwelling and in the areas he has disturbed.

1-0-5 Observation: Existing trees, shrubs, or other vegetation are damaged in the course of construction.
Performance Guideline: The contractor is only required to make a reasonable and cost effective effort to preserve and protect existing trees, shrubs, other vegetation and landscaping, if any, that he is trying to save. No attempted savings are guaranteed.

Corrective Measure: No contractor action is needed.

Foundation and Slabs - Coverage 1st Year Only
Workmanship and Materials

General

2-1-1 Observation: The foundation is out of square.

Performance Guideline: As measured at the top of the foundation wall, the diagonal of a triangle with sides of 12 feet and 16 feet shall be no more than 1 inch more or less than 20 feet. Remodeling Specific: A contractor and owner may agree to build an addition out of square in order to keep a new exterior wall on line with an existing wall of an out-of-square house.

Corrective Measure: The contractor will make necessary modifications to the foundation to comply with the performance guidelines for squareness to provide a satisfactory appearance. The contractor may square the first-floor deck or walls by cantilevering over the foundation or locating the deck or walls inset from the outside face of the foundation.

Discussion: Squareness is primarily an aesthetic consideration. The corrective measure emphasizes the primarily aesthetic nature of squareness and makes the criterion for correction "a satisfactory appearance." This allows the contractor to make either a structural change or some cosmetic modification as most appropriate. There are many instances in which the squareness of a foundation is not of consequence because subsequent construction provides an opportunity to make corrections.

2-1-2 Observation: The foundation is not level.

Performance Guideline: This guideline applies only when the levelness of the foundation adversely impacts subsequent construction. As measured at the top of the foundation wall, no point shall be more than 1/2 inch higher or lower than any point within 20 feet. Remodeling Specific: The contractor and the owner may agree to build an addition out of level in order to keep the floor of an addition on the same Plane, and the roof ridge on the same line, as those of an existing, out-of-level structure.

Corrective Measure: The contractor will make necessary modifications to any part of the foundation or to subsequent construction to meet the performance guideline for levelness. This can be affected by leveling the sills with shims, mortar, appropriate fillers, or other methods.

Discussion: There are many instances in which the levelness of a foundation is not of consequence because subsequent construction provides an opportunity to make corrections.

Interior Concrete Slab

2-2-1 Observation: There is a crack in a concrete footing.

Performance Guideline: Cracks greater than 1/4-inch in width are considered unacceptable.

Corrective Measure: The contractor shall repair any cracks in excess of the performance guideline.

2-2-2 Observation: A concrete slab within the structure has separated or moved at control (expansion and contraction) joints.

Performance Guideline: Concrete slabs within the structure are designed to move at control joints.

Corrective Measure: Because this is normal, no corrective action is required.

2-2-3 Observation: Efflorescence is present on the surface of the basement floor.

Performance Guideline: This is a typical condition caused by moisture reacting with the soluble salts in concrete and forming harmless carbonate compounds.

Corrective Measure: Because efflorescence is a typical chemical reaction within concrete, no corrective measures are required of the contractor.

Discussion: Efflorescence is evidenced by the presence of a white film on the surface of the concrete. It is a particularly common occurrence where masonry or concrete are in contact with high moisture levels as may be found in basements.

2-2-4 Observation: Concrete floor or slab is uneven.

Performance Guideline: Except for basement floors or where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions, or areas of unevenness exceeding 3/8 inch in 32 inches.

Corrective Measure: The contractor will correct or repair the floor to meet the performance guideline. Proper repair can be affected by thoroughly cleaning, filling, and troweling the surface level using a latex-fortified cement mixture or other materials designed to fill cracks and bond with concrete.

2-2-5 Observation: The concrete floor slab is cracked.

Performance Guideline: Minor cracks in concrete floor slabs are normal. Cracks exceeding 3/16-inch in width or 1/8-inch in vertical displacement shall be repaired if the slab is in conditioned space or basements or the crack interferes with the installation of finish flooring which is part of the contractor's responsibility.

Corrective Measure: The contractor will repair cracks that do not meet the performance guideline.

Discussion: Repairs can be made by using a material designed to fill cracks in concrete.

2-2-6 Observation: Interior concrete work is pitting or spalling. Pitting is evidenced by concrete that has flaked or peeled from the outer surface. Spalling is evidenced by concrete that has chipped.

Performance Guideline: Interior concrete surfaces shall not pit, spall or disintegrate. Aggregate pops are normal; minor scaling is not controllable. Exterior surfaces may not be warranted.

Corrective Measure: The contractor will repair defective concrete surfaces using materials designed for this purpose. The contractor is not responsible for deterioration caused by salt, chemicals, mechanical implements, or other factors beyond the contractor's control on interior or exterior concrete surfaces.

2-2-7 Observation: The interior concrete slab has a loose or sandy surface.

Performance Guideline: The surface shall not be so loose or sandy that is shows obvious deterioration.

Corrective Measure: The contractor will repair defective concrete surfaces using materials designed for this purpose. The contractor is not responsible for deterioration caused by salt, chemicals, mechanical implements, or other factors beyond the contractor's control on interior or exterior surfaces.

Concrete Block Foundation Walls

2-3-1 Observation: A concrete block foundation wall is cracked.

Performance Guideline: Cracks in concrete block foundation walls shall not exceed 1/4-inch in width.

Corrective Measure: The contractor will repair cracks to meet the performance guideline.

Discussion: Shrinkage cracks are common in concrete block masonry and should be expected in crawl space and basements walls. Cracks may be vertical, diagonal, horizontal, or stepped-in masonry joints. Repairs can be made by using a material designed to fill cracks in concrete.

2-3-2 Observation: A concrete block wall is out of plumb or bowed.

Performance Guideline: Concrete block walls shall not be out of plumb greater than 1 inch in 8 feet when measured from the base to the top of the wall or bowed more than 1 inch in 20 feet when measured horizontally. Remodeling Specific: If tying into an existing foundation that is out of plum, the contractor and owner will review the existing conditions and scope of work. The contractor will make a reasonable and cost-effective effort to meet the performance guideline while complying with the existing building code.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline. If the wall is to remain unfinished per contract, and the wall meets building codes as evidenced by passed inspections, then no corrective action is required.

Poured Concrete Foundation Walls

2-4-1 Observation: A poured concrete foundation wall is out of plumb or bowed.

Performance Guideline: Poured concrete walls shall not be out of plumb greater than 1 inch in 8 feet when measured vertically or bow more that 1 inch in 20 feet when measured horizontally. Remodeling Specific: If tying into an existing foundation that is out of plumb or bowed, the contractor and owner will review the existing conditions and scope of work. The contractor will make a reasonable and cost-effective effort to meet the performance guideline while complying with the existing building code.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline. If the wall is to remain unfinished per contract, and the wall meets building codes as evidenced by passed inspections, then no corrective action is required.

2-4-2 Observation: An exposed concrete wall has pits, surface voids, or similar imperfections in it.

Performance Guideline: Surface imperfections larger than 1 inch in diameter or 1 inch in depth are considered unacceptable.

Corrective Measure: The contractor will repair holes that do not meet the performance guideline.

Discussion: Proper repair can be affected by thoroughly filling the holes and voids in concrete surfaces. The repaired area will not match the color of the surrounding area.

2-4-3 Observation: The basement wall is cracked (horizontal or vertical separation).

Performance Guideline: Cracks in basement walls shall not allow exterior water to leak into the basement. Shrinkage cracks (cracking caused by external or internal restraints as reduction in moisture content develops) are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch in width shall be repaired.

Corrective Measure: The contractor will repair cracks that do not meet the performance guideline when leaks are present or if cracks exceed 1/8 inch in width.

Discussion: Shrinkage cracks are not unusual and are inherent in the drying process. They should be expected in basement walls due to the nature of concrete. Cracks may be vertical, diagonal or horizontal. The only cracks considered under warranty claims are cracks, which permit water penetration or those that exceed 1/8-inch in width.

2-4-4 Observation: A cold joint is visible on exposed poured concrete foundation walls.

Performance Guideline: A cold joint is a visible joint that indicates where the pour terminated and continued. Cold joints are normal and should be expected to be visible. Cold joints should not be an actual separation or a crack that exceeds 1/4-inch in width.

Corrective Measure: The contractor will cosmetically repair any cold joint that exceeds 1/4-inch in width by parging with a material intended for that purpose.

Basement Floor and Walls

Moisture and Leaks

2-5-1. Observation: Dampness is evident on basement wall or floor.

Performance Guideline: Dampness caused by wicking through the basement walls or floor and condensation of water vapor on cool walls and floors are not the responsibility of the contractor.

Corrective Measure: None. Dampness prevention is the responsibility of the owner.

Discussion: The owner's failure to maintain a proper grade (ground level and pitch of said ground) away from the house can contribute to dampness. Condensation of humidity, which is an owner's responsibility, also contributes to dampness.

2-5-2 Observation: The basement leaks.

Performance Guideline: Leaks resulting in actual trickling of water shall be repaired. Leaks caused by landscaping improperly installed by the owner, or by the failure of the owner to maintain proper grades, are not the contractor's responsibility. Walls and floors of new construction may become damp as concrete, mortar, and other materials dry, and dampness alone is not considered a deficiency.

Corrective Measure: The contractor will take such action as necessary to correct basement leaks, except where the cause is determined to result from the owner's actions or negligence. The owner will be responsible for removal and replacement of shrubs, fences and equipment, and other landscaping if they have to be moved so that the contractor may affect the repairs.

Crawl Space

2-5-3. Observation: Flowing or trickling water appears on interior crawl space surfaces.

Performance Guideline: Crawl spaces should be graded and drained properly to prevent water from accumulating deeper than ¾ inch and larger than 9 square feet in the crawl space area. The contractor is not responsible if the exterior grading was provided by the owner or the owner failed to maintain grades established by the contractor.

Corrective Measure: **The contractor will take the necessary corrective measures to create positive flow within the crawl space to discharge to the exterior of the structure.**

2-5-4. Observation: Condensation is evident on the floor or crawl space surfaces.

Performance Guideline: Condensation in the crawl space shall not result from lack of adequate ventilation as required by code. Condensation resulting from other causes is not the responsibility of the contractor.

Corrective Measure: The contractor will ensure that ventilation meets the appropriate code requirements. Further reduction of condensation is an owner maintenance responsibility.

Discussion: Temporary conditions may cause condensation that cannot be eliminated by ventilation and or a vapor barrier because: Night air gradually cools the interior surfaces of the crawl space. In the morning, moisture picked up by sun-warmed air is carried into the crawl space and condenses on cool surfaces. At night, outside air may rapidly cool foundation walls and provide a cool surface on which moisture may condense. If the house is left unheated in the winter, the floors and walls may provide cold surfaces on which moisture in the warmer crawl space air may condense. Excessive moisture inside a heated house may hit the dew point within or on the colder bottom surface of vapor-permeable floor insulation. The condensation can be reduced by placing a vapor barrier between the insulation and the floor sheathing. If condensation must be entirely eliminated, the owner can do so by sealing and dehumidifying or heating the crawl space, or by heating and dehumidifying the houses.

Columns

2-6-1 Observation: An exposed wood column is bowed or is out of plumb.

Performance Guideline: When installed, exposed wood columns shall not be bow or be out of plumb more than 1/2-inch in 8 feet.

Corrective Measure: Exposed wood columns out of plumb in excess of 1/2-inch in 8 feet when measured vertically shall be replaced or repaired.

Discussion: Wood columns may become distorted as part of the drying process. Bows and other imperfections that develop after installation cannot be prevented or controlled by the contractor.

2-6-2 Observation: An exposed concrete column is installed bowed or out of plumb.
Performance Guideline: Exposed concrete columns shall not be installed with a bow in excess of 1 inch in 8 feet. They should not be installed out of plumb in excess of 1 inch in 8 feet.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline.

2-6-3 Observation: A masonry column is out of plumb.

Performance Guideline: Masonry columns should not be constructed out of plumb in excess of 1 inch in 8 feet.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline.

2-6-4 Observation: A steel column is out of plumb.

Performance Guideline: Steel columns shall not be out of plumb in excess of 3/8-inch in 8 feet when measured vertically.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline.

Wood Floor Framing Floor Systems
Coverage 1st Year Only, Workmanship and Materials

Floor Systems

3-1-1 Observation: Springiness, bounce, shaking, or visible sag is present in the floor system.
Performance Guideline: All beams, joists, headers, and other structural members shall be sized and fasteners spaced, according to the National Forest Products Association span tables or local building codes.

Corrective Measure: The contractor will reinforce or modify, as necessary, any floor, wall, ceiling, or roof not meeting the performance guideline.

Discussion: Deflection may indicate insufficient stiffness in the lumber, or may reflect an aesthetic consideration independent of the strength and safety requirements of the lumber. Joists and rafters are required to meet standards for both stiffness and strength. The span tables allow, under full design loadings, a maximum deflection equal to 1/360 of the span for floor and ceiling joists (3/8 inch in 12 feet), 1/240 for rafters up to 3/12 in pitch (1/2 inch in 12 feet), and 1/180 for rafters over 3/12 in pitch (3/4 inch in 12 feet). Structural members are required to meet standards for both stiffness and strength. When an owner's preference is made known before construction, the contractor and the owner may agree upon a higher standard.

Beams, Columns, and Posts

3-2-1 Observation: An exposed wood column or post is split.

Performance Guideline: Sawn wood columns or posts shall meet the grading standard for the species used. Splits that exceed 3/8-inch in width and more than 4 inches in length at time of installation or that develop during the warranty period are considered unacceptable.

Corrective Measure: The contractor will repair or replace any beam or post that does not meet the guideline. Filling splits is acceptable to have structural members meet the guideline.

Discussion: Some characteristics of drying wood are beyond the control of the contractor and cannot be prevented. Compensation is made in span tables for the probable reduction in strength resulting from splitting caused by drying. Therefore, splitting is primarily an aesthetic concern rather than a structural problem. Checks and splits, which occur during the drying of lumber have the effect of reducing the area in the Plane of shear resistance. Consequently, laboratory data developed for shear parallel to grain are reduced substantially for design purposes in order to accommodate the probability of the occurrence of checks and splits after drying.

3-2-2 Observation: An exposed wood beam is split.

Performance Guideline: Sawn wood beams shall meet the grading standard for the species used. Splits that exceed 3/8-inch in width and 4 inches in length at time of installation or that develop during the warranty period are considered unacceptable.

Corrective Measure: The contractor will repair or replace any sawn wood beam that does not meet the guideline. Filling splits is acceptable to have structural members meet the guideline.

Discussion: Some characteristics of drying wood are beyond the control of the contractor and cannot be prevented. Compensation is made in span tables for the probable reduction in strength resulting from splitting caused by drying. Therefore, splitting is primarily an aesthetic concern rather than a structural problem. Checks and splits, which occur during the drying of lumber, have the effect of reducing the area in the Plane of shear resistance. Consequently, laboratory data developed for shear parallel to grain are reduced substantially for design purposes in order to accommodate the probability of the occurrence of checks and splits after drying.

3-2-3 Observation: An exposed wood beam or post is twisted or bowed.

Performance Guideline: Exposed wood posts and beams shall meet the grading standard for the species used. Posts and beams with bows and twists exceeding 3/4-inch in an 8-foot section shall not be installed, and those that develop bows and twists exceeding 3/4-inch in an 8-foot section are considered unacceptable.

Corrective Measure: The contractor will repair, sister, or replace any beam or post with a defect that exceeds the guideline.

Discussion: Beams and posts, especially those 3 1/2 inches or greater in thickness (which normally are not kiln dried) will sometimes twist or bow as they dry after milling or installation. Twisting or bowing is usually not a structural concern if posts and beams have been sized according to manufacturers' specifications or local building codes.

3-2-4 Observation: An exposed wood beam or post is cupped.

Performance Guideline: Cups exceeding 1/4-inch in 5-1/2 inches are considered unacceptable.

Corrective Measure: The contractor will repair, sister, or replace any beam or post with a defect that does not meet the guideline.

Discussion: Cupped lumber is lumber that has warped or cupped across the grain in a concave or convex shape. Beams and posts, especially those 3-1/2 inches or greater in thickness (which normally are not kiln dried), will sometimes cup as they dry after milling or installation.

Subfloor and Joists

3-3-1. Observation: Floor squeaks or the sub floor appears loose.

Performance Guideline: Squeaks caused by a loose sub floor are unacceptable, but totally squeak-proof floors cannot be guaranteed.

Corrective Measure: The contractor will refasten any loose sub floor or take other corrective action to eliminate squeaking to the extent possible within reasonable repair capability without removing floor and ceiling finishes.

Discussion: Floor squeaks may occur when a sub floor that has come loose from the joists is deflected by the weight of a person and rubs against the nails that hold it in place. The sub floor or joists may be bowed, and the nails also may be expelled from the wood during drying. Movement may occur between the joist and bridging or other floor members when one joist is deflected while the other members remain stationary. Gluing the sub floor is an acceptable method of code compliance in certain jurisdictions. Renailing floor joists with ring-shank nails will also substantially reduce severe floor squeaks. Because the performance guideline requires the contractor to make a reasonable attempt to eliminate squeaks without requiring removal of floor and ceiling finishes, nailing loose sub flooring with casing nails into the carpet surface and countersinking the head is an acceptable practice.

3-3-2. Observation: Sub floor is uneven.

Performance Guideline: Floors shall not have more than a ¼-inch ridge or depression within any 32-inch measurement. Allowable floor and ceiling joist deflections are governed by the local approved building codes. Measurements should not be made at imperfections that are characteristic of the code-approved material used. This guideline does not cover transition points between different materials.

Corrective Measure: The contractor will correct or repair to meet the performance guideline.

3-3-3. Observation: Sub floor is out of square.

Performance Guideline: The diagonal of a triangle with sides of 12 feet and 16 feet along the edges of the floor shall be no more than ½ inch plus or minus 20 feet. Remodeling Specific: The owner and the contractor may agree to build a wood floor out of square in order to match or otherwise compensate for pre-existing conditions.
Corrective Measure: The contractor will make the necessary modifications to any floor not complying with the performance guideline for squareness. The modification will produce a satisfactory appearance and may be either structural or cosmetic.

Discussion: Squareness is primarily an aesthetic consideration. Regularly repeated geometric patterns in floor and ceiling coverings show a gradually increasing or decreasing pattern along an out of square wall. The guideline tolerance of plus or minus ½ inch in the diagonal allows a maximum increasing or decreasing portion of about 3/8-inch in a 12-foot wall of a 12 x 16-foot room. However, a contractor and client may agree to build an addition out of square in order to keep a new exterior wall on line with an existing wall of an out of square house. The corrective measure emphasizes the primarily aesthetic nature of squareness and makes the criteria for correction "a satisfactory appearance." This criterion allows the contractor to make either a structural change, if the defect is discovered in time, or some cosmetic change to hide the defect, if the construction is in the finishing stages when the defect is discovered.

3-3-4 Observation: A floor is out of level.

Performance Guideline: The floor should not slope more than l/2-inch in 20 feet. Crowns and other lumber characteristics that meet the standards of the applicable grading organization for the grade and species used are not defects. Allowable floor joist deflections are governed by the applicable building codes. Deflections due to overloading by the owner are not the contractor's responsibility. Remodeling Specific: The contractor and the owner may agree to build an addition out of level in order to keep the floor of an addition on the same Plane, and the roof ridge on the same line, as those of an existing, out-of-level structure, or to compensate for some other pre-existing condition.

Corrective Measure: The contractor will make a reasonable and cost-effective effort to modify the floor that does not comply with the performance guideline. Allowances should be allowed for shrinkage, cantilevers, and concentrated loads.

Discussion: Sloped floors have both an aesthetic and functional consideration. Measurements for slope should be made across the room, not in a small area.

3-3-5 Observation: Deflection is observed in a floor system constructed of wood I-joists, floor trusses, or similar products.

Performance Guideline: All wood I-joists and other manufactured structural components in the floor system and its components shall be sized and installed as provided in the manufacturers' instructions and code requirements.

Corrective Measure: The contractor will reinforce or modify as necessary any floor component not meeting the performance guideline.

Discussion: Deflection may indicate an aesthetic consideration independent of the strength and safety requirements of the product. When an owner's preference is made known before construction, a higher standard may be agreed upon in writing by the contractor and the owner.

3-3-6 Observation: Remodeling Specific: Wood flooring is not level at the transition of an existing floor to a room addition floor.

Performance Guideline: Flooring at a transition area shall not slope more than l/8-inch over 6 inches unless a threshold is added. Overall step-down, unless previously agreed upon with the owner, shall not exceed 1-1/8 inches. Variations caused by seasonal or temperature changes are not a defect.

Corrective Measure: The flooring transition shall be corrected to meet the performance guideline. The contractor may add threshold or transition material, or pull up the flooring and reduce the high spot, or if possible, shim under new framing to bring floor within guideline.

Discussion: All wood members shrink and expand seasonally, with variations in temperature and humidity, and with aging. After installation, 2x dimensional lumber can shrink up to 1/2-inch. If the flooring, sub floor, or underlayment was not purposely overlapped onto the existing floor, the resulting irregularity is not a defect, but a natural result and characteristic of the wood's aging process. The drier the house becomes, the more shrinkage may be experienced. Either the old or the new floors may slope along the floor joist span. Joists in older homes may have deflected under load. This and other conditions may cause a hump at the juncture of the old to new.

3-3-7 Observation: Remodeling Specific: The floor pitches to one side in the door opening between the existing construction and the addition.

Performance Guideline: If the pitch is the result of the floor of the existing dwelling not being level, then in most situations a transition threshold may be the most appropriate and acceptable means of addressing the condition.

Corrective Measure: The contractor will make a reasonable and cost-effective effort to meet the performance guidelines.

Walls
Coverage 1st Year Only, Workmanship and Materials

Rough Carpentry

4-1-1. Observation: Wood framed wall is out of plumb.

Performance Guideline: Wood framed walls shall not be more than 1/4-inch out of plumb for any 32 inches in any vertical measurement. Remodeling Specific: The owner and contractor may agree to intentionally build walls out of plumb to match the existing structure to accommodate or compensate for inaccuracies in the existing structure, and to disregard the performance guideline to match a pre-existing structural condition of the existing structure.

Corrective Measure: The contractor will repair to meet the performance guideline.

4-1-2 Observation: The wall is bowed.

Performance Guideline: Walls shall not bow more than l/2-inch out of line within any 32-inch horizontal measurement, or l/2-inch out of line within any 8-foot vertical measurement. Remodeling Specific: If new wall cladding is installed on existing framed walls, the owner and contractor may agree to straighten the wall as part of scope of work, to install new cladding over existing framing, and to disregard the performance guideline to match a pre-existing structural condition of the existing structure.

Corrective Measure: The contractor will repair the wall to meet the performance guideline.

Discussion: All interior and exterior walls have slight variances in their finished surface. On occasion, the underlying framing may warp, twist, or bow after installation.

4-1-3. Observation: Exterior wall leaks because of inadequate caulking or failure of the caulking material.

Performance Guideline: Joints and cracks in exterior wall surfaces and around penetrations shall be properly caulked to prevent the entry of water.

Corrective Measure: The contractor will repair or caulk joints and cracks in exterior wall surfaces, as required to correct deficiencies, one time only during the warranty period. Even when properly installed, caulking will shrink and must be maintained by the owner.

Insulation

4-2-1 Observation: Wall insulation is insufficient.

Performance Guideline: The contractor shall install insulation according to R-values designated in the contract documents or local code, as applicable. Insulation shall be installed according to locally accepted practices.

Windows, Mirrors

4-3-1 Observation: A window is difficult to open or close.

Performance Guideline: Windows should require no greater operating force than that described in the manufacturer's instructions. Remodeling Specific: The contractor is not responsible for inoperable windows not covered by the remodeling contract.

Corrective Measure: The contractor will correct or repair the window as required to meet the performance guideline.

4-3-2 Observation: Window grids (muntins) fall or become out of level.

Performance Guideline: Window grids shall not disconnect, fall, or become out of level.

Corrective Measure: Window grids will be repaired or replaced at the contractor's discretion one time only.

4-3-3 Observation: Mirror or glass surfaces are scratched.

Performance Guideline: Glass or mirror surfaces shall not have scratches visible from 10 feet under normal lighting conditions at the time of substantial completion of the project. Remodeling Specific: This guideline does not apply to existing windows unless they are part of the remodeling contract or are damaged by the contractor. The owner and contractor should examine existing windows prior to contract execution.

Corrective Measure: The contractor shall replace any scratched glass or mirror surface if noted prior to substantial completion of the project.

4-3-4. Observation: During rains, water appears on interior corner of glazed window Unit.

Performance Guideline: Water leakage from improper installation is unacceptable.

Corrective Measure: The contractor shall repair any deficiencies attributable to improper installation.

Discussion: Leakage at the glazing interface is covered under the manufacturer's warranty.

4-3-5 Observation: Window glass is broken and/or a screen is missing or damaged.

Performance Guideline: Glass should not be broken and screens should not be damaged at the time of substantial competition of the project. Screens required by the contract shall be installed.
Corrective Measure: Broken glass and/or missing or damaged screens reported to the contractor before closing will be installed or replaced. Broken glass and/or screens not reported prior to substantial completion of the project are the owner's responsibility.

4-3-6 Observation: A mirror backing is deteriorating.

Performance Guideline: While looking at the mirror, from 10 feet away there should be no noticeable imperfections in the mirror as a result of damage to the mirror backing at the time of substantial completion of the project.

Corrective Measure: The contractor will replace or repair the mirror.

Exterior Doors

4-4-1 Observation: An exterior door is warped.

Performance Guideline: Exterior doors shall not warp to the extent that they become inoperable or cease to be weather-resistant. A 1/4-inch tolerance as measured diagonally from corner to corner is acceptable.

Corrective Measure: The contractor will correct or replace exterior doors that do not meet the performance guideline.

Discussion: Exterior doors will warp to some degree because of the difference in the temperature between inside and outside surfaces. Warping may also be caused by improper or incomplete finishing of the door. The contractor is not responsible for warpage if painting of doors is not within contractor's scope of work.

4-4-2 Observation: Raw wood shows at the edges of inset panel on exterior door.

Performance Guideline: Wooden panels will shrink and expand because of temperature and/or humidity changes, and may expose unpainted surfaces. This does not constitute a defect.

Corrective Measure: None.

4-4-3 Observation: A wooden door panel is split.

Performance Guideline: A split in a panel shall not allow light to be visible through the door.

Corrective Measure: One time only, the contractor will repair, paint, or stain the split panel that does not meet the performance guideline. Caulking and fillers are acceptable. The repainted area may not match the remainder of the door or other doors on the house.

Discussion: Wooden inserts are loosely fitted into the door to allow the inserts to move; this minimizes splitting of the panel or other damage to the door. On occasion, a panel may become "locked" by paint or expansion of the edges with changes in temperature and humidity and no longer "float" between the rails. This may result in the panel splitting.

4-4-4 Observation: An exterior door sticks.

Performance Guideline: Exterior doors shall operate smoothly, except that doors may stick during occasional periods of high humidity or with variations in temperature.

Corrective Measure: The contractor will adjust or replace the door to meet the performance guideline.

Discussion: Exterior doors may warp or bind to some degree because of the difference in the temperature and/or humidity between inside and outside surfaces. The contractor is not responsible for warpage if painting of doors is not within the contractor's scope of work or if the door is repainted by the owner in a color other than those recommended by the door manufacture.

4-4-5 Observation: An exterior door will not shut completely.

Performance Guideline: Exterior doors shall shut completely.

Corrective Measure: The contractor will adjust or replace the door to meet the performance guideline.

Discussion: Exterior doors may warp or bind to some degree because of the difference in the temperature and/or humidity between inside and outside surfaces. The contractor is not responsible for warpage if painting of doors is not within the contractor's scope of work or if the door is repainted by the owner in a color other than those recommended by the door manufacture.

4-4-6 Observation: The plastic molding on the primary door behind the storm door melts from exposure to sunlight.

Performance Guideline: The plastic moldings behind storm doors should not melt if the storm panel is removed and reinstalled by the owner as a part of normal seasonal maintenance operations (i.e., removed in the spring and reinstalled in the fall).

Corrective Measure: No corrective action is required.

Discussion: Plastic moldings may melt or deform if the exterior door is covered by a storm door panel during a warm season, or if it faces the sun. This is not a defect of the door, but a problem caused by the trapping of heat between the storm panel and the door. The owner is also cautioned to follow the manufacturer's recommendations on painting the moldings with a dark color, with or without the use of a storm panel. Dark colors should be avoided.

4-4-7 Observation: Caulking or glazing on the primary door behind the storm door cracks or peels.

Performance Guideline: Glazing or caulking behind storm doors should not crack or peel if the storm panel is removed and installed by owner as part of seasonal maintenance operations (i.e., removed in the spring and reinstalled in the fall).

Corrective Measure: No corrective measure is required.

Discussion: High temperatures may cause glazing and caulking to harden and/or fail prematurely if the door is covered by a storm panel during a warm season or if it faces the sun. This is not a defect of the door caulking, or glazing, but a problem caused by the trapping of heat between the door and the storm panel. The owner is reminded that dark colors tend to accumulate heat and are more likely to cause problems.

4-4-8 Observation: A door swings open or closed by the force of gravity.

Performance Guideline: Exterior doors shall not swing open or closed by the force of gravity alone. Remodeling Specific: For remodeling projects, this guideline does not apply where a new door is installed in an existing wall that is out of plumb.

Corrective Measure: The contractor will adjust the door to prevent it from swinging open or closed by the force of gravity.

4-4-9 Observation: Gaps are visible around an exterior door edge, doorjamb, and/or threshold.

Performance Guideline: Gaps between adjacent components shall not vary by more than 3/16-inch. Remodeling Specific: This applies unless the existing building is out of square or plumb.

Corrective Measure: The contractor will repair the existing Unit to meet performance guideline.

Discussion: Doors must have gaps at their perimeter to accommodate expansion/contraction due to variations in temperature and/or humidity and to enable the door to operate over a wide range of environmental conditions.

4-4-10 Observation: Exterior door hardware or kick plate has tarnished.

Performance Guideline: Finishes on door hardware or kick plates installed by the contractor are covered by the manufacturer's warranty.

Corrective Measure: The owner should contact the manufacturer.

4-4-11. Observation: Sliding patio door or screen will not stay on track.

Performance Guideline: Sliding patio doors and screens shall slide properly on their tracks at the time the job is accepted. The use, cleaning and maintenance necessary to preserve proper operation are an owner responsibility.

Corrective Measure: The contractor shall repair once during the warranty period.

Discussion: Proper operation should be verified by the owner and the contractor at the time the job is accepted.

4-4-12. Observation: Sliding patio door does not roll smoothly.

Performance Guideline: Sliding patio doors shall roll smoothly at the time the job is accepted. The use, cleaning and maintenance necessary to preserve proper operation are an owner responsibility.

Corrective Measure: The contractor shall repair once during the warranty period.

Discussion: Proper operation should be verified by the owner and the contractor at the time the job is accepted.

4-4-13 Observation: A doorknob, deadbolt, or lockset does not operate smoothly.

Performance Guideline: A doorknob, deadbolt, or lockset should not stick or bind during operation.

Corrective Measure: One time only during the warranty period, the contractor will adjust, repair, or replace knobs that are not damaged by abuse.

Wood and Manufactured Siding

4-5-1 Observation: Siding is bowed.

Performance Guideline: Bows exceeding 1/2-inch in 32 inches are considered unacceptable. Remodeling Specific: If new wall covering is installed on existing framed walls, the owner and contractor may agree to straighten out the walls as part of the scope of work. Alternatively, the parties may agree to install new wall covering over existing framing and disregard the performance guideline to match a pre-existing structural condition of the existing structure.

Corrective Measure: The contractor will replace any wood or manufactured lap siding with bows that does not meet the performance guideline, and will finish the replacement siding to match the existing siding as closely as practical.

Discussion: If the siding is fastened by nails driven into studs, expansion caused by changing relative temperatures and/or humidity may cause bulges or waves. Even with proper installation, siding will tend to bow inward and outward in adjacent stud spaces.

4-5-2 Observation: An edge or gap is visible between adjacent pieces of siding or siding panels and other materials.

Performance Guideline: Gaps wider than 3/16-inch or in excess of the manufacture's standard are considered unacceptable. This guideline does not apply to adjacent pieces or panels that have shiplap or similar joints.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline.

Discussion: Proper repair can be affected by providing joint covers or by caulking the gap. This is important if the gaps were intentionally made for expansion joints. If the siding is painted, the contractor will paint the new caulking to match the existing caulking as closely as practical, but an exact match cannot be ensured.

4-5-3 Observation: Lap siding is not parallel with the course above or below.

Performance Guideline: A piece of lap siding may not be more than I/2 inch off parallel with contiguous courses in any 20-foot measurement, unless the owner and the contractor have previously agreed to disregard the performance guideline to match a pre-existing condition. Remodeling Specific: The owner and contractor may agree to install siding to match existing conditions on existing structure and to disregard the performance guideline for this item.

Corrective Measure: The contractor will reinstall siding to meet the performance guideline for straightness, and will replace with new siding any siding damaged during removal.

Discussion: For remodeling projects, if the contractor and the owner have agreed that the floor of an addition is to be on a different Plane from an existing floor (e.g., out of level), the siding on the addition may not be parallel and in line with the existing siding.

4-5-4 Observation: Face nails are driven below the surface of the hardboard siding.

Performance Guideline: Siding nails should not be driven below the surface of hardboard siding such that visible fiber of the siding is exposed.

Corrective Measure: The contractor shall repair as necessary to meet performance guideline. The following repairs are appropriate in most instances: If visible fiber of hardboard siding is exposed, paint

surface to coat fiber. If nail is 1/16 to 1/8-inch below the surface, fill or caulk and touch-up paint. If nail is more than 1/8-inch below the surface, fill or caulk and add an additional nail flush to the surface.

Tongue and Groove Wood Siding

4-5-5 Observation: Siding Boards have buckled.

Performance Guideline: Boards that project more than 3/16-inch from the face of adjacent Boards are considered unacceptable.

Corrective Measure: The contractor will repair or replace any Boards that don't meet the performance guideline.

Discussion: Buckling is caused by wood expanding as a result of increased temperature and/or relative humidity. It can be minimized by leaving space between the tongues and grooves to allow room for expansion and by storing the product outside for a few days to allow it to adjust to the ambient conditions prior to installation.

Wood Shake Siding

4-5-6 Observation: Cedar shakes or shingles have "bled" through paint or stain applied by contractor.

Performance Guideline: Resins and extractives bleeding through paint or stain, or blackening of shakes or shingles are unacceptable. This performance guideline does not apply if "natural weathering" or semi-transparent stain, or other similar products, are specified for the job.

Corrective Measure: One time during the warranty period the contractor will clean and treat shakes to provide a reasonable appearance and prevent further bleeding.

Plywood or Other Veneer Siding

4-5-7 Observation: Siding has delaminated (layers have separated from one another).

Performance Guideline: Siding shall not delaminate.

Corrective Measure: The contractor will replace delaminated siding that is not covered under manufacturer's warranty, unless the delaminating was caused by the owner's actions or negligence. The repaired area may not precisely match the original siding.

4-5-8 Observation: Joints between sidings have separated.

Performance Guideline: Joint separations exceeding 3/16-inch are considered unacceptable.

Corrective Measure: The contractor will caulk or repair siding as necessary to fill the joint. The repaired area may not match the original siding precisely.

Discussion: Plywood siding, like all wood products, will expand and contract with changes in temperature and/or humidity.

4-5-9 Observation: Siding is bowed.

Performance Guideline: Bows exceeding 1/2-inch in 32 inches are unacceptable.

Corrective Measure: The contractor will install additional nails in siding to meet acceptable nailing schedules and will replace any siding that does not meet the guideline because of bows.

Discussion: Some waviness in siding is to be expected because of bows in studs. However, proper nailing of siding will straighten most bows.

Aluminum or Vinyl Lap Siding

4-5-10 Observation: Aluminum or vinyl siding is bowed or wavy.

Performance Guideline: Some waviness in aluminum or vinyl lap siding is to be expected because of bows in studs. Waves or similar distortions in aluminum or vinyl lap siding are considered unacceptable if they exceed 1/2- inch in 32 inches.

Corrective Measure: The contractor will correct any waves or distortions to comply with the performance guideline by reinstalling or replacing siding as necessary.

Discussion: This problem is often caused by the siding being nailed too tightly to the house instead of loosely "hung" in the center of the nail slots, or by not allowing adequate room for the siding to expand at the ends.

4-5-11 Observation: Siding color is faded.

Performance Guideline: Any color siding, when exposed to the ultra-violet rays of the sun, will fade and this condition cannot be prevented by the contractor.
Corrective Measure: The owner should contact the siding manufacturer.

Discussion: Color warranties are provided by the siding manufacturer. The owner should contact the manufacturer with questions or claims regarding changes in color of vinyl or aluminum siding. Color and fade imperfections beyond an expected degree may be covered by the manufacturer's warranty, except where siding is shaded differently from the rest of the wall, such as under shutters or behind vegetation.

4-5-12 Observation: Aluminum or vinyl lap siding trim is loose from house.

Performance Guideline: Trim shall not separate more than ¼-inch from the house.

Corrective Measure: The contractor will reinstall trim or repair separations as necessary to comply with the performance guideline.

4-5-13 Observation: Aluminum or vinyl lap siding courses are not parallel with eaves (the horizontal edge at the low side of a sloping roof) or wall openings.

Performance Guideline: Any piece of aluminum or vinyl lap siding more than ½-inch off parallel in 20 feet with contiguous courses, or contiguous break such as a soffit line, is unacceptable. Remodeling Specific: The owner and contractor may agree to disregard the performance guideline to match a pre-existing structural condition.
Corrective Measure: The contractor will reinstall siding to comply with the performance guideline and replace any siding damaged during removal with new siding.

Discussion: Remodeling Specific: If the contractor and the owner agree that the floor of an addition is to be on a different Plane from the existing floor (for example, a pre-existing out of level condition), the siding on the addition may not be parallel and in line with existing siding.

4-5-14 Observation: Aluminum or vinyl lap siding nail shows under window, door, or eave.

Performance Guideline: All facing nails shall be of a color to match the trim they affix. No nail heads in the field of the siding shall be exposed.

Corrective Measure: The contractor will install trim as necessary to cover the nails.

Discussion: Vinyl siding generally should not be face nailed. However, there are appropriate and typical occasions when a single face nail may be needed to reinforce a joint or hold the siding to the wall when it is cut to fit around window frames, doors, roofs, or other obstructions on the wall. In most cases (the only exception would be the top piece on a gable end), vinyl siding should never need to be face nailed when proper accessory products are used. For example, under a window application the trim (J- channel) can be utilized in conjunction with utility trim and snap-punching the top of the modified vinyl siding. If face nailing is the only option, a 1/8-inch diameter hole should be pre-drilled to allow for expansion and contraction.

4-5-15 Observation: Aluminum or vinyl lap siding trim accessory is loose from caulking at windows or other wall openings.

Performance Guideline: Siding trim accessories shall not separate from caulking at windows or other wall openings during the warranty period.

Corrective Measure: The contractor will repair or recaulk as necessary once during the warranty period to eliminate the separation.

4-5-16 Observation: Aluminum or vinyl lap siding is cut crooked.

Performance Guideline: Visible cuts in siding shall be straight, plumb, and neat. Crooked cuts greater than 1/8-inch from true are not acceptable. Remodeling Specific: The owner and contractor may agree to install siding to match conditions on the existing structure and to disregard the performance guideline for this item.

Corrective Measure: The contractor will repair or replace siding, which has visible crooked cuts.

Discussion: Cut edges of vinyl siding should never be visible when proper trim and accessories are used.

4-5-17 Observation: Aluminum or vinyl lap siding is not correctly spaced from moldings.

Performance Guideline: Prescribed spacing between siding and accessory trim is typically 1/4-inch, or should comply with the manufacturer's installation instructions. Remodeling Specific: The owner and contractor may agree to install siding to match conditions on existing structure and to disregard the performance guideline for this item.

Corrective Measure: The contractor will correct to meet the guideline.

Masonry Cement and Veneer Board Siding

4-5-18 Observation: Cement Board siding is cracked or chipped.

Performance Guideline: A cement product, this siding is susceptible to the same characteristic limitations as other cement products. Cracks more than 2 inches in length and 1/8-inch in width are considered unacceptable. Chips or dents not reported at time of substantial completion of the project are not covered.

Corrective Measure: Cracked or chipped cement Board will be repaired or replaced as necessary, as determined by the contractor.

4-5-19 Observation: Cement Board siding is improperly fastened.

Performance Guideline: Siding shall be nailed flush and perpendicular per the manufacturer's instructions. Staples shall not be used.

Corrective Measure: Overdriven nail heads or nails driven at an angle shall be filled with cementitious patching compound to match the existing area as closely as possible.

Discussion: The manufacturer's instructions include guidelines to reduce chipping or cracking of siding.

4-5-20 Observation: Masonry or veneer wall is cracked.

Performance Guideline: Cracks visible from distances in excess of 20 feet or larger than 1/4-inch in width are not acceptable.

Corrective Measure: The contractor will repair cracks in excess of the performance guideline by tuck pointing (removing deteriorated mortar from the surface of the existing wall, and inserting fresh mortar), patching, or painting. The contractor will not be responsible for color variations between original and new mortar.

Discussion: Small hairline cracks resulting from shrinkage are common in mortar (a substance used to join masonry Units, consisting of cementitious materials, fine aggregate and water) joints in masonry construction.

4-5-21. Observation: Exterior cut bricks (less than full) are of different thickness below openings.

Performance Guideline: Cut bricks used in the course directly below an opening shall not vary from one another in thickness by more than ¼-inch. The smallest dimension of a cut brick should be greater than 1 inch.

Corrective Measure: The contractor will repair the wall to meet the performance guideline.
Discussion: Bricks are cut to achieve required dimensions at openings and ends of walls when it is not possible to match Unit/mortar coursing.

4-5-22 Observation: A masonry or brick veneer course is not straight.

Performance Guideline: No point along the bottom of any course shall be more than 1/4-inch higher or lower than any other point within 10 feet along the bottom of the same course, or 1/2-inch in any length. Remodeling Specific: The owner and contractor may agree to install brick veneer to match conditions on the existing structure and to disregard the performance guideline for this item.

Corrective Measure: The contractor will rebuild the wall as necessary to meet the performance guideline.

Discussion: Dimensional variations of the courses depend upon the variations in the brick selected.

4-5-23 Observation: Brick veneer is spalling.

Performance Guideline: Spalling of newly manufactured brick should not occur and is considered unacceptable. Spalling of used brick is acceptable.

Corrective Measure: The contractor will repair or replace newly manufactured bricks that have spalled. An exact match of brick and mortar cannot be assured.

4-5-24 Observation: Mortar stains are observed on exterior brick or stone.
Performance Guideline: Exterior brick and stone shall be free from mortar stains detracting from the appearance of the finished wall when viewed from a distance of 20 feet.

Corrective Measure: The contractor will clean the mortar stains to meet the performance guideline.

4-5-25 Observation: Efflorescence is present on the surface of masonry or mortar.

Performance Guideline: This is a common condition caused by moisture reacting with the soluble salts in the mortar.

Corrective Measure: No corrective actions are required of the contractor.

Discussion: Efflorescence is evidenced by the presence of a white film on the surface of masonry or mortar. It is a particularly common occurrence where masonry or concrete are in contact with high moisture levels as may be found in basements.

Stucco and Parge

4-5-26 Observation: An exterior stucco wall surface is cracked.

Performance Guideline: Cracks in exterior stucco wall surfaces shall not exceed l/8-inch in width.

Corrective Measure: One time only, the contractor will repair cracks exceeding l/8-inch in width. Caulking and touch-up painting are acceptable. An exact color or texture match may not be unattainable.

Discussion: "Stucco" includes cementitious coatings and similar synthetically based finishes.

4-5-27 Observation: The colors of exterior stucco walls do not match.

Performance Guideline: The colors of new exterior stucco walls may not perfectly match the colors of old exterior stucco walls, nor is it expected that exact matches will be attained for the same material that is applied on different days or under differing environ-mental conditions (e.g., temperature, humidity, etc.).

Corrective Measure: No corrective measure is required. Because of the unique nature of stucco finishes, exact match of color may not be possible.

Discussion: Coloring of stucco is affected by a number of variables. It is impractical to achieve a color match between stucco coatings applied at different times.

4-5-28 Observation: The textures of exterior stucco wall finishes do not match.

Performance Guideline: Texture of new exterior stucco walls applied at different times may not perfectly match the textures of old exterior stucco walls. Remodeling Specific: The texture of new exterior stucco walls may not perfectly match the textures of old exterior stucco walls.

Corrective Measure: No corrective measure is required. Because of the unique nature of stucco finishes, exact match of texture finish may not be possible.

Discussion: "Stucco" includes cementitious coatings and similar synthetically based finishes. Approved samples prior to installation can minimize misunderstandings about color and texture.

4-5-29 Observation: Separation of coating from base on exterior stucco wall.

Performance Guideline: The coating shall not separate from the base on an exterior stucco wall during the warranty period.

Corrective Measure: The contractor will repair areas where the coating has separated from the base.

4-5-30 Observation: Lath is visible through stucco.

Performance Guideline: Lath should not be visible through stucco, nor should the lath protrude through any portion of the stucco surface.

Corrective Measure: The contractor will make necessary corrections so that lath is not visible. The finish colors may not match.

4-5-31 Observation: Rust marks are observed on the stucco finish coat.

Performance Guideline: Rust marks on the stucco surface are considered unacceptable if more than 5 marks measuring more than 1 inch long occur per 100 square feet.

Corrective Measure: The contractor may repair or replace affected subsurface components, or seal the rusted areas and recolor the wall.

4-5-32 Observation: There is water damage to interior walls as a result of a leak in the stucco wall system.

Performance Guideline: Stucco walls should be constructed and flashed to prevent water penetration to the interior of the structure under normal weather and water conditions. Damage to the stucco system caused by external factors out of the contractor's control that result in water penetration is not the contractor's responsibility.

Corrective Measure: If water penetration is the result of a system failure and doesn't result from external factors, the contractor will make necessary repairs to prevent water penetration through the stucco wall system.

Discussion: Water penetration resulting from abnormal external factors, such as windblown moisture or sprinkler systems, are not the contractor's responsibility.

Exterior Trim

4-6-1. Observation: Gaps show in exterior trim.

Performance Guideline: Joints between exterior trim elements, including siding and masonry, shall not result in joints opened wider than ¼-inch. In all cases the exterior trim shall perform its function of excluding the elements.

Corrective Measure: The contractor will repair open joints that do not meet the performance guideline. Caulking is acceptable.

4-6-2 Observation: Exterior trim Board is split.

Performance Guideline: Splits wider than l/8-inch are considered unacceptable.

Corrective Measure: The contractor will repair splits by filling with a durable filler. Touch-up painting may not match the surrounding area.

4-6-3 Observation: Exterior trim Board is bowed or twisted.

Performance Guideline: Bows and twists exceeding 3/8-inch in 8 feet are considered unacceptable.

Corrective Measure: The contractor will repair defects that do not meet the performance guideline by refastening or replacing deformed Boards. Touch-up painting may not match the surrounding area.

4-6-4 Observation: Exterior trim Board is cupped.

Performance Guideline: Cups exceeding 3/l6-inch in 5 1/2 inches are considered unacceptable.

Corrective Measure: The contractor will repair defects that do not meet the performance guideline by refastening or replacing deformed Boards. Touch-up painting may not match the surrounding area.

Paint, Stain, and Varnish

4-7-1 Observation: Exterior painting, staining, or refinishing is required because of repair work.

Performance Guideline: Repairs required under these performance guidelines shall be finished to match the immediate surrounding areas as closely as practical.

Corrective Measure: The contractor will finish repaired areas as indicated.

Discussion: Touch-up painting, staining, or refinishing may not match the surrounding area.

4-7-2 Observation: Exterior paint or stain has peeled, flaked, or physically deteriorated.

Performance Guideline: Exterior paints and stains shall not fail during the warranty period.

Corrective Measure: If exterior paint or stain has peeled, developed an alligator pattern, or blistered, the contractor will properly prepare and refinish affected areas and match the color as closely as practical. Where deterioration of the finish affects more than 50 percent of the piece of trim or wall area, the contractor will refinish the entire wall.

4-7-3 Observation: Exterior paint or stain has faded.
Performance Guideline: Fading of exterior paints and stains is common. The degree of fading depends on environmental conditions.
Corrective Measure: Because fading is a common occurrence in paint and stains, no corrective action is required.

4-7-4 Observation: Varnish or lacquer finishes have deteriorated.

Performance Guideline: Clear finishes used on exterior surfaces may deteriorate rapidly. This is beyond the contractor's control.

Corrective Measure: Heat and sunlight can cause rapid deterioration of clear finishes. Maintenance is the owner's responsibility. No corrective action is required of the contractor.

4-7-5 Observation: There is paint or stain overspray on surfaces not intended for paint or stain.

Performance Guideline: Paint or stain overspray on surfaces not intended for paint or stain that is visible at a distance of 6 feet under normal natural lighting conditions is not acceptable.

Corrective Measure: The contractor shall clean affected surfaces without damaging the surface.

4-7-6 Observation: Cabinet stain is uneven. Cabinet paint is not uniform or is mismatched.

Performance Guideline: Uneven stain color on wood cabinets is considered acceptable and is a result of the natural wood grain. Painted cabinets should appear uniform under normal lighting conditions at a distance of 6 feet.
Corrective Measure: The contractor will repaint or replace painted cabinets that do not meet the performance guideline.

4-7-7 Observation: Mildew or fungus is visible on exterior painted surfaces.

Performance Guideline: Painted or finished surfaces shall be free of observable mildew and fungus at the time of substantial completion of the job. However, mildew or fungus may form on painted surfaces over time because of warmth and moisture.

Corrective Measure: The contractor will remove mildew and fungus before substantial completion of the job. Subsequent mildew or fungus formation is a condition the contractor cannot control. The owner is responsible for future cleaning of the painted item as necessary to prevent or remove mildew and fungus.

ROOFS
Coverage 1st Year Only, Workmanship and Materials

5-1-1 Observation: The roof ridge beam has deflected.

Performance Guideline: Roof ridge beam deflection greater than 1 inch in 8 feet is considered unacceptable. Remodeling Specific: If this is not in the scope of work, the guideline will be disregarded.

Corrective Measure: The contractor shall repair affected ridge beams that do not meet the performance guideline.

5-1-2 Observation: A rafter or ceiling joist bows (up or down).

Performance Guideline: Bows greater than 1 inch in 8 feet are unacceptable. Remodeling Specific: If this is not in the scope of work, the guideline will be disregarded.

Corrective Measure: The contractor shall repair affected rafters or joists that bow in excess of the performance guideline.

Roof Sheathing

5-2-1 Observation: Roof sheathing is wavy or appears bowed.

Performance Guideline: Roof sheathing shall not bow more than 1/2-inch in 2 feet. Remodeling Specific: If new sheathing is installed over existing rafters, the sheathing will follow the bows of the existing rafters. The owner and contractor should agree on whether or not the rafters are to be straightened. If they are not to be straightened, the performance guideline for this item will be disregarded.

Corrective Measure: The contractor will straighten bowed roof sheathing as necessary to meet the performance guideline.

Discussion: In rare instances, the contractor might have to install blocking between the framing members to straighten the sheathing.

Roof Vents

5-3-1 Observation: An attic vent or louver leaks.
Performance Guideline: Attic vents and louvers shall not leak. However, infiltration of wind-driven rain and snow are not considered leaks and are beyond the control of the contractor.

Corrective Measure: The contractor shall repair or replace the roof vents as necessary to meet the performance guideline.

Discussion: Properly installed louvers or vents may at times allow penetration of rain or snow under strong wind conditions and are not deficiencies.

Roof Installation and Leaks

Asphalt Shingles

5-4-1 Observation: The roof or flashing leaks.

Performance Guideline: Roofs and flashing shall not leak under normal conditions, except where the cause is determined to result from ice build-up or the owner's actions or negligence.

Corrective Measure: The contractor will repair any verified roof or flashing leaks not caused by ice build-up, leaves, debris, or the owner's actions or negligence. It is the owner's responsibility to keep the roof drains, gutters, and downspouts free of debris.

5-4-2 Observation: Ice builds up on the roof.

Performance Guideline: During prolonged cold spells ice is likely to build up on a roof, especially at the eaves. This condition naturally can occur when snow and ice accumulates.

Corrective Measure: No action is required of the contractor. Prevention of ice build-up on the roof is a owner maintenance item.

Discussion: In the event ice builds up on the roof and then melts causing damage, this consequential damage is also the owner's responsibility.

5-4-3 Observation: Shingles have blown off.

Performance Guideline: Shingles shall not blow off in winds less than stated in the manufacturer's warranty or applicable building codes.

Corrective Measure: If shingles were not installed properly, they will be repaired or replaced in the affected area.

5-4-4 Observation: Shingles are not horizontally aligned.

Performance Guideline: Shingles should be installed according to the manufacturer's instructions. Remodeling Specific: The owner and the contractor may agree prior to installation that the horizontal line of shingles on the roof of an addition need not line up with those of the existing structure if the floors (and hence, the eaves and ridge) are not to be built on the same Plane.
Corrective Measure: The contractor will remove shingles that do not meet the performance guideline, and will repair or replace them with new shingles that are properly aligned.

Discussion: The bottom edge of dimensional shingles may be irregular; the irregularity is an inherent part of the design.

5-4-5 Observation: New shingles do not match existing shingles.

Performance Guideline: Because of weathering and manufacturing variations, the color of new shingles will not exactly match the color of existing shingles.

Corrective Measure: The contractor is not responsible for precisely matching the color of existing shingles.

5-4-6 Observation: Asphalt shingle edges or corners are curled or cupped.

Performance Guideline: Asphalt shingle edges and corners shall not curl or cup more than 1/2-inch.

Corrective Measure: No corrective action is required of the contractor. Cupping in excess of 1/2-inch should be reported to the manufacturer.

5-4-7 Observation: Asphalt shingles do not overhang the edges of the roof, or hang too far over the edges of the roof.

Performance Guideline: Asphalt shingles shall overhang roof edges by not less than 1/4-inch and not more than 3/4-inch unless the manufacturer's instructions indicate otherwise.

Corrective Measure: The contractor will reposition or replace shingles as necessary to meet the performance guideline.

5-4-8 Observation: Shading or a shadowing pattern is observed on a new shingle roof.

Performance Guideline: Shading or shadowing is a defect only if it results from failure to use shingles of the type specified in the contract.

Corrective Measure: The contractor will replace shingles not conforming to the manufacture's standards.

5-4-9 Observation: Asphalt shingles have developed surface buckling.

Performance Guideline: Asphalt shingle surfaces need not be perfectly flat. Buckling higher than 1/4-inch is considered unacceptable. Remodeling Specific: If an owner elects to re-roof over an existing roof owner must be aware that the new roof will follow the contours of the underlying roof.

Corrective Measure: The contractor will repair or replace the affected shingles to meet the performance guideline.

5-4-10 Observation: Sheathing nails have loosened from framing and raised asphalt shingles.

Performance Guideline: Nails shall not loosen from roof sheathing to raise asphalt shingles from surface.

Corrective Measure: The contractor shall repair all areas as necessary to meet the performance guideline.

Discussion: It is not uncommon for nails to "work themselves out" due to variations in temperature. The contractor can re-drive or remove and replace fasteners that withdraw from the framing. Any resulting holes should be sealed or the shingle should be replaced (a perfect color/shade match cannot be assured).

5-4-11 Observation: Roofing nails are exposed at the ridge or hip of a roof.

Performance Guideline: Nail heads shall be sealed.

Corrective Measure: The contractor shall repair areas to meet the performance guideline.

5-4-12 Observation: Holes from construction activities are found in asphalt shingles.

Performance Guideline: Holes from construction activities shall be flashed or sealed below the asphalt shingle tab to prevent leakage. If the patch is visible from the ground, the shingle should be replaced.

Corrective Measure: The contractor will repair or replace the affected shingles to meet the performance guideline.

5-4-13 Observation: Remodeling Specific: Existing roof shingles are telegraphing through new asphalt shingles.
Performance Guideline: Remodeling Specific: Some telegraphing is common when re-roofing over existing roofing.

Corrective Measure: Because this is a common occurrence, no corrective action is required.

Roll Roofing

5-4-14 Observation: Water is trapped under roll roofing.

Performance Guideline: Water shall not become trapped under roll roofing.

Corrective Measure: If water becomes trapped under roll roofing during the warranty period, the contractor will repair or replace the roofing as necessary to meet the performance guideline.

5-4-15. Observation: Roofing is blistered but does not admit water.

Performance Guideline: Surface blistering of roll roofing is caused by unusual conditions of heat and humidity acting on the asphalt and cannot be controlled by the contractor.

Corrective Measure: None.

5-4-16 Observation: Water is standing on a flat roof.

Performance Guideline: Water shall drain from a flat roof except for minor ponding within 24 hours of a rainfall. Minor ponding shall not exceed 3/8-inch in depth.
Corrective Measure: The contractor will take corrective action to ensure proper drainage of the roof.

Chimney

5-5-1 Observation: A crack in a masonry chimney cap or crown causes leakage.

Performance Guideline: It is common for caps to crack due to expansion and contraction. As a result, leaks may occur.

Corrective Measure: If cracking causes leakage the contractor will repair the cap or crown. Caulking or other sealant is acceptable.

5-5-2 Observation: New chimney flashing leaks.

Performance Guideline: New chimney flashing shall not leak under normal conditions.

Corrective Measure: The contractor will repair leaks in new chimney flashing that are not caused by ice build- up, other common occurrences, or by the owner's actions or negligence.

Discussion: The accumulation of ice and snow on the roof is a natural occurrence and cannot be prevented by the contractor.

Gutters and Downspouts

5-6-1 Observation: The gutter or downspout leaks.

Performance Guideline: Gutters and downspouts shall not leak.

Corrective Measure: The contractor will repair leaks in gutters and downspouts. Sealants are acceptable.

5-6-2 Observation: The gutter overflows during a heavy rain.

Performance Guideline: Gutters may overflow during a heavy rain.

Corrective Measure: The contractor shall repair the gutter if it overflows during normal rains.

Discussion: The owner is responsible for keeping gutters and downspouts free from debris that could cause overflow.

5-6-3 Observation: Water remains in the gutter after a rain.

Performance Guideline: The water level shall not exceed 1/2-inch in depth if the gutter is unobstructed by ice, snow, or debris.

Corrective Measure: The contractor will repair the gutter to meet the performance guideline. The owner is responsible for maintaining gutters and downspouts and keeping them unobstructed.

Discussion: Contractors usually install residential gutters with minimal slope in order to maintain an attractive appearance. Installing gutters with 1/32-inch drop in 1 foot generally will prevent water from standing in the gutters. Even so, small amounts of water may remain in some sections of the gutter for a time after a rain. In areas with heavy rainfall and/or ice build-up, a steeper pitch or additional downspouts may be desirable.

Skylights

5-7-1 Observation: Skylight leaks.

Performance Guideline: Skylights shall be installed in accordance with manufacturer's specifications. Leaks resulting from improper installation are unacceptable. Condensation on interior surfaces is not a leak and not considered a defect.

Corrective Measure: The contractor will repair any improperly installed skylight to meet the performance guideline.

Discussion: Leaks are often caused by other factors such as improper flashing of vents, chimneys or vertical walls. These defects often show up at the skylight opening. Before deeming the skylight to be defective other possible causes should be ruled out by careful examination and a thorough water test.

Plumbing
Coverage 1st Year Only, Workmanship and Materials

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Water Supply System

6-1-1 Observation: Condensation appears on pipes, fixtures and plumbing supply lines.

Performance Guideline: Condensation on pipes, fixtures, and plumbing supply lines may occur at certain combinations of temperature and indoor humidity. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The owner is responsible for controlling humidity in the home.

Discussion: The owner may insulate pipes and supply lines.

Plumbing Fixtures

6-1-2 Observation: A faucet or valve leaks.

Performance Guideline: No faucet or valve shall leak because of defects in material or workmanship. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair or replace the leaking faucet or valve.

Discussion: Leakage caused by worn or defective washers or seals is Unit Owner maintenance item.

6-1-3. Observation: Water pipe is noisy.

Performance Guideline: Because of the flow of water and pipe expansion, the water pipe system will emit some noise. However, the pipes should not make the pounding noise called "water hammer" (noise occurring in a water pipe when air is trapped in the pipe).

Corrective Measure: The contractor cannot remove all noises caused by water flow and pipe expansion. However, the contractor will correct the system to eliminate "water hammer."

Plumbing Fixtures

6-2-1 Observation: A plumbing fixture, appliance, or trim fitting is defective.

Performance Guideline: Plumbing fixtures, appliances, and trim fittings shall not be damaged or defective at the time of substantial completion of the project. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: If the fixtures, appliances or trim were supplied by contractor and they are not in accordance with the manufactures guidelines they must be repaired or replaced. If supplied and or installed by the owner no action is required of the contractor. Defective trim fittings, appliances, and fixtures are covered under manufacturers' warranties.

6-2-2 Observation: The surface of a plumbing fixture is cracked or chipped.

Performance Guideline: Cracks, scrapes and chips in surfaces of bathtubs and sinks are considered unacceptable if they are visible from 3 feet away in normal lighting conditions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: If the fixtures were supplied by the contractor and they do not meet the performance guideline they must be repaired or replaced. If supplied and or installed by the owner no action is required of the contractor. The contractor is not responsible for repairs unless the damage is reported to the contractor prior to substantial completion of the project. Defective fixtures are covered under manufacturers' warrantees.

Discussion: Fiberglass and acrylic fixtures often may be repaired.

6-2-3 Observation: A fiberglass tub or shower enclosure base flexes.

Performance Guideline: The tub or showers are to be installed according to the manufacturer's instructions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor shall repair the base to meet the performance guideline.

6-2-4 Observation: A vanity top is cracked.

Performance Guideline: Vanity tops shall not have cracks at drain connections when installed. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor shall repair or replace the vanity top to meet the performance guidelines. Cracks must be noted prior to substantial completion of the project.

6-2-5 Observation: Staining of plumbing fixtures due to high iron content in water.

Performance Guideline: None.
Corrective Measure: None. High iron content in the water supply system will cause staining of plumbing fixtures.

Discussion: Maintenance and treatment of the water is the owner's responsibility.

Electrical
Coverage 1st Year Only, Workmanship and Materials

Fuses and Circuit Breakers

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

7-1-1 Observation: A fuse blows or a circuit breaker trips.

Performance Guideline: Fuses and circuit breakers shall not be tripped by normal usage. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will check wiring circuits and components for conformity with applicable electrical code requirements. The contractor will correct noncompliant elements.

Discussion: Blown fuses and tripped breakers are symptoms of a problem in some part of the electrical system in the home or some consumer product connected to the system. Although defective components are possible, most electrical malfunctions are caused by consumer-owned fixtures and appliances. The consumer should unplug or disconnect fixtures and appliances on the circuit and then replace the fuse or reset the breaker. If the problem recurs, the contractor should be notified.

7-1-2 Observation: A ground fault circuit interrupter (GFCI) or arc fault circuit interrupter (AFCI) trips frequently.

Performance Guideline: Ground fault and arc fault circuit interrupters shall perform as designed. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will install ground fault and arc fault circuit interrupters in accordance with applicable electrical codes. Tripping is to be expected and is not covered unless it is caused by a component failure or incorrect installation.

Discussion: Both ground fault and arc fault circuit interrupters are very sensitive devices and are easily tripped. GFCI's protect outlets in wet areas (for example, bathrooms, kitchens, garages, exterior, etc.). Outlets protected by GFCIs may be connected in series; it may not be readily apparent that an inoperative convenience outlet is the result of a tripped GFCI in another room (and not necessarily in the electrical panel). AFCIs sometimes are installed to protect bedroom circuits. The most common cause of tripping by AFCIs is damaged cords or plugs on Owners' lamps, small appliances, or other devices. AFCIs are usually found in the electrical panel.

7-2-1 Observation: A light fixture is tarnished.

Performance Guideline: Finishes on light fixtures may be covered under the manufacturer's warranty. Remodeling Specific: See Note at beginning of chapter.
Corrective Measure: No action is required of the contractor. Owner should contact manufacturer.

7-2-2 Observation: Receptacle or switch covers protrude from the wall.

Performance Guideline: Receptacle or switch covers should not be more than 1/16-inch from the adjoining wall surface. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will adjust the covers to meet performance guideline.

7-2-3 Observation: The owner's 220-volt appliance cord does not fit the outlet provided by the contractor.

Performance Guideline: The contractor shall install electrical outlets required by applicable electrical code. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required of the contractor.

Discussion: The owner is responsible for obtaining an appliance cord that fits the outlets provided by the contractor.

7-3-1 Observation: A ceiling fan vibrates and/or is noisy.

Performance Guideline: The contractor shall install ceiling fans in accordance with the manufacturer's instructions (including blade balances). Remodeling Specific: See Note at beginning of chapter.
Corrective Measure: The contractor shall correct any fan installation not in accordance with the performance guideline if the fan was supplied and installed by the contractor.

7-3-2 Observation: An exhaust fan discharges into attic or crawl space.

Performance Guideline: Fans shall discharge as required by applicable codes. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor shall repair to meet performance guideline.

7-4-1 Observation: A smoke detector "chirps."

Performance Guideline: A smoke detector should not "chirp" at substantial completion of the project. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair or replace the smoke detector to eliminate chirping.

Discussion: Most smoke detectors are powered by both the home's electrical power and a backup battery. "Chirping" is an indication that the battery is weak or is not installed. If the chirping occurs on a new smoke detector, the contractor will check the battery, verify that the detector is wired correctly, and replace the device if necessary. Safety officials recommend that Owners change the batteries in smoke detectors semi-annually when daylight-saving time begins and ends.

7-5-1 Observation: Electrical outlets, switches, or fixtures malfunction.

Performance Guideline: All electrical outlets, switches, and fixtures shall operate as designed. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair or replace malfunctioning electrical outlets, switches, and fixtures, if supplied and installed by the contractor.

7-5-2 Observation: Carbon monoxide alarm goes off excessively.

Performance Guideline: Carbon monoxide sensors shall be installed in accordance with manufacturer's standards and applicable codes.

Corrective Measure: None. The contractor is responsible to properly install the sensor.

Interior Climate Control
Coverage 1st Year Only, Workmanship and Materials

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Air Infiltration and Drafts

8-1-1 Observation: Air infiltrates around exterior doors or windows.

Performance Guideline: Some infiltration is usually noticeable around doors and windows, especially during high winds. No daylight shall be visible around the frame when the window or door is closed. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor shall repair to meet the performance guideline.

Discussion: Proper repair can be performed by adjusting or installing weather stripping around doors and windows. In high-wind areas, the owner may elect to have storm windows and doors installed to further reduce drafts.

8-1-2 Observation: A draft comes through an electrical outlet.

Performance Guideline: Electrical outlets and switch boxes on exterior walls may allow cold air to flow through or around an outlet into a room. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required of the contractor. The owner may elect to install foam insulation pads under switch and outlet plates to help decrease drafts.

Humidity Control and Condensation

8-2-1 Observation: Water, ice, or frost is observed on a window.

Performance Guideline: Windows will be installed in accordance with the manufacturer's instructions and applicable building code, Remodeling Specific: See Note at beginning of chapter.
Corrective Measure: No action is required of the con-tractor unless the water, ice, or frost is directly attributed to faulty installation (i.e., that deviates from the manufacturer's instructions and/or applicable building code).

Discussion: Condensation usually results from conditions beyond the contractor's control. Moisture in the air can condense into water and collect on cold surfaces, particularly in the winter months when the outside temperature is low. Blinds and drapes can prevent air within the building envelope from moving across the cold surface and picking up the moisture. Occasional condensation (water) in the kitchen, bath, or laundry area is common. It is the owner's responsibility to maintain proper humidity by properly operating heating and cooling systems and allowing moving air within the home to flow over the interior surface of the windows.

8-2-2 Observation: There is moisture between the panes of a double glazed window.

Performance Standard: Moisture between the panes of double glazed windows during the manufacturer's warranty period is unacceptable.

Corrective Measure: The owner should contact the manufacturer.

Air Distribution and Ventilation

8-3-1 Observation: The attic or crawl space is inadequately ventilated.

Performance Guideline: The attic and crawl space shall be ventilated as required by the applicable building code.
Corrective Measure: The contractor will provide for adequate ventilation. The contractor is not responsible for actions by the owner that interfere with the ventilation system.

8-3-2 Observation: There is airflow noise at a register.

Performance Guideline: The register should be correctly installed according to the manufacturer's instructions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required unless registers are not installed in accordance with manufacturer's instructions.

Discussion: Under certain conditions, some noise may be experienced with the normal flow of air, even when registers are installed correctly. See the manufacturer's instructions.

8-3-3 Observation: There are gaps between HVAC (Heating, Ventilating and Air Conditioning) vent or register cover and the wall or ceiling.

Performance Guideline: This is a normal condition beyond the contractor's control. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: None.

Discussion: It is the inherent nature of the heating and cooling system to cause vents and registers to bend over time. This can result in gaps occurring between the vent or register cover and the wall. As long as the vent or register is securely attached, this is not a warranty item.

8-3-4 Observation: A condensate drain line is clogged.

Performance Guideline: The contractor will provide unobstructed condensate lines at the time of substantial completion of the project. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor shall unclog any clogged condensate line at the time of substantial completion of the project. Condensate lines will eventually clog under normal use and they must be kept free of all clogs to operate properly. The owner is responsible for maintaining them in proper condition.

8-3-5 Observation: There is condensation on the outside of air handlers and ducts.

Performance Standards: Air handlers and ducts will collect condensation on their exterior surfaces when extreme temperature differences and high humidity levels occur. Condensation usually results from humid conditions within the home that are created by the owner or during the curing process in a new space.

Corrective Measure: Unless the condensation or frost is directly attributed to faulty installation, it usually results from conditions beyond the control of the contractor. No corrective action is required.

Discussion: Condensation usually results from conditions beyond the contractor's control. Moisture in the air can condense (to form water) and collect on cold duct surfaces, particularly in the summer months when the outside humidity is high.

8-5-5 Observation: Kitchen or bath fans allow air infiltration.

Performance Guideline: Bath and kitchen fans shall be installed in accordance with the manufacturer's instructions and code requirements. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required of the contractor if fans meet the guideline.

Discussion: It is possible for outside air to enter the house through a ventilation fan. The dampers in most fans do not seal tightly. It is possible for the damper to be lodged open due to animal activity (including nesting in the outside opening), or the accumulation of grease, lint, and other debris. Maintenance of ventilating fans is the owner's responsibility.

INTERIOR

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Coverage 1st Year Only, Workmanship and Materials
Interior Doors

9-1-1. Observation: Interior door is warped.

Performance Guideline: Interior doors (full openings) shall not warp in excess of ¼-inch. Remodeling Specific: see Note at beginning of chapter.

Corrective Measure: The contractor will correct or replace and refinish defective doors to match existing doors as nearly as practical during the warranty period.

Discussion: In bathroom or utility areas, exhaust fans or an open window must be used to remove moisture to eliminate or limit warpage of door Units. If customer is responsible for painting the door, the contractor is not responsible if the door is not painted to manufacturer's specifications.

9-1-2 Observation: Bifold doors come off their tracks during normal operation.

Performance Guideline: Bifold doors shall slide properly on their tracks at the time of substantial completion of the project. Cleaning and maintenance necessary to preserve proper operation are owner responsibilities. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: One time only, the contractor will repair any bifold door that will not stay on its track during normal operation.

Discussion: Proper operation should be verified by the owner and the contractor at the time of substantial completion of the project.

9-1-3 Observation: A pocket door rubs in its pocket during normal operation.

Performance Guideline: Pocket doors shall not rub in their pockets during normal operation if they are installed according to the manufacturer's instructions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: One time only, the contractor will repair the pocket door to meet the performance guideline.

Discussion: Pocket doors commonly rub, stick, or derail due to the inherent nature of the product. It is common, however, for the door to operate against the guides provided by the manufacturer.

9-1-4 Observation: A wooden door panel has shrunk or split.

Performance Guideline: Wooden door panels shall not split to the point that light is visible through the door. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: One time only, the contractor will fill splits in the door panel with wood filler and will match the paint or stain as closely as practical.

9-1-5 Observation: Door rubs on jambs or contractor-installed floor covering, or latch does not work.

Performance Guideline: Doors shall operate smoothly and door latches shall operate correctly.
Corrective Measure: The contractor will repair the door and the door latch as necessary to meet the performance guideline.

9-1-6 Observation: A door edge is not parallel to the doorjamb.

Performance Guideline: When the contractor installs the doorframe and door, the door edge shall be within 3/16-inch of parallel to the doorjamb. Remodeling Specific: Where the contractor installs the door in an existing frame that is out of square, the guideline does not apply. See Note at beginning of chapter.

Corrective Measure: The contractor will adjust the door as necessary to meet the guideline one time.

9-1-7 Observation: A door swings open or closed by the force of gravity.

Performance Guideline: Doors shall not swing open or closed by the force of gravity alone. Remodeling Specific: This guideline does not apply where a door is installed in an existing wall that is out of plumb. See Note at beginning of chapter.

Corrective Measure: The contractor shall repair door operation to meet the performance guideline one time.

9-1-8 Observation: Interior doors do not operate smoothly.

Performance Guideline: Doors shall move smoothly with limited resistance. Remodeling Specific: See Note at beginning of chapter.
Corrective Measure: The contractor shall repair door operation to meet the performance guideline one time.

Interior Stairs

9-2-1. Observation: Interior stair tread deflects too much.

Performance Guideline: The maximum vertical deflection of an interior stair tread shall not exceed 1/8-inch within a 36-inch span at 200 pounds of static weight.

Corrective Measure: The contractor will repair the stair to meet the performance guideline.

9-2-2 Observation: Gaps exist between interior stair risers, treads, and/or skirts.

Performance Guideline: Gaps between adjoining parts that are designed to meet flush shall not exceed 1/8-inch in width.

Corrective Measure: The contractor will fix the gap with filler or replace parts as necessary to meet the performance guideline.

9-2-3. Observation: Squeaking stair riser or tread.

Performance Guideline: Loud squeaks caused by a loose stair riser or tread are unacceptable, but totally squeak-proof stair risers or treads cannot be guaranteed.

Corrective Measure: The contractor will refasten any loose risers or treads or take other corrective action to eliminate squeaking to the extent possible within reasonable repair capability without removing treads or ceiling finishes.

Discussion: Squeaks in risers or treads may occur when a riser has come loose from the tread, and is deflected by the weight of a person and rubs against the nails that hold it in place. Movement may occur between the riser and the tread or other stairway members when one tread is deflected while the other members remain stationary. Using trim screws to fasten the tread to the riser from above will sometimes reduce squeaking. If there is no ceiling below, gluing or renailing the riser to the tread or shimming will reduce squeaks but the total elimination of squeaks is practically impossible. The performance guideline requires the contractor to make a reasonable attempt to eliminate squeaks without requiring removal of treads or ceiling finishes. Note: Most cellar stairs are not designed to be squeak resistant.

9-2-4 Observation: Gaps exist between interior stair railing parts.

Performance Guideline: Gaps between interior stair railing parts shall not exceed 1/8-inch in width.

Corrective Measure: The contractor will ensure that individual parts of the railing are securely mounted. Any remaining gaps will be filled or parts replaced to meet the performance guideline.

9-2-5. Observation: Interior stair railing lacks rigidity.

Performance Guideline: Interior stair railings shall be attached to structural members in accordance with applicable codes.
Corrective Measure: The contractor will repair any stair railings as necessary to comply with applicable codes.

Trim and Moldings

9-3-1 Observation: There are gaps at non-mitered trim and molding joints.

Performance Guideline: Openings at joints in trim and moldings, and at joints between moldings and adjacent surfaces, shall not exceed1/8-inch in width at the time of installation.

Corrective Measure: The contractor will repair joints to meet the performance guideline.

Discussion: Separation of trim and moldings in excess of the performance guidelines may be caused by lack of control of indoor relative humidity. Joints that separate under these conditions are not considered defective. It is the owner's responsibility to control temperature and humidity in the home.

9-3-2. Observation: Nails are not properly set or, where puttied, nail holes are not properly filled.

Performance Guideline: Setting nails or filling nail holes are considered part of painting and finishing. After painting or finishing, except stained or natural finished woodwork, nails and nail holes shall not be

readily visible from a distance of 6 feet under normal lighting conditions at the time of substantial completion of the project.
Corrective Measure: Where the contractor is responsible for painting, the contractor shall take action necessary to meet the performance guideline.

9-3-3. Observation: Inside corner is not coped or mitered.

Performance Guideline: Trim edges at inside corners shall be coped or mitered. However, square edge trim may be butted.

Corrective Measure: The contractor will finish inside corners to meet the performance guideline.

9-3-4. Observation: Trim or molding miter edges do not meet.

Performance Guideline: Gaps between miter edges in trim and molding shall not exceed 1/8-inch at time of installation.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline. Caulking or puttying with materials compatible to the finish is acceptable.

9-3-5 Observation: Interior trim is split.

Performance Guideline: Splits, cracks, and checking greater than 1/8-inch in width are considered unacceptable.

Corrective Measure: One time only, the contractor will repair the affected area to meet the guideline.

9-3-6. Observation: Hammer marks are visible on interior trim.
Performance Guideline: Hammer marks on interior trim shall not be readily visible from a distance of 6 feet under normal lighting conditions.

Corrective Measure: The contractor will fill hammer marks and refinish or replace affected trim to meet the performance guideline. Refinished or replaced areas may not match surrounding surfaces exactly.

Cabinets and Counter Tops

9-4-1 Observation: Cabinets do not meet the ceiling or walls.

Performance Guideline: Gaps greater than 1/4-inch in width are considered unacceptable.

Corrective Measure: The contractor will repair the gap with caulk, putty, or scribe molding, or will reposition/ reinstall cabinets to meet the performance guideline.

Discussion: Remodeling Specific: When installed in rooms with out-of-plumb walls or out-of-level floors and ceilings, "square" cabinets cannot be installed parallel to walls and ceilings and still keep the cabinets on line. For example, if the floor is not level and the installer measures up from it, "snaps" a line on which to place the tops of the wall cabinets, and then plumbs the first cabinet, one corner of the cabinet will leave the line, and the bottom of successive cabinets will not be in line. Similarly, cabinets will not line up with each other if they are installed on a level line, starting against an out-of-plumb wall instead of a plumb wall. The contractor should explain the aesthetic options to the owner and select the best option with the owner.

9-4-2 Observation: Cabinets do not line up with each other.

Performance Guideline: Cabinet faces more than 1/8-inch out of line, and cabinet corners more than 3/16- inch out of line, are considered unacceptable, unless the owner and the contractor agree to disregard the guideline in order to match or otherwise compensate for pre-existing conditions.

Corrective Measure: The contractor will make necessary adjustments to meet the performance guideline.

Discussion: Remodeling Specific: In remodeling projects, many times the rooms are out of square, walls are not plumb, and floors are not level. Cabinets and countertops may have to be shimmed or otherwise adjusted to make the cabinets and countertops fit together properly. Cabinets may not fit flush against the walls on the ends or bottoms and may not fit flat against the floor the contractor should explain the aesthetic options to the owner and select the best option with the owner. In rooms with out of plumb walls or out of level floors and ceilings, "square" cabinets cannot be installed parallel to walls and ceilings and still keep the cabinets on line. For example, if the floor is not level and the installer measures up from it, "snaps" a line on which to place the tops of the wall cabinets, then plumbs the first cabinet, one corner of the cabinet will leave the line, and the bottom corners of successive cabinets will leave the line, and the bottom corners of successive cabinets will not be in line. Similarly, cabinets will not line up with each other if they are installed on a level line, starting against an out of plumb wall instead of being plumbed. The contractor should explain the aesthetic options to the owner and select the best option with the owner.

9-4-3. Observation: Cabinet is warped.

Performance Guideline: Cabinet warpage shall not exceed ¼-inch as measured from the face frame to the point of furthermost warpage, with the door or drawer front in closed position.

Corrective Measure: The contractor will correct or replace doors and drawer fronts as necessary to meet the performance guideline.

9-4-4. Observation: Cabinet door or drawer binds.

Performance Guideline: Cabinet doors and drawers shall open and close with reasonable ease.

Corrective Measure: The contractor will adjust or replace doors and drawers as necessary to meet the performance guideline.

9-4-5 Observation: Cabinet door will not stay closed.

Performance Guideline: The catches or closing mechanisms for cabinet doors shall be adequate to hold the doors in a closed position.

Corrective Measure: The contractor will adjust or replace the door catches or closing mechanisms as necessary to meet the performance guideline.

9-4-6 Observation: Cabinet doors or drawers are cracked.

Performance Guideline: Panels and drawer fronts shall not crack.
Corrective Measure: The contractor may replace or repair cracked panels and drawer fronts. No contractor action is required if the cracked drawer fronts or panels result from the owner's abuse.

Discussion: Paint or stain on the repaired or replaced panel or drawer front may not match the paint or stain on the existing panels or drawer fronts.

9-4-7 Observation: A cabinet door is warped.

Performance Guideline: Cabinet door warpage shall not exceed 1/8-inch as measured diagonally from corner to corner.

Corrective Measure: The contractor may replace or repair warped doors to meet the performance guideline.

9-4-8 Observation: Cabinet doors do not align when closed.

Performance Guideline: Gaps between doors should not exceed1/8-inch.

Corrective Measure: The contractor shall adjust doors to meet the performance guideline.

9-4-9. Observation: Shrinkage of insert panels of cabinet doors and drawers show raw wood edges.

Performance Guideline: Panels will shrink and expand and may expose unpainted or unfinished surface.

Corrective Measure: None.

Countertops

9-5-1 Observation: High-pressure laminate on a countertop is delaminated.

Performance Guideline: Countertops fabricated with high-pressure laminate coverings shall not delaminate.

Corrective Measure: The contractor will repair or replace delaminated coverings, unless the delamination was caused by the owner's misuse or negligence.

Discussion: Owners should refrain from leaving any liquids near the countertop seams or allowing the surface to become excessively hot.

9-5-2. Observation: The surface of high-pressure laminate on countertop is cracked or chipped.

Performance Guideline: Countertops shall be free of cracks and chips at the time of substantial completion of the job. Cracks or chips occurring after acceptance of the job are the owner's responsibility.

Corrective Measure: The contractor will repair or replace cracked or chipped countertops only if they are reported prior to acceptance of the job.

9-5-3 Observation: Solid surface countertops are visibly scratched.

Performance Guideline: At the time of substantial completion of the project, solid surface countertops shall be free of scratches visible from 6 feet away under normal lighting conditions.
Corrective Measure: The contractor shall repair scratches in the countertop to meet the performance guideline.

9-5-4 Observation: A countertop is not level.

Performance Guideline: Countertops shall be no more than 3/8-inch in 10 feet out of parallel with the floor. Remodeling Specific: For projects where the floor is out of level, the countertop may be installed proportionately out of level.

Corrective Measure: The contractor will make necessary adjustments to meet the performance guideline.

Discussion: Remodeling Specific: In remodeling projects, many times the rooms are out of square, walls are not plumb, and floors are not level. Cabinets and countertops may have to be shimmed or otherwise adjusted to make the cabinets and countertops fit together properly. Cabinets may not fit flush against the walls on the ends or bottoms and may not fit flat against the floor: The contractor should explain the aesthetic options to the owner and select the best option with the owner.

9-5-5 Observation: A tile countertop has uneven grout lines.

Performance Guideline: Grout lines should be straight and fairly consistent in width. However, if working with hand made tiles or tiles with broken edges grout lines may vary in width and straightness.

Corrective Measure: If applicable the contractor shall make corrections as necessary to bring the grout lines into compliance with the performance guideline.
Discussion: Different tiles require different widths of grout lines. Some tiles are designed to have varied-width grout lines.

9-5-6 Observation: Tile countertop grout lines are cracked.

Performance Guideline: Tile grout is a cement product and is subject to cracking. Cracks that result in loose tiles or gaps in excess of 1/16-inch shall be repaired.

Corrective Measure: The contractor will repair the grout lines by adding grout, caulking, or replacing grout one time. New grout may not perfectly match previously grouted areas.

9-5-7 Observation: A granite, marble, stone, or solid surface countertop is cracked at the time of substantial completion of the project.

Performance Guideline: Cracks at the time of substantial completion are considered unacceptable.

Corrective Measure: If the crack is found to be caused as a result of faulty installation or product, the contractor will repair or replace the countertop.

Discussion: Some granite, marble or stone have natural cracks and crevices these are allowed within the Performance Guideline and are not to be considered a defect. Some granite, marble and stones may develop cracks and crevices after substantial completion of the project and are not to be considered defects if properly installed.

9-5-8 Observation: A granite, marble, stone, or solid surface countertop has texture or color variations.

Performance Guideline: Color variations are acceptable. The contractor has no responsibility for countertop texture or color variations when the owner selects the material.

Corrective Measure: No action is required of the contractor.

9-5-9 Observation: A granite, marble, stone, or solid surface countertop is chipped at the time of substantial completion of the project.

Performance Guideline: Chips greater than 1/32-inch in width are considered unacceptable.

Corrective Measure: The contractor will repair or replace affected areas to meet the performance guidelines.

9-5-10 Observation: The surface of countertop tile has unacceptable lippage of adjoining tile.

Performance Guideline: Lippage greater than 1/16-inch is considered unacceptable, except for materials that are designed with an irregular height (such as hand-made tile).

Corrective Measure: The contractor will repair or replace the tile to meet the performance guideline.

9-5-11 Observation: A solid surface or laminate countertop has a bubble, bum, stain, or other damage. **Performance Guideline:** Solid surface or laminate countertops shall be free of bubbles, bums, or stains at the time of substantial completion of the project.

Corrective Measure: The contractor will repair or replace the countertop to meet the performance guideline.

Discussion: Solid surface and laminate products may be subject to damage by hot surfaces placed on or near the product. The owner is responsible for maintaining the countertop and protecting it from damage.

Interior Wall Finish

Lath and Plaster

9-6-1 Observation: Cracks are visible on a finished wall or ceiling.

Performance Guideline: Cracks shall not exceed 1/16-inch in width. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: One time only, the contractor will repair cracks exceeding 1/16-inch in width. The contractor will touch up paint on repaired areas if the contractor was responsible for the original interior painting. A perfect match between original and new paint cannot be expected and the contractor is not required to paint an entire wall or room.

Gypsum Wallboard

9-6-2. Observation: Nail pop, blister, or other blemish is visible on finished wall or ceiling.

Performance Guideline: Slight "imperfections" such as nail pops, seam lines and cracks not exceeding 1/16-inch in width are common in gypsum wallboard installations and are considered acceptable. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair such blemishes only once during the warranty period. The contractor will touch up paint-repaired areas if the contractor was responsible for the original interior painting. A perfect match between original and new paint cannot be expected, and the contractor is not required to paint an entire wall or room. The contractor is not required to repair defects that are covered by wallpaper or other wall coverings.

Discussion: When drywall has been placed on lumber surfaces which are subject to shrinkage and warpage and which are not perfectly level and plumb, problems often occur through stress and strain placed on drywall during the stabilization of the lumber, which is inherent in the construction of the home. Due to the initial stabilization problem that exists with the new home, it is impossible to correct each defect as it occurs, and it is essentially useless to do so. The entire house will tend to stabilize itself. Some imperfections will not be visible under normal lighting but will become apparent under strong, high or diagonal lighting or strong sunlight. These imperfections are not to be considered defects. Nail and screw pops, showing seam lines and spackle cracks result from wood shrinkage, normal settlement and changes in temperature and humidity. These factors are normal and beyond the contractor's control, they should not be considered defects or unusual.

9-6-3 Observation: Cracked corner bead, excess joint compound, trowel marks, or blisters in tape joints are observed on the drywall surface.

Performance Guideline: Defects resulting in cracked corner bead, trowel marks, excess joint compound or blisters in tape are considered unacceptable. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor shall repair the affected area of the wall to meet the performance guideline one time within the warranty period.

9-6-4 Observation: Joints protrude from the surface.

Performance Guideline: Any joints that are visible from a distance of 6 feet under normal lighting conditions are considered unacceptable. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: One time only, the contractor will repair affected areas.

Discussion: Joints often occur in long walls, stairwells, and areas of two-story homes where framing members have shrunk and caused the drywall to protrude.

9-6-5 Observation: The texture of gypsum wallboard does not match.
Performance Guideline: Any variations that are readily visible from a distance of 6 feet under normal lighting conditions are considered unacceptable. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair the affected area to meet the guideline.

Discussion: There will usually be some variation in texture between the wall Board and the joint compound.

9-6-6 Observation: Angular gypsum wallboard joints are uneven.

Performance Guideline: This is a natural condition that occurs with randomly applied materials. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required of the contractor. This is a common condition.

9-6-7 Observation: Drywall is cracked.

Performance Guideline: Drywall cracks greater than 1/16-inch in width are considered unacceptable. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: One time only, the contractor will repair cracks and touch up paint in affected areas. The texture and paint color may not exactly match the existing texture and paint color.

9-6-8 Observation: Blown or textured ceilings have uneven textures.
Performance Guideline: This is a common condition that occurs with randomly applied materials. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required of the contractor. This is a common condition.

Paint, Stain, and Varnish

9-6-9 Observation: Interior paint does not "cover" the underlying surface.

Performance Guideline: The surface being painted shall not show through new paint when viewed from a distance of 6 feet under normal lighting conditions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will recoat affected areas as necessary to meet the guidelines as closely as practical.

9-6-10 Observation: An interior surface is spattered with paint.

Performance Guideline: Paint spatters shall not be readily visible on walls, woodwork, floors, or other interior surfaces when viewed from a distance of 6 feet under normal lighting conditions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will remove paint spatters to meet the performance guideline.

9-6-11 Observation: Brush marks show on interior painted surface.
Performance Guideline: Brush marks shall not be readily visible on interior painted surfaces when viewed from a distance of 6 feet under normal lighting conditions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will refinish as necessary to meet the performance guideline and match affected areas as closely as practical.

9-6-12 Observation: Lap marks show on interior painted or stained areas.

Performance Guideline: Lap marks shall not be readily visible on interior painted or stained areas when viewed from a distance of 6 feet under normal lighting conditions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will refinish as necessary to meet the guideline and match affected areas as closely as practical.

9-6-13 Observation: Interior painting, staining, or refinishing is required because of repair work.

Performance Guideline: A perfect match between original and new paint cannot be expected. Repairs required under these performance guidelines shall be finished to match the immediate surrounding areas as closely as practical. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: Where the majority of the wall or ceiling area is affected, the area will be painted from break line to break line. The contractor is not required to paint an entire room.

Discussion: The contractor is only responsible if he or she painted the home as part of the original contract.

9-6-14 Observation: Resin has bled through the paint on interior trim.

Performance Guideline: This is a common condition that can be expected to occur with natural materials such as wood. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required of the contractor. This is a common condition.

9-6-15 Observation: Varnish or clear lacquer finishes have deteriorated.

Performance Guideline: Clear finishes on interior woodwork shall not deteriorate during the warranty period.

Corrective Measure: The contractor will retouch affected areas of clear-finish interior woodwork and match the original finish as closely as practical; provided the owner has not used improper cleaning materials, including ammonia, or other improper methods.

Discussion: Finishes on window sills with south facing exposure may deteriorate due to climatic conditions.

Wallpaper and Vinyl Wall Coverings

9-6-16 Observation: The wall covering has peeled.

Performance Guideline: The wall covering shall not peel off the walls. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will reattach or replace the loose wall covering if the contractor installed the covering.

Discussion: Wallpaper applied in high moisture areas is exempted from this guideline because the problem results from conditions beyond the contractor's control.

9-6-17 Observation: Patterns in wall covering are mismatched.

Performance Guideline: Patterns in wall coverings shall match. Irregularities in the patterns themselves are the manufacturer's responsibility. Remodeling Specific: See Note at beginning of chapter. The guideline does not apply if material is installed on existing out-of-plumb walls or where trim is not square with corners.

Corrective Measure: The contractor shall correct the wall covering to meet the performance guidelines.

FLOOR FINISHES
Coverage 1st Year Only, Workmanship and Materials

Carpeting

10-1-1 Observation: Carpet does not meet at the seams.

Performance Guideline: It is not unusual for carpet seams to show. However, a visible gap at the seams is considered unacceptable.

Corrective Measure: If the carpet was installed by the contractor, the contractor will eliminate visible gaps at carpet seams.

10-1-2 Observation: Carpeting loosens, or the carpet stretches.

Performance Guideline: When stretched and secured properly, wall-to-wall carpeting installed as the primary floor covering shall not come up, loosen, or separate from the points of attachment.

Corrective Measure: If the carpeting was installed by the contractor, the contractor will restretch or resecure the carpeting, once during the first year, as necessary to meet the guidelines.

10-1-3 Observation: Carpeting is faded or discolored.

Performance Guideline: Fading or discoloration of carpet is a manufacturer's responsibility.

Corrective Measure: No action is required of the contractor.

Discussion: Fading or discoloration may result from the owner spilling liquids on the carpet, exposure to sunlight, or the owner's failure to properly maintain the carpet.

10-1-4 Observation: Dead spots are observed in padding areas below the carpet surface.

Performance Guideline: Carpeted areas shall have full coverage of padding consistently throughout the flooring area.

Corrective Measure: The contractor will repair/replace padding in the affected areas to meet the performance guidelines.

Roll Vinyl and Resilient Tile Flooring

10-2-1 Observation: Nail pops are observed on the surface of resilient flooring.

Performance Guideline: Readily visible nail pops on resilient flooring are considered unacceptable.

Corrective Measure: The contractor will repair the nail pops that are readily visible.

Discussion: The contractor will repair or replace, at the contractor's option, the resilient floor covering in the affected areas with similar materials. The contractor is not responsible for discontinued patterns or color variations when replacing the floor covering.

10-2-2 Observation: Depressions or ridges are observed in resilient flooring because of sub floor irregularities.

Performance Guideline: Readily apparent depressions or ridges exceeding 1/8-inch shall be repaired. The ridge or depression measurement is taken at the end of a 6-inch straightedge centered over the depression or ridge with 3 inches of the straightedge held tightly to the floor on one side of the affected area. Measure under the straightedge to determine the depth of the depression or height of the ridge.

Corrective Measure: The contractor will take corrective action as necessary to bring the affected area within the acceptable tolerance so that the depression or ridge is not readily visible and is not more than 1/8-inch. The con-tractor will not be responsible for discontinued patterns or color variations when replacing the floor covering.

Discussion: Contractor is not responsible for Unit Owner neglect or abuse or installations performed by others.

10-2-3 Observation: Resilient flooring has lost adhesion.

Performance Guideline: Resilient flooring shall not lift, bubble, or detach.

Corrective Measure: At the contractor's option, the contractor will repair or replace the affected resilient flooring as necessary. The contractor is not responsible for discontinued patterns or color variations when replacing the floor covering.

10-2-4 Observation: Seams or shrinkage gaps show at vinyl flooring joints.
Performance Guideline: Gaps at joints/seams in vinyl flooring shall not exceed 1/16-inch in width. Where dissimilar materials abut, the gaps shall not exceed l/16-inch.

Corrective Measure: At the contractor's option, the contractor will repair or replace the vinyl flooring as necessary to meet the performance guideline. The contractor will not be responsible for discontinued patterns or color variations when replacing the floor covering.

Discussion: Proper repair can be accomplished by sealing the gap with seam sealer.

10-2-5 Observation: Bubbles are observed on roll vinyl flooring.

Performance Guideline: Bubbles resulting from trapped air and that protrude higher than l/16-inch from the floor is considered unacceptable.

Corrective Measure: The contractor will repair the floor to meet the guideline.

Discussion: The performance guideline does not apply to perimeter attached vinyl floors.

10-2-6 Observation: The patterns on roll vinyl flooring are misaligned.

Performance Guideline: Patterns at seams between adjoining pieces shall be aligned to within l/16-inch.

Corrective Measure: The contractor will correct the flooring to meet the performance guideline.

10-2-7 Observation: A resilient floor tile is loose.

Performance Guideline: Resilient floor tiles shall be securely attached to the floor.

Corrective Measure: The contractor will attach loose resilient floor tiles securely to the floor. The old adhesive will be removed if necessary to resecure the tiles.

10-2-8 Observation: The corners or patterns of resilient floor tiles are misaligned.

Performance Guideline: The corners of adjoining resilient floor tiles shall be aligned to within l/8-inch. Misaligned patterns are not covered unless they result from improper orientation of the floor tiles.

Corrective Measure: The contractor will correct resilient floor tiles with misaligned corners to meet the performance guideline.

10-2-9 Observation: Yellowing is observed on the surface of vinyl sheet goods after installation and before substantial completion of the project.

Performance Guideline: The contractor shall install vinyl flooring per the manufacturer's instructions.

Corrective Measure: Yellowing resulting from a manufacturer's defect or from the owner's misuse or lack of maintenance is not covered by the contractor.
Discussion: Some chemical compounds, such as the tar residue from a recently paved asphalt driveway, may cause a chemical reaction with the flooring material and result in permanent damage to the floor. The owner is responsible for the proper use and maintenance of the floor. Yellowing caused by the owner's improper use of or inadequate maintenance of the floor is not the contractor's or the manufacturer's responsibility.

Wood Flooring

10-3-1 Observation: Gaps exist between strip hardwood floorboards.

Performance Guideline: Gaps between strip hardwood floorboards shall not exceed l/8-inch in width at the time of installation.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline.

Discussion: Wood floors are subject to shrinkage and swell due to seasonal variations in the humidity level of home. While Boards may be installed tight together, gaps or separations may appear during heating seasons or periods of low humidity. Gaps or separations that close during non-heating seasons are not considered deficiencies. Unit Owners should be familiar with the recommended care and maintenance requirements of their wood floor. Repeated wetting and drying, or wet mopping, may damage wood finishes. Dimples or scratches can be caused by moving furniture or dropping heavy objects, and certain high heel style shoes may cause indentations. These conditions are not covered by this Warranty. Relative humidity of the home can cause noticeable fluctuations in gaps between floor

Boards. This is a normal phenomenon in spaces that experience significant shifts in humidity. The owner is responsible for maintaining proper humidity levels in the home. Proper repair can be affected by filling the gap.

10-3-2 Observation: Strip hardwood floor Boards are cupped.

Performance Guideline: Cups in strip hardwood floorboards shall not exceed 1/16-inch in height in a 3-inch maximum span measured perpendicular to the long axis of the Board. Cupping caused by exposure to moisture beyond the contractor's control is not covered.

Corrective Measure: The contractor will correct or repair cupped Boards to meet the performance guideline.
Discussion: The owner is responsible for proper maintenance of the floor and for maintaining proper humidity levels in the home.

10-3-3 Observation: Excessive lippage is observed at the junction of prefinished wood flooring products.

Performance Guideline: Lippage greater than 1/16-inch is considered unacceptable.

Corrective Measure: The contractor will repair lippage in the affected areas to meet the performance guideline

10-3-4 Observation: Voids ("holidays") are observed in the floor finish.

Performance Guideline: Voids that are readily visible from a distance of 6 feet under normal lighting conditions are considered unacceptable.
Corrective Measure: The contractor will repair the floor finish in the affected area(s) to meet the performance guideline.

10-3-5 Observation: The top coating on hardwood flooring has peeled.

Performance Guideline: Field-applied coating shall not peel during normal usage. Prefinished coatings are the manufacturer's responsibility.

Corrective Measure: The contractor shall refinish any field-applied finishes that have peeled.

Discussion: The owner should contact the manufacturer regarding factory-applied finishes that have peeled.

10-3-6 Observation: Strip flooring has crowned.

Performance Guideline: Crowning in strip flooring shall not exceed 1/16-inch in depth in a 3-inch maximum span when measured perpendicular to the long axis of the Board.

Corrective Measure: The contractor will repair the affected area to meet the performance guideline.

10-3-7 Observation: Hardwood flooring has buckled from the substrate.

Performance Guideline: Hardwood floor should not become loose from the substrate.

Corrective Measure: The contractor will repair the affected area to meet the performance guideline.
10-3-8 Observation: Unacceptable knots and color variations are observed in strip hardwood flooring.

Performance Guideline: The contractor will install the grade of hardwood specified for the project. All wood should be consistent with the grading stamp as specified.

Corrective Measure: The contractor shall replace any improperly graded wood.

Discussion: Hardwood is a natural product and consequently can be expected to exhibit variations in color, grain, and stain acceptance.

10-3-9 Observation: Slivers or splinters are observed in strip flooring.

Performance Guideline: Slivers or splinters that occur during the installation of the flooring are considered unacceptable.

Corrective Measure: The contractor will repair flooring in the affected areas to meet the performance guideline.

Discussion: Slivers or splinters that occur during installation can be shaved and the area filled prior to sanding and finishing.

10-3-10 Observation: "Sticker bum" is observed on the surface of strip flooring.

Performance Guideline: Discoloration from stacking strips in hardwood flooring is considered unacceptable in certain grades of flooring.

Corrective Measure: The contractor shall repair or replace areas with sticker bum if they are not permitted in the grade of wood specified for the project.

Tile, Brick, Marble, and Stone Flooring

10-4-1 Observation: Tile, brick, marble, or stone flooring is broken or loosened.

Performance Guideline: Tile, brick, marble, and stone flooring shall not be broken or loose.

Corrective Measure: The contractor will replace broken tiles, bricks, marble, and stone flooring, and resecure loose tiles, bricks, marble, and stone, unless the flooring was damaged by the owner's actions or negligence. The contractor is not responsible for discontinued patterns or color variations when replacing tile, brick, marble, or stone flooring.

10-4-2 Observation: Cracks are observed in the grouting of tile joints or at the junctures with other materials, such as a bathtub.

Performance Guideline: Cracks in grouting of ceramic tile joints commonly result from normal shrinkage conditions. Cracks that result in loose tiles or gaps in excess of 1/16-inch shall be repaired.

Corrective Measure: The contractor will repair grouting, if necessary, one time only. The contractor is not responsible for color variations or discontinued colored grout. The owner is responsible for regrouting these joints after the contractor's one-time repair.
Discussion: The use of an elastic substance at junctures between tile and other materials is often more effective than grout.

10-4-3 Observation: There is excessive lippage at adjoining marble or ceramic tile.

Performance Guideline: Lippage greater than 1/16-inch is considered unacceptable, except where the materials are designed with an irregular height (such as hand-made tile).

Corrective Measure: The contractor will repair lippage in the affected areas to meet the performance guideline.

Discussion: Lippage is the vertical distance between floor tiles or marble tiles at the point where they abut one another.

10-4-4 Observation: A grout or mortar joint is not a uniform color.

Performance Guideline: After the grout has cured, any color variation that is readily visible from a distance of 6 feet under normal lighting conditions is considered unacceptable.

Corrective Measure: One time only, the contractor will repair the joint to meet the performance guideline.

Discussion: When grout repairs are done a perfect match between the original grout and new grout cannot be expected. The contractor is not required to re-grout an entire floor, wall or room.

Miscellaneous
Coverage 1st Year Only, Workmanship and Materials

Fireplace and Wood Stove

11-1-1. Observation: Fireplace or chimney does not consistently draw properly.

Performance Guideline: A properly designed and constructed fireplace and chimney shall function correctly.

Corrective Measure: The contractor shall correct as necessary if the problem is caused by a design or construction flaw.

Discussion: High winds can cause temporary negative or down drafts. Negative drafts can also be caused by obstructions such as tree branches, steep hillsides, adjoining homes, and interior furnaces.

11-1-2 Observation: The chimney is separated from the structure.

Performance Guideline: Newly built fireplaces will often incur slight amounts of separation. The amount of separation from the main structure shall not exceed 1/2-inch in any ten-foot vertical measurement.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline.

Discussion: Proper repair can be affected by caulking unless the cause of the separation is due to a structural failure of the chimney foundation itself. In that case, caulking is unacceptable.

11-1-3 Observation: The firebox paint is damaged by a fire in the fireplace.

Performance Guideline: Heat and discoloration is a common occurrence.

Corrective Measure: No action is required of the contractor.

Discussion: The owner should obtain the proper paint from the manufacturer if he or she chooses to touch up the interior of the firebox for aesthetic reasons.

11-1-4 Observation: A firebrick or mortar joint is cracked.

Performance Guideline: Heat and flames from normal fires can cause cracking.

Corrective Measure: No corrective action is required of the contractor.

11-1-5 Observation: A simulated firebrick panel has cracked.

Performance Guideline: This is a common condition.

Corrective Measure: No corrective action is required of the contractor.

11-1-6 Observation: Rust is observed on the fireplace damper.

Performance Guideline: This is a common condition.

Corrective Measure: No corrective action is required of the contractor.

Concrete Stoops and Steps

11-2-1. Observation: Stoops or steps have settled, heaved, or separated from the house structure.

Performance Guideline: Stoops and steps shall not settle, heave in excess of 1 inch, or separate in excess of 1 inch from the house structure.

Corrective Measure: The contractor will take whatever corrective action is required to meet the performance guideline.

11-2-2 Observation: Water remains on stoops or steps after rain has stopped.

Performance Guideline: Water shall drain off outdoor stoops and steps. Minor amounts of water can be expected to remain on stoops and steps for up to 24 hours after rain.

Corrective Measure: The contractor will take corrective action to ensure proper drainage of stoops and steps.

Garage

11-3-1 Observation: The garage floor slab is cracked.

Performance Guideline: Cracks in concrete garage floor greater than 3/16-inch in width or 1/8-inch in vertical displacement are unacceptable.

Corrective Measure: The contractor shall repair to meet the performance guideline.

Discussion: Proper repair can be affected by thoroughly cleaning, filling, and troweling the surface using latex-fortified cement mixture or other materials designed to fill cracks and bond concrete.

11-3-2. Observation: Garage concrete floor has settled, heaved, or separated.

Performance Guideline: The garage floor shall not settle or heave in excess of 1 inch, or separate in excess of 1 inch from the structure.

Corrective Measure: The contractor will take whatever corrective action is required to meet the performance guideline.

Discussion: The repaired area may not match the existing floor in color and texture.

11-3-3 Observation: Garage doors fail to operate properly under normal use.

Performance Guideline: Garage doors shall operate properly.
Corrective Measure: The contractor will correct or adjust garage doors as required, except where the owner's actions or negligence caused the problem.

Discussion: The contractor is not responsible for the door operation if the owner has installed a garage door opener.

11-3-4 Observation: Garage doors allow the entry of snow or water.

Performance Guideline: Garage doors shall be installed as recommended by the manufacturer. Some snow or water can be expected to enter under normal conditions.

Corrective Measure: The contractor will adjust or correct the garage doors to meet the manufacturer's installation instructions.

Driveways and Sidewalks

11-4-1. Observation: Asphalt driveway develops cracks.

Performance Guideline: This is a normal condition.

Corrective Measure: None.

11-4-2 Observation: Standing water is observed on an asphalt pavement surface.

Performance Guideline: Standing water greater than1/8-inch in depth shall not remain on the surface 24 hours after a rain. It is not unusual to have some standing water after heavy rains.
Corrective Measure: The contractor shall repair or replace the affected area to meet the guideline if the warranty covers the driveway. Patched areas will generally be noticeable and not blend in with the rest of the driveway.

11-4-3 Observation: Exterior concrete flat work is pitting or spalling. Pitting is evidenced by concrete that has flaked or peeled from the outer surface. Spalling is evidenced by concrete that has chipped.

Performance Guideline: Exterior concrete surfaces shall not pit, spall or disintegrate. Aggregate pops are normal; minor scaling is not controllable at all.

Corrective Measure: The contractor will repair defective concrete surfaces using materials designed for this purpose. The contractor is not responsible for deterioration caused by salt, chemicals, mechanical implements, or other factors beyond the contractor's control.

Wood Decks

11-5-1 Observation: A wood deck is springy or shaky.

Performance Guideline: All structural members in a wood deck shall be sized, and fasteners spaced, according to appropriate building codes and manufacturers' instructions.

Corrective Measure: The contractor will reinforce or modify, as necessary, any wood deck not meeting the performance guidelines.
Discussion: Deflection may indicate insufficient stiffness in the lumber, or may reflect an aesthetic consideration independent of the strength and safety requirements of the lumber. Structural members are required to meet standards for both stiffness and strength. When an owner's preference is made known before construction, the contractor and the owner may agree upon a higher standard.

11-5-2 Observation: The spaces between decking Boards are not uniform.

Performance Guideline: The spaces on opposite sides of individual deck Boards shall not differ in average width by more than 3/16-inch at the time of substantial completion of the project, unless otherwise agreed upon by the owner and the contractor.

Corrective Measure: One time only, the contractor will realign or replace decking Boards to meet the performance guideline.

Discussion: The spaces will naturally tend to change over time because of shrinkage and expansion of individual Boards. The contractor is only responsible for correct spacing at the time of substantial completion of the project.

11-5-3 Observation: The railings on wood decking contain slivers in exposed areas.

Performance Guideline: Railings on wood decks shall not contain slivers longer than 1/8-inch in exposed areas at the time of substantial completion of the project.
Corrective Measure: One time only; the contractor will repair railings as necessary to remove slivers prior to substantial completion of the project. Repair of slivers after that time is an owner maintenance responsibility.

Discussion: Slivers can develop when unprotected wood weathers. The proper finishing of wood surfaces helps prevent slivers from forming.

11-5-4 Observation: A wood deck is out of level.

Performance Guideline: No point on the deck surface shall be more than l/2-inch higher or lower than any other deck surface point within 10 feet on a line parallel to the house, or in proportional multiples of the preceding dimensions (unless a slope is incorporated in the design). Remodeling Specific: The owner and contractor may agree to intentionally build a wood deck out of level in order to match or compensate for inaccuracies in the existing structure.

Corrective Measure: The contractor will repair the deck as necessary to meet the performance guideline.

Discussion: A slope of approximately l/8-inch per foot is desirable in the perpendicular direction to shed water and prevent ice build-up.

11-5-5 Observation: Wood decking Boards are split, warped, or cupped.

Performance Guideline: At the time of substantial completion of the project, splits, warps, and cups in wood decking Boards shall not exceed the allowances established by the official grading rules issued by the agency responsible for the lumber species specified for the deck Boards.

Corrective Measure: The contractor will replace decking Boards as necessary to meet the performance guidelines

11-5-6 Observation: A wood deck has stain color variations.

Performance Guideline: Stain color variations are not acceptable if they result from improper stain application or failure to mix the stain properly. Stain color variations resulting from other causes-such as weathering or varying porosity of the wood used to build the deck-are common and are not covered by this guideline.

Corrective Measure: The contractor will restain the affected area to meet the performance guideline.

11-5-7 Observation: A nail head protrudes from a wood decking Board.

Performance Guideline: Nail heads shall not protrude from the floor of the wood deck at the time of substantial completion of the project.

Corrective Measure: The contractor will refasten nails whose heads protrude from the floor of the deck so that the heads are flush with the surface.

Discussion: Nails should be driven flush when the deck is installed, but they may pop from the deck over time as the wood shrinks and expands.

11-5-8 Observation: Nails on a wood deck are "bleeding."

Performance Guideline: Nail stains extending more than 1/2-inch from the nail and readily visible from a distance of more than 3 feet are not acceptable.

Corrective Measure: The contractor will eliminate nail stains to meet the performance guideline.

Discussion: This guideline does not apply if "natural weathering" or semi-transparent stains are specified.

11-5-9 Observation: A wood deck railing lacks rigidity.

Performance Guideline: Wood deck railings shall be attached to structural members in accordance with applicable building codes.

Corrective Measure: The contractor will repair wood deck railings as necessary to comply with applicable building codes.

Landscaping
Coverage 1st Year Only, Workmanship and Materials

Note: Moving or protecting Plants, trees, shrubs, and any other landscaping items prior to and during construction are the responsibility of the owner and must be dealt with before construction begins. Other handling of these items must be specified in the contract to designate the responsible party.

12-0-1 Observation: Tree stumps have been left in a disturbed area of the property.

Performance Guideline: If tree stumps were on the property in the disturbed area prior to the substantial completion of the project, the contractor is responsible for their removal.

Corrective Measure: The contractor will remove the stumps from the area.

12-0-2 Observation: Dead shrubs, Plants, trees, or sod Planted in disturbed area of property.

Performance Guideline: Any shrub, Plant, tree, or sod Planted by the contractor as part of the landscape package that are alive as of the acceptance of the project and die after that acceptance are not the responsibility of the contractor.

Corrective Measure: None.

12-0-3 Observation: Grass seed does not germinate.

Performance Guideline: Germination is dependent on certain climatic conditions, which are beyond the contractor's control.

Corrective Measure: The contractor is only responsible for seeding per the supplier's instructions.

Discussion: After installation, proper lawn and landscape care are the owner's responsibility.

12-0-4 Observation: Outdoor Plants moved during work die after substantial completion of the project.
Performance Guideline: Plants that must be physically transported during the work shall be moved, maintained, and replanted by the owner.

Corrective Measure: No action is required of the contractor.

Discussion: The contractor shall not be responsible for delays in the schedule when Plants are moved by the owner.

Systems: First and Second Years
Plumbing System
Coverage 1st and 2nd Year, Systems

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Water Supply System

13-1-1 Observation: The water supply system fails to deliver water.

Performance Guideline: All on-site service connections to the municipal water main or private water supply are the responsibility of the contractor. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair the water supply system if the failure results from improper installation or failure of materials and if the connections are a part of the construction agreement. Conditions beyond the control of the contractor that disrupt or eliminate the water supply are not covered.

13-1-2 Observation: Pipes leak.

Performance Guidelines: No leaks of any kind shall exist in any soil, waste, vent, or water pipe.

Corrective Measure: The contractor will make repairs to eliminate leakage.

13-1-3 Observation: Water in plumbing pipes freezes, and the pipes burst.

Performance Guideline: Drain, waste, vent, and water pipes shall be adequately protected to prevent freezing as required by the applicable plumbing code for normally anticipated cold weather and in accordance with the de-sign temperatures established by the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE). Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will correct situations not meeting the applicable code. The owner is responsible for draining or otherwise protecting pipes and exterior faucets exposed to freezing temperatures.

Discussion: Leaks occurring due to owner's neglect and consequential damage are not contractor's responsibility. The owner is responsible to maintain suitable temperature in the home to prevent pipes from freezing and bursting. Homes which are periodically occupied such as summer homes, or where there will be no occupancy for an extended period of time must be properly winterized or periodically checked to insure that a reasonable temperature is maintained.

Sanitary Sewer or Septic System
Coverage 1st and 2nd Year, Systems

13-2-1 Observation: Septic system fails to operate properly.

Performance Guideline: Septic system shall function adequately during all seasons, under climatic conditions normal or reasonable anticipated (based on local records) for the location of the home. Septic system shall be designed and installed to comply with applicable, approved code requirements.

Corrective Measure: Contractor will repair, or otherwise correct, a malfunctioning or non operating system, if failure is caused by inadequate design, faulty installation, or other cause relating to actions of the builder or contractors or subcontractors under the contractor's control. Contractor will not be responsible for system malfunction or damage which is caused by owner negligence, lack of system maintenance, or other causes attributable to actions of the owner or other owner's contractors, not under the control of the contractor, including, but not necessarily limited to: the addition of fixtures, items of equipment, appliances or other sources of waste or water to the plumbing system served by the septic system; and damage, or changes, to the septic system installation or surrounding soil conditions critical to the system's functioning.

13-2-2 Observation: Sewers, fixtures, or drains are clogged.

Performance Guideline: Sewers, fixtures, and drains shall drain. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will not be responsible for sewers, fixtures, and drains that are clogged because of the owner's actions or negligence. If a problem occurs, the owner should consult the contractor for corrective action. If defective installation is the cause, the contractor is responsible for correcting the problem. If the owner's actions or negligence is the cause, the owner is responsible for correcting the problem.

Discussion: With respect to septic systems, owner actions that constitute negligence under this guideline include but are not limited to the following:

- Connection of sump pump, roof drains, or backwash from a water conditioner into the system.
- Placement of nonbiodegradable items into the system.
- Use of a food waste disposer not supplied or approved by the contractor the contractor.
- Placement of surfaces not permeable to water over the disposal area of the systems.
- Allowing vehicles to drive or park over the disposal area of the system.
- Failure to pump out the septic tank periodically, as required.
- Use, which exceeds the system's design standards.

Heating, Ventilating and Air Conditioning (HVAC) System
Coverage 1st and 2nd Year, Systems

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Heating System

14-1-1 Observation: The heating system is inadequate.

Performance Guideline: The heating system shall be capable of producing an inside temperature of 70 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor under local, outdoor winter design conditions as specified in the ASHRAE Handbook: Fundamentals. National, state, or local energy codes shall supersede this performance guideline where such codes have been locally adopted. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will correct the heating system to provide the required temperature in accordance with the performance guideline or applicable code specifications. The contractor will re-balance a warm air system once during the first heating season. However, the owner will be responsible for balancing the system thereafter and for adjusting dampers and registers and for making other minor adjustments.

Discussion: For new living spaces created by remodeling jobs, heating guidelines may not apply to areas where living space has been created without resizing the HVAC system.

Central Air-Conditioning System

14-2-1 Observation: Cooling of rooms is inadequate.

Performance Guideline: If air-conditioning is installed by the contractor, the cooling system shall be capable of maintaining a temperature of 78 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor under local outdoor summer design conditions as specified in the ASHRAE Handbook: Fundamentals. In the case of outside temperatures exceeding 95 degrees Fahrenheit, the system shall keep the inside temperature 15 degrees Fahrenheit cooler than the outside temperature. National, state, or local codes shall supersede this guideline where such codes have been locally adopted. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will correct the cooling system to provide the required temperature in accordance with the performance guideline or applicable code specifications. The contractor will re-balance an air-conditioning system once during the first cooling season. However, the owner will be responsible for balancing the system thereafter and for adjusting dampers and registers and for making other minor adjustments.

Discussion: For new living spaces created by remodeling jobs, heating guidelines may not apply to areas where living space has been created without resizing the HVAC system.

14-2-2 Observation: There is a refrigerant leak.

Performance Guideline: Refrigerant lines and fittings shall not leak during normal operation. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair leaking refrigerant lines and recharge the air-conditioning Unit unless the damage was caused by the owner's actions or negligence.

Ventilation System
Coverage 1st and 2nd Year, Systems

14-3-1 Observation: The ductwork is separated or detached.

Performance Guideline: Ductwork shall remain intact and securely fastened. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will reattach and secure all separated or unattached ductwork.

14-3-2 Observation: The ductwork makes noises.

Performance Guideline: Ductwork will be constructed and installed in accordance with applicable mechanical code requirements. When metal is heated, it expands, and when cooled, it contracts. The resulting "ticking" or "crackling" sounds generally are to be expected and do not constitute a defect. Remodeling Specific: See Note at beginning of chapter.
Corrective Measure: Unless the duct is not in compliance with the local code, no corrective action is required.

14-3-3 Observation: The ductwork produces excessively loud noises commonly known as "oil canning."

Performance Guideline: The stiffening of the ductwork and the thickness of the metal used shall be such that ducts do not "oil can." The booming noise caused by oil canning is considered unacceptable. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will correct the ductwork to eliminate noise caused by oil canning.

14-3-4 Observation: The air handler or furnace vibrates.

Performance Guideline: These items shall be installed in accordance with the manufacturer's instructions and applicable codes. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: If installed incorrectly; the contractor will correct the items according to the manufacturer's instructions and code requirements.

Discussion: Under certain conditions some vibrating may be experienced with the normal flow of air, even when air handlers and furnaces are installed correctly. See the manufacturer's instructions.

Electrical System
Coverage 1st and 2nd Year, Systems

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

15-1-1 Observation: Wiring fails to carry its designed load.

Performance Guideline: Wiring shall be capable of carrying the designed load for normal residential use. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will verify that wiring conforms to applicable electrical code requirements. The contractor will repair wiring not conforming to code.

15-1-2 Observation: Electrical outlets, switches, or fixtures malfunction.

Performance Guideline: All electrical outlets, switches, and fixtures shall operate as designed. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair or replace malfunctioning electrical outlets, switches, and fixtures, if supplied and installed by the contractor.

Major Structure
Coverage through 6th Year, Material Defects

Load-Bearing Portions of the Home

16-1-1 Observation: The failure of any of the following load bearing portions of the home: foundation systems and footings, beams, girders, lintels, columns, structural walls and partitions, floor systems, and roof framing systems. (Note: load-bearing portions do not include, for example: roofing and sheathing,

drywall and plaster, exterior siding, brick or stone or stucco veneer, floor covering material, wall coverings, non-load bearing walls and partitions, concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the home, electrical systems, plumbing systems, heating or cooling systems, ventilation systems, appliances, fixtures and items of equipment, paint, doors and windows, trim, cabinets, hardware or insulation.)

Performance Guideline: The failure of these load-bearing portions of the home shall not affect their load bearing functions, making the home unsafe, unsanitary or unlivable.

Corrective Measure: The contractor will repair or replace the defective item(s), or will pay the owner the reasonable cost of such repair or replacement. The contractor's total liability is limited to the amount specified in the Limited Warranty. The choice as to repair, replacement or payment is solely that of the contractor.

Repair of defective item(s) is limited to (1) the repair of damage to the load-bearing portions of the home, which are necessary to restore their load-bearing function; and (2) the repair of those items of the home damaged by the material defect, which make the home unsafe, unsanitary or otherwise unlivable.

GLOSSARY OF COMMMON TERMS

AFCI (ARC FAULT CIRCUIT INTERRUPTER) – A TYPE OF CIRCUIT BREAKER THAT IS DESIGNED TO REDUCE THE LIKELIHOOD OF FIRE CAUSED BY ELECTRICAL ARCING FAULTS.
BEAM – A STRUCTURAL MEMBER THAT TRANSVERSELY SUPPORTS A LOAD.
BIFOLD DOORS – DOORS THAT ARE HINGED AT THE CENTER AND GUIDED BY AN OVERHEAD TRACK.
BLOCKING – A SOLID, TIGHT CLOSURE USED BETWEEN FRAMING MEMBERS.
BREAKLINE – A DIVIDING POINT BETWEEN TWO OR MORE SURFACES.
BRICK VENEER – A NON-STRUCTURAL OUTER COVERING OF BRICK.
BRIDGING – WOOD OR METAL STRUCTURAL MEMBERS BETWEEN HORIZONTAL (JOISTS) OR VERTICAL (STUDS) FRAMING THAT PROVIDE LATERAL RIGIDITY TO THE MEMBERS TO WHICH APPLIED.
BUG HOLES – PITS, SURFACE VOIDS, AND SIMILAR IMPERFECTIONS IN A CONCRETE WALL. BUG HOLES GENERALLY ARE UP TO 1 INCH WIDE OR DEEP.
CANTILEVER – CONSTRUCTION THAT IS UNSUPPORTED AT ONE END AND THAT PROJECTS OUTWARD FROM THE SITE OF THE STRUCTURE TO CARRY LOADS FROM ABOVE OR BELOW.
CEILING JOIST – THE HORIZONTAL STRUCTURAL MEMBERS TO WHICH THE CEILING IS FASTENED. SOME MEMBERS MAY SUPPORT A FLOOR ABOVE.
CHECKING – CRACKS IN WOOD.
CHIMNEY CAP – A METAL OR MASONRY SURFACE THAT COVERS THE TOP PORTION OF A CHIMNEY THAT PREVENTS THE PENETRATION OF WATER.
CIRCUIT – THE COMPLETE PATH OF ELECTRICITY AWAY FROM AND BACK TO ITS SOURCE.
CIRCUIT BREAKER – A DEVICE THAT AUTOMATICALLY INTERRUPTS AN ELECTRICAL CIRCUIT WHEN IT BECOMES OVERLOADED.
COLD JOINT – A JOINT IN POURED CONCRETE THAT INDICATES WHERE THE POUR TERMINATED AND CONTINUED.
CONTROL JOINT – A JOINT THAT IS MOLDED OR CUT IN CONCRETE TO ALLOW FOR EXPANSION AND CONTRACTION AND TO ATTEMPT TO CONTROL RANDOM CRACKING.
CORNER BEAD – A STRIP OF WOOD OR METAL FASTENED OVER A CORNER FOR PROTECTION.
CRAWL SPACE – AN AREA UNDER A HOME WHICH IS NOT A BASEMENT OR CELLAR.
DAMPER – A DEVICE USED TO REGULATE DRAFT IN A FURNACE OR FIREPLACE CHIMNEY.
DEAD SPOTS – AREAS BELOW A CARPETED SURFACE WHERE PADDING APPEARS TO BE MISSING OR IMPROPERLY INSTALLED.
DEFLECTION – THE AMOUNT A TRUSS OR BEAM BENDS UNDER A LOAD.
DEW POINT – **THE TEMPERATURE AT WHICH MOISTURE IN THE AIR CONDENSES INTO DROPS.**
DISTURBED AREA – **ANY AREA ADJACENT TO A DWELLING WHERE ORIGINAL VEGETATION HAS BEEN ALTERED OR REMOVED.**
DOWNSPOUT – **A PIPE THAT CARRIES RAINWATER FROM THE ROOF TO THE GROUND OR TO A SEWER CONNECTION.**
DRYWALL – GYPSUM WALLBOARD.

DUCT – A ROUND OR RECTANGULAR PIPE USED TO TRANSMIT AND DISTRIBUTE WARM OR COOL AIR FROM A CENTRAL HEATING OR COOLING UNIT.

EAVE – THE LOWER OR OUTER EDGE OF A ROOF THAT PROJECTS OVER THE SIDE WALLS OF A STRUCTURE.

EFFLORESCENCE – A WHITE POWDER THAT APPEARS ON THE SURFACE OF MASONRY WALLS. IT IS USUALLY CAUSED BY MOISTURE REACTING WITH THE SOLUBLE SALTS IN CONCRETE AND FORMING HARMLESS CARBONATE COMPOUNDS.

FINISH FLOORING – THE TOP FLOORING MATERIAL THAT COVERS THE SUBFLOORING SURFACE; USUALLY CARPETING, HARDWOOD, TILE, VINYL, ETC.

FLASHING – STRIPS OF METAL OR PLASTIC MATERIAL USED TO PREVENT MOISTURE FROM ENTERING ROOFS, WALLS, WINDOWS, DOORS, AND FOUNDATIONS.

FLOOR JOIST – A HORIZONTAL FRAMING MEMBER TO WHICH FLOORING IS ATTACHED.

FOOTING – A FLANGE-LIKE PART AT THE BASE OF A FOUNDATION WALL WHICH TIES AND DISTRIBUTES LOADS FROM THE FOUNDATION INTO THE GROUND AND PREVENTS SHIFTING AND SETTLING.

FOUNDATION – THAT PART OF A BUILDING WHICH IS BELOW THE SURFACE OF THE GROUND AND ON WHICH THE SUPERSTRUCTURE RESTS.

FROST LIFT – A CONDITION CAUSED BY WATER FREEZING AND CAUSING SOIL TO EXPAND, WHICH CAN CAUSE TWO OVERLYING, ADJOINING SURFACES TO SEPARATE FROM EACH OTHER. FROST LIFT SOMETIMES OCCURS AT THE JUNCTION OF A GARAGE FLOOR AND DRIVEWAY.

GFCI (GROUND FAULT CIRCUIT INTERRUPTER) – A TYPE OF CIRCUIT BREAKER THAT IS EXTREMELY SENSITIVE TO MOISTURE AND CHANGES IN RESISTANCE TO AN ELECTRICAL CURRENT FLOW. A GFCI PROTECTS AGAINST ELECTRICAL SHOCK OR DAMAGE.

GYPSUM – HYDROUS CALCIUM SULPHATE MINERAL ROCK.

GYPSUM WALLBOARD – SEE "DRYWALL."

HARDBOARD – A WOOD FIBER PANEL WITH A DENSITY RANGE OF 50 TO 80 POUNDS PER CUBIC FOOT. IT IS MADE OF WOOD FIBERS PRESSED INTO SOLID BOARDS BY HEAT AND PRESSURE.

HARDWOOD – A TERM USED TO DESIGNATE WOOD FROM DECIDUOUS TREES (WHICH LOSE THEIR LEAVES ANNUALLY).

HEADER – A STRUCTURAL MEMBER PLACED ACROSS THE TOP OF AN OPENING TO SUPPORT LOADS ABOVE.

HINGE-BOUND – A CONDITION OF A PASSAGE OR ENTRY DOOR WHERE HINGE FUNCTION IMPEDES PROPER OPERATION.

HOLIDAYS – VOIDS OR INCONSISTENCIES IN A FINISHED SURFACE.

HONEYCOMB – VOIDS IN A CONCRETE WALL THAT ARE LARGER THAN BUG HOLES (SEE "BUG HOLES").

HVAC – THE ABBREVIATION FOR HEATING, VENTILATING, AND AIR CONDITIONING SYSTEMS.

JAMB – THE SIDE FRAMING OR FINISH MATERIAL OF A WINDOW, DOOR, OR OTHER OPENING.

JOIST – AN ON-EDGE-HORIZONTAL LUMBER MEMBER, SUCH AS A 2x6, 2x8, 2x10, OR 2x12, WHICH SPANS FROM WALL TO WALL OR BEAM TO PROVIDE MAIN SUPPORT FOR FLOORING, CEILING, OR ROOFING SYSTEMS.

JUNCTION BOX – A BOX THAT FORMS JUNCTIONS BETWEEN SECTIONS OF HOUSE WIRING.

LATH – ANY MATERIAL USED AS A BASE FOR PLASTERING OR STUCCO SURFACING.

LIPPAGE – THE DIFFERENCE IN SURFACE ALIGNMENT BETWEEN TWO MATERIALS.

MORTAR – AN ADHESIVE AND LEVELING MATERIAL USED IN BRICKWORK, STONE, BLOCK, AND SIMILAR MASONRY CONSTRUCTION.

MUNTINS – STRIPS OF WOOD, METAL, OR PLASTIC THAT DIVIDE A WINDOW INTO PANES. MUNTINS CAN BE INSTALLED WITHIN TWO PIECES OF GLASS OR ON THE SURFACE OF THE GLASS.

PARGING – A ROUGH COAT OF MORTAR APPLIED OVER A MASONRY WALL.

PITCH – THE DEGREE OF INCLINE IN A SLOPED ROOF OR STRUCTURE.

PLUMB – A MEASUREMENT OF TRUE VERTICAL.

RAFTER – STRUCTURAL MEMBERS WHICH SHAPE AND FORM THE SUPPORT FOR THE ROOF DECK AND THE ROOF COVERING.

RAVELING – A CONDITION IN WHICH AGGREGATE IS LOOSE FROM ASPHALT PAVEMENT.

REGISTER – A LOUVERED DEVICE THAT ALLOWS AIR TRAVEL FROM THE DUCTS INTO A ROOM.

RISER (STAIRWAY) – A VERTICAL STAIR MEMBER THAT SUPPORTS A TREAD.

RISER (PLUMBING) – A WATER PIPE THAT EXTENDS VERTICALLY ONE FULL STORY OR MORE TO CONVEY WATER TO BRANCHES OR TO A GROUP OF FIXTURES.

ROOF RIDGE – THE APEX OF A ROOF SYSTEM.

SCALING – THE FLAKING OR PEELING AWAY OF A SURFACE PORTION OF HARDENED CONCRETE.

SETTING – THE DRIVING OF A FASTENER FLUSH OR BELOW THE SURFACE OF A MATERIAL.

SHAKES – SPLIT WOODEN SHINGLES THAT ARE RANDOM IN THICKNESS.
SHEATHING – THE APPLICATION OF PANELS TO THE FACE OF FRAMING MEMBERS. ALSO KNOWN AS "DECKING."
SHIM – A THIN, TAPERED PIECE OF MATERIAL (USUALLY WOOD) THAT IS USED TO ADJUST OR PROVIDE SUPPORT FOR A MEMBER.
SILL – A FRAMING MEMBER PLACED ON TOP OF AND AROUND A FOUNDATION TO SERVE AS A LEVEL BASE ON WHICH TO SUPPORT EXTERIOR WALL STUDS.
SLAB – A CONCRETE FLOOR/SURFACE.
SOFFITT – THE ENCLOSED UNDER SURFACE OF AN EAVE.
SPALLING – THE BREAKING AWAY OF A SMALL PIECE OF CONCRETE.
STAIR SKIRT – A FINISHING BOARD THAT MAY COVER THE OUTSIDE STAIRCASE EDGE.
STUD – A VERTICAL FRAMING MEMBERS.
SUBFLOORING – A FLOOR DECKING MATERIAL LAID ON TOP OF THE FLOOR JOISTS.
SUBSTANTIAL COMPLETION OF THE PROJECT – A PROJECT HAS MET SUBSTANTIAL COMPLETION WHERE THE AREAS ARE FUNCTIONAL FOR THEIR INTENDED USE AS STATED BY THE CONTRACT (EXCEPT FOR ITEMS NOTED PRIOR TO FINAL PRESENTATION), AND CLEAN-UP ON THE SITE HAS BEEN COMPLETED.
SUMP PUMP – A PUMP THAT IS INSTALLED IN A CRAWL SPACE, BASEMENT, OR OTHER LOW AREA TO DISCHARGE WATER THAT MIGHT COLLECT.
SWALE – A SHALLOW DEPRESSION IN THE GROUND THAT IS USED AS A DRAINWAY FOR WATER.
TELEGRAPHING – A CONDITION OF A SUBSURFACE PROJECTING THROUGH THE FINISH MATERIAL.
TREAD – A HORIZONTAL STAIR MEMBER. A TREAD IS THE PART YOU STEP ON WHEN WALKING UP OR DOWN STAIRS.
TRUSS – AN ENGINEERED ASSEMBLY OF WOOD OR METAL COMPONENTS THAT GENERALLY IS USED TO SUPPORT ROOFS OR FLOORS.
VAPOR RETARDER – PLASTIC FILM OR OTHER MATERIAL USED TO LIMIT THE AMOUNT OF MOISTURE VAPOR THAT PASSES THROUGH A MATERIAL OR WALL ASSEMBLY.
WARRANTY PERIOD – THE DURATION OF THE APPLICABLE WARRANTY PROVIDED BY THE CONTRACTOR OR ANY OTHER PERIOD AGREED TO BY THE PARTIES.
WEATHER STRIPPING – MATERIAL PLACED AROUND DOORS, WINDOWS, AND OTHER OPENINGS TO PREVENT THE INFILTRATION OF AIR, DUST, RAIN, ETC.

LL. Declaration of Condominium

DECLARATION OF CONDOMINIUM

Declaration of Condominium

Establishing a Plan of Condominium
Ownership of Premises Located at
Section 8, Block A, Lot 901 and 902 and certain condominium tax lots previously issued and on the Tax Maps of the County of Nassau, State of New York, Village of North Hills,
Town of North Hempstead,
County of Nassau,
State of New York

Pursuant to Article 9-B of the Real Property
Law of the State of New York

Name: **The Residences, North Hills Phase I Condominium**
Sponsor: **RXR North Hills Phase I Owner LLC**
625 RXR Plaza,
Uniondale, New York 11556
Date of Declaration: April 17, 2014

Section Number: 8
Block Number: A
Lot Numbers: Lot 901 and Lot 902 and certain condominium tax lots previously issued and on the Tax Maps of the County of Nassau, State of New York.

R+R

Farrell Fritz PC
100 Motor Parkway
Suite 138
Hauppauge NY 11788
Attn: John Arena Esq, CSA

DECLARATION OF CONDOMINIUM

Article 1. – Submission of Property.

Article 2. – Area and Location of Land.

Article 3. – Description of the Building.

Article 4. – Name of Condominium.

Article 5. – Units.

Article 6. – Definitions.

Article 7. – Use of Building and Units.

Article 8. – Common Elements.

Article 9. – Determination of Percentage of Common Interest in the Common Elements.

Article 10. – Encroachments.

Article 11. – Easements.

Article 12. – Common Charges.

Article 12(a). – Power of Attorney to Board of Managers.

Article 13. – Acquisition of Units By Board of Managers.

Article 14. – Person to Receive Service of Process.

Article 15. – Amendment of Declaration.

Article 16. – Changes in the Sponsor-Owned Units.

Article 17. – Covenants Running with the Land.

Article 18. – Covenant of Further Assurances.

Article 19. – Covenants and Restrictions.

Article 20. – Administration.

Article 21. – Special Rights of Declarant.

Article 22. – Transfers, Sale, Lease, Gift, Assignment or Grant.

Article 23. – Successors and Assigns.

Article 24. –Termination of Condominium.

Article 25. – Unit Ownership.

Article 26. – Definition of "Declarant-designee"; " Declarant -affiliate".

Article 27. – Rights of Board of Managers of Condominium/Board of Directors of the Association.

Article 28. – Invalidity.

Article 29. – Waiver.

Article 30. – Captions.

Article 31. – Gender.

Article 32. – General.

SCHEDULE A
PROPERTY DESCRIPTION

SCHEDULE B
Unit List, containing the tax lot numbers, the unit designation of each unit, the percentage of common interest of each unit, a statement of its location, the approximate area, the number of rooms in residential areas, and common element(s) to which a unit has immediate access for The Residences North Hills, Phase I Condominium.

SCHEDULE C
Condominium By-Laws

Declaration of Condominium
of
The Residences North Hills, Phase I Condominium
Pursuant to Article 9-B of the
Real Property Law of the State of New York

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as The Residences North Hills, Phase I Condominium located in Nassau County, State of New York, Pursuant to Article 9-B of the Real Property Law of the State of New York.

The purpose of recording this Declaration is to:

RXR North Hills Phase I Owner LLC, a Limited Liability Company organized and existing under the laws of the State of Delaware, whose principal office is situated at 625 RXR Plaza, Uniondale, New York 11556, hereinafter referred to as "the Declarant," does hereby declare as follows:

Article 1. – Submission of Property.

The Declarant is the fee owner of the Land, Building and Improvements described on Schedule "A" attached hereto (the "Property") and all other property, real, personal or mixed, intended for use in connection therewith and submits to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), and pursuant thereto does hereby establish a Condominium to be known as "The Residences North Hills, Phase I Condominium" (sometimes referred to as the "Condominium").

Article 2. – Area and Location of Land.

The land consists of all that certain tract, plot, piece and parcel of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau, State of New York, more particularly described in Schedule "A" annexed hereto and made a part hereof, together with all easements, rights, privileges, and hereditaments appurtenant thereto (collectively sometimes herein referred to as the "Land"). The Land is owned by the Declarant in fee simple.

The Condominium Units in this Condominium are located at 1000 and 2000 Royal Court, also known as Section 8, Block A, Lot 901 and 902 and certain condominium tax lots previously issued and on the Tax Maps of the County of Nassau, State of New York. Each Condominium Unit will have its own distinct individual tax lot number.

Article 3. – Description of the Building.

One hundred twenty four (124) residential condominium units will be constructed in four (4) buildings containing five (5) stories each (one (1) story parking plus four (4) stories of residential units above). Each pair of buildings is connected by a main lobby. The four (4) buildings are referred to as and known as "Building 7", "Building 8", "Building 9" and "Building 10". There are parking spaces in a grade level parking area containing approximately 125 parking spaces on grade under Buildings 7 and 8 and approximately 126 parking spaces on grade under Buildings 9 and 10.

The structural design of the foundations and superstructure will be in accordance with the Building Code of New York State, including all regulations for wind and seismic loads. Foundation walls are reinforced concrete. Walls and columns are supported by reinforced concrete footings, except for portions of Building 7, Building 8 and Building 9 which will be supported on piles.

There are no basements or cellars.

The total number of condominium units in this Condominium will be one hundred twenty four (124).

Exterior walls consist of masonry brick veneer cavity wall, exterior rigid insulation, exterior sheathing, metal studs (size and gauge as required), additional insulation, as required, between the metal studs, vapor barrier, and gypsum board interior finish. All exterior wall assemblies have insulation values in compliance with the Energy Conservation Construction Code of New York State and fire resistance ratings in compliance with the Building Code of New York State.

Article 4. – Name of Condominium.

The Condominium shall be known as "The Residences North Hills, Phase I Condominium". Declarant shall own and control all rights and interests, and shall be responsible for all obligations and liabilities, appurtenant to the name of the Condominium. Only Declarant shall have the right to change or assign the name of the Condominium. In addition, Declarant shall have the right, for so long as the Property is a Condominium, to maintain a plaque identifying Declarant, or any of its affiliates, as the Declarant of the Condominium offering, together with such other information as Declarant determines in its sole discretion.

Article 5. – Units.

List and Description.

Annexed hereto and made part hereof as Schedule B is a list of all Condominium Units, their designations and tax lot numbers, locations, approximate areas, number of rooms in each Unit, Common Elements to which each has immediate access all as

shown on the Floor Plans of the Building, certified by Lessard Design Inc., P.C., ("the Floor Plans"), intended to be filed in the Office of the Nassau County Clerk, simultaneously with the recording of this Declaration, and the percentage of interest of each Unit in the Common Elements. The location of the Condominium Units are shown on the filed map recorded on _____ as Map # _____ in the said Office of the Nassau County Clerk as part of this Declaration.

Dimensions.

In addition to the meaning prescribed to it in Article 9-B of the Real Property law of the State of New York, a "Condominium Unit" as hereinafter referred to shall be defined as follows:

The approximate floor area of each Condominium Unit is measured as follows: (a) from the exterior side of the exterior building walls to the centerline of the interior walls and partitions separating the Unit from adjacent units, stairs, elevators, or any other common elements, and to the corridor side of the wall between the Unit and the public / service corridor; and (b) vertically from the lower surface of the concrete slab or sub-floor forming the floor of the Unit up to the exterior surface of the sheetrock or other material forming the ceiling of the Unit.

The description of the Units set forth herein pertains to the location of the walls, floors and ceilings of the Unit as they are finally set forth in the floor plans to be filed simultaneously with the recording of this Declaration. All dimensions set forth on the Plans are approximate and may vary from floor to floor and Unit to Unit.

Each Unit includes, and each Unit owner shall be responsible for the Unit side of the entrance doors to the Unit, the interior walls, sheetrock partitions, floors and floor coverings and finished surfaces and plastered ceilings affixed, attached or appurtenant to the Unit, smoke detectors, carbon monoxide detectors, all plumbing, gas and heating fixtures and air conditioning equipment and equipment such as refrigerators, dishwashers, heating, ventilating and heating / air conditioning Units (including the fans inside the Units), heating equipment, ranges and other appliances, including but not limited to sinks, bathtubs, waterclosets, and all other facilities as may be affixed, attached or appurtenant to the Unit and serving the Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment which a Unit owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wires or ductwork within the walls, ceilings or floors (unless installed by Unit owner). Each Unit shall also include all lighting and electrical fixtures and appliances within the Unit and any special equipment, fixtures or facilities affixed, attached or appurtenant to the Unit, to the extent located within a Unit from the panel and serving or benefiting only that Unit.

Any Common Elements located within a Unit shall not be considered a part of such Unit.

Notwithstanding anything contained in this Article to the contrary, each Unit owner will have the right, subject to the provisions of the By-Laws, exercisable at any time, to install, at such Unit owner's sole cost and expense, decorations, fixtures and coverings (including without limitation, painting, finishing, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surface of the walls, ceilings and floors that face the interior of such Unit owner's Unit and (to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like), provided that no such installation shall impair the consistent exterior appearance, the structural integrity, sound integrity and mechanical and electrical systems of such Unit or of the Building or violate any applicable Law.

As of the date of the filing of this Declaration with the Nassau County Clerk's Office, fee simple absolute title shall automatically vest in Declarant in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

Article 6. – **Definitions.**

"**Appurtenant Interest**" shall mean with respect to any Unit, the undivided interest of the owner thereof, pursuant to Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

"**Assessments**" shall mean the charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws).

"**Association**" shall mean The Residences, North Hills Homeowners Association, Inc., a Not-for-Profit Corporation organized to own and maintain certain recreational and other Association Common Areas.

"**Association Common Areas**" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in Exhibit "B" annexed to the Declaration of Covenants, Restrictions, Easements, Charges and Liens , and the improvements which will be owned by the Association consisting of the streets, roadways, common lighting, sidewalks, curbs, the HOA Recreational Facilities, common utilities, entranceways, two (2) gatehouses, water lines and piping, manholes, sewer lines and piping, hydrants, electricity utility vaults, exterior signage, landscaped areas, lawn sprinkler systems and perimeter fences, if any.

"Association Common Maintenance Charges" or **"Maintenance Charges"** shall mean the costs and expenses incurred by the Association in accordance with the Declaration of Covenants, Restrictions, Easements, Charges and Liens.

"Association Control Period" shall mean the period from the date of the Declaration of Covenants, Restrictions, Easements, Charges and Liens until the date on the date on which the last Unit in the Community is transferred to a Unit Owner by either the Phase I Owner or the Phase II Owner, the Association Common Areas are completed and all municipal requirements have been satisfied.

"Association Special Assessments" shall mean the charges allocated and assessed by the Board of Directors of the Association to its Members as provided in the Declaration of Covenants, Restrictions, Easements, Charges and Liens.

"Association Working Capital Contribution" shall mean the sum equal to two months of Association Common Maintenance Charges paid by a Unit Owner to the Board of Directors at the Closing to be used by the Association as working capital for the Association's operations.

"Board of Directors" shall mean the governing body of The Residences, North Hills Homeowners Association, Inc. responsible for its affairs.

"Board" or "Board of Managers" or "Condominium Board" shall mean the Board of Managers of the Phase I Condominium, the governing body of the Phase I Condominium which represents the Unit Owners of the Phase I Condominium pursuant to the provisions of the Declaration of Condominium and By-Laws of such Condominium.

"Buildings" or "Condominium Buildings" shall mean the buildings that will be known as The Residence North Hills, Phase I Condominium and may be referred to as "Buildings 7 and 8" and "Buildings 9 and 10" and containing the residential condominium units, parking spaces and other amenities.

"Building 7" shall mean the building which is connected by a lobby to Building 8 and which contains thirty two (32) residential condominium units in the Phase I Condominium.

"Building 8" shall mean the building which is connected by a lobby to Building 7 and which contains thirty two (32) residential condominium units in the Phase I Condominium.

"Building 9" shall mean the building which is connected by a lobby to Building 10 and which contains thirty two (32) residential condominium units in the Phase I Condominium.

"Building 10" shall mean the building which is connected by a lobby to Building 9 and which contains twenty eight (28) residential condominium units in the Phase I Condominium.

"Buildings 7 and 8" shall mean the buildings containing sixty four (64) residential condominium units in the Phase I Condominium.

"Buildings 9 and 10" shall mean the buildings containing sixty (60) residential condominium units in the Phase I Condominium.

"Building Department" shall mean the Building Department of the Village of North Hills, Nassau County, New York.

"By-Laws" shall mean the documents governing the operation of the condominium. The form of the "By-Laws" are set forth in Part II of the Plan, as the same may be amended from time to time.

"Certificate of Occupancy" shall mean the Certificate of Occupancy issued or to be issued by applicable government authority.

"Closing" shall mean the time, place and procedure by which fee title to the Unit in question is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.

"Closing Date" shall mean the date upon which a Closing occurs.

"Clubhouse" shall mean the clubhouse building containing an indoor swimming pool, resident lounge, fitness facility, screening room, private event room, catering kitchen which is included within the Association Common Areas.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commencement of Construction" shall mean the pouring of foundations or the driving of piles, as applicable.

"Common Charges" shall mean any charges allocated and/or assessed by the Condominium Board against any Unit Owner and/or each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.

"Common Elements" or "Phase I Common Elements" shall mean the portion of the Condominium which will consist of the Buildings (except that portion of the building designated as part of a Unit) including, but without limitation, walls and roofs of the building comprising the Phase I Condominium (including the land under the Buildings and under the improvements), Parking Spaces (except those Parking Spaces which are assigned as Limited Common Element, one to each Unit Owner), Storage Bins,

windows[1], elevators, building entrances, electric panels, closets, feeders and risers feeding the Units, refuse chutes, mail rooms, vestibules, package rooms, waiting areas, utility rooms, mechanical rooms, elevator machine rooms, trash rooms, utility rooms, valet offices and certain other portions of the Buildings to be set aside for common use. The Common Elements are divided into General Common Elements which are Common Elements shared by all Unit Owners and Limited Common Elements which are irrevocably restricted in use to specified Unit Owners. There will be a Declaration of Covenants, Restrictions, Easements, Charges and Liens recorded in the office of the Nassau County Clerk which will provide for easements between the Association Common Areas, the Phase I Property and the Phase II Property. The Declaration of Covenants, Restrictions, Easements, Charges and Liens will also contain reciprocal easements between the Association, the Phase I Owner and the Phase II Owner to provide for access and maintenance of utilities and services now and hereinafter installed and to provide access and required use of such easements.

"Common Expense" or "Common Expenses" shall mean the expenses of operation of the Phase I Condominium, and all sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

"Common Interest" shall mean the proportionate undivided interest each expressed as a numerical percentage in the Common Elements appurtenant to each Unit, as determined in accordance with the Declaration. The total of all Common Interest percentages appurtenant to all Units equals 100%. The Common Interest attributable to each Unit is set forth on Schedule B annexed to the Declaration.

"Community" as used herein shall mean the Phase I Condominium, The Residences, North Hills Homeowners Association, Inc. and, if constructed, the Phase II Condominium.

"Condominium" shall mean the Phase I Condominium which contains one hundred twenty four (124) residential condominium units and the Common Elements in the Phase I Condominium.

"Condominium Act" shall mean Article 9-B of the New York Real Property Law (339-d *et seq.*) of the State of New York and all modifications, supplements and replacements thereof and all regulations with respect thereto, now or hereafter enacted or promulgated.

"Condominium Amenities Operators" shall mean all third party lessees, operators and managers who operate the Condominium Amenities.

[1] Windows are part of the Common Elements and replacements will be paid for as part of Common Charges, however, Unit Owners shall be responsible for costs of replacement of Windows as a result of any breakage or damages caused by Unit Owner for Windows to their Unit.

"Condominium Board", "Board of Managers" or **"Condominium Board Phase I"** shall mean the Board of Managers of the Condominium who will manage the affairs of the Phase I Condominium.

"Condominium Board Phase II" shall mean the board of managers of the Phase II Condominium, if developed, who will manage the affairs of the Phase II Condominium.

"Condominium Commencement Date" shall mean January 1, 2016.

"Condominium Documents" shall mean collectively the Offering Plan, the Declaration, the By-Laws and the Rules and Regulations thereunder, as the same may be amended from time to time.

"Condominium Recreational Facilities" shall mean the facilities to be owned by the Condominium as common element, and which are currently anticipated to include resident lounge and fitness room in each pair of Buildings.

"Condominium Special Assessments" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), in accordance with the By-Laws.

"Condominium Unit" or "Unit" shall mean the equivalent to the term "Unit" or "Units" as used in Article 9-B of the Real Property Law and shall mean the condominium units located within the Condominium.

"Condominium Working Capital Contribution" shall mean the sum equal to two months of Common Charges paid by a Unit Owner to the Board of Managers at the Closing to be used by the Condominium as working capital for the Condominium's operations.

"Date of First Closing" shall mean the date that the first Condominium Unit is transferred to a Purchaser.

"Declarant" or "Sponsor" shall mean RXR North Hills Phase I Owner LLC, a Delaware limited liability company, and its successors and assigns.

"Declarant and/or its designee(s)," "Declarant or a designee of Declarant" or similar term refers to Declarant, a designee of Declarant and any successor in interest to Declarant. The Permitted Mortgagee shall have all of the powers of Declarant and be deemed the Declarant's designee in the event that the Phase I Lender assumes the role of Sponsor as a result of Sponsor's default on its loan which remains uncured.

"Declaration" or "Declaration of Condominium" shall mean the instrument by which a Condominium is submitted to the provisions of the Condominium Act, and as such

instrument as from time to time may be amended, consistent with the provisions of the Condominium Act and of the By-Laws.

"Declaration of Covenants, Restrictions, Easements, Charges and Liens" shall mean the document to be recorded among the land records of the County Clerk of Nassau County, New York which will encumber Association Common Areas, the Phase I Condominium and the Phase II Condominium, if developed. The Declaration of Covenants, Restrictions, Easements, Charges and Liens provides for easements between the Association Common Areas, Phase I and Phase II. The easements as recorded provide that the Association may fulfill all of the obligations required of the Association under the Declaration of Condominium for Phase I and Phase II. The Declaration of Covenants, Restrictions, Easements, Charges and Liens also contains reciprocal easements between the Association Common Areas, Phase I and Phase II to provide for access and maintenance of utilities and services.

"Deficiency Contribution" shall mean the difference between the actual operating costs of the Association including reserves applicable to completed improvements as provided in the Association's budget, and the assessments levied on Unit Owners who have closed title to the Unit Owner's Unit based on the full occupancy budgets contained in the Offering Plan, as may be amended.

"Department of Law" shall mean the Investment Protection Bureau of the New York State Department of Law, 120 Broadway, New York, New York 10271.

"Designee" shall mean any individual or entity so designated in writing by a Unit Owner or Sponsor as the case may be authorized to make such designation.

"Down Payment" shall mean all deposits, down payments, advances or payments made by a Purchaser prior to the Closing of a Unit.

"Effective Date" shall mean the date upon which Declarant has declared the Offering Plan effective pursuant to the provisions of the General Business Law of the State of New York.

"Escrow Account" or **"Master Escrow Account"** shall mean the attorney's account where a Purchaser's Down Payment will be held as provided for in this Offering Plan. Down Payments will not be deposited into an interest bearing sub-account for the Purchaser, and the Down Payment will not earn interest, unless Purchaser provides an IRS W-9 or IRS W8-BEN form in the form as annexed to the Purchase Agreement or in a form as reasonably required by the Escrow Bank.

"Exterior Amenities" shall mean the anticipated outdoor pool, putting green, decorative pond and other clubhouse exterior amenities which are intended to be constructed and developed in Phase II and which shall not be constructed or developed in Phase I.

"**Facilities**" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property.

"**Filing Date**" shall mean the date that the Offering Plan or an amendment to the Offering Plans is or was accepted for filing by the New York State Department of Law.

"**First Unit Closing**" or "**First Closing Date**" shall mean the first date that title to a Condominium Unit is transferred to a Purchaser under the Plan.

"**First Year's Budget**" shall mean the Section of the Plan entitled "Schedule B – First Year's Budget". The First Year's Budget is sometimes referred to herein as "Schedule B" and shall also mean the Budget for First Year of Operations for the Phase I Condominium for the First Year of Operations.

"**First Year of Operations**" shall mean the twelve month period commencing on the Condominium Commencement Date.

"**Fiscal Year**" shall mean January 1 through December 31 of a year.

"**Floor Plans**" shall mean the floor plans of the Units and Building certified to by a professional engineer or registered architect, to be filed with the County Clerk of Nassau County, simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto, copies of which are reproduced in Part II of the Plan.

"**Force Majeure**" shall mean (a) an act of God, war, strikes or similar labor troubles affecting the Project and other similar projects in Long Island generally, fire, severe weather, including, without limitation, flood, earthquakes or other casualty enjoining the performance of the obligations under the terms of the Offering Plan or Purchase Agreement, (b) United States Secretary of Treasury certified domestic "act of terrorism" affecting construction activities in Long Island, or (c) unavailability of materials, to the extent such unavailability is applicable to the construction industry in the Long Island region in general and there are no reasonable substitutes for such materials, and that increased cost shall not be deemed to cause materials to be unavailable.

"**GBL**" or "**General Business Law**" shall mean the New York State General Business Law.

"**Governmental Approvals**" shall mean all approvals, consents, waivers, orders, acknowledgments, authorizations, inspections, signoffs, permits and licenses required under applicable Legal Requirements to be obtained from any Governmental Authority for the remediation of the Property and/or construction of the Project Improvements and/or the use, occupancy and operation of the Improvements, and/or sale of Units to the public before the commencement and during and following completion of construction of the Project, as the context requires, including, without limitation, all land

use, building, subdivision, zoning, environmental and similar ordinances and regulations promulgated by any Governmental Authority, including without limitation, any affordable housing, environmental and conservation approvals or signoffs.

"**Governmental Authority**" shall mean any court, board, agency, commission, office or other authority of any nature whatsoever for any governmental unit (foreign, federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

"**Handicapped Parking Spaces**" shall mean the parking spaces designated as handicapped parking spaces in the Condominium Buildings as required by any Governmental Authority.

"**HOA Recreational Facilities**" shall mean the facilities to be conveyed, owned and maintained by The Residences, North Hills Homeowners Association, Inc. for recreational use by Members of The Residences, North Hills Homeowners Association, Inc. and which are currently anticipated to include the Clubhouse, outdoor swimming pool, pool deck, putting green, and decorative pond The outdoor swimming pool, pool deck, putting green and decorative pond will be completed in Phase II.

"**ILSA**" shall mean Federal Interstate Land Sales Full Disclosure Act ("ILSA"), 15 U.S.C. 1701, et seq.

"**Institutional Lender**" shall mean any national or internationally recognized bank or finance company with a net worth in excess of $1,000,000,000 or any other lender approved by German American Capital Corporation or by their successors, and/or assigns.

"**Interim Lease**" shall mean a lease between the Sponsor and a Purchaser which may be entered into a the sole discretion of the Sponsor, on such terms and conditions are within the sole discretion of the Sponsor. Costs and expenses, including legal fees for the preparation of an interim lease shall be paid by the Purchaser. Sponsor shall be under no obligation to entered into any interim lease.

"**Limited Common Elements**" shall mean, with respect to each Unit, those Common Elements, if any, which are so designated on the Floor Plans or in the Declaration and which serve or benefit exclusively some, but not all, of the Unit Owners and areas which are irrevocably restricted in use to specified Unit Owners, subject to the right of the Board of Managers, or their designees to enter upon any restricted area for maintenance, repair and inspection of a Unit or Common Elements and subject to the rules of the Board of Managers. Limited Common Elements include but are not limited to (a) any balcony, terrace or private patio appurtenant to each Condominium Unit and (b) any heating and/or cooling Unit, if located in the Common Elements and serving such Condominium Unit, which is restricted in use to the Unit Owner of such Unit and shall be maintained and repaired by such Unit Owner at the Unit Owner's sole cost and expense. One Parking Space will be assigned to each Unit as limited common

element.

"Land" shall mean the parcel of land located in the County of Nassau located at 1000 and 2000 Royal Court, Town of North Hempstead, Village of North Hills, County of Nassau, State of New York, and more particularly described in Schedule A to the Declaration.

"Law" shall mean the laws and ordinances of any or all of the Federal, New York State and County (where the Condominiums located) governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the property and/or the Condominium, and/or the direction of any public officer pursuant to law.

"Legal Requirement" shall mean any law, ordinance, order, rule or regulation, now existing or hereafter enacted, of a Governmental Authority applicable to the Community, construction or operation of, the Phase I Property, the Phase II Property or the Association Common Areas.

"License Agreement" shall mean the Residential Condominium License and Development Agreement between Sponsor and MIF, L.L.C.

"Limited Warranty" shall mean a warranty provided by Sponsor which provides coverage for the First Unit Owner only, limits Sponsor's liability to ten (10%) percent of the Purchase Price of the condominium unit, provides that any claim for damages made by a Purchaser shall be reduced by any insurance proceeds received by Purchaser with respect to that claim, excludes any incidental, special, indirect, consequential or other similar damages and requires that a Purchaser follow detailed procedures for giving notice of a warranty claim to Sponsor and for commencing a lawsuit against Sponsor.

"Management Agreement" and **"Residential Condominium Management Agreement"** shall mean the agreement which shall be executed by the Board of Directors of the Association and/or the Phase I Owner on behalf of the Phase I Condominium and the Phase II Owner on behalf of the Phase II Condominium, if constructed with the Manager.

"Majority" shall mean a more than sixty-six and two-thirds percent (66 2/3rds) in Common Interest in the aggregate, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners shall mean such percentage in Common Interest in the aggregate, as may be specified herein or in the aggregate, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however that different percentages in interest and in number of Units may be so specified.

"Manager" shall mean the Manager employed by the Condominium Board and the Board of Directors to undertake and perform the duties and services that the

Condominium Board shall direct and who shall have all of the powers of the Condominium Board and the Board of Directors which are permitted by law to be delegated to the Manager, subject to the limitations contained in the Condominium By-Laws and the Declaration of Covenants, Restrictions, Easements, Charges and Liens. The Manager is anticipated to be The Ritz-Carlton Hotel Company, L.L.C., 10400 Fernwood Road, Bethesda, Maryland 20815 and 4445 Willard Avenue, Suite 800, Chevy Chase, Maryland 20815.

"Mansion Tax" shall have the meaning as set forth in New York State Tax Law §1402-a, which tax shall be paid by all Purchasers as required by Tax Law §1402-a.

"Member" shall mean the owner of a Unit in the Condominium or in the Phase II Condominium, if developed, and a holder of a membership interest in the Association as set forth in the Declaration of Covenants, Restrictions, Easements, Charges and Liens.

"MIF, L.L.C." shall mean the licensor of the Ritz-Carlton Marks.

"Notice For Closing" shall mean the notice that Sponsor shall send to Purchaser advising Purchaser the date, time and place that the Closing shall occur, which notice shall be given to Purchaser not earlier than thirty (30) days after the Plan has been declared effective provided that on or before the Closing Date there shall have been accepted for filing an amendment disclosing the basis of the effectiveness of the Plan.

"Offering Plan" or "Plan" shall mean the Condominium Offering Plan for the Phase I Condominium filed by Declarant pursuant to Section 352-e of the General Business Law of the State of New York with the Department of Law and any and all amendments thereto which describes the Condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time.

"Opening Date", "Opening Date of the Condominium" and "Phase I Opening Date" shall mean the anticipated First Closing in the Phase I Condominium, which is anticipated to be on or about First Closing Date.

"Operation of the Property" shall mean the administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.

"Parking Level" shall mean the areas for the parking of passenger vehicles located on the first floor of each of the Buildings.

"Parking Space" shall mean one parking space for the parking of passenger vehicles in the on the first level on grade (125 regular parking spaces plus 3 handicapped parking spaces) in Buildings 7 and 8 and 124 parking spaces on the first level on grade (121 regular parking spaces plus 3 handicapped parking spaces) in Buildings 9 and 10. Each Unit will be assigned (i) one parking space, as Limited Common Element in the

Parking Level for self-parking of one passenger automobile by the Unit Owner and (ii) one parking space for the parking of one passenger automobile in the Parking Level through the use of valet parking services. The cost of the valet service shall be paid by the Unit Owners through Association Common Maintenance Charges. The Sponsor and/or the Board of Directors may, at their sole discretion, grant permission to a Unit Owner, on a first come, first serve basis, to park one additional passenger automobile in the Parking Level using valet services, at an additional cost to the Unit Owner.

"Party Wall" as hereinafter referred to shall be defined as a wall which is common to and separates two or more Units.

"Permitted Encumbrances" shall mean those matters encumbering title to a Unit subject to which a Purchaser agrees to take title, as more particularly described on Schedule A annexed to the form of Purchase Agreement.

"Permitted Mortgage" shall mean the Phase I Lender or any Institutional Lender that provides financing to Declarant or its successors or assigns for the acquisition, construction, development and retention of the Property and any Unsold Units and/or their respective successors or assigns.

"Permitted Mortgagee" shall mean the Phase I Lender, GACC, its replacements, successors, and/or assigns, or any Institutional Lender that provides financing to Declarant or its successors or assigns for the acquisition, construction, development and retention of the Property and any Unsold Units and/or their respective successors or assigns.

"Person" shall mean a natural person, corporation, partnership, limited liability company, trust, trustee, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other legal entity.

"Phase I" shall mean the following: the one hundred twenty four (124) residential condominium units constructed in buildings known as "Building 7", "Building 8", "Building 9" and "Building 10"; approximately 128 parking spaces on the first level on grade (125 regular parking spaces plus 3 handicapped parking spaces) in Buildings 7 and 8; approximately 124 parking spaces on the first level on grade (121 regular parking spaces plus 3 handicapped parking spaces) in Buildings 9 and 10, the Clubhouse building (but not including the Exterior Amenities which include the outdoor pool, putting green, decorative pond and other clubhouse exterior amenities are to be developed in Phase II, the northern entry gatehouse from Power House Road into the Community, the western entry gatehouse from New Hyde Park Road into the Community and the roads within the Community and utilities infrastructure, extensions and connections to service all of the Units in the Phase I will be constructed along with the Condominium.

"Phase I Board of Managers" shall mean the Board of Managers of The Residences, North Hills Phase I Condominium, who will be responsible for the maintenance, repair

and replacement of Common Elements in the Phase I Condominium.

"Phase I Condominium" shall mean The Residences, North Hills Condominium Phase I which shall contain one hundred twenty four (124) condominium units and the common elements in the Phase I Condominium which may be established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws. Notwithstanding the above, the Sponsor has the right to modify the Condominium's phasing plan and number of units constructed or developed.

"Phase I Lender" shall mean German American Capital Corporation, its successors and assigns.

"Phase I Owner" shall mean RXR North Hills Phase I Owner LLC, its successors and assigns, including the Phase I Lender, if following a default of Phase I Owner, the Phase I Lender obtains title to the portion of the Phase I Property then owned by Phase I Owner.

"Phase II" shall mean the following which may be constructed on the Phase II Property: approximately one hundred twenty (120) residential condominium units, or such lesser or greater number as may be permitted by Governmental Authorities constructed on the Phase II Property, parking spaces within the Phase II buildings, the Phase II driveways, the Clubhouse Exterior Amenities, and the common elements in the Phase II Condominium.

"Phase II Board of Managers" shall mean the Board of Managers of The Residences, North Hills Phase II Condominium, who will be responsible for the maintenance, repair and replacement of Common Elements in the Phase II Condominium.

"Phase II Condominium" shall mean The Residences, North Hills Condominium Phase II which, if constructed, may contain one hundred twenty (120) units and the common elements in the Phase II Condominium which may be established pursuant to the terms of a declaration of condominium and which is governed pursuant to the terms of the condominium by-laws. Notwithstanding the above, the Phase II Owner has the right to modify the Condominium's phasing plan and number of units constructed or developed

"Phase II Lender" shall mean Norddeustsche Landesbank Girozentrale, its successors and assigns.

"Phase II Owner" shall mean RXR North Hills Phase II Owner LLC, its successors and assigns, including the Phase II Lender, if following a default of Phase II Owner, the Phase II Lender obtains title to the portion of the Phase II Property then owned by the Phase II Owner.

"Plans and Specifications" shall mean the plans and specifications for the construction of the Building which (to the extent required by Law) have been or will be filed with the Building Department and which may from time to time be amended in accordance with the provisions of the Plan.

"Power of Attorney" or "Unit Power of Attorney" shall mean the document signed by Unit Owners which (i) appoints the Board of Managers as attorney in fact to acquire on behalf of all Unit Owners, any Unit that the Unit Owner of which wishes to sell or abandon, together with the Appurtenant Interest thereto, and to deal with any such Units so acquired as they may determine and (ii) appoint the Declarant, as attorney in fact, to amend the Declaration, the By-Laws, the Rules and Regulations of the Phase I Condominium, or any of said documents under certain conditions set forth in the Power of Attorney.

"Residential Condominium Management Agreement" shall mean the agreement between Sponsor and The Ritz-Carlton Hotel Company, L.L.C. and between the Association and The Ritz-Carlton Hotel Company, L.L.C.

"Ritz-Carlton Marks" or **"Licensed Marks"** shall mean the word Ritz-Carlton in any form, the Lion & Crown logo and all other words, trademarks, service marks, trade names, symbols, emblems, logos, insignias, indicia of origin, slogans and designs (including restaurant names, lounge names, or other outlet names) used or registered by Licensor or any of its Affiliates and which are used to identify or are otherwise used in connection with Ritz-Carlton hotels, private clubs, timeshare resorts, residential properties or other facilities operated under the Ritz-Carlton name (whether registered or unregistered and whether used alone or in connection with any other words, trademarks, service marks, trade names, symbols, emblems, logos, insignias, indicia of origin, slogans, and designs) including but not limited to the Licensed Marks, all as may be amended, modified, deleted or changed by Licensor - all of the foregoing being indicative of the renowned Ritz-Carlton brand perception, reputation, programs, processes, procedures, and systems (including the philosophy that drives customer satisfaction, the business management model, business strategies, the employee selection, training and career development approach, and the Ritz-Carlton Standards).

"Ritz-Carlton Quality Standards" shall mean the highest of the following standards: (1) the standard required to maintain and operate the project in a condition and a quality level no less than that which existed at the time that the project was initially completed (ordinary wear and tear excepted), and (2) the standard required under the management agreement entered into by Sponsor and a third party manager of a hotel or other hospitality brand (whether a five-star luxury brand or otherwise). Any operations, maintenance and/or repair obligations imposed by the Declaration of Condominium and Offering Plan shall be performed in a manner that is consistent with the Ritz-Carlton Quality Standards.

"Ritz-Carlton Rights" shall mean United States Service mark Registration No. 1,094,823 issued on June 27, 1978, on the Principal Register for the mark "The Ritz-

Carlton" for hotel or condominium services and all other service marks, trademarks, trade names, insignias and logos (including a distinctive lion and crown logo which has been furnished to Ritz-Carlton, emblems, services and rights in distinctive design of buildings and signs or combinations thereof used to identify hotels, condominiums or other facilities using such marks, names, insignias and logos) used for hotel or condominium services, for other related goods and services and for the business associated therewith that contain the Ritz-Carlton name or by reason of extent of usage are associated with hotels, condominiums or other facilities operated by Ritz-Carlton or its Affiliates under the Ritz-Carlton name".

"Ritz-Carlton Standards" shall mean the standards, specifications, guidelines, systems, requirements and procedures established by Ritz-Carlton for the use of the Licensed Marks and the identification, development, construction, furnishing, equipping and operation of condominium units to be offered and sold under the Ritz-Carlton name and operated by Licensor or its affiliates or licensees.

"RXR North Hills Phase I Owner LLC" or **"Phase I Owner LLC"** shall mean the owner of the Phase I Property and Sponsor of The Residences, North Hills Phase I Condominium.

"RXR North Hills Phase II Owner LLC" or **"Phase II Owner LLC"** shall mean the owner of the Phase II Property and sponsor of The Residences, North Hills Phase II Condominium, if constructed.

"Rules and Regulations" shall mean the rules and regulations made in accordance with the By-Laws of the Phase I Condominium as the same may be amended from time to time, provided that they are not in conflict with the terms of the Condominium Act, the Declaration or the By-Laws.

"Schedule A" shall mean the Section of the Plan entitled "Schedule A – Offering Prices of Units and Related Information".

"Schedule B" shall mean the Section of the Plan entitled "Schedule B –First Year's Budget" for the Phase I Condominium. Schedule B is sometimes referred to herein as the First Year's Budget for the Phase I Condominium.

"Schedule B-1" shall mean the Section of the Plan entitled "Schedule B-1 – First Year's Budget" for The Residences, North Hills Homeowners Association, Inc. Schedule B-1 is sometimes referred to herein as the First Year's Budget for The Residences, North Hills Homeowners Association, Inc.

"Schedule C" shall mean the Section of the Plan entitled "Schedule C – for Individual Energy Costs".

"Selling Agent" shall mean the Declarant, or any Selling Agent named in the Plan or any successor Selling Agent at any time in question.

"**Sponsor Control Period**" shall mean the right to control the Board of Managers of the Condominium for the later of (i) a period ending on the date which is five (5) years from the First Closing or (ii) until the last Unit of the one hundred twenty four (124) Units offered for sale under this Offering Plan are sold and closed.

"**Sponsor's Predecessor**" shall mean Midtown North Hills, LLC from whom Sponsor acquired the Phase I Property and all of its associated rights.

"**Storage Bin**" shall mean an area located on each floor of a Condominium Building for use by a Unit Owner who is the licensee by virtue of a Storage Bin License issued by Declarant.

"**Storage Bin License**" shall mean a license to use a Storage Bin located on each floor of a Condominium Building for use by a Unit Owner who is granted a license by the Declarant.

"**Successor Declarant**" shall mean any Person, including the Permitted Mortgagee, that acquires Declarant's Unsold Units through foreclosure or deed in lieu of foreclosure, and their successor and assigns.

"**The Ritz-Carlton Hotel Company, L.L.C.**" shall mean The Ritz-Carlton Hotel Company, L.L.C., located at 10400 Fernwood Road, Bethesda, Maryland 20815 and 4445 Willard Avenue, Suite 800, Chevy Chase, Maryland 20815, the manager of the Association and the Phase I Condominium and the Phase II Condominium, if developed, to undertake and perform the duties and services that the Condominium Board shall direct and who shall have all of the powers of the Condominium Board and the Board of Directors which are permitted by law to be delegated to the Manager, subject to the limitations contained in the Condominium By-Laws and the Declaration of Covenants, Restrictions, Easements, Charges and Liens.

"**Umbrella Homeowners Association**" shall mean The Residences, North Hills Homeowners Association, Inc., a Not-for-Profit Corporation organized to own and maintain certain recreational and other Association Common Areas.

"**Unit**" or "**Unit**" shall mean a Unit is each Unit of residential housing now or hereafter situated on the property. A Unit is equivalent to the term "Unit" as the same is used in Article 9-B of the Real Property Law. A Unit shall be used for residential purposes only, including Unit occupancy, and not more than one family may occupy a Unit at one time. A Unit may not be used for any "dormitory", "bed and breakfast" or other transient hotel-type entity. A Unit may be used for any other lawful purpose, provided such use is permitted by, and complies with Law, does not violate the then existing certificate of occupancy covering the Building and the Condominium Board or Declarant, in their sole discretion, grants permission for such use.

"Unit Deed" shall mean the deed transferring title to a specified Unit from Declarant to Purchaser in fee simple absolute.

"Unit Designation" shall mean the number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the Floor Plans.

"Unit Owner" or **"Owner"** shall mean any record owner or owners of fee simple title to a Condominium Unit in the Condominium subject to the Declaration and By-Laws and subject to the Declaration of Covenants, Restrictions, Easements, Charges and Liens. "Unit Owner" or "Owner" includes the Phase I Owner and the Phase II Owner with respect to any Unsold Unit within the Phase I Condominium and the Phase II Condominium, respectively. Every Unit Owner shall be treated for all purposes as a single owner for each Unit held, regardless of whether the ownership of such Unit is joint, in common or by tenancy by the entirety. Where such Ownership is joint, in common or by tenancy by the entirety, such collective Ownership shall constitute one (1) Unit Owner regardless of the number of Units the Unit Owner may own. A Unit Owner shall have the meaning ascribed to it in Article 9-B of the Real Property Law of the State of New York.

"Unsold Unit" shall mean a Unit owned by the Phase I Owner or the Phase II Owner, as applicable, other than for personal occupancy, until such time as such Unit shall have been sold. The owner of Unsold Units shall have the same rights, privileges, exemptions and benefits with respect to its Unsold Units as Declarant has under this Plan and the Declaration and By-Laws with respect to the Units owned by Declarant.

"Warranty Date" shall mean the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the Unit as a residence, whichever first occurs.

Article 7. – Use of Building and Units.

A. The Buildings shall be used as a residential Condominium for residential use only. All uses must be in accordance with permitted uses pursuant to applicable zoning and building codes.

B. The Declarant or its designees shall have the right to maintain a general sales office in any Unit owned by it and to use such Unit as a model and for other promotional purposes.

C. Except to the extent prohibited by law, Declarant or its designee shall have the right, without the vote or consent of any Condominium Board, other Unit Owners, or the Mortgage Representatives (as such term is defined in the By-Laws), if any, to:

(a) make alterations, additions or improvements to any Unsold Units;

(b) change the use or layout of, or number of rooms of any Unsold Units from time to time;

(c) in accordance with applicable law, change the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, converting a Unit or any portion thereof to a General Common Element or a Limited Common Element, altering the boundary walls between any Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Unit) which exclusively benefit an Unsold Unit into such Unit;

(d) designate a General Common Element or a Limited Common Element, as part of a newly created Unit or Limited Common Element, or designate all or part of a Unit as a newly created General Common Element;

(e) amend the Certificate of Occupancy; and

(f) if appropriate, reapportion among the Unsold Units affected by such change in size, use or number pursuant to the preceding clauses (b) and (c) their percentage interests in the Common Elements; provided, however, that:

(i) the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the Owners of such Units shall consent thereto;

(ii) Declarant or its designee, as the case may be, shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Condominium Board and all other Unit Owners harmless from any liability arising therefrom.

The provisions of this Article may not be added to, amended, modified or deleted without the prior written consent of Declarant or its designee.

By written permission of the Condominium Board, which permission shall not be unreasonably withheld, any other Unit Owner may be given, with respect to his or her Unit, the same rights and be subject to the same limitations and conditions as are set forth in this Article with respect to Unsold Units. Notwithstanding the other provisions of this Article, no reapportionment of the interests in the Common Elements appurtenant to any Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the percentage interests of the respective Units in the Common Elements immediately after such reapportionment, will be based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The certification referred to in the preceding sentence shall be delivered

(i) at Declarant's election, by Declarant, the Manager of the Condominium or any other person reasonably acceptable to the Condominium Board in the case of any Unsold Unit, and (ii) by either the Manager of the Condominium, or any other person reasonably acceptable to the Condominium Board in the case of any other Unit.

D. The Building shall be used solely for the purposes for which the Units contained therein may be used under law.

Article 8. – Common Elements.

Common Elements means the portion of the Condominium which will consist of the Buildings (except the interior of the Condominium Unit) including, but without limitation, walls and roofs of the Buildings comprising The Residences North Hills, Phase I Condominium (including a portion of the land under the Building and under the improvements), the Parking Level located within the condominium, windows[2], elevators, building entrances, electric panels, closets, feeders and risers feeding the Units, refuse chutes, equipment rooms, meter rooms, shafts, pipes, apparatus, installations, systems and certain other portions of the Buildings to be set aside for common use. The Common Elements are divided into General Common Elements which are Common Elements shared by all Unit Owners and Limited Common Elements which are irrevocably restricted in use to specified Unit Owners.

General Common Elements.

General Common Elements are Common Elements shared by all Unit Owners and include all portions of the Condominium except for the individual Units and the Limited Common Elements. The General Common Elements include without limitation the following:

(a) The land on which the Buildings containing the Condominium are erected;

(b) All foundations, columns, girders, beams and supports of the Building containing the Condominium;

(c) All exterior walls of the Building containing the Condominium;

(d) Roof of the Buildings containing the Condominium;

(e) Windows,

(f) Elevators,

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[2] Windows are part of the Common Elements and replacements will be paid for as part of Common Charges, however, Unit Owners shall be responsible for costs of replacement of Windows as a result of any breakage or damages caused by Unit Owner for Windows to their Unit

(g) Building entrances,

(h) Electric panels, closets, feeders and risers feeding the Units,

(i) Refuse chutes,

(j) Equipment rooms,

(k) Meter rooms,

(l) Shafts,

(m) Pipes,

(n) Apparatus, installations, systems

(o) Certain other portions of the Building to be set aside for common use;

(p) All other mechanical equipment spaces servicing two (2) or more Condominium Units;

(q) All tanks, pumps, motors, fans, compressors and control equipment servicing two (2) or more Condominium Units;

The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of this Declaration and the By-Laws.

Limited Common Elements.

Certain portions of the Common Elements are irrevocably restricted in use to specified Unit Owners, subject to the right of the Board of Managers of the Condominium or the Board of Directors of the Association, if the Association is responsible to repair or maintain said Common Element, to enter upon any restricted area for maintenance, repair or improvement of a Unit or Common Element and subject to the rules of the Board of Managers. Said Irrevocably Restricted Common Elements are also referred to as a Limited Common Element. Any portion of the Common Elements which is not restricted in use may be used by any Unit Owner and is a General Common Element.

The following are detailed descriptions of the Limited Common Elements.

a Any balcony, terrace or private patio appurtenant to each Condominium Unit. No construction on or enclosures are permitted on the terraces or balconies. The terraces, balconies and private patios may not be enclosed.

b. Any heating and/or cooling Unit, if located in the Common Elements and serving such Condominium Unit, is restricted in use to the Unit Owner of such Unit and shall be maintained and repaired by such Unit Owner at their sole cost and expense;

c. Certain Parking Spaces for the self parking of one automobile by each Unit Owner.

Article 9. – Determination of Percentage of Common Interest in the Common Elements.

The undivided percentage of interest of each Unit in the Common Elements is based upon floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Condominium Unit in accordance with Real Property Law Section 339-i(1)(iv), based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

The percentage interest of all Units in the Common Elements is apportioned in the same proportion that the Units at the date of this Declaration bears to the aggregate Common Interests of all of the Residential Units in the Condominium.

Article 10. – Encroachments.

The Unit Owners agree that if any portion of a Unit or the Common Elements (whether restricted in use to an individual Unit Owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of the Building(s), 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 Building(s) is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that encroachments of any portion of the Unit or the Common Elements as afore described due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building(s) or reconstructed Building(s) shall stand.

Article 11. – Easements.

(a) Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, conduits and public utility lines located within each Unit shall be owned by such Unit Owner. Any portion of such pipes, wires, conduits and public utility lines located in the Common Elements or in a Limited Common Element and servicing one or more other Units, will be owned in common by

the Unit Owners. Every Unit Owner shall have an easement in common with the Owners of other Units to maintain and use all pipes, wires, conduits and public utility lines located in other Units and servicing such Unit Owner's Unit. Each Unit shall be subject to an easement in favor of the Unit Owners of other Units to maintain and use the pipes, wires, conduits and public utility lines servicing such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit for maintenance, repair or improvements to any pipes, wires, conduits and public utility lines located in any Unit and servicing any other Unit. 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 Board of Managers shall have the right to grant such additional electric, gas, or other utility easements or relocate any existing utility easement in any portion of the Condominium as the Board of Managers shall deem necessary or desirable for the proper operation and maintenance of the Condominium, or any portion thereof, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of any Unit for its permitted purposes. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not, unreasonably interfere with the use of any Unit for its permitted purposes by its owner, tenants or occupants.

The obligation to maintain, repair and replace the Common Elements of the Condominium shall be the responsibility of the Board of Managers which responsibility has been revocably conveyed to The Residences, North Hills Homeowners Association, Inc. as more fully described in the Declaration of Condominium filed or to, be filed in the Nassau County Clerk's Office.

The Declarant, its successors, assigns, and Purchasers of undeveloped or unsold Units, 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 Units 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 Declarant, its successors, assigns, and Purchasers of undeveloped or unsold Units, 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. The Declarant, its successors and assigns, and Purchasers of undeveloped or unsold Units, shall have an easement to erect and maintain general sales, leasing, business or administration offices and/or model Units, to erect, maintain, repair and replace from time to time one or more free-

standing and other selling, directional and informational signs in/or on the Condominium as it deems necessary for the purposes of advertising the sale or lease of Units, and for the purpose of showing the Property and Recreational Facilities in the Homeowners Association to prospective Purchasers and for access to Units and Common Elements consistent with the purposes of the Offering Plan, as the same may be amended, and Declarant's rights and obligations thereunder, including, without limitation the right to develop, renovate, maintain, repair, refurbish, offer, sell Units, together with their interest in the Common Elements. The Declarant, its successors, assigns and Purchasers reserve the right to continue to use the Common Elements and any facilities, sales offices, model Units and signs located on the Common Elements, in its efforts to market Units constructed in the Condominium and to complete construction of the Condominium. This paragraph shall not be amended without the consent of the Declarant.

The Board of Managers will have and each Unit will be subject to an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere in the Condominium and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the General Common Elements.

Any easements granted to Declarant, the Board of Managers, any Unit or any Unit Owner under this Declaration and the By-Laws may be exercised by such Declarant, Board of Managers or Unit Owner's employees, agents, contractors, suppliers, customers, guests, invitees, licensees, servants, tenants, subtenants, members, and visitors, as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by the Declarant, the Unit Owner or Board of Managers.

Each Unit Owner will have a right and easement to use its Unit and the Limited Common Elements appurtenant to such Unit, and the General Common Elements, subject to and in accordance with the terms and conditions of this Declaration and By-Laws. The Board of Managers will have an easement and unlimited access to any Limited Common Elements for the purpose of making inspections, repairs or rebuilding the Building in the Condominium.

Article 12 – Common Charges.

All sums assessed as Common Charges by the Board of Managers of the Condominium but unpaid together with the maximum interest permitted in New York thereon, chargeable to any Unit Owner shall constitute a lien on the Unit Owner's Unit prior to all other liens except: (a) tax or Assessment liens on the Unit by the taxing subdivisions of any governmental authority, including but not limited to State, County, City, and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Unit. 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 attorney's fees (but such right shall not be a lien against the Unit) 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 Unit Owners as a Common Expense. However, where the holder of an institutional mortgage of record, or other Purchaser of a Unit at a foreclosure sale of an institutional mortgage, obtains title to the Unit 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 Unit shall not be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of Common Charges will be charged to all other Unit Owners as a Common Expense. 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 Declarant to a Purchaser of a Unit or in which the Declarant participates with one of the above.

In addition to the Board's right to bring an action to foreclose a lien on a Unit Owner's Unit, the Board (on behalf of the Unit Owners) at the Board's option shall have the right to bring suit to recover a money judgment for unpaid Common Charges without foreclosing or waiving the lien securing such charges.

Every Unit Owner shall pay the Common Charges assessed against the Unit Owner when due as determined by the Board of Managers and no Unit Owner may be exempt from liability for the payment of the Common Charges assessed against the Unit Owner by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of a Unit. However, no Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by the Unit Owner of such Unit 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.

The Board of Managers of each Condominium will be responsible for the payment of Association Common Maintenance Charges by each Unit Owner of the Condominium that is delinquent in Maintenance for more than thirty days. Any amount paid by the Board of Managers of the Condominium to the ASSOCIATION on behalf of a delinquent Unit Owner shall be subject to a Lien by the Board of Managers against the Unit Owner and enforceable by the Board of Managers against the delinquent Unit Owner.

Article 12(a). – Power of Attorney to Board of Managers.

(1) Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an Irrevocable Power of Attorney, coupled with an

interest (in such form and content as the Condominium Board shall determine, following due authorization if required from the Unit Owners), to:

(a) acquire title to or lease any Unit, whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners and

(b) to convey, sell, lease, mortgage or otherwise deal with any such Unit so acquired or to sublease any Unit so leased by the Board of Managers;

(2) Each Unit Owner shall grant to Declarant and its designees and to the Board of Managers an Irrevocable Power of Attorney coupled with an interest and granted for valuable consideration, to execute, acknowledge and deliver any application, Declaration, document or other instrument affecting the Condominium that the Declarant or the Board of Managers deems necessary and appropriate to comply with any Law, zoning regulation, or requirement of the Department of Buildings or any other governmental authority applicable to the rehabilitation, maintenance, demolition, alteration, restoration or repair of the Property or any part thereof.

Article 13. – Acquisition of Units By Board of Managers.

In the event any Unit Owner shall convey his or her Unit 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 Unit at a foreclosure sale in accordance with the By-Laws, title to such Unit or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners.

In order to carry out the provisions of this Paragraph each Unit Owner shall, upon becoming such, be deemed to have granted an Irrevocable Power of Attorney, coupled with an interest to the Board of Managers and to the Board of Directors of The Residences, North Hills Homeowners Association, Inc. and their successors to acquire title or lease any such Unit under whatever terms the Board of Managers (or the Board of Directors if the Board of Managers delegates such authority and powers to the Board of Directors) may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Unit under such terms as the Board of Managers in its sole discretion shall deem proper. Each Unit Owner upon becoming a Unit Owner shall further grant an Irrevocable Power of Attorney, coupled with an interest to the Board of Directors of The Residences, North Hills Homeowners Association, Inc. and the Board of Managers of the Condominium to nominate, designate, constitute and appoint the members of the Board of Directors of The Residences, North Hills Homeowners Association, Inc. or if the Board of Directors fails to meet or relinquishes its responsibilities the Board of Managers of the Condominium and their successors, jointly, their true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in their name and on their behalf, the right to act in their behalf to take any and all action necessary against any tenant(s), should they be permitted at some future

date, that may be residing in a Unit Owner's Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of this Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium or the Declaration of Covenants, Restrictions, Easements, Charges and Liens, By-Laws and Rules and Regulations of The Residences, North Hills Homeowners Association, Inc.

Article 14. – Person to Receive Service of Process.

Service of process on the Unit Owners in any action with relation to the Common Elements shall be made upon the Secretary of State as the agent of the Board of Managers of the Condominium. The post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon him as agent for service of this Condominium during the period the Declarant controls the Board of Managers is: RXR North Hills Phase I Owner LLC, 625 RXR Plaza, Uniondale, New York 11556. Once the Declarant no longer controls the Board of Managers, the Board of Managers must notify the Secretary of State that the post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon him as agent of this Condominium is: Board of Managers, The Residences North Hills, Phase I Condominium, at the offices of The Residences North Hills, Phase I Condominium located at the Property in North Hills, New York or such other address as the Board of Managers of the Condominium selects.

Article 15. – Amendment of Declaration.

The dedication of the property to Condominium Ownership herein shall not be revoked or the property withdrawn from Condominium Ownership unless eighty (80%) percent of the Unit Owners in number and in Common Interest and the first mortgagees, if any, of each of these same Units agree to such revocation or removal of the property from the Plan by duly recorded instruments.

The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of sixty-six and two-thirds (66 2/3%) percent of the Unit Owners in number held at a duly-called meeting of the Unit Owners, provided however, that (i) No amendment shall change any Condominium parcel, nor a Unit Owner's proportionate share of the Common Charges, nor the voting rights appurtenant to any Unit, unless all of record owner(s) in number and Common Interest thereof and the first mortgagees, if any, of each of these same Units agree to such revocation by recorded instrument; (ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees; (iii) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of, to or from this Declaration, the By-Laws or any rules and regulations shall be effective in any way against Declarant or its designee or any Unsold Unit, as long as the Declarant owns an Unsold Unit in the Condominium unless the Declarant has given its prior written consent thereto. This provision is not subject to amendment.

There shall be a presumption for a period of 60 days subsequent to the recording of the amendment that the vote of the Unit 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.

The Declarant, its successors, assigns and Purchasers of undeveloped or unsold Units shall have the right without vote or consent of the Unit Owners, the Board of Managers or the holders of Unit mortgages to execute or (on its request) to require the Board of Managers to execute and record in the Office of the Clerk of Nassau County and elsewhere, if required by law, an amendment or amendments to this Declaration (together with such other documents, Plan and maps as may be required to effectuate the same) to reflect (i) the certification by a registered architect or professional 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, designation and approximate dimensions of the Units as built, or (ii) utility easements, or (iii) technical corrections to this Declaration to conform to other documents including but not limited to the Offering Plan or as-built Plans (iv) to amend Schedule B of this Declaration to conform the Model type, square footage and type and number of rooms and any other required information for a specified Unit, so long as the appurtenant percentage of Common Interest does not change for said Unit, or (v) to reallocate parking spaces, if applicable, or (vi) the carrying out of other provisions of the Offering Plan of The Residences North Hills, Phase I Condominium.

Notwithstanding the foregoing, this Declaration may not be amended without the consent of a Permitted Mortgagee if such amendment would increase the obligations of such Permitted Mortgagee or decrease its rights.

This Declaration may not be amended, except by the Declarant, without the written consent of the members of the Association.

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

Regardless 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 Then existing local zoning and building laws and codes.

Article 16. – Changes in the Declarant -Owned Units.

For any Unit owned by the Declarant or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Declarant or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to:

(i) make alterations, additions, or improvements in, to and upon the Unit;

(ii) change the layout or number of rooms in the Unit;

(iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and

(iv) reapportion among such Units affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that the Declarant or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Contract vendees, if any pursuant to Purchase Agreements with Declarant or its designees for a Unit adversely affected as result of the above changes, shall have the right to rescind their Purchase Agreements and receive a refund of any Down Payment. The above changes, if made, will be disclosed in an amendment to the Offering Plan for the Property. For purposes, of this paragraph, the above changes shall not be considered adverse changes if made in the Offering Plan.

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws and any agreement of record recorded prior or subsequent to this Declaration.

Article 17. – Covenants Running with the Land.

(a) All provisions of this Declaration, the By-Laws and the Rules and Regulations (true copies of which are annexed hereto and made a part hereof), including, without limitations, the provisions of this paragraph shall, to the extent applicable and unless otherwise expressly herein and therein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future Owners, tenants and occupants of the Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering into occupancy of any Unit shall constitute an

agreement that the provisions of this Declaration, the By-Laws and Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

(b) If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the New York Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the New York Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the Owners of the property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the New York Condominium Act.

Article 18. -- Covenant of Further Assurances.

Any party subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner (if permitted), or the occupant of a portion of a Unit, a member of the Board of Managers, an officer of the Condominium, or otherwise shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

If any Unit Owner or the Board of Managers or any other party who is subject to the terms of this Declaration fails or refuses to execute, acknowledge or deliver any instrument, or fails or refuses within ten (10) days after request therefor, to take any action that the Board of Managers, any Unit Owner, or other party is required to take pursuant to this Declaration at the request of Declarant or Declarant's designee, then Declarant or Declarant's designee, as the case may be, is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other party, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers,

such Unit Owner, or other party, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other party, as the case may be.

Article 19. – Covenants and Restrictions.

The use of the Unit by the Unit 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 Unit and area restricted to the Unit Owner's use shall be maintained in good repair and overall appearance.

(b) No alteration, addition or change to any part of the Common Elements may be made and no structure or other improvement (including landscaping) may be built or placed on any portion of the Common Elements or Limited Common Elements without the written consent of the Board of Managers as provided for in the By-Laws. The provisions of this paragraph shall not apply to Declarant.

(c) No Unit Owner shall make any structural addition, alteration or improvement (of either a temporary or permanent nature) in or to their Unit, or any Limited Common Element, without the prior written approval of the Board of Managers. The Board of Managers shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit within sixty (60) days after such request is received, and failure to do so within the stipulated time shall constitute an approval by the Board of Managers of the proposed addition, alteration or improvement. No Unit Owner shall make any structural addition, alteration or improvement in or to any Unit or any Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board of Managers, its members and officers, and all Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary, from the Village of North Hills and/or the Town of North Hempstead or any other governmental agency. In the event the Board of Managers chooses to have the proposed addition, alteration or improvement reviewed by an independent architect or engineer, the Unit Owner shall pay the charges of such architect or engineer. The Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the alterations, additions or improvements. All electrical work shall be performed by a licensed electrician. All plumbing work shall be performed by a licensed plumber.

Any application to any Department of Nassau County, the Village of North Hills, the Town of North Hempstead, or any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be completed by the Unit Owner and executed by the Board of Managers to any contractor, subcontractor or materialmen on account of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

These provisions shall not apply to Units owned by the Declarant or its designee.

(i) Any interior alterations or improvements made to a Unit shall be made in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof.

(ii) Any Unit Owner who mortgages their Unit shall notify the Board of Managers providing the name and address of the mortgagee.

(iii) The Board of Managers shall, at the request of the mortgagee of the Unit, report any unpaid Common Charges and unpaid Maintenance Charges (due to the Homeowners Association) due from the Unit Owner of such Unit.

(iv) 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.

(v) 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.

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

(vii) The Common Charges and Maintenance Charges shall be paid when due.

Article 20. – Administration.

The administration of the Condominium, 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 **Schedule "C"**. In addition, a number of maintenance, repair and administrative responsibilities may be provided by The Residences, North Hills Homeowners Association, Inc.

Article 21. – Special Rights of Declarant.

Notwithstanding anything to the contrary contained herein Declarant, its successors, assigns or designees shall have the right, without requiring the consent of either the Condominium or Board of Managers, and without charge or limitation, to:

(a) have its employees, contractors, subcontractors and sales agents present on the properties described in Schedule "A" and any Building erected thereon;

(b) erect and maintain signs and other promotional materials (including, without limitation, "For Sale", and "For Rent" signs), in connection with the promotion, sale, leasing, management, or operation of the Units;

(c) use any one or more Units as:
(i) model Units,
(ii) offices for the promotion, sale, rental, management and/or operation of any unsold Units,
(iii) offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Declarant with respect to the Common Elements and/or the Units; or any unsold Units; and/or
(iv) for any other purpose permitted by applicable zoning laws,

(d) do and cause to be done all of the things that are necessary, desirable or appropriate (including, without limitation, the use of the Common Elements, Common Areas, the Units and any unsold Units) for the purpose of:
(i) the promotion, sale, rental, management and/or operation of any unsold Units,
(ii) the performance and completion of installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Declarant with respect to the Common Elements, and/or
(iii) the exercise performance and discharge of Declarant's other rights and obligations under this Declaration, the By-Laws or the rules and regulations,

(e) make any other changes required by the Village of North Hills, the Town of North Hempstead, Nassau County or other Municipal Agency.

In no event, however, shall Declarant or such designee be entitled to use any portion of the Common Elements or Common Areas in such a manner as will unreasonably interfere with the use of the same or of any Unit for its permitted purposes.

The provisions of this Article 21 may not be amended without the written consent of the Declarant, or its successors or assigns.

Article 22. – Transfers, Sale, Lease, Gift, Assignment or Grant.

Any Unit Owner shall have the right to sell the Unit Owner's Unit without restriction. Notwithstanding the foregoing, prior to the closing of title to a Unit, the Purchase Agreement prohibits a contract vendee from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of a Unit for sale or lease, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion. In addition, a Purchaser may not advertise, list or sell, without Sponsor's prior written consent, which consent may be withheld in Sponsor's sole discretion, except for hardship conditions of Purchaser, a Unit acquired from Sponsor for twelve (12) months after acquisition of such Unit (provided however, such limitation shall not apply from and after the date that Sponsor conveys title to all of the Units). Any such conveyances in violation of the foregoing will be voidable by Sponsor.

FOR THE PROPOSED LEASING OF A CONDOMINIUM UNIT BY A UNIT OWNER:

All leases are to provide and be subject to the following:

Every lease on every Unit in the Condominium, will be subject to the following rules and regulations:

(1) the lease must be in writing;
(2) the lease must be for the entire Unit;
(3) the lease must be for a minimum of six (6) months.
(4) the use of the leased Unit is subject to the Declaration and the By-Laws and the Declaration of Covenants, Restrictions, Easements, Charges and Liens and by-laws of The Residences, North Hills Homeowners Association, Inc. and the rules and regulations of the Community;
(5) within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the Manager or if no Manager to a member of the Board of Managers;
(6) within forty-five (45) days of any renewal of a lease of a tenant, the name and telephone number of the tenant, together with a clear and complete copy of the renewal lease, must be furnished to the Manager or if no Manager to the Board of Managers for review;
(7) the Unit cannot be used as a motel or hotel or otherwise for transient tenants.

If any Unit Owner (landlord) or tenant is in violation of any of the provisions of the applicable Declaration or By-Laws, or both, including any rules and regulations, the Board of Managers and/or the Board of Directors may commence an action or proceeding in its own name or in the name of the Unit Owner, or both, to have the tenant evicted or to recover damages, or both.

Unit Owners will be free, without restriction, to sell or lease their respective Units without first offering the Unit for sale or lease to, or obtaining the consent of the Board of Managers. Furthermore, a Unit Owner is free, without restriction, to make a gift of his Unit to anyone during his lifetime, to devise such Unit by will or pass such Unit by intestacy. No Unit can be sold, leased or in any way transferred apart from its appurtenant interest in the Common Elements.

Notwithstanding the foregoing, no Unit Owner may sell or lease his Unit if the Unit Owner is in arrears on payment of Common Charges or Association Common Maintenance Charges.

The Board of Managers may make further restrictions on or conditions to sale or lease of Units in the future consistent with the Declaration, By-Laws and applicable law.

Every Unit Owner shall be required to pay a processing fee of $200 per transaction to the Board of Managers for the leasing of any Unit and for each renewal of any lease. The Association may charge a reasonable fee to tenants of Unit Owners for identification cards, automobile identification transponders, etc.

Unauthorized Sales or Leases of Residential Units: Any purported sale or lease of a Unit consummated in violation of Article 22 shall be voidable at the election of the Board of Managers or the Declarant in instances involving resale prior to the expiration of the Restriction Period and if the Board of Managers or Declarant, as the case may be, shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board of Managers or the Declarant, as the case may be, to institute legal proceedings to eject the purported purchaser (in case of an unauthorized sale) or to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Unit Owner as the owner or landlord, as the case may be. Said Unit Owner shall reimburse the Board of Managers or the Declarant for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

Article 23. – Successors and Assigns.

The rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee or, with the consent of Declarant or its designee, any transferee of all then Unsold Units owned by Declarant. Subject to the foregoing, Declarant, or its designee, shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by merger, consolidation, lease, assignment or otherwise.

Article 24. –Termination of Condominium.

The Condominium shall continue and shall not be subject to an action for partition until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws or (b) such time as withdrawal of the Property

from the provisions of the New York Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners. Declarant or its designee will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least 80% in number and in Common Interest of all other Unit Owners so elect for such withdrawal, at which time Declarant or its designee may choose to vote either in favor of or against withdrawal from Condominium Ownership, as it sees fit. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of his share of such net proceeds all liens on his Unit, in the order of priority of such liens.

Article 25. – Unit Ownership.

Upon the closing of title to a Unit, a Purchaser shall automatically become a Unit Owner in the Condominium and shall remain such until such time as the Unit Owner ceases to own the Unit for any reason.

Article 26. – Definition of "Declarant-designee"; " Declarant -affiliate".

The term " Declarant-designated (alternatively referred to as designee of Declarant or Declarant-affiliate) as used in this Declaration shall mean any person or entity designated by the Declarant to acquire title to a Unit. A "Declarant -designee" shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a " Declarant -designee".

Article 27. – Rights of Board of Managers of Condominium / Board of Directors of the Association.

Any rights and obligations contained in this Declaration of Condominium that have been delegated to The Residences, North Hills Homeowners Association, Inc. shall not be exercised by the ASSOCIATION without the approval or authorization of the Board of Directors of the ASSOCIATION or a duly constituted committee thereof and shall become the affirmative obligation of the Board of Managers to perform in the event the Board of Directors of the Association affirmatively relinquishes, in writing, said rights and obligations.

Article 28. – Invalidity.

The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

Article 29. – Waiver.

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Article 30. –Captions.

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

Article 31. – Gender.

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

Article 32. – General.

A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires. The terms "herein", "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Declaration.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this 17th day of April 2014.

RXR North Hills Phase I Owner LLC
A Delaware Limited Liability Company

By: _____

Name: _____

Title: Authorized Signatory

Acknowledgment

State of New York) ss.:
County of Nassau)

On the 17th day of April in the year 2014 before me, the undersigned, a Notary Public in and for said State, personally appeared Mike Marino, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

SCOTT A. HAEGELE
Notary Public, State of New York
No. 01HA6147555
Qualified in Suffolk County
Term Expires June 5, 2017

SCHEDULE A
TO THE DECLARATION OF
The Residences North Hills, Phase I Condominium

SCHEDULE B
TO THE DECLARATION OF
The Residences North Hills, Phase I Condominium

UNIT DESIGNATION	TAX UNIT NO.	TAX LOT NO.
1001	1001	901
1002	1002	901
1003	1003	901
1004	1004	901
1005	1005	901
1006	1006	901
1007	1007	901
1008	1008	901
1009	1009	901
1010	1010	901
1011	1011	901
1012	1012	901
1013	1013	901
1014	1014	901
1015	1015	901
1101	1101	901
1102	1102	901
1103	1103	901
1104	1104	901
1105	1105	901
1106	1106	901
1107	1107	901
1108	1108	901
1109	1109	901
1110	1110	901
1111	1111	901
1112	1112	901
1113	1113	901
1114	1114	901
1115	1115	901
1201	1201	901
1202	1202	901
1203	1203	901
1204	1204	901
1205	1205	901
1206	1206	901
1207	1207	901
1208	1208	901
1209	1209	901
1210	1210	901
1211	1211	901
1212	1212	901
1213	1213	901
1214	1214	901
1215	1215	901
1301	1301	901

UNIT DESIGNATION	TAX UNIT NO.	TAX LOT NO.
1302	1302	901
1303	1303	901
1304	1304	901
1305	1305	901
1306	1306	901
1307	1307	901
1308	1308	901
1309	1309	901
1310	1310	901
1311	1311	901
1312	1312	901
1313	1313	901
1314	1314	901
1315	1315	901
2001	2001	902
2002	2002	902
2003	2003	902
2004	2004	902
2005	2005	902
2006	2006	902
2007	2007	902
2008	2008	902
2009	2009	902
2010	2010	902
2011	2011	902
2012	2012	902
2013	2013	902
2014	2014	902
2015	2015	902
2016	2016	902
2101	2101	902
2102	2102	902
2103	2103	902
2104	2104	902
2105	2105	902
2106	2106	902
2107	2107	902
2108	2108	902
2109	2109	902
2110	2110	902
2111	2111	902
2112	2112	902
2113	2113	902
2114	2114	902
2115	2115	902
2116	2116	902

UNIT DESIGNATION	TAX UNIT NO.	TAX LOT NO.
2201	2201 ✓	902
2202	2202 ✓	902
2203	2203 ✓	902
2204	2204 ✓	902
2205	2205 ✓	902
2206	2206 ✓	902
2207	2207 ✓	902
2208	2208 ✓	902
2209	2209 ✓	902
2210	2210 ✓	902
2211	2211 ✓	902
2212	2212 ✓	902
2213	2213 ✓	902
2214	2214 ✓	902
2215	2215 ✓	902
2216	2216 ✓	902
2301	2301 ✓	902
2302	2302 ✓	902
2303	2303 ✓	902
2304	2304 ✓	902
2305	2305 ✓	902
2306	2306 ✓	902
2307	2307 ✓	902
2308	2308 ✓	902
2309	2309 ✓	902
2310	2310 ✓	902
2311	2311 ✓	902
2312	2312 ✓	902
2313	2313 ✓	902
2314	2314 ✓	902
2315	2315 ✓	902
2316	2316 ✓	902
Total		

"+" at bedroom count indicates den

SCHEDULE B

UNIT DESIGNATION	TAX LOT NO.	LOCATION (RESIDENTIAL FLOOR)	COMMON ELEMENTS TO WHICH UNIT HAS IMMEDIATE ACCESS	BED-ROOMS / BATH-ROOMS	APPROX. UNIT SQUARE FOOTAGE	APPROX. TERRACE / BALCONY SQUARE FOOTAGE	CONDOMINIUM % OF COMMON INTEREST
1001	1001	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	461	0.7139%
1002	1002	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	2,059	781	0.9764%
1003	1003	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	620	0.8008%
1004	1004	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	956	0.8372%
1005	1005	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	468	0.7147%
1006	1006	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	724	0.8121%
1007	1007	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,736	497	0.8057%
1008	1008	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	878	0.9353%
1009	1009	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	461	0.7139%
1010	1010	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	973	0.8391%
1011	1011	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	620	0.8008%
1012	1012	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	961	0.8378%
1013	1013	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	468	0.7147%
1014	1014	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	878	0.9353%
1015	1015	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,736	497	0.8057%
1101	1101	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	181	0.6836%
1102	1102	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	2,059	244	0.9182%
1103	1103	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
1104	1104	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	231	0.7587%
1105	1105	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	181	0.6836%
1106	1106	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
1107	1107	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
1108	1108	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
1109	1109	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	181	0.6836%
1110	1110	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
1111	1111	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
1112	1112	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
1113	1113	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	232	0.6891%
1114	1114	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
1115	1115	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
1201	1201	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	181	0.6836%
1202	1202	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	2,059	244	0.9182%
1203	1203	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
1204	1204	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	231	0.7587%
1205	1205	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	181	0.6836%
1206	1206	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
1207	1207	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
1208	1208	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
1209	1209	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	181	0.6836%
1210	1210	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
1211	1211	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
1212	1212	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
1213	1213	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	232	0.6891%
1214	1214	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
1215	1215	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
1301	1301	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	180	0.6835%
1302	1302	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	2,059	238	0.9176%
1303	1303	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	228	0.7584%
1304	1304	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	221	0.7576%
1305	1305	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	178	0.6833%
1306	1306	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	231	0.7587%
1307	1307	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	185	0.8603%
1308	1308	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	182	0.8600%
1309	1309	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	180	0.6835%
1310	1310	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	231	0.7587%
1311	1311	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	228	0.7584%
1312	1312	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	224	0.7580%
1313	1313	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	178	0.6833%
1314	1314	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	182	0.8600%

SCHEDULE B

UNIT DESIGNATION	TAX LOT NO.	LOCATION (RESIDENTIAL FLOOR)	COMMON ELEMENTS TO WHICH UNIT HAS IMMEDIATE ACCESS	BED-ROOMS / BATH-ROOMS	APPROX. UNIT SQUARE FOOTAGE	APPROX. TERRACE / BALCONY SQUARE FOOTAGE	CONDOMINIUM % OF COMMON INTEREST
1315	1315	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	182	0.8600%
2001	2001	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	2,133	614	0.9903%
2002	2002	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2+ / 2.5	2,085	986	1.0099%
2003	2003	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	630	0.8019%
2004	2004	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	957	0.8373%
2005	2005	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	314	0.7677%
2006	2006	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	870	0.8279%
2007	2007	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,736	501	0.8062%
2008	2008	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	865	0.9339%
2009	2009	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	2,106	530	0.9695%
2010	2010	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2+ / 2.5	2,085	1,011	1.0126%
2011	2011	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	610	0.7998%
2012	2012	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	582	0.7967%
2013	2013	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	461	0.7139%
2014	2014	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	780	0.7484%
2015	2015	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,736	497	0.8057%
2016	2016	1ST	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	887	0.9363%
2101	2101	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2+ / 2.5	2,133	177	0.9430%
2102	2102	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2+ / 2.5	2,085	181	0.9227%
2103	2103	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
2104	2104	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	234	0.7591%
2105	2105	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	197	0.7550%
2106	2106	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
2107	2107	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
2108	2108	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
2109	2109	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,966	192	0.8723%
2110	2110	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2+ / 2.5	2,085	181	0.9227%
2111	2111	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
2112	2112	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
2113	2113	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	181	0.6836%
2114	2114	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	181	0.6836%
2115	2115	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
2116	2116	2ND	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
2201	2201	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2+ / 2.5	2,133	177	0.9430%
2202	2202	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2+ / 2.5	2,085	181	0.9227%
2203	2203	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
2204	2204	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	234	0.7591%
2205	2205	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	197	0.7550%
2206	2206	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
2207	2207	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
2208	2208	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
2209	2209	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,966	192	0.8723%
2210	2210	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2+ / 2.5	2,085	181	0.9227%
2211	2211	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
2212	2212	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	232	0.7588%
2213	2213	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	181	0.6836%
2214	2214	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	181	0.6836%
2215	2215	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
2216	2216	3RD	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	186	0.8604%
2301	2301	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2+ / 2.5	2,133	181	0.9435%
2302	2302	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2+ / 2.5	2,085	184	0.9230%
2303	2303	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	226	0.7582%
2304	2304	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	228	0.7584%
2305	2305	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	199	0.7553%
2306	2306	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	226	0.7582%
2307	2307	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	182	0.8600%
2308	2308	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	182	0.8600%
2309	2309	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,966	186	0.8717%
2310	2310	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2+ / 2.5	2,085	184	0.9230%

SCHEDULE B

UNIT DESIGNATION	TAX LOT NO.	LOCATION (RESIDENTIAL FLOOR)	COMMON ELEMENTS TO WHICH UNIT HAS IMMEDIATE ACCESS	BED-ROOMS / BATH-ROOMS	APPROX. UNIT SQUARE FOOTAGE	APPROX. TERRACE / BALCONY SQUARE FOOTAGE	CONDOMINIUM % OF COMMON INTEREST
2311	2311	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	227	0.7583%
2312	2312	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,694	231	0.7587%
2313	2313	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	178	0.6833%
2314	2314	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	2 / 2.5	1,533	178	0.6833%
2315	2315	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	182	0.8600%
2316	2316	4TH	Elevator, Fire Stairs, Hallway, Trash Chute	3 / 2.5	1,940	182	0.8600%
Total				**124**	**220,820**	**40,242**	**100.0000%**

"+" at bedroom count indicates den

SCHEDULE C
TO THE DECLARATION OF
The Residences North Hills, Phase I Condominium

BY-LAWS

BY-LAWS
OF
THE RESIDENCES NORTH HILLS, PHASE I CONDOMINIUM

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Unit Ownership. The property located at 1000 and 2000 Royal Court, Section 8, Block A, Lot 901 and 902 and certain condominium tax lots previously issued and on the Tax Maps of the County of Nassau, State of New York, Village of North Hills, Town of North Hempstead, Nassau County, New York, as specifically set forth in the Declaration and more commonly known as The Residences North Hills, Phase I 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 the building and improvements thereon including the Condominium Units (hereinafter referred to as "Units"), and the Common Elements and the use and occupancy thereof, the term "building" or "Building" as hereinafter used shall be defined as the structures which contains the one hundred twenty four (124) residential condominium units known as The Residences North Hills, Phase I Condominium.

Section 3. Personal Application. All present or future Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Condominium 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 Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

Section 4. Definitions. The definitions contained in the Declaration of Condominium shall be applicable to these By-Laws unless otherwise indicated.

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

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

Section 2. Voting. Each Unit Owner (including the Declarant and the Board of Managers, if the Declarant or the Board of Managers shall then own or hold title to one or more Units) shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Unit at elections of the Board of Managers of The Residences North Hills, Phase I Condominium but in the event the Board of Managers acquires a Unit on behalf of the Condominium it shall not cast any of its votes appurtenant to said Unit for the election of any member to the Board.

Section 3. Quorum. So many Unit Owners as shall represent at least thirty (30%) percent of the total authorized votes of all Unit Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Unit 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 Units Owners, the Unit 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. At least five (5) days written notice of such adjourned meeting shall be given to all Unit Owners. At such adjourned meeting, at which a quorum is present, 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 Unit 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 Unit 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 Unit Owners, every Unit 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 Unit 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 Unit Owners may be dispensed with if all Unit 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 Unit Owners as may be designated by the Board of Managers.

Section 9: Annual Meetings Control of Board of Managers by Declarant. The initial Board of Managers will call for the first annual meeting of the Unit Owners to elect a new Board of Managers within upon the sale of at least 50% of the Units in The Residences North Hills, Phase I Condominium. At such meeting, two (2) members of the Board of Managers shall be elected by the Unit Owners. Three (3) members shall be designated by the Declarant until the later of (i) a period ending on the date which is five (5) years from the First Closing or (ii) until the last Unit of the one hundred twenty

four (124) Units offered for sale under The Residences North Hills, Phase I Condominium Offering Plan is sold and closed. Thereafter, annual meetings shall be held on the anniversary of such date each succeeding year or such other date as the Board of Managers determines within sixty (60) days thereof. At such meetings there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them. The Declarant will have voting control and may designate a majority of the Board of Managers later of (i) a period ending on the date which is five (5) years from the First Closing or (ii) until the last Unit of the one hundred twenty four (124) Units offered for sale under The Residences North Hills, Phase I Condominium Offering Plan is sold and closed. At such time as Declarant no longer owns a Unit in the Condominium, Declarant may not hold a seat on the Board of Managers.

Section. 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to, the Secretary of a petition signed by a majority of the Unit Owners. The Secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 11 of this Article to each Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request pursuant to this Section 10 unless a later date is agreed to in writing by the Unit Owners of the Condominium or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all Unit Owners of the Condominium are present in person or by proxy. Any or all of the Board of Managers of the Condominium, other than those designated by the Declarant may be removed without cause by vote of the members at a special meeting called pursuant to this section if the meeting is called for such purpose.

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 Unit Owner of record, at least ten (10) but not more than thirty (30) 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:

1. Roll Call
2. Proof of notice of meeting or waiver of notice
3. Reading of minutes of preceding meeting
4. Report of officers
5. Report of committees
6. Election of inspectors of election (in the event there is an election)

7. Election of managers (in the event there is an election)
8. Unfinished business
9. 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 (3) Managers designated by the Declarant who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Unit Owners. Until succeeded by the Managers elected at the first annual meeting of Unit Owners, Managers need not be Unit Owners; thereafter, all Managers, other than designees or nominees of the Declarant, shall be Unit Owners. The Managers shall be elected or designated at the annual meeting of the Unit Owners.

At the first annual meeting of Unit Owners called pursuant to Section 9 of Article II a total of two (2) Managers shall be elected by Unit Owners. There shall also be three (3) Managers designated by the Declarant. All Managers, other than those designated by the Declarant, shall be elected by the Unit Owners. The term of office of one (1) of the Managers elected by the Unit Owners shall be fixed for one (1) year and the term of office of one (1) of the Managers shall be fixed at two (2) years. Separate ballots shall be conducted for each of the two terms of office. Each Unit Owner will be entitled to cast one vote for each .0001% of Common Interest attributable to the Unit at elections of the Board of Managers of The Residences North Hills, Phase I Condominium on each ballot for each Unit owned by a Unit Owner. The one nominee(s) on each of the ballots, as the case may be, 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.

Notwithstanding the foregoing, the Declarant shall have the right to designate a majority of the Board of Managers until the later of (i) a period ending on the date which is five (5) years from the First Closing or (ii) until the last Unit of the one hundred twenty four (124) Units offered for sale under The Residences North Hills, Phase I Condominium Offering Plan is sold and closed. This Section may not be amended without the written consent of Declarant.

In the event that the Phase I Lender assumes the role of Declarant as a result of Declarant's default on its loan, Purchasers of Units from Declarant shall not be granted an automatic right to rescind any Purchase Agreement it has entered into with Declarant.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reasons of death, resignation, retirements, 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. In the event of the failure to hold any election of the Board of Managers at the time designated for the annual election of the Board of Managers or in the event that the Board of Managers shall not have filled any such vacancy, a special meeting of the Unit Owners to elect a new Board of Managers or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of the Unit Owners. If the vacancy occurs with respect to any member of the First Board of Managers (see Section 4 of this Article III) or any other manager who has been designated by the Declarant, the Declarant shall have the sole right to choose such Manager's successor to fill the unexpired portion of the term.

Section 3. Removal. Managers may be removed for cause by an affirmative vote of a majority of the Unit Owners. No Manager, other than a member of the First Board of Managers or a designee of the Declarant, shall continue to serve on the Board if, during the Manager's term of office, the Manager shall cease to be a Unit Owner. In the event a Declarant designee is removed for cause, the Declarant shall have the sole right to designate a replacement.

Section 4. Resignation. Any Manager may resign at any time by written notice delivered in person or sent by certified registered mail to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

Section 5. First Board of Managers. It is anticipated that the first Board of Managers shall consist of Scott Rechler, Frank Haftel, Esq. and Joseph Graziose who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners. 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 6. 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 Unit Owners personally. This provision is not subject to amendment. 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 Common Charges or vote a special Common Charge in excess of that amount, if required; to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro-rata according to their respective Common Interest;

2. To collect, use, and expend the Assessments collected to maintain, care for and preserve the Units, Buildings, and other Common Elements;

3. To make repairs, restore or alter any Units 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 Units when necessary and at as little inconvenience to the Unit 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 Units in accordance with Article VII of these By-Laws;

7. To collect delinquent Common Charges by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit 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 Unit Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Unit;

9. To employ and terminate the employment of employees and independent contractors 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, except that the Board may not terminate employees of the Manager;

10. To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium and to levy special Common Charge Assessments to pay for the cost of such litigation;

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

12. To make additions, alterations, or improvements to the Common Elements of the Community, the cost of which addition, alteration, or improvement does not exceed $50,000. The Board of Managers may make additions, alterations or improvements to the Common Elements costing in excess of $50,000 only with the approval of a majority of the Unit Owners. While the Declarant is in control of the Board of Managers, the Board may make additions, alterations, or improvements to the

Common Elements costing in excess of $100,000 or enter into service or maintenance contracts the duration of which will extend more than one (1) year after the Declarant loses control of the Board of Managers, only with the approval of a majority of the Unit Owners, excluding the Declarant, voting at a duly held meeting of the Unit Owners;

13. 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 sixty-six and two-thirds (66-2/3%) percent in number of all Unit 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 $50,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Owners of said Unit.

14. To act as an agent for one (1) or more Unit Owners to file a single complaint and bring a special proceeding on behalf of Unit Owners who wish to contest the real estate tax Assessments of their Unit pursuant to Section 339-y(4) of the New York Property Law. In such event, the Board could retain counsel on behalf of such Unit Owners and charge each Unit Owner for whom it is acting a pro rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Unit. The Board of Managers is not obligated to perform such services and it is necessary to obtain the written authorization of the Unit Owners;

15.

(a) To grant utility or other easements over or to the Common Elements as may, at any time, be required for the benefit of the Condominium and the Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Unit Owners who have the right to use such Common Elements to the exclusion of any other Unit Owner, the consent of all such affected Unit Owner shall be required in writing before such easement shall be granted).

(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 include at least one (1) 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 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, for a period ending not more than five (5) years after the closing of title to the first Unit

or whenever the unsold Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner, the Board of Managers may not, without the Declarant's prior written consent: (i) make an addition, alteration or improvement to the, Common Elements or to any Unit, 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 contained in the Condominium budget for the First Year of Operations, (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 of closing of the First Unit, or (v) borrow money on behalf of the Condominium, (vi) reduce the services or maintenance set forth in the Condominium budget for the First Year of Operations, or (vii) charge any special Common Charge Assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the Condominium; or (viii) increase the Common Charges of the Condominium more than ten (10%) percent from the prior year's budget, unless documentation is provided to the Declarant in the nature of a financial statement, bids from contractors or verified increases in utility rates, evidencing the need for an increase greater than ten (10%) percent, or (ix) utilize Condominium funds or assess the Declarant in order to commence a lawsuit against the Declarant or any of its principals.

However, at no time may Declarant exercise veto power over expenses in the budget or over expenses required to (i) comply with applicable laws or regulations, (ii) to remedy any notice of violation, or (iii) to remedy any work order by an insurer.

The provisions of this paragraph may not be amended without the written consent of Declarant.

Section 7. Repairs and Maintenance. All maintenance, repairs and replacements to the Common Elements of the Buildings 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 Units, and all exterior maintenance shall be the obligation and responsibility of Board of Managers.

All maintenance (including electrical and plumbing repairs in the Units and painting and decorating of the inside of the Units), repairs and replacements to the Units including, doors and repairs to any heating/air conditioning system servicing a single Unit, pipes, wires and conduits located within or without a single Unit other than as set forth above shall be made by the respective Unit Owners at their own expense.

All maintenance, repairs and replacements associated with a Limited Common Element appurtenant to a Unit; (except for minor repairs, general cleaning and snow removal from the balconies or terraces that are a Limited Common Element and any individual house connections to the sanitary sewer) shall be the sole responsibility of the Board of Managers of the Condominium and the cost thereof shall be a Common Expense of the respective Board of Managers.

The Board of Managers and their agents, employees and contractors shall have a right of access to any Unit and to all portions of all Common Elements, limited or not, for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of the Condominium.

All replacements, repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of the 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 Declarant.

In the event that a Unit Owner fails to make any maintenance or repair which maintenance or repair is necessary to protect any of the Common Elements or any other Unit, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit 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 Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs or maintenance to Unit Owner's Unit or for repairs to any Common Element restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Unit Owner shall be liable for the reasonable Attorney's fees and costs of such suit or proceeding together with interest on all sums due.

Section 8. Compensation. Managers and officers, as such, shall receive no compensation for their services.

Section 9. Meetings.

(a) The first meeting of each Board newly elected by the Unit 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 Unit 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 take place.

(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.

(f) Members of the Board may participate in a meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting.

Section 10. Annual Statement. The Board of Managers shall furnish to all Unit Owners and their mortgagees and shall present annually (within five (5) months of the end of each fiscal year) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a 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 Unit Owner and a notice of the holding of the annual Unit Owners meeting.

Section 11. 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 12. Management Agent. The Board of Managers shall 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 Declarant is in control of the Board of Managers it will not enter into contracts which bind the Condominium for a period of more than two (2) years (except cable television agreements and Management Agreement) after the recording of the Declaration unless the contract provides that it may be cancelled by the Condominium upon ninety (90) days notice. Notwithstanding the foregoing, the Manager is anticipated to be The Ritz-Carlton Hotel Company, LLC under the Ritz-Carlton brand, 10400 Fernwood Road, Bethesda, Maryland 20815 and 4445 Willard

Avenue, Suite 800, Chevy Chase, Maryland 20815 under a contract for a term of twenty years to manage the Condominium, which terms and conditions are binding upon the Condominium.

Section 13. Liability of the Board of Managers, Officers and Unit Owners. No Member of the Board of Managers or officer of the Condominium shall have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his or her capacity as a Member of the Board or officer, provided that this provision does not eliminate or limit the liability of a Member of the Board or officer if a judgment or other final adjudication adverse to him or her establishes (a) that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Condominium, through the Unit Owners, shall indemnify, to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit Plan or other enterprise, which any Member of the Board or officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that he, his testator or intestate, was a Member of the Board or officer of the joint venture, trust, employee benefit Plan or other enterprise in any capacity, provided that no indemnification may be made to or on behalf of any Member of the Board or officer if a judgment establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or the advantage to which he or she was not legally entitled.

The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provision of the Declaration or of these By-Laws. It is intended that the Members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Unit Owners). It is understood and permissible for the original Board of Managers, who may be members of or be employed by the Declarant, to contract with the Declarant and affiliated corporations and entities without incurring any liability for self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the Member of the Board of Managers shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interest of all of the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the Manager or by the manager on behalf of the Condominium shall provide that the Members of the Board of Managers, or the

Manager, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners).

Each Unit Owner's liability pursuant to this Section shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

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 (1) or more Assistant Secretaries and Assistant Treasurers and such other officers as in their judgment may be necessary. All officers must be Unit Owners, members of the first Board of Managers or designated members of the Board of Managers of the Declarant. Two (2) or more offices may be held by the same person, except that the President may only hold the office of President.

Section 2. Election. The Board of Managers at its first meeting after each annual Unit 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 Unit Owners and Managers, he 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 of the State of New York.

Section 6. The Vice President. The Vice President shall take the place of the President and perform the President's 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 Unit 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. The Secretary shall give, or cause to be given, notice of all Unit 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 the Secretary 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.

The Treasurer shall disburse the funds of the Condominium as 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 transactions as Treasurer and of the financial condition of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Unit which, among other things, shall contain the amount of each Assessment of Common Charges against such Unit, 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 Unit 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 Unit 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 supplement to the budget to every Unit Owner and mortgagee. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, improvements, 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 Units and prorated against each of said Units according to the respective Common Interest appurtenant to such Units. This proration of Assessments shall remain constant regardless of the percentage of the building square footage included in each Unit or the Common Elements restricted to the use of the Unit Owner of said Unit.

Said Assessments shall be payable monthly or such other manner as ordered by the Board of Managers and shall be referred to as Common Charges. Special Common Charge Assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular Assessments.

The Unit Owner agrees to pay promptly when due the monthly Common Charges and all special Common Charge Assessments assessed against the Unit Owner's own Unit. In the event any Unit Owner fails to make payment of the Unit Owner's Common Charge payment; the Unit Owner who owns such Unit shall be obligated to pay (a) a "late charge" of $150 for such Common Charges which remain unpaid for more than fifteen (15) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of two (2%) percent per month (but in no event in excess of the maximum rate theretofore collected on such amounts) computed from the due date thereof, and (c) all expenses, including, without limitation, attorney's fees paid or incurred by the Board or by any Manager in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit Owner's Unit arising from said unpaid Common Charges in the manner permitted by applicable law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner.

In addition, in the event of a default in payment of Common Charge Assessments by any Unit Owner, the Board, at its sole option, may declare the Common Charge Assessment on said Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such Declaration following a default the Board shall

send notice to the delinquent Unit Owner and the mortgagee, if any, of such Unit giving the Unit Owner a five (5) day grace period in which to make the late payment.

The Board may take action to collect any Common Charges due from any Unit Owner which remains unpaid ninety (90) days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339 of the Real Property Law or otherwise.

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

Notwithstanding the foregoing, for a period of time in Declarant's sole discretion, Declarant may choose to pay the entire actual costs of operation of the Condominium (payment of all items set forth in the Condominium Budget, excluding reserves and contingencies) in which case the Common Charges will be set by the Declarant controlled Board of Managers at zero and Unit Owners who have closed will not be required to pay Common Charges until such time as Declarant, in its sole discretion, ceases paying all of the actual condominium expenses (payment of all items set forth in the Condominium Budget, excluding reserves and contingencies) at which time all Unit Owners will begin to pay Common Charges based upon the condominium budget and the Unit Owner's percentage of Common Interest. Once Common Charges are collected by the Board of Managers from any Unit Owner, Declarant will then pay Common Charges for all of the Unsold Units based upon the condominium budget and the percentage of Common Interest for the Unsold Units.

Section 3. Foreclosures of Liens for Unpaid Common Charges. The Board shall have the power to purchase any Unit at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Unit 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 Unit. A suit to recover a money judgment for unpaid Common Charges shall also be obtainable separately without waiving the lien on the Unit. The Board of Managers of each Condominium will be responsible for the payment of Association Common Maintenance Charges by each Unit Owner of the Condominium that is delinquent in Maintenance for more than thirty days. Any amount paid by the Board of Managers of the Condominium to the Association on behalf of a delinquent Unit Owner shall be subject to a Lien by the Board of Managers against the Unit Owner and enforceable by the Board of Managers against the delinquent Unit Owner.

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

Section 5. Liability for Utilities. Any utility, including gas and electricity, consumed in the Units shall be an expense of each individual Unit Owner, except water charges are paid by Unit Owners through Common Charges.

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 Units. Disbursements from said account shall be for the general need of the operation including, but not limited to, wages, repairs, improvements, 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 Units.

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

Section 8. Delegate to Homeowners Association. The Board of Managers shall have the right to delegate and appoint the Association to act in place of the Board of Managers to carry out any or all of the provisions of this Article VI of the By-Laws which powers shall not be exercised by the Association without the approval or authorization of the Board of Directors of the Association or a duly constituted committee thereof. The Board of Managers may give the Association or its officers such power of attorney as the Board of Managers deems appropriate to carry out the provisions of this Section 8. The Board of Managers shall retain the power to withdraw such delegation and/or appointment of the Association.

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: fidelity insurance covering all officers, Board members, employees and the Manager or agents who handle funds of the Condominium; 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 Unit 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 Unit Owners and their mortgagees, as interest may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit 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 Unit in an amount as required by the mortgagee of such Unit and such amount will be increased upon the closing of title to all Units and until the first meeting of the Board of Managers following the first Unit Owners meeting, such amount shall be at least in the sum as reflected in the proposed budget for the First Year of Operations of the Condominium. 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 Unit Owners or of the invalidity arising from any acts of the insured or any Unit 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 Units. 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 Units 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, commercial general 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 Manager and each Unit 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 Unit Owners meeting, such commercial general liability insurance shall be a minimum of $1,000,000 covering all claims for bodily injury and for property damage arising out of one occurrence. Such commercial general liability insurance shall commence on the closing of title to the first Unit.

Unit Owners shall procure, obtain and maintain, at their sole cost and expense the following insurances:

(a) Property and casualty insurance coverage on the Unit Owner's real property, including improvements and betterments, or personal property located within the boundaries of the Unit and elsewhere, such as within the Common Elements or Limited Common Elements areas. The coverage shall be in an amount not less than the full replacement cost of such property and any improvements and betterments and personal property of the Unit Owner including, but not limited to, decorative paint, venetian plaster, cabinetry, plumbing fixtures, kitchen and other appliances, floor covering materials such as wood and stone flooring, works of art, window treatments, furniture, collectibles, electrical fixtures, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, plumbing fixtures, kitchen and other appliances, floor covering materials such as wood and stone flooring, or replacements of any of the foregoing which are located within the

boundaries of a Unit and serve only one Unit and all air conditioning compressors that service only an individual Unit, whether or not located within the Unit boundaries, as well as Limited Common Elements appurtenant to the Unit, and

(b) General liability insurance for bodily injury and property damage in an amount of not less than One Million dollars ($1,000,000) per occurrence.

Each insurance policy issued to a Unit Owner shall be without rights of subrogation against the Condominium and the Manager. All real property, including improvements and betterments, or personal property located within the boundaries of an Owner's Unit which is excluded from the coverage to be provided by the Condominium shall be insured by the individual Unit Owner. The Condominium and the Manager shall not be responsible for any claims, losses, injuries or damages that result from the acts or omissions of the Unit Owners, their agents, invitees or guests that occur on the Common Elements or for claims, losses, injuries or damages that occur within the Unit when used, occupied or rented by the Unit Owner.

If the Unit Owner does not purchase, produce and maintain evidence of liability insurance required as set forth herein, the Board of Managers, in good faith, purchase the insurance coverage and charge the reasonable premium cost to the Unit Owner as an assessment to the Unit and Unit Owner covered by said insurance.

In no event shall the Board of Managers be liable to any person either with regard to its decision not to purchase the insurance, or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained.

Each insurance policy issued to a Unit Owner providing such coverage shall be without rights of subrogation against the Condominium and the Manager. The Condominium and the Board of Managers shall not be responsible, for any claims, losses, injuries or damages that result from the negligent acts or omissions of the Unit Owners, their agents, invitees or guests that occur on the Common Elements for claims, losses, injuries or damages, that occur within the Owner's Unit when used, occupied or rented by the Unit Owner.

All real or personal property located within the boundaries of the Units which are excluded from the coverage to be provided by the Condominium shall be insured by the individual Unit Owner.

The Board of Managers shall have the right, without vote of the Unit Owners, to transfer the cost of the insurance applicable to the Condominium from being part of the Common Charges of the Condominium so that it becomes part of the budget and maintenance charges of The Residences, North Hills Homeowners Association.

Section 2. The Insurance Trustee. A New York Bank or Trust Company shall be the Insurance Trustee 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 seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit 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 Units, and any kitchen or bathroom fixtures initially installed therein by the Declarant, 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 Unit Owners in the Units), 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 Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit 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 Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceed 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 Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his or her Unit, 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 Units and the conduct of all residents thereof.

Section 2. All Units shall be used for residential purposes only. All rentals (if permitted) are subject to local zoning ordinances and must comply with the requirements contained in the By-Laws under Article XIV. See Article XI, Section 2 for Leasing Requirements. Notwithstanding the foregoing, Declarant intends to, and shall be permitted to maintain a sales office on the Phase I Property and/or the Phase II Property after all of the Units are sold in the Phase I Condominium.

Section 3. Unit Owners of a Unit, 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 Unit 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 Unit 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 Unit Owner or such other person for whose conduct he is legally responsible.

Section 6. (a) Every Unit Owner must perform promptly all maintenance and repair work to the Unit Owner's own Unit and Limited Common Element which, if omitted, would affect the Community in its entirety or in a part belonging to other Unit Owners, or the Building of which the Unit forms a part, the Unit Owner being expressly responsible for the damages and liabilities that the Unit Owner's failure to do so may engender.

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

Section 7. No Unit Owner may make any alterations to any part of the Common Elements nor may any structure or other improvement (including landscaping) be built or placed on any portion of the Common Elements or Limited Common Elements without the written consent of the Board of Managers. No Unit Owner shall make any structural addition, alteration or improvement (of either a temporary or permanent nature) in or to his Unit, or any Limited Common Element, without the prior written approval of the Board of Managers. The Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit within sixty (60) days after such request is received, and failure to do so within the stipulated time shall constitute an approval by the Board of Managers of the proposed addition, alteration or improvement.

No Unit Owner will make any structural addition, alteration or improvement in or to any Unit or any Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board of Managers, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary, from the Village of North Hills, the Town of North Hempstead or any other

governmental agency.

In the event the Board of Managers chooses to have the proposed addition, alteration or improvement reviewed by an independent architect or engineer, the Unit Owner shall pay the charges of such architect or engineer. The Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from his alterations, additions or improvements.

Any application to any department of Nassau County, the Village of North Hills, the Town of North Hempstead or any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be completed by the Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

These provisions shall not apply to Units owned by the Declarant or its designee.

Notwithstanding the foregoing, until a Permanent Certificate of Occupancy for the building in which the Unit is located has been obtained, no Unit Owner may perform work or cause work to be performed in the Unit Owner's Unit without Declarant's prior written consent, which consent may be granted or withheld in Declarant's sole and absolute discretion.

Section 8. No resident of the Condominium shall post any signs, advertisement, or posters of any kind in or on the Condominium or their Units including "For Sale" and "For Rent" signs except any authorized and approved by the Board of Managers.

Section 9. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out of a Unit or on a terrace or balcony or exposed on any part of the Common Elements.

Section 10. No Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of his Unit.

Section 11. Commercial license plate vehicles may not be parked in the Community for a period in excess of twenty-four (24) hours.

Section 12. No person shall park an automobile, boat, trailer, off-track vehicle, camper, bus truck, snowmobile or other commercial or recreational vehicle (collectively "Vehicles") or otherwise obstruct any Unit Owner's use of ingress or egress to any driveway, garage, or parking space, nor may any Vehicle be parked on the Common Areas except in designated Parking Level. Any person parking a vehicle illegally shall be subject to their vehicle being towed and/or the imposition of a fine by the Condominium. In the event a vehicle is towed, all costs associated with the removal of

the Vehicle shall be paid for by the owner of the Vehicle and the Condominium shall not be held responsible for any damage to the Vehicle.

Section 13. No repair of a Vehicle as referred to in Section 12 above shall be made in any of the roadways, driveways or Parking Level of the Condominium, nor shall such areas be used for storage or overnight parking of any Vehicle as referred to in Section 12 above, except for a Unit Owner's automobile, without the written permission of the Board of Managers. Automobiles shall include SUV's, station wagons or other similar types of Vehicles.

Section 14. All Unit Owners will be required to register each of their vehicles with the Board of Mangers of the Condominium.

Section 15. No tents are permitted on any portion of the Common Elements.

Section 16. No Vehicle of any kind is permitted to be ridden, driven or parked on any portion of the common grounds which is outside the border of the road and/or driveways.

Section 17. No animals, birds or reptiles of any kind shall be raised, bred, or kept in any Unit or in the Common Elements or Limited Common Elements, except that dogs, cats or other common household pets, not to exceed two per Unit, may be kept in Units, subject to the rules and regulations adopted by the Board of Managers of the Condominium, including those prohibiting any animals being kept or maintained for any commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon three (3) days written notice from the Board of Managers of the Condominium. All dogs, cats, and other pets must be leashed and shall not be permitted to run loose. Unit Owners shall be responsible for picking up and disposing of their pet's waste and for any damage caused by their pets to the Common Areas. No cages or "runs" shall be constructed on the Common Areas.

Section 18. No television or radio antenna or any other type of receiving or transmitting antenna or structure shall be erected on the exterior Unit without the prior written consent of the Board of Managers. The Board of Managers may adopt such rules and regulations pertaining to antenna so as to comply with the Federal Communications Commission rules adopted on October 14, 1996.

Section 19. No Unit Owner shall do anything to his or her Unit or the Common Area to alter the drainage.

Section 20. No building, deck, terrace, fence, gate, sign, statuary, wall or other structure, or change or alteration to the exterior of the Units or color of the Units or in the landscaping shall be commenced, erected, replaced, repaired or maintained, nor shall any exterior addition to, or change or alteration thereto, be made unless the Unit Owner complies with requirements of the Board of Managers.

Section 21. Any Unit Owner who mortgages or sells his or her Unit shall immediately notify the Board of Managers, providing the name and address of his or her mortgagee or new Unit Owner.

Section 22. The Board of Managers shall, at the request of the mortgagee of the Unit, report any delinquent Assessments due from the Owner of such Unit.

Section 23. No Unit Owner shall install or permit to be installed any window mounted or through the wall mounted air conditioning Unit in his or her Unit.

Section 24. Unit Owners shall be responsible for cleaning the interior side of the windows and glass in their Unit, which shall be maintained in a clean condition.

Section 25. Every Unit Owner shall be liable for any and all damage to the Common Elements, which shall be caused by said Unit Owner, the Unit Owner's permitted lessees and occupants of Units, their respective family members and guests and such other person for whose conduct the Unit Owner is legally responsible.

Section 26. No Unit Owner shall make or permit any disturbing noises in any Unit or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners.

Section 27. Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, or windows thereof, any dirt or other substance.

Section 28. No Unit Owner or any of his agents, servants, employees, licensees, or visitors shall at any time bring into or keep in his or her Unit any flammable, combustible or explosive fluid, material, chemical or substance, except for normal household use.

Section 29. The agents of the Board of Managers or the Manager, and any contractor or workman authorized by the Board of Mangers or the Manager, may enter any Unit at any reasonable hour of the day for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insect or other pest, provided that such right will be exercised in such a manner as will not unreasonably interfere with the residential use of the Units.

Section 30. If any key or keys are entrusted by a Unit Owner or occupant or by his agent, servant, employees, licensee or visitor to any employee of the Board of Managers, whether for such Unit or an automobile or other type of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or occupant, and the Board of Managers shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.

Section 31. The Board of Mangers or the Manager may retain a pass-key to each Unit The Unit Owner shall not alter any lock on any door leading to his or her Unit without the written consent of the Board of Managers or the Manager. If such consent is given, the Board of Managers or the Manager shall be provided with a key.

Section 32. Planting of fruits or vegetables is absolutely prohibited in or on any Common Element, General or Limited.

Section 33. Unit Owners will faithfully observe the procedures established from time to time by the Board of Managers or the Manager with respect to services provided and the management of the Building.

Section 34. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board of Managers.

Section 35. Upon receipt, by the President of the Board of Managers or by the Manager, of a signed written complaint alleging violation of, any of the House Rules or other provisions of the By-Laws as herein established or hereafter established or adopted by the Board of Managers, the President of the Board, or in his absence, the Vice President together with a minimum of two (2) other members of the Board, without a formal meeting of the Board, shall make a determination as to the validity of the complaint. If in their determination the complaint is valid and justified the Manager shall be directed to send written notice to the violator, If the violation is not corrected or eliminated within a period of three (3) days from the date of receipt of such notice, another notice will be sent levying a fine of up to $100 upon the violator; such fine is to be considered as an additional common charge to the account of the violator and shall be treated as such regarding late penalties and a lien upon the property as elsewhere provided for in the Declaration of Condominium, By-Laws or Offering Plan. If after imposition of a fine the violation is not corrected or eliminated, the Board of Managers may assess additional fines of up to $500 each after serving written notice upon the violator as provided for above. If the violation results in loss of, or damage to property classified as common area, the Board of Managers shall itself or direct the Manager, if employed, to have said loss or damage repaired or replaced and the actual cost of said repair or replacement shall be assessed to the violator as an additional Common Charge.

Section 36. Plantings on any terrace or balcony shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace or balcony surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace or balcony, but shall stand on supports of at least two inches above such surface. It shall be the responsibility of the Unit Owern to maintain

the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

Section 37. Any costs incurred by the Board of Managers to remedy or cure any violation of these By-Laws, the Rules and Regulations as herein or hereafter established, shall be an additional common expense charged to the violator in addition to the One Hundred Dollar ($100) fine(s) levied upon the violator. Fines may be levied against a Unit Owner's tenant, and the Unit Owner shall be jointly and severally liable with his or her tenant for the payment of same.

Section 38. In the event the Condominium institutes legal action for the collection of any fines or the enforcement of any of the provisions of the Declaration, By-Laws and/or Rules and Regulations of the Condominium, then the Defendant shall be responsible for payment of reasonable attorney's fees of the Condominium, plus interest and costs of suit.

Section 39. The Board of Managers shall have the right to delegate and appoint the Board of Directors as their Power of Attorney to act in place of the Board of Managers to carry out any or all of the provisions of this Article IX of the By-Laws and to revoke such delegation and appointment.

Section 40. Any or all of the rights and/or obligations of the Board of Managers that have been transferred to the Board of Directors shall revert back to the Board of Managers in the event the Board of Directors fails to meet or enforce its rights or obligations or affirmatively relinquishes said rights and obligations.

Section 41. Each Unit Owner will be obligated to heat and cool their Unit so as to maintain the appropriate temperature and humidity in such Unit in order to avoid causing damage to the Common Elements or the Units, including, without limitation, freezing pipes and damage to the wood floors and moldings.

Section 42. All Unit Owners shall be obligated, regardless of the type of window treatments that they use, to provide for a white backing on the window treatment so that when the shades are down or the curtains are drawn closed, the effect from the outdoors is a visually harmonious white appearance.

Section 43. The Common Elements and Limited Common Elements shall be kept free and clear of refuse, debris and other unsightly materials.

Section 44. No rugs or mops shall be shaken or hung from or on any of the windows or doors, nor shall a Unit Owner sweep or throw or permit to be swept or thrown therefrom any dirt or other substance.

Section 45. A nominal fee may be charged by the Board of Managers or Board of Directors to a Unit Owner for registering any Unit Owner's vehicles and provide transponders and/or stickers used to enter the Community through the gatehouses.

Section 46. Unit Owners are responsible for all normal maintenance and repair to the Storage Bin which they are the licensee of, if any. The costs and expenses of any structural or extraordinary repairs or replacements to the Storage Bins shall be a Common Expense charged to all Unit Owners. The Storage Bins may be used in accordance with applicable law and only for the storage of the personal effects of the Unit Owner having exclusive access to such Storage Bin. No items which would constitute a threat to the health or safety of the Unit Owners or other occupants of the Building or otherwise create a nuisance in the Building shall be stored in the Storage Bins. The Board has the authority to promulgate rules regarding use of and access to the Storage Bins. Neither the Sponsor nor the Board will be responsible for any damage to items placed in Storage Bins. Unit Owners who place items in Storage Bins do so at their own risk.

This Article VIII shall not apply to the Declarant unless required: (a) to comply with applicable laws or regulations, or (b) to remedy any notice of violation.

ARTICLE IX: DEFAULT

In the event a Unit Owner does not pay any sums, charges or Assessments required to be paid when due, as determined by the Board of Managers, the Board of Managers, acting in behalf of the Board shall notify the Unit Owner and the mortgagee, if any, of such Unit. If such sum, charge or Assessment shall remain unpaid for ninety (90) days after the giving of such notice, the Board may foreclose the lien encumbering the Unit 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 Unit does not pay the Common Charge Assessment required to be paid by him on its due date, the Board of Managers may collect said fees and take such action as is provided in the By-Laws and said Unit Owner shall be liable for the Condominium's reasonable costs and reasonable attorney's fee incurred by it incident to the collection or enforcement of such lien.

In addition to the Board's right to bring an action to foreclose a lien on a Unit Owner's Unit, the Board (on behalf of the Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges at the option of the Board, without foreclosing or waiving the lien securing such charges. In such an event the Unit Owner shall be liable for the reasonable costs and reasonable attorney's fee incurred by it incident to the collection of the delinquent Common Charges.

The Board of Managers shall have the right to delegate and appoint the Board of Directors of The Residences, North Hills Homeowners Association as their Power of Attorney to act in place of the Board of Managers to carry out any or all of the provisions of this Article IX of the By-Laws.

ARTICLE X. AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Unit 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 sixty-six and two-thirds (66 2/3%) percent of the Unit 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 Unit Owner's interest and the interests of holders of a mortgage encumbering a Unit or Units.

Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of, to or from the By-Laws or any rules and regulations shall be effective in any way against Declarant or its designee or any Unsold Unit, as long as the Declarant owns an Unsold Unit in the Condominium unless, Declarant has given its prior written consent thereto. This provision is not subject to amendment.

ARTICLE XI. SELLING, MORTGAGING AND LEASING UNITS

Section 1. Selling and Leasing Units. Any Unit may be conveyed subject to local zoning ordinances, by its Unit Owner free of any restrictions except that no Unit Owner shall convey, mortgage, pledge, hypothecate, sell their Unit unless and until all unpaid Common Charges and Maintenance Charges assessed against the Unit Owner's Unit shall have been paid to the Board of Managers of the Condominium and/or the Board of Directors of The Residences, North Hills Homeowners Association, Inc. respectively. Such unpaid Common Charges and/or Maintenance Charges can be paid out of the proceeds of the sale of a Unit, or by the Grantee. Any Unit Owner who wishes to enter into a lease for the Unit Owner's Unit shall be required to provide the Board of Managers with a copy of the lease prior to its execution. Any sale or lease of any Unit 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 Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any Purchaser from such mortgagees.

Whenever the term "Unit" is referred to in this section, it shall include the Unit, the Unit Owners undivided interest in the Common Elements and the Unit Owners interest in any Units acquired by the Board of Managers.

A Unit Owner may not advertise, list or sell, without Declarant's prior written consent, which consent may be withheld in Declarant's sole discretion, except for hardship conditions of Purchaser, a Unit acquired from Declarant for twelve (12) months after acquisition of such Unit (provided however, such limitation shall not apply from and after the date that Declarant conveys title to all of the Units). Any such conveyances in violation of the foregoing will be voidable by Declarant.

Section 2. Leasing Requirements.

All leases are to provide and be subject to the following:

Every lease on every Unit in the Condominium, will be subject to the following rules and regulations, regardless of whether stated in the lease:

the lease must be in writing;

the lease must be for the entire Unit;

the lease must be for a minimum of six (6) months.

the use of the premises is subject to the Declaration and the By-Laws and the Declaration of Covenants, Restrictions, Easements, Charges and Liens and By-Laws of The Residences, North Hills Homeowners Association, Inc. and the rules and regulations of the Community;

within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the Manager or if no Manager to a Member of the Board of Managers of the Condominium;

within forty-five (45) days of any renewal of a lease of a tenant, the name and telephone number of the tenant, together with a clear and complete copy of the renewal lease, must be furnished to the Manager or if no Manager to the Board of Managers of the Condominium for review;

the Unit cannot be used as a motel or hotel or otherwise for transient tenants;

if any Unit Owner (landlord) or tenant is in violation of any of the provisions of the applicable Declaration or By-Laws, or both, including any rules and regulations, the Board of Managers of the Condominium may bring an action in its own name or in the name of the Unit Owner, or both, to have the tenant evicted or to recover damages, or both.

Section 3. Tenant Bound by Declaration. By becoming a tenant, each tenant agrees to be bound by the Declaration, By-Laws and the other rules and regulations of both the Condominium and The Residences, North Hills Unit Owner's Association, Inc. and recognizes and accepts the right and the power of the Board of Managers to evict the tenant for any violation by the tenant of the above, and the other rules and regulations of the Board of Managers and the Condominium.

Section 4. Lenders. To protect first mortgage lenders and to encourage first mortgage lenders to make loans on Units in the Condominium, only subsection (d), (e), (g) and (h)

of Section 2 of this Article XI shall apply to a first mortgage lender who has title to the Unit through (a) foreclosure of its first mortgage on the Unit; or (b) a deed in lieu of foreclosure of its first mortgage on the Unit. Any subsequent Purchaser from the first mortgage lender is subject to all the terms of Article XI.

Section 5. Declarant. The terms of Sections 2 and 3 of this Article XI shall not be applicable to the Declarant.

Section 6. Waiver of Partition Rights. The Unit Owners waive all of their voting rights concerning partition respecting any Unit acquired by the Board of Managers in accordance with this Article.

Section 7. Mortgaging of Units. No Unit Owner shall mortgage his or her Unit except by a mortgage loan granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, mortgage 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 Declarant or in participation with one of the above institutions.

Section 8. Gifts, etc. Any Unit Owner may convey or transfer his or her Unit by gift during his or her lifetime or devise his or her Unit by will or pass the same by intestacy, without restriction.

Section 9. Board of Managers. In the event the Board of Directors of The Residences, North Hills Homeowners Association, Inc. fails to enforce any of the provisions contained in this Article XI or affirmatively relinquishes any of its rights, the Board of Managers of the Condominium shall become responsible to enforce said provisions.

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 Unit Owners pro rata according to the respective Common Interest appurtenant to the Units owned by such Unit Owners.

(b) So much of the award as is applicable to irrevocably restricted Limited Common Elements to the Unit 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. DECLARANT RIGHTS

Section 1. Sales. The Declarant, its nominees and agents, shall have the right and privilege to maintain general and local sales offices in and about the Condominium, including any model Units located within the Condominium Building or elsewhere throughout the project, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Units to prospective Purchasers, to utilize the Common Elements, and without limitation, to do any and all things necessary incident to the sale of the Units, without charge or contribution other than in the form of common charge payments as otherwise provided for herein.

Section 2. Signs. The Declarant shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to construct and sell the Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Declarant, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium. This Article XIII may not be modified or amended without the written consent of the Declarant so long as the Declarant continues to own one (1) or more unsold Units.

Section 3. Additional Rights. The Declarant, its nominees and agents shall, in addition to the above, have all the rights afforded the Declarant in the Declaration of Condominium.

ARTICLE XIV. MISCELLANEOUS

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

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void 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 Unit Owner who mortgages a Unit, shall notify the Condominium through the management agent, if any, or the President of the Board of Managers of the Condominium in the event there is no management agent, of the name and address of the mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Units".

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

Section 5. Examination of Books and Records. Every Unit Owner or his or her 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.

Section 8. Rights of Board of Managers of Condominium/Board of Directors of the Association. Any rights and obligations contained in the By-Laws that have been delegated to the Board of Directors of The Residences, North Hills Homeowners Association, Inc. shall become the affirmative obligation of the Board of Managers to perform in the event the Board of Directors of the Association fails to meet its obligations or affirmatively relinquish said rights and obligations.

Section 9. Storage Bins. Sponsor has the right to license Storage Bins to certain Unit Owners, which Storage Bins are located on each floor of the Condominium Buildings. Storage Bin Licenses are available for purchase on a first come, first serve basis from Sponsor. Unit Owners are responsible for all normal maintenance and repair to the Storage Bin which they are the licensee of. The costs and expenses of any structural or extraordinary repairs or replacements to the Storage Bins shall be a Common Expense charged to all Unit Owners. The Storage Bins may be used in accordance with applicable law and only for the storage of the personal effects of the Unit Owner having exclusive access to such Storage Bin. No items which would constitute a threat to the health or safety of the Unit Owners or other occupants of the Building or otherwise create a nuisance in the Building shall be stored in the Storage Bins. The Board has the authority to promulgate rules regarding use of and access to the Storage Bins. Neither the Sponsor nor the Board will be responsible for any damage to items placed in Storage Bins. Unit Owners who place items in Storage Bins do so at their own risk. Licensees of a Storage Bins shall have exclusive use of such Storage Bin so long as such Unit Owner owns a Unit. After Sponsor has sold all of the Storage Bin Licenses, the Board may sell Storage Bin Licenses if any Storage Bins are relinquished to the Board.

NASSAU COUNTY CLERK'S OFFICE
ENDORSEMENT COVER PAGE

Recorded Date: 04-17-2014
Recorded Time: 2:06:02 p

Liber Book: D 13066
Pages From: 336
To: 415C

Record and Return To:
FARRELL FRITZ PC
ATTN JOHN ARMENTANO
100 MOTOR PARKWAY
SUITE 138
HAUPPAUGE, NY 11788

Control Number: 5887
Ref #:
Doc Type: D03 DECLARATION RESTRICTIONS

Location:	Section	Block	Lot	Unit
N. HEMPSTEAD (2822)	0008	0000A-00	00901	
N. HEMPSTEAD (2822)	0008	0000A-00	00901	0MSTR
N. HEMPSTEAD (2822)	0008	0000A-00	00901	01001
N. HEMPSTEAD (2822)	0008	0000A-00	00901	01002
N. HEMPSTEAD (2822)	0008	0000A-00	00901	01003 SEE ATTACHED

Taxes Total	.00
Recording Totals	590.00
Total Payment	590.00

IJC001

THIS PAGE IS NOW PART OF THE INSTRUMENT AND SHOULD NOT BE REMOVED
MAUREEN O'CONNELL
COUNTY CLERK

20140417005887

NN-1. Declaration of Covenants, Restrictions, Easements, Charges and Liens

PART II
Schedule "NN"

Declaration of Covenants, Restrictions, Easements, Charges and Liens

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Covering the premises known as
The Residences, North Hills Homeowners Association, Inc.
The Residences, North Hills Condominium Phase I and
The Residences, North Hills Condominium Phase II
Section 8, Block A, Lots 889, 892, 893, 894, 895, 896, 897B, 897C and 900
North Hills, Town of North Hempstead,
County of Nassau, State of New York

Declarant: **Midtown North Hills LLC**
625 RXR Plaza,
Uniondale, New York 11556

Date of Declaration: December ___, 2013

Section Number: 8

Block Number: A

Lots: 889, 892, 893, 894, 895, 896, 897B, 897C and 900

County of Nassau

Record and Return To:

Frank Haftel
Midtown North Hills LLC
625 RXR Plaza
Uniondale, New York 11556

12/20 | FMK

Declaration of Covenants, Restrictions, Easements, Charges and Liens

Covering the premises known as
The Residences, North Hills Homeowners Association, Inc.
The Residences, North Hills Condominium Phase I and
The Residences, North Hills Condominium Phase II
Section 8, Block A, Lots 889, 892, 893, 894, 895, 896, 897B, 897C and 900
North Hills, Town of North Hempstead,
County of Nassau, State of New York

Declarant: **Midtown North Hills LLC**
625 RXR Plaza
Uniondale, New York 11556

Date of Declaration: December ___, 2013

Section 8, Block A
Lot 892, Tax Units 114 – 128, 214 – 228, 314 – 328, 414 - 426

Lot 893, Tax Units 101 – 111, 201 – 211, 301 – 311, 401 - 411

Lot 894, Tax Units 101 – 114, 210 – 214, 301 – 314, 401 - 414

Lot 895, Tax Units, 101 – 110, 201 – 210, 301 – 310, 401 – 410

Lot 896, Tax Units, 101 – 113, 201 – 213, 301 – 313, 401 – 413

Lots: 889, 897B, 897C and 900

County of Nassau

Record and Return To:

Frank Haftel
Midtown North Hills LLC
625 RXR Plaza
Uniondale, New York 11556

DECLARATION OF COVENANTS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS

This Declaration of Covenants, Restrictions, Easements Charges and Liens is made as of this_____ day of December 2013, by Midtown North Hills LLC, a New York Limited Liability Company with offices at 625 RXR Plaza, Uniondale, New York 11556, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property situated in the Incorporated Village of North Hills (the "Village"), Town of North Hempstead, County of Nassau, State of New York as more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Property"), which is to be developed as a residential condominium community comprised of two condominium regimes, both of which are subject to this Declaration (the "Community"), including roads, recreational facilities, open spaces and other common facilities for the benefit of condominium unit owners; and

WHEREAS, the Board of Trustees of the Village approved a maximum of two hundred and forty four (244) residential units to be built on the Property and Declarant, with the approval of the Village, has filed five (5) condominium maps in the office of the Clerk of the County of Nassau State of New York prior to construction (collectively the "Pre-existing Condominiums") which contain, in the aggregate, two hundred and forty four (244) residential condominium tax lots; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities of, and for the maintenance of the recreational lands, open spaces and other common facilities located within, the Community and, to this end, desires to subject the Property to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of the condominiums and owners of condominium units within the Community; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the Community to create an agency to which should be delegated and assigned the powers of maintaining and administering the common areas of the Community, enforcing the covenants and restrictions affecting the Property, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated The Residences, North Hills Homeowners Association, Inc. (the "Association") under the Not-For-Profit Corporation Law of the State of New York for the purpose of exercising the aforesaid functions; and

WHEREAS, Declarant has decided that the Community will be developed in two (2) phases, with each phase consisting of a single condominium developed by a separate company affiliated with Declarant; and

WHEREAS, Declarant desires to provide for the phased development of the Community and the consolidation of the Pre-existing Condominiums into two (2) condominiums in accordance with terms and conditions set forth herein and in each of two amended and restated Declarations of Condominium.

NOW, THEREFORE, the Declarant, for itself, its successors and assigns, declares that the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I. DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration shall, unless the context otherwise prohibits, have the meanings set forth below.

1. "Association Common Areas" or "Common Areas" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in Exhibit "B" annexed hereto and made a part hereof, and the improvements which will be owned by the Association consisting of a clubhouse, landscaped areas, roadways, common lighting, sidewalks, recreational facilities, common utilities, entranceways, gatehouses and perimeter fences, if any, in the Community.

2. "Board of Directors" shall mean the board of directors of the Association responsible for its affairs.

3. "Board of Managers" shall mean the governing body of a Condominium responsible for its affairs.

4. "By-Laws" shall mean the By-Laws governing the operation of Association, the form of which is set forth in Exhibit "H" hereto.

5. "Class 1 Members" shall mean Phase I Developer and Phase II Developer.

6. "Class 2 Members" shall mean the purchasers of Units in The Phase I Condominium and The Phase II Condominium.

7. "Common Maintenance Charges" or "Maintenance Charges" shall

mean the costs and expenses incurred by the Association in accordance with the terms hereof.

8. "Condominium" shall mean each of The Phase I Condominium and The Phase II Condominium, if developed, including, in each case, the Units to be located therein and the common elements of such condominium, if, as and when such condominiums are established.

9. "Condominium Board Phase I" shall mean the Board of Managers of The Phase I Condominium, the governing body of The Phase I Condominium which represents the Unit Owners of The Phase I Condominium pursuant to the provisions of the Declaration of Condominium and By-Laws of such Condominium.

10. "Condominium Board Phase II" shall mean the Board of Managers of The Phase II Condominium, if developed, the governing body of The Phase II Condominium which represents the Unit Owners of The Phase II Condominium pursuant to the provisions of the Declaration of Condominium and the by-laws of such Condominium.

11. "Declaration of Condominium" shall mean the instrument by which each Condominium is submitted to the provisions of the Condominium Act, and as such instrument as from time to time may be amended, consistent with the provisions of the Condominium Act and of the By-Laws.

12. "Declaration" shall mean this Declaration of Covenants, Restrictions, Easements, Charges and Liens recorded in the land records of the County Clerk of Nassau County, New York which encumbers Association Common Areas, The Phase I Condominium and The Phase II Condominium, if developed. The Declaration provides for easements between the Association Common Areas, Phase I and Phase II and in favor of the Phase I Developer and Phase II Developer. The easements as recorded provide that the Association may fulfill all of the obligations required of the Association under the Declaration of Condominium for Phase I and Phase II. The Declaration of Easements also contains reciprocal easements between the Association Common Areas, Phase I and Phase II to provide for access and maintenance of utilities and services now and hereinafter installed.

13. "GACC" shall mean German American Capital Corporation, its successors, agents and/or assigns.

14. "Governmental Approvals" shall mean all licenses, permits, permissions and approvals from a Governmental Authority applicable to the development, construction or operation of, the Phase I Property, the Phase II Property or the Association Common Areas.

15. "Governmental Authority" shall mean the United States, the State in which the Premises are located, and any political subdivision thereof, including the Village, and any agency, department, commission, board, bureau or instrumentality of any of them, and any regulatory body such as a Board of Fire Underwriters.

16. "Initial Control Period" shall mean the period from the date of this Declaration until the date on which the last Unit in the Community is transferred to a Unit Owner by the last to hold an Unsold Unit among the Phase I Developer, the Phase II Developer and the successors and assigns of either, and the Association Common Areas are completed and all municipal requirements have been satisfied.

17. "Institutional Lender" shall mean any national or internationally recognized bank or finance company with a net worth in excess of $1,000,000,000.00 or any other lender approved by Phase II Lender or Phase I Lender.

18. "Legal Requirement" shall mean and law, ordinance, order, rule or regulation, now existing or hereafter enacted, of a Governmental Authority applicable to the development, construction or operation of, the Phase I Property, the Phase II Property or the Association Common Areas.

19. "Manager" shall mean the Manager employed by the Board of Directors, the Condominium Board Phase I and the Condominium Board Phase II to undertake and perform the duties and services that the Board of Directors, the Condominium Board Phase I and the Condominium Board Phase II shall direct and who shall have such powers which are delegated to the Manager. The initial Manager is anticipated to be MIF, L.L.C., under the Ritz-Carlton brand, 10400 Fernwood Road, Bethesda, Maryland 20815 and 4445 Willard Avenue, Suite 800, Chevy Chase, Maryland 20815.

20. "Member" shall mean each holder of a membership interest in the Association as set forth in the Declaration.

21. "NCIDA" shall mean the Nassau County Industrial Development Association.

22. "Nord LB" shall mean Norddeutsche Landesbank Girozentrale, its successors, agents and/or assigns.

23. "Permitted Mortgagee" shall mean Phase I Lender, Phase II Lender and/or any Institutional Lender that provides financing to Declarant or its successors or assigns for the acquisition, construction, development and retention of the Property and any Unsold Units and/or their respective successors or assigns.

24. "Phase I Condominium" shall mean The Residences, North Hills Condominium Phase I.

25. "Phase II Condominium" shall mean The Residences, North Hills Condominium Phase II.

26. "Phase I Developer" shall mean RXR North Hills Phase I Owner LLC, its successors and assigns, including without limitation, (i) Phase I Lender, if following default Phase I Lender obtains title to the portion of the Phase I Property then owned by Phase I Developer; and (ii) any party who purchases the Phase I Property in a foreclosure sale; and (iii) any future owner of the Phase I Property that intends to develop the Phase I Property.

27. "Phase II Developer" shall mean RXR North Hills Phase II Owner LLC, its successors and assigns, including without limitation, (i) Phase II Lender, if following default Phase II Lender obtains title to the portion of the Phase I Property then owned by Phase II Developer; and (ii) any party who purchases the Phase II Property in a foreclosure sale; and (iii) any future owner of the Phase II Property that intends to develop the Phase II Property.

28. "Phase I Lender" shall mean GACC, its successors and assigns.

29. "Phase II Lender" shall mean Nord I.B, its successors and assigns.

30. "Phase I Property" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in Exhibit "C" annexed hereto and made a part hereof which shall constitute the Phase I Condominium.

31. "Phase II Property" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in Exhibit "D" annexed hereto and made a part hereof which shall constitute the Phase II Condominium.

32. "Rules and Regulations" shall mean rules and regulations promulgated from time to time by the Board of Directors.

33. ""Unit" or "Units" shall mean the residential condominium units located within the Community.

34. "Unit Owner" or "Owner" shall mean the record owner of fee simple title to any Unit subject to this Declaration of Covenants, Restrictions, Easements, Charges and Liens, not including Phase I Developer and Phase II Developer with

respect to any Unsold Unit within the Phase I Condominium and the Phase II Condominium, respectively. Every Unit Owner shall be treated for all purposes as a single owner for each Unit held, regardless of whether the ownership of such Unit is joint, in common or by tenancy by the entirety. Where such Ownership is joint, in common or by tenancy by the entirety, such collective Ownership shall constitute one (1) Member regardless of the number of Units the Member may own.

35. "Unsold Unit" shall mean a Unit owned by Phase I Developer or Phase II Developer, as applicable.

ARTICLE II. PROPERTY TRANSFERS AND FILINGS

Section 1. Declarant shall:

a. Transfer all its right title and interest in and to the Phase I Property to Phase I Developer;

b. Transfer all its right title and interest in and to the Phase II Property to Phase II Developer; and

c. Transfer all its right title and interest in and to the Association Common Areas to the Association. Declarant's transfer of title of the Association Common Areas to the Association shall be subject to the following covenant, which shall be deemed to run with the land and shall be binding upon the Phase I Property and the Phase II Property and the Association, its successors and/or assigns:

> "In order to preserve and enhance the property values of the Community, the Association Common Areas and those common elements of the Condominiums lying outside the Condominium building perimeters, including, without limitation, landscaping, signage and sidewalks, shall at all times be maintained in good repair and condition and shall be operated in accordance with the highest standards. The maintenance and repair of the Association Common Areas shall include, but not be limited to, the maintenance, repair and replacement of all gatehouses, roadways, sidewalks, landscaping, parking areas, dumpsters, the Clubhouse (when built), utilities and services not maintained by the utility company providing utility service to the Community, outdoor lighting, snow removal and lawn sprinkler systems. Nothing herein shall prevent the Association from entering into an agreement with the Condominium Board Phase I and/or the Condominium Board Phase II with respect to maintenance of those Common Elements of the Condominiums lying outside the Condominium building perimeters (e.g., landscaping). **This Section shall not be amended except by Phase I Developer and Phase II Developer and only with the consent of Phase I Lender and Phase II Lender.**

Section 2. Declarant has, prior to the execution of this Declaration, submitted to the Village an amended site plan (the "Amended Site Plan") which, if approved, will result in (a) revisions to the perimeters of the buildings to be located on the Phase I Property and a portion of the Association Common Areas, (b) changes in the total number of and floor areas of the Units within such buildings and (c) approval by the Village of the transfers of the Phase I Property and the Phase II Property to Phase I Developer and Phase II Developer, respectively, set forth in Section 1 of this Article II, and necessitate the filing with Nassau County of a revised subdivision map for the Property reflecting the revised lot lines and descriptions of the Phase I Property and the Association Common Areas, respectively (the "Amended Subdivision Map"). In the event a revised subdivision map is not approved, Phase I Developer and Phase II Developer shall make necessary revisions, subject to the consent of the Phase I Lender and Phase II Lender, in order to develop the Phase I Property, the Phase II Property and the Association Common Areas.

Section 3. Phase I Developer, Phase II Developer and the Association, together with Phase I Lender and Phase II Lender, shall cooperate in the filing of the Amended Subdivision Map, and shall sign and or consent to said filing, as required.

Section 4. Pending the filing of the Amended Subdivision Map, in order to begin the development of the Phase I Property and Association Property and to secure certain economic benefits from NCIDA prior to the filing of the Amended Subdivision Map, the Association is authorized to and shall:

a. Place a mortgage on the portions of the Association Common Areas set forth in Exhibit E-1 attached hereto and made a part hereof, in favor of Phase I Lender, with and upon the understanding that, upon the filing of the Amended Site Plan, said portions of the Association Common Areas shall be released from said mortgage; and

b. Enter into a lease with Phase I Developer respecting the aforesaid portions of the Association Common Areas set forth in Exhibit E-1, with and upon the understanding that, upon filing of the Amended Subdivision Map, said lease will terminate and be of no further force and effect.

Section 5. Upon the filing of the Amended Subdivision Map with Nassau County, the Association shall transfer to Phase I Property Owner all its right, title and interest in and to the parcels of real property set forth in Exhibit E-1, and Phase I Property Owner shall transfer to the Association all its respective right, title and interest in and to the parcels of real property set forth in Exhibit E-2 attached hereto and made a part hereof.

Section 6. Upon the transfers described in Section 4 of this Article II.

a. The Phase I Property shall consist of all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in Exhibit "F" annexed hereto; and

b. The Association Common Areas shall consist of all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in Exhibit "G" annexed hereto; and

c. Phase I Developer, Phase II Developer and the Association shall join in the execution and filing of an amendment to this Declaration reflecting the revised metes and bounds descriptions of the Phase I Property and the Association Common Areas.

Section 7. Phase I Developer shall submit to the New York State Attorney General an amended Offering Plan which consolidates the two (2) Pre-existing Condominiums located within the Phase I Property and reflects the revised Unit numbers and floor areas and the revised property descriptions set forth in Section 2 and Section 5 of this Article II, respectively.

Section 8. Phase II Developer shall submit to the New York State Attorney General an amended Offering Plan which consolidates the three (3) Pre-existing Condominiums located within the Phase II Property.

Section 9. Phase II Developer retains the right to modify the Phase II Condominium, if developed, which may modify the lot lines of the Association Common Areas. In such case, the Association and, as required, Phase I Developer, if it still holds Unsold Units, shall join in the execution and filing of an amendment to the subdivision of the Property and an amendment to this Declaration reflecting the revised metes and bounds descriptions of the Phase II Property and the Association Common Areas.

Section 10. Additions to the Property. Except to the extent contemplated in Section 4 of this Article II, there shall be no additions, subtractions or modifications to the Phase I Property without the express written consent of Phase I Lender, for so long as Phase I Lender is a holder of a mortgage on the Phase I Property. There shall be no additions, subtractions or modifications to the Phase II Property without the express written consent of Phase II Lender and any construction lender, for so long as the mortgage loan or any construction loan on the Phase II Property remains unpaid. Notwithstanding the foregoing, subject to the consent as aforesaid of Phase II Lender, Phase II Developer has reserved the rights set forth in Article IV, Section 2, below.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. The Association shall have two classes of membership interests, which shall consist of Class 1 members and Class 2 members:

Class 1 Members:

Phase I Developer and Phase II Developer shall each be a Class 1 member and there shall be no other members of Class 1 other than Phase I Developer and Phase II Developer. The Class 1 Members shall hold all voting rights in the Association until the end of the Initial Control Period. Class 1 shall have six (6) members on the Board of Directors, three (3) of which shall be designated by Phase I Developer and three (3) of which shall be designated by Phase II Developer. Phase I Developer may collaterally assign its Class 1 membership interest in the Association to Phase I Lender and Phase II Developer may collaterally assign its membership interest in the Association to Phase II Lender, in each case for so long as the mortgage loan to Phase I Developer or Phase II Developer, as the case may be, remains unpaid.

Class 2 Members:

There shall be a total of six (6) directors elected by Class 2 Members on the Board of Directors. Each purchaser of a Unit in the Phase I Condominium and each purchaser of a Condominium Unit in the Phase I Condominium shall be a Class 2 Member.

Section 2. The Board of Directors shall consist of six (6) members designated by the Class 1 Members until the first Annual Meeting of the Members of the Association, which shall take place within thirty (30) days after the end of the Initial Control Period. Thereafter, the Board of Directors shall consist of six (6) members elected by the Class 2 Members on the following basis:

a. The owner of each Unit in the Community shall be a Member of the Association, whether such ownership is joint, in common or as tenants by the entirety.

b. Each Member is entitled to one vote. When more than one person or entity holds an interest in a Unit, the one vote attributable to such Unit shall be exercised as such persons mutually determine, and not more than one vote may be cast with respect to any Unit.

c. Upon the sale of the last Unsold Unit in Phase I Property, Phase I Developer shall assign its right to designate three Class 1 members to Phase II Developer, provided that Phase II Developer still owns at least one Unsold Unit at the Phase II Property.

d. Upon the sale of the last Unsold Unit in Phase II Property, Phase II Developer shall assign its right to designate three Class 1 members to Phase I Developer, provided that Phase I Developer still owns at least one Unsold Unit at the Phase I Property.

Section 3. Voting Rights.

a. Upon the expiration of the Initial Control Period, there shall no longer be Class 1 members and the Board of Directors shall consist solely of the members elected by the Class 2 Members.

b. Within thirty days prior to the annual anniversary of the election of each Class 2 Member to the Board of Directors, a new election shall be held by the Members to elect the Board of Directors of the Association, whose respective terms shall begin on said anniversary date.

c. No Member shall split or divide its vote on any motion, resolution or ballot. Phase I Developer and Phase II Developer shall retain the voting rights for all Unsold Units in the Phase I Condominium and the Phase II Condominium, respectively, retained in accordance with this section.

Section 4. Transfer of Membership. Membership in the Association shall be appurtenant to, and may not be transferred, except in conjunction with the lawful sale or conveyance of a Unit which is subject to the Declaration. No Unit Owner shall be permitted to sell or convey his or her Unit unless and until he or she shall have paid in full to the Board of Directors all unpaid Common Maintenance Charges and other amounts required by the Board to be paid and assessed by the Board against such Unit. Upon such sale or conveyance, the seller of such Unit shall relinquish his or her membership in the Association and the Purchaser of such Unit shall automatically become a Member, subject to the Declaration, the By-Laws and the Rules and Regulations.

ARTICLE IV. DEVELOPMENT OF THE CONDOMINIUMS

Section 1. Phase I Developer intends to construct One Hundred Twenty Four (124) Units of the Phase I Property and, in connection therewith, install portions of the roadways, walkways, parking areas, utilities and a Community clubhouse in the Association Common Areas, and reserves the right to modify the plans and building layouts of the One Hundred Twenty Four (124) Units in the Phase I Condominium, which modifications shall be set forth in the Offering Plan for the Phase I Condominium or an amendment thereto and Association Common Areas; provided, however, that any such modifications shall be subject to Governmental Approvals and the written consent of the Phase I Lender and Phase II Lender.

Section 2. Phase II Developer may construct up to One Hundred Twenty (120) Units in the Phase II Condominium, and reserves the right to (a) modify the plans and building layouts of the Units contemplated in the Phase II Condominium, if developed and (b) increase or decrease the number of Units in the Phase II Condominium, if developed, which modifications or change in the number of Units shall be set forth in the Offering Plan for the Phase II Condominium or an amendment thereto; provided, however, that any such modifications or change in the number of Units shall be subject to Governmental Approvals and the written consent of the Phase I Lender and Phase II Lender.

Section 3. The provisions of Section 2 or Article IV may not be amended without the written consent of Phase II Developer and, for so long as Phase II Lender is a holder of a mortgage on the Phase II Property without the express written consent of Phase II Lender.

ARTICLE V. EASEMENTS

Section 1. Member's Easement of Enjoyment. Subject to the provisions of Section 4 of this Article V, every Member and its permitted lessees and occupants of Units, and their respective family members and guests, shall have a right and easement of enjoyment in and to the Association Common Areas and such easement shall be appurtenant to and shall pass with the title to every Unit. The Board of Directors may establish a limitation on guest privileges by guests of Members or (if the applicable zoning is held to be invalid or is revised to permit the leasing of Units) permitted lessees or occupants of Units, and may establish a limitation on the use of the Association Common Areas for parties, meetings or other similar events. Except as otherwise specifically provided in the Declaration or in the By-Laws, the Board may not impose any fee for the use and enjoyment of the Association Common Areas by Members, except that such fees may be imposed by the Board of Directors for use of the Association Common Areas by Unit Owners for, among other things, parties, meetings or other special events.

Section 2. Limitation on Members' Easements. The rights and easements of enjoyment created pursuant to Section 1 of this Article V shall be subject to the following:

a. The right of the Association to promulgate Rules and Regulations for the use and enjoyment of the Association Common Areas; and

b. The right of the Association, as provided in its By-Laws, to suspend the enjoyment rights of any Member for a period during which any Assessment remains unpaid and, for a period not to exceed thirty (30) days, for any infraction of its Rules and Regulations; and

c. The right of the Association to dedicate or transfer all or any part of the Association Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer shall be effective unless (i) during the Initial Control Period, Phase I Developer, Phase II Developer, Phase I Lender, and Phase II Lender provide consent in writing; or (ii) following the Initial Control Period, written notice of the action is sent to every Member at least ninety (90) days in advance of any action taken and an instrument signed by Members entitled to cast eighty percent (80%) of the eligible votes and their mortgagees has been recorded agreeing to such dedication or transfer; and

d. The right of Phase I Developer or Phase II Developer or the Association to grant and reserve easements and rights-of-way, in, through, under, over, upon and across the Phase I Property, the Phase II Property or the Association Common Areas, as applicable, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, gas and other utilities; and the right of Phase I Developer or Phase II Developer to grant and reserve easements and rights-of-way, in, through, under, over, upon and across Phase I Property, the Phase II Property or the Association Common Areas for the completion of Phase I Developer's or Phase II Developer's work, as applicable, pursuant to the terms of the Declaration, the By-Laws and the Rules and Regulations, subject to the consent of the Phase I Lender and the Phase II Lender; and

e. The right of Phase I Developer (with respect to the Phase I Property) or Phase II Developer (with respect to the Phase II Property) to use the Association Common Areas or to permit the Association Common Areas to be used by Phase I Developer's or Phase II Developer's designee or any prospective purchaser of a Unit or any tenants of Unsold Units, without charge, in accordance with and subject to the Declaration, the By-Laws and the Rules and Regulations. In addition, Phase I Developer and/or Phase II Developer, as applicable shall have the right, at any time when there shall be any Unsold Units, to use the Association Common Areas, without charge, for exhibitions or other promotional functions with respect to its sales programs, in accordance with and subject to the Declaration, the By-Laws, and the Rules and Regulations. Phase I Developer and Phase II Developer shall each also have the exclusive right and easement to operate an office in and to use the Clubhouse or other facility located in the Community for any lawful purpose whatsoever until such time as the last Unit in the Community is sold and closed by the Phase I Developer or Phase II Developer, as the case may be.

f. The provisions of Article V, Section 4 may not be amended without the written consent of the Developer or its successors and/or assigns.

Section 3. Right of Way and Connection Easements. Declarant does hereby establish and create for the benefit of the Association, Phase I

Developer (with respect to the Phase I Property), Phase II Developer (with respect to the Phase II Property) and for occupants of Units:

a. Right-of-way for ingress and egress by vehicles or on foot, in, through, over, under, upon and across the streets, roads, and all walks in the Association Common Areas for all purposes; and

b. Rights to connect with, maintain and make use of utility lines, wires, pipes, conduits, cable television lines, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the Association Common Areas.

Section 4. Reservation of Easements.

a. Declarant reserves for itself and, upon the transfers contemplated in Section 1 of Article II, for the Association, Phase I Developer (with respect to the Phase I Property), Phase II Developer (with respect to the Phase II Property):

i. easements, licenses, rights and privileges of a right-of-way in, through, over, under, upon and across the Association Common Areas, the Phase I Property and the Phase II Property, for the purpose of completing all construction and work required for the development of the Community and the Phase I Condominium and the Phase II Condominium;

ii. the right to grant and reserve easements and rights-of-way in, through, under, over, upon and across the Phase I Property or the Phase II Property, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, gas and other utilities and for any other materials or services necessary for the completion of the work;

iii. the right to connect with, maintain and make use of the utility lines, wires, pipes, conduits, cable television lines, sewers and drainage lines which may from time-to-time be in or along the streets and roads or other areas of the Phase I Property or the Phase II Property;

iv. the right of ingress and egress to each Unit on the Phase I and Phase II Properties for the purpose of connecting any and all lines, pipes or any other materials or services necessary for any utilities to each Unit.

b. Declarant reserves for itself and, upon the transfers contemplated in Section 1 of Article II, for Phase I Developer (with respect to the Phase I Property) and Phase II Developer (with respect to the Phase II Property), and

any Selling Agent retained by either of them:

i. the right to continue to use the Phase I Property and the Phase II Property, as the case may be, and any sales offices, maintenance building, model Units, Unsold Units, signs, and parking spaces located thereon in their efforts to market Units constructed by them for so long as there are any Unsold Units remaining in the Phase I Property or the Phase II Property, respectively;

ii. the right to use the clubhouse or a portion thereof or any other facility located in the Common Areas, as its sales office or business office so long as there are any Unsold Units remaining in the Community. Developer further reserves the right to maintain upon the Properties such facilities as may be required, convenient or incidental for the completion of its work under Section 1 above including, without limitation, a business office, storage area, construction trailers, construction equipment and supplies, for so long as there are any Unsold Units remaining in the Community. This Paragraph may not be amended without the written consent of the Phase I Developer and the Phase II Developer.

Section 5. Easement for Emergency Access. Declarant does hereby establish for itself and, upon the transfers contemplated in Section 1 of Article II, for the Association, Phase I Developer (with respect to the Phase I Property), Phase II Developer (with respect to the Phase II Property) an easement of ingress and egress over the roadways, walkways, driveways, parking areas and all other Association Common Areas for the benefit of all emergency vehicles and personnel including but not limited to police, fire, and medical vehicles and personnel.

Section 6. Easement for Repair. Declarant does hereby establish for the Board of Directors, the Manager, if any, any manager or employee of the Association and any other person authorized by any of the foregoing, an easement in, to and through the Association Common Areas or any portion thereof in favor of the foregoing persons: (a) to operate, maintain, repair, alter, rebuild, restore and replace any of the Association Common Areas, including, without limitation, any sign identifying the Association located at the entrance to the Community and any advertising and/or directional signs; and (b) to perform any of their respective duties in accordance with the Declaration, the By-Laws and the Rules and Regulations.

Section 7. Future Easements. Declarant reserves for itself and, upon the transfers contemplated in Section 1 of Article II, for the Association, Phase I Developer (with respect to the Phase I Property), Phase II Developer (with respect to the Phase II Property) the right, so long as there are any Unsold Units in the Phase I Property or in the Phase II Property, as the case may be, to place any easements in, to or under Association Common Areas, the Phase I

Property or the Phase II Property which Phase I Developer or Phase II Developer, as the case may be, shall deem necessary for the benefit of the Association and its Members, subject to the consent of Phase I Lender and Phase II Lender.

Section 8. Mutual Temporary and/or Permanent Easements for Encroachments.

a. Encroachments on the Association Common Areas. Declarant reserves for itself and, upon the transfers contemplated in Section 1 of Article II, for Phase I Developer (with respect to the Phase I Property), Phase II Developer (with respect to the Phase II Property) the right to construct any portion of any roadway, walkway, parking area, driveway, terrace, deck, water lines, sewer lines, drainage lines, electric and gas meters, utility lines, sprinkler system, fences, light standards, stairways, guardrails, building or any other structure which may encroach, on a temporary or permanent basis, on the Association Common Areas. In the event that any portion of any roadway, walkway, parking area, driveway, deck, water lines, sewer lines, drainage lines, electric and gas meters, utility lines, sprinkler system, fences, light standards, stairways, guardrails, building, any other structure or any facility required to comply with municipal requirements as originally constructed by Phase I Developer and/or Phase II Developer encroaches on the Association Common Areas, it shall be deemed, subject to the consent of Phase I Lender and Phase II Lender, that the Association has granted a perpetual easement to the Unit Owner or the Association, as the case may be, for continuing maintenance and use of such encroaching roadway, walkway, driveway, deck, parking area, waterline, sewer lines, drainage lines, electric and gas meters, utility lines, sprinkler system, stairways, guardrails, building, structure or any facility required to comply with municipal requirements. The foregoing shall also apply to any replacements of any such roadway, walkway, driveway, deck, parking area, water lines, electric and gas meters, sewer lines, drainage lines, utility lines, sprinkler system, stairways, guardrails, building, structure or any facility required to comply with municipal requirements if same are constructed in substantial conformance to the original. The encroachment for sewer lines, water lines and utility lines shall also apply to sewer and utility lines which may run under the Unit or building and utility lines which run through the attic area of the Unit or building. The foregoing conditions shall be perpetual in duration and shall not be amended.

b. Encroachments on the Association Common Areas. Encroachments on the Phase I Property and/or the Phase II Property. Declarant reserves for itself and, upon the transfers contemplated in Section 1 of Article II, for the Association, Phase I Developer (with respect to the Phase II Property) and Phase II Developer (with respect to the Phase I Property) the right to construct any portion of any roadway, walkway, parking area, driveway, terrace, deck, water lines, sewer lines, drainage lines, electric and gas meters, utility lines, sprinkler system, fences, light standards, stairways, guardrails, building or

any other structure which may encroach, on a temporary or permanent basis, on the Phase I Property and/or the Phase II Property. In the event that any portion of any roadway, walkway, parking area, driveway, deck, water lines, sewer lines, drainage lines, electric and gas meters, utility lines, sprinkler system, fences, light standards, stairways, guardrails, building, any other structure or any facility required to comply with municipal requirements as originally constructed by Phase I Developer and/or Phase II Developer encroaches on the Phase I Property and/or the Phase II Property, it shall be deemed, subject to the consent of Phase I Lender and Phase II Lender, that Phase I Developer or Phase II Developer, has granted a perpetual easement to the Unit Owner or the Association, as the case may be, for continuing maintenance and use of such encroaching roadway, walkway, driveway, deck, parking area, waterline, sewer lines, drainage lines, electric and gas meters, utility lines, sprinkler system, stairways, guardrails, building, structure or any facility required to comply with municipal requirements. The foregoing shall also apply to any replacements of any such roadway, walkway, driveway, deck, parking area, water lines, electric and gas meters, sewer lines, drainage lines, utility lines, sprinkler system, stairways, guardrails, building, structure or any facility required to comply with municipal requirements if same are constructed in substantial conformance to the original. The encroachment for sewer lines, water lines and utility lines shall also apply to sewer and utility lines which may run under the Unit or building and utility lines which run through the attic area of the Unit or building. The foregoing conditions shall be perpetual in duration and shall not be amended.

c. Lender Consent. Whether or not otherwise set forth herein, all changes, modifications or terminations of easements shall only be permitted subject to the consent of the Phase I Lender and Phase II Lender until their loans have been repaid in full.

ARTICLE VI. COVENANT FOR COMMON MAINTENANCE CHARGES

Section 1. Creation of the Lien and Personal Obligation. Each of Phase I Developer and Phase II Developer, for each Unsold Unit then subject to the Declaration owned by it within the Community, hereby covenants, and each Unit Owner of any Unit by acceptance of a deed for such Unit, whether or not it shall be expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association such Common Maintenance Charges as hereinafter provided. All sums assessed by the Association but unpaid, together with such interest thereon and the cost of collection thereof as is hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property owned by such Unit Owner against which each such Common Maintenance Charges is made. Each such Assessment, together with interest thereon and cost of collection thereof, as hereinafter provided shall be a personal obligation of the person who was the Unit Owner of such property at the time when the Common Maintenance Charges fell due.

Section 2. Purpose of the Assessment. The Common Maintenance Charges levied by the Association shall be used exclusively for the purpose of maintaining the Association Common Areas and those common elements of the Condominiums lying outside the Condominium building perimeters, including, without limitation, landscaping, signage and sidewalks, in accordance with the Declaration and to provide related services and for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Association Common Areas, including, without limiting the foregoing, the payment of taxes on the Association Common Areas (if any), insurance on the Association Common Areas, all roadways, walkways and parking areas located within the Community, snow removal except for snow removal from any terrace or balcony appurtenant to a Unit.

Section 3. Common Maintenance Charges. The Board of Directors 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 Association and shall send a copy of the budget and any supplement to the budget to each Unit Owner prior to assessing the Unit Owners with respect to Common Maintenance Charges. The Board of Directors shall determine the total amount required, including operational items such as insurance, repairs, reserves, maintenance and other operating expenses, as well as charges to cover any deficits from prior years and capital improvements approved by the Board of Directors. The total annual requirements and any supplemental requirements shall be allocated among, assessed to and paid by the Unit Owners as follows:

a. After the closing of title of the first unit in a Condominium, each Unit Owner in such Condominium shall pay an equal portion of the Common

Maintenance Charges. Phase I Developer's and Phase II Developer's respective obligations for the Common Maintenance Charges on Unsold Units will be limited to the difference between the actual operating costs of the Association, including reserves, for the Association Common Areas, and the Common Maintenance Charges levied on the Unit Owners who have closed title on their Units ("Deficiency Contribution"). Phase II Developer shall not be required to contribute toward Common Maintenance Charges until there has been the closing of a sale of a Unit at Phase II Condominium, unless, the Association is separately assessed for real property taxes, and in such case, Phase II Developer shall contribute toward said real property taxes. The above notwithstanding, Phase II Developer shall be required to contribute toward the Association's annual expenses incurred for security and insurance premiums.

b. Such Common Maintenance Charges paid by said Unit Owners are to be based on a full occupancy budget of all Units and Unsold Units, constructed or not yet constructed, then subject to the Declaration. In no event, however, will Phase I Developer or Phase II Developer be required to make a Deficiency Contribution in an amount greater than it would otherwise be liable for if it were paying full Common Maintenance Charges on Unsold Units for the Unsold Units, constructed or not yet constructed, then subject to the Declaration. In the event the Common Maintenance Charges exceed the amount contributed by the Unit Owners who have closed title plus the maximum amount that Phase I Developer and Phase II Developer are obligated to contribute, the additional Common Maintenance Charges are to be pro-rated equally among the Unit Owners who have closed title and the Unsold Units still owned by Phase I Developer and Phase II Developer. The amount of any deficiency obligation on the part of Phase I Developer and/or Phase II Developer shall not include uncollected Common Maintenance Charges from Unit Owners. Surplus funds in the Association budget from prior years, except Reserve Funds, shall first be applied against any Deficiency Contribution of. The funding of any Reserve Fund is to commence upon the completion of the item for which the Reserve Fund is to be established. The sum due to the Association from each individual Unit Owner shall constitute a Common Maintenance Charge of the Board of Directors and unpaid Common Maintenance Charges shall constitute liens on the individual Units and the personal obligation of the Unit Owner, subject to foreclosure as hereinafter provided.

Section 4. Due Dates; Duties of the Board of Directors. All Common Maintenance Charges shall be payable monthly in advance as ordered by the Board of Directors. The Board of Directors shall fix the date of commencement and the amount of the Common Maintenance Charges against each Unit and shall prepare a roster of the Units and Common Maintenance Charges applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Unit Owner. Upon the written request of a Unit Owner or its mortgagee, the Board of Directors shall promptly furnish such Unit

Owner or its Mortgagee with a written statement of the unpaid Common Maintenance Charges due from such Unit Owner.

Section 5. Effect of Non-Payment of Assessment. The Personal Obligation of the Unit Owner; The Lien, Remedies of the Association. If a Common Maintenance Charge is not paid on the date when due, as fixed by the Board of Directors, then such Common Maintenance Charge shall become delinquent and shall, together with such late charges and interest thereon and cost of collection thereof as hereinafter provided thereupon, become a continuing lien on the Unit Owner's Unit and binding upon his or her heirs, devisees, personal representatives and assigns. Such lien shall be prior to all other liens except: (a) tax or Assessment liens on the Unit by the taxing subdivision of any governmental authority, including but not limited to State, County, Village and School District taxing agencies; (b) all sums unpaid on any first mortgage of record encumbering the Unit; and (c) all unpaid Common Charges of the Unit Owner to the Unit Owner's Condominium. The personal obligation of the Unit Owner who was the owner of the Unit when the Common Maintenance Charges fell due to pay such Common Maintenance Charges, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

Section 6. Late Charges and Interest. In the event any Unit Owner fails to make payment of a Common Maintenance Charge, the Unit Owner who owns such Unit shall be obligated to pay (a) a "late charge" of $150.00 for such amounts which remain unpaid for more than fifteen (15) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of 2% per month (but in no event in excess of the maximum rate permitted by law) on such unpaid amounts (less any "late charges" theretofore collected on such amounts) computed from the due date thereof, and (c) all expenses, including, without limitation, attorney's fees paid or incurred by the Board or by any Manager in any proceeding brought to collect such unpaid Common Maintenance Charge or in an action to foreclose the lien on such Unit Owner's Unit arising from said unpaid Common Maintenance Charge in the manner permitted by applicable law. All such "late charges", interest and expenses shall be added to and shall constitute Common Maintenance Charges payable by such Unit Owner. The Board of Directors (on behalf of the Unit Owners) shall have the right to bring an action to foreclose a lien on a Unit in the event the Unit Owner is in default in the payment of Common Maintenance Charges. A suit to recover a money judgment for unpaid Common Maintenance Charges shall also be maintainable, at the option of the Board of Directors, without foregoing or waiving the lien securing such charges. In the event of a foreclosure sale of a Unit by the mortgagee of a Unit or by the Board of Directors of its lien on any Unit for unpaid Common Maintenance Charges, if the net proceeds of the foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred therewith) shall be insufficient for the

payment of such unpaid Common Maintenance Charges, or if a Unit is acquired by a mortgagee or Purchaser in foreclosure, the owner of such Unit prior to foreclosure sale shall remain liable for the payment of all unpaid Common Maintenance Charges which accrued prior to such sale.

ARTICLE VII. ARCHITECTURAL CONTROL.

No building, terrace, balcony, fence, sign, statuary, wall or other structure, or change or alteration to the exterior of the building or the Unit or color of the Units or in the landscaping shall be commenced, erected, replaced, repaired or maintained, nor shall any exterior addition to, or change or alteration thereto, be made until the plans and specifications showing the nature, kind, shape, height, materials, color and locations of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors or by an architectural or landscaping committee composed of three or more representatives appointed by the Board of Directors as detailed in the Association By-Laws. In the event that the Board of Directors or its designated committee fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. The provisions of this Paragraph shall not apply to either Phase I Developer or Phase II Developer.

ARTICLE VIII. INSURANCE

Section 1. Association Common Areas. The Board shall be required to obtain and maintain, to the extent obtainable and to the extent determined by the Board to be appropriate, the following insurance: (i) fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring all of the buildings owned by the Association, including contents therein, in an amount equal to the full replacement value of any such buildings; (ii) workers compensation and New York State disability benefits insurance for any employees; (iii) fidelity insurance covering all officers, Board members, directors and employees of the Association and of the r agents who handle funds of the Association; (iv) directors and officers errors and omissions insurance; and (v) such other insurance as the Board of Directors may determine. The premiums for all insurance referred to above and for the liability insurance referred to below shall be Common Maintenance Charges chargeable to the Members as provided herein or in the By-Laws.

Section 2. Liability Insurance. The Board of Directors shall also be required to obtain and maintain, to the extent obtainable, commercial general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Association Common Areas in such limits as the Board of Directors may from time to time determine, covering (i) the Board of

Directors, any manager appointed by the Board and the Members of the Association and any lessee, occupant and family member. The Board of Directors shall also be required to obtain and maintain, on behalf of the Board, fidelity insurance covering the Board of Directors, any manager, each member of the Board of Directors and each officer and employee of the Association employed as such. Until the first meeting of the Board of Directors following the first annual Unit Owners meeting, such commercial general liability insurance shall be in a single limit of no less than $5,000,000 covering all claims for bodily injury and for property damage arising out of one occurrence. Such commercial general liability insurance shall commence on the conveyance of real property to the Association.

Section 4. No Personal Liability. Neither the Association nor any manager shall be responsible for any claims, losses, injuries or damages that result from the acts or omissions of the Unit Owners, their agents, invitees or guests which may occur on the Association Common Areas or for claims, losses, injuries or damages that occur within a Unit when used, occupied or rented by the Unit Owner.

Section 5. Repair or Reconstruction of the Association Common Areas after Fire or Other Casualty. In the event that the Association Common Areas or any part thereof is damaged or destroyed by fire or other casualty the Board of Directors will arrange for the prompt repair and restoration thereof and the Board of Directors, or the Association's property insurance carrier, as the case may be, shall disburse the insurance proceeds to the contractors engaged in such repair and restoration in appropriate progress payments. If the insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be borne equally by all Unit Owners as a Common Maintenance Charge or shared equally by all Unit Owners, except that the amount of any surplus payable to any Member pursuant to this Section 2 shall be lessened by the amount of any unpaid Common Maintenance Charge against such Unit Owner.

ARTICLE IX. USE OF PROPERTY

Section 1. Additional Member Covenants. The use of the Association Common Areas shall be subject to the Declaration, the By-Laws and the Rules and Regulations and the following covenants and restrictions:

a. Any Member who mortgages or sells its Unit shall immediately notify the Board of Directors providing the name and address of the mortgagee or the new Unit Owner.

b. The Board of Directors shall, at the request of the mortgagee of the Unit, report any delinquent assessments for Common Maintenance Charges applicable to such Unit.

c. No practice shall be allowed which is a source of annoyance to residents of the Community or which interferes with the peaceful possession and proper use of the Association Common Areas by the Members.

d. No improper, offensive or unlawful use shall be made of the Association Common Areas nor any part thereof, and all Legal Requirements shall be observed.

e. Regulations promulgated by the Board of Directors concerning the use of the Association Common Areas shall be observed by the Members.

f. The Common Maintenance Charges shall be paid when due.

g. Unit Owners will be limited to two (2) domestic pets per Unit.

h. No animals, birds or reptiles of any kind shall be raised, bred, or kept in any Unit or in the Association Common Areas, except that dogs, cats or other common household pets, may be kept in Units, subject to (g) above, and to the Rules and Regulations, including those prohibiting any animals being kept or maintained for any commercial purposes, and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Community upon three (3) days written notice from the Board of Directors. All dogs, cats, and other pets must be leashed and shall not be permitted to run loose. Unit Owners shall be responsible for picking up and disposing of their pet's waste and, for any damage caused by their pets to the Association Common Areas.

i. No Unit Owner within the Community shall post any signs, advertisements or posters of any kind including "for sale" or "for rent" signs in or on the Association Common Areas.

j. No Unit Owner within the Community shall move, remove, add or otherwise change the landscaping within the Association Common Areas without the consent of the Board of Directors or any Architectural Committee.

k. No person shall park an automobile, boat, trailer, off-track vehicle, camper, bus, truck, snowmobile or other commercial or recreational vehicle (each, a "Vehicle") on Association Common Areas except in designated parking areas. Any person parking a Vehicle illegally shall be subject to its Vehicle being towed and the imposition of a fine. In the event a Vehicle is towed, all costs associated with the removal of the Vehicle shall be the responsibility of the owner of the Vehicle and the Association shall not be held responsible for any damage to the Vehicle.

l. No repair of a Vehicle as referred to in (l) above shall be made in

within the Association Common Areas, nor shall such areas be used for storage or overnight parking of any Vehicle as referred to in (l) above, without the written permission of the Board. Automobiles shall include SUV's, station wagons or other similar types of Vehicles.

m. No person shall be permitted to use the Association Common Areas except in accordance with the Rules and Regulations.

n. The Association Common Areas shall not be obstructed, littered, defaced or misused in any manner.

o. Each Member shall be liable for any and all damage to the Association Common Areas caused by such Member, its permitted lessees and occupants of Units, their respective family members and guests and any other person for whose conduct said Member is legally responsible.

p. Nothing shall be done or kept on the Association Common Areas which will increase the rate of insurance of the Association Common Areas or contents thereof without the prior written consent of the Board of Directors. No Member shall permit anything to be done or kept on the Association Common Areas which will result in the cancellation of insurance on the Association Common Areas or which would be in violation of any applicable law.

q. Any room in the Community's clubhouse may be rented to a Unit Owner subject to any rules, regulations and costs that may be imposed by the Board of Directors. The Board of Directors may require a security deposit and adequate insurance for any damage that may be incurred as a result of the use of the Clubhouse, the Board of Directors is not required to permit the rental of any portion of the Clubhouse.

r. Planting of fruits or vegetables is absolutely prohibited in or on any Association Common Areas without the express written consent of the Board of Directors.

s. The Board of Directors may adopt rules and regulations regarding the operation of any recreational facilities within the Association Common Areas.

t. Unit Owners will faithfully observe the procedures established from time to time by the Board of Directors or the Manager with respect to services provided and the management of the Association Common Areas.

u. Any consent or approval given under the Rules and Regulations *may be added to, amended or repealed at any time by resolution of the Board of* Directors.

v. Phase I Developer and Phase II Developer shall each have the right to display signs for promotional, sales, exhibit and administrative purposes upon any portion of the Association Common Areas or upon any Unsold Unit until the last Unsold Unit within the Community is sold and conveyed. Phase I Developer and Phase II Developer shall have the right, the foregoing notwithstanding, to place permanent signs on Units of its choice, at sites chosen by Phase I Developer and Phase II Developer. No Unit Owner (other than Phase I Developer and Phase II Developer) or tenant or other person on the premises shall remove, alter, change, interfere with or tamper with, in any way, said signs, walls or fences, which shall be maintained in good condition by the Association and its Board of Directors. The cost of such maintenance shall be treated as a Common Maintenance Charge.

Section 2. Additional Rules and Regulations. The Board shall have the power to amend these use restrictions and to make such additional rules and regulations as may be necessary to carry out the intent of this Declaration without obtaining the approval, consent or signature of the Members of the Association and shall have the right to bring lawsuits to enforce the Rules and Regulations.

Section 3. Violations. Upon receipt by the President of the Board of Directors of a signed written complaint alleging violation of any of the Declaration, By-Laws or Rules and Regulations as herein established or hereafter established or adopted by the Board of Directors, the President of the Board, or in the President's absence, the Vice President together with any two (2) members of the Board, without a formal meeting of the Board of Directors, shall make a determination as to the validity of the complaint. If in their determination the complaint is valid and justified the Board of Directors shall send written notice of such violation to the violator. If the violation is not corrected or eliminated within a period of three (3) days from the date of receipt of such notice, another notice will be sent levying a fine of up to $100.00 upon the violator. Such fine is to be considered as an additional Common Maintenance Charge to the account of the violator and shall be treated as such regarding late penalties and a lien upon the Unit Owner of the violator as elsewhere provided. If after imposition of a fine the violation is not corrected or eliminated, the Board of Directors may assess additional fines of up to $100.00 each after serving written notice upon the violator as provided for above. If the violation results in loss of or damage to the Association Common Areas, the Board of Directors shall direct the Manager or the Board of Directors, if there is no Manager, to have said loss or damage repaired or replaced, and the actual cost of said repair or replacement shall be assessed to said violator as an additional Common Maintenance Charge.

Section 4. Fines. Any costs incurred by the Board of Directors to remedy or cure any violation of the Declaration, By-Laws or the Rules or Regulations shall be an additional Common Maintenance Charge charged to the violator in addition to the fine(s) levied upon the violator. Fines may be levied against a

Unit Owner's tenant, if the tenant is in violation of the Declaration, By-Laws or the Rules or Regulations, and the Unit Owner shall be jointly and severally liable with his or her tenant for the payment of same. In the event the Association institutes legal action for the collection of any fines or the enforcement of any of the provisions of the Declaration, By-Laws and/or Rules and Regulations, then the defendant shall be responsible for payment of reasonable attorney's fees of the Association plus interest and costs of suit.

Section 5. Liability for Fines. The foregoing provisions respecting fines shall not apply to: (a) Phase I Developer, or Phase I Lender if Phase I Lender takes title to the Phase I Property then owned by Phase I Owner; or to Phase II Developer; or (b) to Phase II Lender if Phase II Lender takes title to the Phase II Property then owned by Phase II Owner, unless and to the extent that such fines are required to comply with Legal Requirements, or to remedy any governmental notice of violation.

Section 6. Reimbursement of Expenses. In the event it becomes necessary for the Association to enforce any provisions of the Declaration, the By-Laws and/or Rules or Regulations, such Unit Owner, tenant guest, or occupant will be required to reimburse the Association for any costs incurred in connection herewith, including reasonable attorney's fees, interest and costs of suit. The Unit Owner shall at all times be and remain responsible for his tenant's actions or omissions.

Section 7. Delegation by Board. The Board of Directors may delegate to a manager all of its rights provided herein governing use of the Association Common Areas and all of such rights may be enforced by such manager on behalf of the Board of Directors.

ARTICLE X. GENERAL PROVISIONS

Section 1. Beneficiaries of Easements, Licenses, Rights and Privileges. The easements, licenses, rights or privileges established, created and granted by the Declaration shall be for the benefit of, and restricted solely to, Phase I Developer, Phase II Developer and the Association and the Unit Owners of Units and Unsold Units in the Community. A Unit Owner may grant the benefit of such easement, license, right or privilege to its tenants and guests and their immediate families for the duration of their tenancies or visits, subject in the case of the Association Common Areas to the Rules and Regulations of the Board of Directors, but the same is not intended nor shall it be construed as creating any rights for the benefit of the general public, or an easement of any kind in such tenants, guests and their immediate families.

Section 2. Duration and Amendment. The covenants and restrictions, in this Declaration provided shall run with, and bind the land, and shall inure to the benefit of, and be enforceable by the Association, Phase I Developer, Phase II

Developer, any Member and Unit Owner subject to the Declaration, their respective legal representatives, heirs, successors and/or assigns. The easements, licenses, rights and privileges established and created with respect to the Property by Article V shall be perpetual, run with the land, and shall survive any destruction, reconstruction and relocation of the physical structure, unless said provision is abrogated by the unanimous written consent of all the Members, with the written consent of any Permitted Mortgagee. Notwithstanding the foregoing, this Declaration may be amended with the unanimous consent of Phase I Developer and Phase II Developer, without the consent of the Class 2 members (Members), provided that such amendment does not materially increase the obligations or materially impair the rights of the Unit Owners other than Phase I Developer or Phase II Developer.

Section 2. Recording of Amendment. Phase I Developer and Phase II Developer shall have the right without vote or consent of other members of the Association to execute or (on their request) to require the Board of Directors to execute and record in the Office of the Nassau County Clerk, and elsewhere if required by law, an amendment or amendments to this Declaration (together with such other documents, plans and maps as may be required to effectuate the same) to reflect (i) any changes in the Association made Phase I Developer or Phase II Developer) including, but without being limited to, the final location, dimensions or size of any building or Association Common Areas.

Section 3. Percentage Requirement for Amendment. Unless specifically prohibited or different requirements are provided herein, the Declaration may be amended by an instrument signed by Members holding not less than sixty-six and two-thirds (66-2/3%) percent of then existing membership. Any amendment must be properly recorded to be effective.

Section 4. Technical and Non-material Corrections. Declarant reserves for itself and, upon the transfers contemplated in Section 1 of Article II, for the Association, Phase I Developer (with respect to the Phase I Property), Phase II Developer (with respect to the Phase II Property) the right to amend, modify, add to or delete from the Declaration at any time without the requirement of obtaining the approval, consent or signature of the Board of Directors or any Members for the purpose of making any technical corrections or additions or any other changes that do not materially and adversely affect Unit Owners or their mortgagees. Such amendment, modification, addition, or deletion of, to or from the Declaration, duly executed, in form for recording, shall be recorded by the Association, Phase I Developer (with respect to the Phase I Property), Phase II Developer (with respect to the Phase II Property) against the Property and theretofore subject to the Declaration.

Section 5. Lender Consent to Amendment. Notwithstanding any provision of this Article or of the Declaration to the contrary, the Declaration may not be amended without the written consent of Phase I Lender, for so long as

Phase I Lender's mortgage loan to Phase I Developer remains unpaid, and/or Phase II Lender, for so long as Phase II Lender's mortgage loan to Phase II Developer remains unpaid.

Section 6. Disposition of Assets Upon Dissolution of Association. Upon dissolution of the Association, its real and personal assets, including the Association Common Areas, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of the Association Common Areas shall be effective to divest or diminish any right or title to any Member vested in him under the licenses, covenants and easements of the Declaration, or under any subsequently recorded covenants, deeds or other documents applicable to the Property, except as may be otherwise provided in the Declaration or said covenants, deeds or other documents, as the case may be, nor shall any other party under any such deeds, covenants or other documents be deprived of any rights thereunder on account of such disposition.

Section 7. Notices. Any notice required to be sent to any Member or Unit Owner under the provisions of the Declaration shall be deemed to have been properly sent when mailed, by certified mail return receipt requested, postpaid, to the last known address of the person who appears as Member or Unit Owner on the records of the Association at the time of such mailing or by electronic mail.

Section 8. Administration. The administration of the Association shall be in accordance with the provisions of the Association By-Laws which are made a part of the Declaration and attached hereto as Exhibit "H".

Section 9. Special Rights of Phase I Developer and Phase II Developer. Notwithstanding anything to the contrary contained herein so long as there are any Unsold Units in the Phase I Condominium or the Phase II Condominium, if developed, Phase I Developer or Phase II Developer, as the case may be, shall have the right, without requiring the consent of either the Association or any other Member(s), and without charge or limitation, to:

a. Have its employees, contractors, subcontractors and sales agents present on the Property and in the Unsold Units;

b. Erect and maintain signs and other promotional materials (including, without limitation, "For Sale", and "For Rent" signs), in connection with the promotion, sale, leasing, management, or operation of the Unsold Units;

c. Use any one or more Units or Unsold Units as (a) model Units, (b)

offices for the promotion, sale, rental, management and/or operation of the Unsold Units, (c) offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, it with respect to the Association Common Areas and/or the Units or Unsold Units and/or (d) for any other purpose;

d. Do and cause to be done all of the things that are necessary, desirable or appropriate (including, without limitation, the use of the Association Common Areas and the Unsold Units) for the purpose of (a) the promotion, sale, rental, management and/or operation of the Unsold Units, (b) the performance and completion of installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Developer with respect to the Association Common Areas and/or (c) the exercise, performance and discharge of Developer's other rights and obligations under the Declaration, the By-Laws or the Rules and Regulations; and

e. Use any Recreational Facility or portion thereof as (a) offices for the promotion, sale, rental, management and/or operation of the Unsold Units, (b) offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Developer with respect to the Association Common Areas and/or the Units or Unsold Units and/or (c) for any other purpose.

f. In no event, however, shall Phase I Developer or Phase II Developer be entitled to use any portion of the Association Common Areas in such a manner as will unreasonably interfere with the use of the same or of any Unit for its permitted purposes.

g. The provisions of this Article X, Section 9 may not be amended without the written consent of the Phase I Developer and Phase II Developer.

Section 10. Severability. Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no way affect any of the remaining provisions hereof and the same shall continue in full force and effect.

Midtown North Hills, LLC

A New York Limited Liability Company

By: _____
Name: Jason Barnett
Title: Authorized Person

STATE OF NEW YORK)
COUNTY OF NASSAU)

On this _____ day of December, 2013, before me, the undersigned a Notary public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

_____
Notary Public
State of New York

EXHIBIT "A"

Legal Description
of the Property

(See Attached)

Title No. 572147NY3

AMENDED 11/26/2013 (fho) VANDERBILT HEADING AMENDED

SCHEDULE "A"

REVISED OVERALL PROPERTY DESCRIPTION

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A CONCRETE MONUMENT ON THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY, I-495, SOUTH SERVICE ROAD FORMERLY LITTLE NECK-OLD WESTBURY ROAD (OLD POWERHOUSE ROAD), 583.06 FEET EAST OF THE INTERSECTION OF THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD WITH THE NEW EASTERLY SIDE OF NEW HYDE PARK ROAD:

THENCE ALONG THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET TO LAND NOW OR FORMERLY OF REALM, LLC.

THENCE ALONG LAND NOW OR FORMERLY OF REALM, LLC THE FOLLOWING THREE (3) COURSES;

1. SOUTH 00° 31' 00" EAST, 621.48 FEET.

2. NORTH 89° 29' 00" EAST, 313.96 FEET TO LAND NOW OR FORMERLY OF NORTH HILLS ASSOCIATES, LLC.

3. SOUTHERLY ALONG LANDS NOW OR FORMERLY OF NORTH HILLS ASSOCIATES, LLC SOUTH 08° 24' 00" WEST, 613.64 FEET TO THE LAND OF NEW YORK STATE PARK COMMISSION.

THENCE WESTERLY THE FOLLOWING SEVEN (7) COURSES ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD AND PARTLY ALONG LANDS OF NEW YORK STATE PARK COMMISSION:

1. NORTH 76° 47' 50" WEST, 16.24 FEET.

2. NORTH 83° 42' 00" WEST, 9.42 FEET.

3. NORTH 80° 59' 00" WEST, 104.95 FEET.

4. SOUTH 76° 53' 38" WEST, 174.25 FEET.

5. ALONG THE ARC OF A CURVE BEARING TO THE LEFT, HAVING A RADIUS OF 5829.65 FEET. WITH A CHORD BEARING OF SOUTH 75° 48' 57.3" WEST, 219.36 FEET.

6. SOUTH 88° 04' 03" WEST, 546.12 FEET.

7. NORTH 61° 02' 37" WEST, 76.53 FEET TO THE EASTERLY SIDE OF NEW HYDE PARK ROAD.

NORTHERLY ALONG THE EASTERLY SIDE OF NEW HYDE PARK ROAD, NORTH 13° 30' 07" WEST, 97.72 FEET TO THE FORMER CENTERLINE OF I.U. WILLETS ROAD.

Continued...

THENCE EASTERLY ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD THE FOLLOWING TWO (2) COURSES:

1. NORTH 77° 58' 02" EAST, 77.19 FEET.

2. NORTH 87° 17' 00" EAST, 414.18 FEET TO THE EASTERLY SIDE OF LAND NOW OR FORMERLY OF X CELL REALTY ASSOCIATES.

THENCE NORTHERLY ALONG THE EASTERLY SIDE OF LAND NOW OR FORMERLY OF X CELL REALTY ASSOCIATES THE FOLLOWING TWO (2) COURSES.

1. NORTH 00° 31' 00" WEST, 763.99 FEET TO A CONCRETE MONUMENT.

2. NORTH 26° 53' 10" WEST, 146.34 FEET TO A CONCRETE MONUMENT AND THE POINT OR PLACE OF BEGINNING.

EXCEPTING THAT PROPERTY OF THE MANHASSET LAKEVILLE WATER DISTRICT. DESIGNATED AS TAX LOT 890 AS SHOWN ON THE NASSAU COUNTY LAND AND TAX MAPS. THE NORTHEAST CORNER OF SAID PROPERTY BEING FURTHER DESCRIBED AS THE FOLLOWING FOUR (4) COURSES FROM THE INTERSECTION OF THE EASTERLY SIDE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY, I-495, SERVICE ROAD (POWER HOUSE ROAD).

1. EASTERLY ALONG THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SERVICE ROAD 583.06 FEET TO A CONCRETE MONUMENT.

2. SOUTH 26° 53' 10" EAST, 146.34 FEET TO A CONCRETE MONUMENT.

3. SOUTH 00° 31' 00" EAST, 763.99 FEET TO THE FORMER CENTERLINE OF I.U. WILLETS ROAD.

4. WESTERLY ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD, SOUTH 87° 17' 00" WEST, 109.11 FEET TO THE POINT OR PLACE OF BEGINNING OF PROPERTY OF MANHASSET LAKEVILLE WATER DISTRICT.

THENCE THE FOLLOWING FOUR (4) COURSES AROUND PROPERTY OF THE MANHASSET LAKEVILLE WATER DISTRICT:

1. SOUTH 01° 55' 57" EAST, 152.74 FEET.

2. SOUTH 88° 04' 03" WEST, 200.00 FEET.

3. NORTH 01° 55' 57" WEST, 150.00 FEET.

4. NORTH 87° 17' 00" EAST, 200.02 FEET TO THE POINT OR PLACE OF BEGINNING OF THE MANHASSET LAKEVILLE WATER DISTRICT.

BEING THE SAME OVERALL PREMISES AS IS DESCRIBED IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC DATED 12/30/2009 RECORDED 1/13/2010 IN LIBER 12578 CP 139.

EXHIBIT "B"

Legal Description
of the Association Common Areas

(See Attached)

REVISED OVERALL PROPERTY DESCRIPTION

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A CONCRETE MONUMENT ON THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY, I-495, SOUTH SERVICE ROAD FORMERLY LITTLE NECK-OLD WESTBURY ROAD (OLD POWERHOUSE ROAD), 583.06 FEET EAST OF THE INTERSECTION OF THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD WITH THE NEW EASTERLY SIDE OF NEW HYDE PARK ROAD:

THENCE ALONG THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET TO LAND NOW OR FORMERLY OF REALM, LLC.

THENCE ALONG LAND NOW OR FORMERLY OF REALM, LLC THE FOLLOWING THREE (3) COURSES;

1. SOUTH 00° 31' 00" EAST, 621.48 FEET.

2. NORTH 89° 29' 00" EAST, 313.96 FEET TO LAND NOW OR FORMERLY OF NORTH HILLS ASSOCIATES, LLC.

3. SOUTHERLY ALONG LANDS NOW OR FORMERLY OF NORTH HILLS ASSOCIATES, LLC SOUTH 08° 24' 00" WEST, 613.64 FEET TO THE LAND OF NEW YORK STATE PARK COMMISSION.

THENCE WESTERLY THE FOLLOWING SEVEN (7) COURSES ALONG THE FORMER CENTERLINE OF L.U. WILLETS ROAD AND PARTLY ALONG LANDS OF NEW YORK STATE PARK COMMISSION:

1. NORTH 76° 47' 50" WEST, 16.24 FEET.

2. NORTH 83° 42' 00" WEST, 9.42 FEET.

3. NORTH 80° 59' 00" WEST, 104.95 FEET.

4. SOUTH 76° 53' 38" WEST, 174.25 FEET.

5. ALONG THE ARC OF A CURVE BEARING TO THE LEFT, HAVING A RADIUS OF 5829.65 FEET. WITH A CHORD BEARING OF SOUTH 75° 48' 57.3" WEST, 219.36 FEET.

6. SOUTH 88° 04' 03" WEST, 546.12 FEET.

7. NORTH 61° 02' 37" WEST, 76.53 FEET TO THE EASTERLY SIDE OF NEW HYDE PARK ROAD.

NORTHERLY ALONG THE EASTERLY SIDE OF NEW HYDE PARK ROAD, NORTH 13° 30' 07" WEST, 97.72 FEET TO THE FORMER CENTERLINE OF I.U. WILLETS ROAD.

THENCE EASTERLY ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD THE FOLLOWING TWO (2) COURSES:

1. NORTH 77° 58' 02" EAST, 77.19 FEET.

2. NORTH 87° 17' 00" EAST, 414.18 FEET TO THE EASTERLY SIDE OF LAND NOW OR FORMERLY OF X CELL REALTY ASSOCIATES.

THENCE NORTHERLY ALONG THE EASTERLY SIDE OF LAND NOW OR FORMERLY OF X CELL REALTY ASSOCIATES THE FOLLOWING TWO (2) COURSES.

1. NORTH 00° 31' 00" WEST, 763.99 FEET TO A CONCRETE MONUMENT.

2. NORTH 26° 53' 10" WEST, 146.34 FEET TO A CONCRETE MONUMENT AND THE POINT OR PLACE OF BEGINNING.

EXCEPTING THAT PROPERTY OF THE MANHASSET LAKEVILLE WATER DISTRICT. DESIGNATED AS TAX LOT 890 AS SHOWN ON THE NASSAU COUNTY LAND AND TAX MAPS. THE NORTHEAST CORNER OF SAID PROPERTY BEING FURTHER DESCRIBED AS THE FOLLOWING FOUR (4) COURSES FROM THE INTERSECTION OF THE EASTERLY SIDE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY, I-495, SERVICE ROAD (POWER HOUSE ROAD).

1. EASTERLY ALONG THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SERVICE ROAD 583.06 FEET TO A CONCRETE MONUMENT.

2. SOUTH 26° 53' 10" EAST, 146.34 FEET TO A CONCRETE MONUMENT.

3. SOUTH 00° 31' 00" EAST, 763.99 FEET TO THE FORMER CENTERLINE OF I.U. WILLETS ROAD.

4. WESTERLY ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD, SOUTH 87° 17' 00" WEST, 109.11 FEET TO THE POINT OR PLACE OF BEGINNING OF PROPERTY OF MANHASSET LAKEVILLE WATER DISTRICT.

THENCE THE FOLLOWING FOUR (4) COURSES AROUND PROPERTY OF THE MANHASSET LAKEVILLE WATER DISTRICT:

1. SOUTH 01° 55' 57" EAST, 152.74 FEET.

2. SOUTH 88° 04' 03" WEST, 200.00 FEET.

3. NORTH 01° 55' 57" WEST, 150.00 FEET.

4. NORTH 87° 17' 00" EAST, 200.02 FEET TO THE POINT OR PLACE OF BEGINNING OF THE MANHASSET LAKEVILLE WATER DISTRICT.

BEING THE SAME OVERALL PREMISES AS IS DESCRIBED IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC DATED 12/30/2009 RECORDED 1/13/2010 IN LIBER 12578 CP 139.

FURTHER EXCEPTING THEREFROM THE FOLLOWING FIVE (5) CONDOMINIUM PREMISES:

RESIDENCES AT NORTH HILLS, CONDOMINIUM 1 (LOT 895)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 1 RESIDENCES AT NORTH HILLS, (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 2/28/2008 RECORDED 3/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12379 CP 709, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 3/28/2008 AS MAP NO. CA238.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 302.39 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, NORTH 89° 29' 00" EAST, 28.35 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 90° 00' 00" EAST, 110.33 FEET;

THENCE SOUTH 00° 00' 00" EAST, 199.65 FEET;

THENCE SOUTH 22° 21' 08" WEST, 4.34 FEET;

THENCE NORTH 90° 00' 00" WEST, 7.43 FEET;

THENCE SOUTH 00° 00' 00" EAST, 45.85 FEET;

THENCE NORTH 90° 00' 00" EAST, 7.36 FEET;

THENCE SOUTH 23° 03' 13" EAST, 4.40 FEET;

THENCE SOUTH 00° 00' 00" EAST, 107.88 FEET;

THENCE SOUTH 44° 55' 56" WEST, 72.10 FEET;

THENCE NORTH 90° 00' 00" WEST, 68.05 FEET;

THENCE NORTH 00° 00' 00" WEST, 48.44 FEET;

THENCE NORTH 90° 00' 00" EAST, 4.68 FEET;

THENCE NORTH 00° 00' 00" WEST, 127.70 FEET;

THENCE SOUTH 90° 00' 00" EAST, 3.96 FEET;

THENCE NORTH 00° 00' 00" WEST, 236.35 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 2 (LOT 894)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 2 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM TWO) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE

DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 905, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/008 AS MAP NO. CA243.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 763.99 FEET TO A TIE LINE;

THENCE ALONG THE TIE LINE, SOUTH 70° 03' 51" EAST, 116.12 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 00° 00' 00" EAST, 63.61 FEET;

THENCE NORTH 44° 55' 56" EAST, 76.97 FEET;

THENCE NORTH 90° 00' 00" EAST, 167.24 FEET;

THENCE SOUTH 70° 46' 27" EAST, 19.58 FEET;

THENCE SOUTH 00° 00' 00" EAST, 6.61 FEET;

THENCE NORTH 90° 00' 00" EAST, 47.87 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.59 FEET;

THENCE NORTH 70° 21' 07" EAST, 19.26 FEET;

THENCE NORTH 90° 00' 00" EAST, 107.86 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 35.67 FEET;

THENCE NORTH 00° 00' 00" EAST, 45.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 63.67 FEET;

THENCE SOUTH 00° 00' 00" WEST, 160.33 FEET;

THENCE SOUTH 90° 00' 00" WEST, 417.29 FEET;

THENCE SOUTH 00° 00' 00" EAST, 8.76 FEET;

THENCE NORTH 90° 00' 00" WEST, 96.00 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 3 (LOT 893)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 3 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM THREE LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 814, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/2008 AS MAP NO. CA244.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET;

THENCE SOUTH 00° 31' 00" EAST, 621.48 FEET TO A TIE LINE:

THENCE ALONG A TIE LINE, SOUTH 63° 33' 45" WEST, 56.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 90° 00' 00" EAST, 239.33 FEET:

THENCE SOUTH 00° 00' 00" WEST, 180.65 FEET;

THENCE SOUTH 90° 00' 00" EAST, 31.10 FEET:

THENCE SOUTH 00° 00' 00" WEST, 171.52 FEET;

THENCE NORTH 90° 00' 00" WEST, 57.33 FEET;

THENCE NORTH 00° 00' 00" EAST, 13.17 FEET;

THENCE NORTH 90° 00' 00" WEST, 53.85 FEET;

THENCE NORTH 00° 00' 00" EAST, 223.67 FEET;

THENCE NORTH 90° 00' 00" WEST, 19.25 FEET;

THENCE NORTH 00° 00' 00" EAST, 6.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 126.00 FEET;

THENCE NORTH 00° 00' 00" WEST, 52.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 14.00 FEET

THENCE NORTH 00° 00' 00" WEST, 57.33 FEET TO THE POINT OR PLACE OF BEGINNING.

VANDERBILT AT THE RESIDENCES, NORTH HILLS (LOT 892 ONLY)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS VANDERBILT AT THE RESIDENCES, NORTH HILLS LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF

NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 1, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 246, AS AMENDED BY MAP NO. CA 246A FILED 8/23/2011.

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

DESCRIBED AS PARCEL 4 IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC RECORDED 1/13/2010 IN LIBER 12578 CP 139.

ALL THAT PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU, STATE OF NEW YORK, NASSAU LAND AND TAX PARCEL NUMBER SECTION 8, BLOCK A, LOT 892, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD),

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 242.05 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, SOUTH 26° 53' 10" EAST, 128.72 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;
THENCE SOUTH 11° 06' 58" EAST, 385.29 FEET;
THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;
THENCE NORTH 11° 06' 57" WEST, 136.49 FEET;
THENCE NORTH 02° 59' 09" EAST, 39.64 FEET;
THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;
THENCE NORTH 11° 06' 57" WEST, 38.35 FEET;
THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;
THENCE NORTH 26° 09' 55" WEST, 45.59 FEET;
THENCE NORTH 11° 06' 57" WEST, 38.15 FEET;
THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;
THENCE NORTH 11° 06' 57" WEST, 57.43 FEET;
THENCE NORTH 08° 27' 49" EAST, 34.39 FEET TO THE TRUE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 5 (LOT 896)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 5 (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM FIVE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNIT BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 83, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 247.

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE ALONG A TIE LINE, SOUTH 59° 35' 33" EAST, 88.20 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;

THENCE SOUTH 30° 41' 44" EAST, 34.39 FEET;

THENCE SOUTH 11° 06' 57" EAST, 57.43 FEET;

THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;

THENCE SOUTH 11° 06' 57" EAST 38.15 FEET;

THENCE SOUTH 03° 56' 01" WEST, 45.59 FEET;

THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;

THENCE SOUTH 11° 06' 57" EAST, 38.35 FEET;

THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;

THENCE SOUTH 25° 13' 04" EAST, 39.64 FEET;

THENCE SOUTH 11° 06' 57" EAST, 136.49 FEET;

THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;

THENCE NORTH 11° 06' 57" WEST, 385.29 FEET TO THE POINT OR PLACE OF BEGINNING.

EXHIBIT "C"

Legal Description
of the Phase I Property

(See Attached)

Title No. 572147NY1
AMENDED 11/26/2013 (fho) VANDERBILT HEADING AMENDED

SCHEDULE "A"

RESIDENCES AT NORTH HILLS, CONDOMINIUM 3 (LOT 893)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 3 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM THREE LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 814, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/2008 AS MAP NO. CA244.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET;

THENCE SOUTH 00° 31' 00" EAST, 621.48 FEET TO A TIE LINE:

THENCE ALONG A TIE LINE, SOUTH 63° 33' 45" WEST, 56.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 90° 00' 00" EAST, 239.33 FEET:

THENCE SOUTH 00° 00' 00" WEST, 180.65 FEET;

THENCE SOUTH 90° 00' 00" EAST, 31.10 FEET:

THENCE SOUTH 00° 00' 00" WEST, 171.52 FEET;

THENCE NORTH 90° 00' 00" WEST, 57.33 FEET;

THENCE NORTH 00° 00' 00" EAST, 13.17 FEET;

THENCE NORTH 90° 00' 00" WEST, 53.85 FEET;

THENCE NORTH 00° 00' 00" EAST, 223.67 FEET;

Continued...

THENCE NORTH 90° 00' 00" WEST, 19.25 FEET;

THENCE NORTH 00° 00' 00" EAST, 6.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 126.00 FEET;

THENCE NORTH 00° 00' 00" WEST, 52.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 14.00 FEET

THENCE NORTH 00° 00' 00" WEST, 57.33 FEET TO THE POINT OR PLACE OF BEGINNING.

VANDERBILT AT THE RESIDENCES, NORTH HILLS (LOT 892 ONLY)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS VANDERBILT AT THE RESIDENCES, NORTH HILLS LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 1, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 246, AS AMENDED BY MAP NO. CA 246A FILED 8/23/2011.

TOGETHER WITH A TOTAL UNDIVIDED (SEE ATTACHED)% INTEREST IN THE COMMON ELEMENTS (AS SUCH TERM IS DEFINED IN THE DECLARATION).

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

DESCRIBED AS PARCEL 4 IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC RECORDED 1/13/2010 IN LIBER 12578 CP 139.

ALL THAT PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU, STATE OF NEW YORK, NASSAU LAND AND TAX PARCEL NUMBER SECTION 8, BLOCK A, LOT 892, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 242.05 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, SOUTH 26° 53' 10" EAST, 128.72 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;

THENCE SOUTH 11° 06' 58" EAST, 385.29 FEET;

Continued...



THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;

THENCE NORTH 11° 06' 57" WEST, 136.49 FEET;

THENCE NORTH 02° 59' 09" EAST, 39.64 FEET;

THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;

THENCE NORTH 11° 06' 57" WEST, 38.35 FEET;

THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;

THENCE NORTH 26° 09' 55" WEST, 45.59 FEET;

THENCE NORTH 11° 06' 57" WEST, 38.15 FEET;

THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;

THENCE NORTH 11° 06' 57" WEST, 57.43 FEET;

THENCE NORTH 08° 27' 49" EAST, 34.39 FEET TO THE TRUE POINT OR PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

Title No. 3020-572147

UNIT PAGE
RESIDENCES AT NORTH HILLS, CONDOMINIUM 3

UNIT Number	Condo Allocation of Common Interest	Tax Units
5101	2.3443%	101
5102	2.4966%	108
5103	2.4227%	102
5104	2.5025%	109
5105	2.4779%	103
5106	1.8915%	110
5107	1.5234%	104
5180	1.7903%	111
5109	1.2710%	105
5111	2.3820%	106
5115	2.5571%	107
5201	2.3600%	201
5202	2.4815%	208
5203	2.7313%	202
5204	2.4862%	209
5205	2.4866%	203
5206	2.1938%	210
5207	1.5484%	204
5208	2.2001%	211
5209	1.2902%	205
5211	2.1314%	206
5215	2.6963%	207
5301	2.4254%	301
5302	2.5469%	308
5303	2.7967%	302
5304	2.5516%	309
5305	2.5540%	303
5306	2.2592%	310
5307	1.6138%	304
5308	2.2655%	311
5309	1.3556%	305
5311	2.1968%	306
5315	2.7617%	307
PH 501	2.5234%	401
PH 502	2.6450%	408



UNIT PAGE CONTINUED
RESIDENCES AT NORTH HILLS, CONDOMINIUM 3

UNIT Number	Condo Allocation of Common Interest	Tax Units
PH 503	2.8948%	402
PH 504	2.6497%	409
PH 505	2.6520%	403
PH 506	2.3573%	410
PH 507	1.7118%	404
PH 508	2.3636%	411
PH 509	1.4537%	405
PH 511	2.2947%	406
PH 515	2.8597%	407



Title No. 3020-572147
AMENDED 12/14/2012 (fho)

UNIT PAGE
THE VANDERBILT AT THE RESIDENCES, NORTH HILLS

UNIT Number	Condo Allocation of Common Interest	Tax Units
6101	1.1206%	114
6102	1.5180%	121
6103	1.5537%	115
6104	1.1746%	122
6105	2.0099%	116
6106	1.1746%	123
6107	1.2217%	117
6108	1.4819%	124
6109	1.1746%	118
6110	1.2948%	125
6111	1.1746%	119
6112	1.2981%	126
6114	1.2981%	127
6115	1.5180%	120
6116	1.1206%	128
6201	1.6614%	214
6202	1.6281%	221
6203	1.6740%	215
6204	1.2589%	222
6205	2.1014%	216
6206	1.2589%	223
6207	1.3991%	217
6208	1.6281%	224
6209	1.2589%	218
6210	1.6614%	225
6211	1.2589%	219
6212	1.3902%	226
6214	1.3902%	227
6215	1.6281%	220
6216	1.6614%	228
6301	1.7279%	314
6302	1.6947%	321
6303	1.7405%	315
6304	1.3254%	322
6305	2.1680%	316
6306	1.3254%	323
6307	1.4657%	317
6308	1.6947%	324
6309	1.3254%	318



Title No. 3020-572147
AMENDED 12/14/2012 (fho)

UNIT PAGE CONTINUED
THE VANDERBILT AT THE RESIDENCES, NORTH HILLS

UNIT Number	Condo Allocation of Common Interest	Tax Units
6310	1.7279%	325
6311	1.3254%	319
6312	1.4568%	326
6314	1.4568%	327
6315	1,6947%	320
6316	1.7279%	328
PH 601	1.8278%	414
PH 602	1.7945%	421
PH 603	1.8404%	415
PH 604	1.4253%	422
PH 605	2.2678%	416
PH 606	1.4253%	423
PH 607	1.5655%	417
PH 608	3.7442%	424
PH 609	1.4253%	418
PH 611	1.4253%	419
PH 612	3.1400%	425
PH 615	1.7945%	420
PH 616	1.8078%	426

EXHIBIT "D"

Legal Description
the Phase II Property

(See Attached)

Title No. 572147NY2
AMENDED 12/14/2012 (fho) CONDO 5 PARCELS 4 AND 6 DELETED

SCHEDULE "A"

RESIDENCES AT NORTH HILLS, CONDOMINIUM 1 (LOT 895)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 1 RESIDENCES AT NORTH HILLS, (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 2/28/2008 RECORDED 3/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12379 CP 709, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 3/28/2008 AS MAP NO. CA238.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 302.39 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, NORTH 89° 29' 00" EAST, 28.35 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 90° 00' 00" EAST, 110.33 FEET;

THENCE SOUTH 00° 00' 00" EAST, 199.65 FEET;

THENCE SOUTH 22° 21' 08" WEST, 4.34 FEET;

THENCE NORTH 90° 00' 00" WEST, 7.43 FEET;

THENCE SOUTH 00° 00' 00" EAST, 45.85 FEET;

THENCE NORTH 90° 00' 00" EAST, 7.36 FEET;

THENCE SOUTH 23° 03' 13" EAST, 4.40 FEET;

THENCE SOUTH 00° 00' 00" EAST, 107.88 FEET;

THENCE SOUTH 44° 55' 56" WEST, 72.10 FEET;

THENCE NORTH 90° 00' 00" WEST, 68.05 FEET;

Continued...

THENCE NORTH 00° 00' 00" WEST, 48.44 FEET;

THENCE NORTH 90° 00' 00" EAST, 4.68 FEET;

THENCE NORTH 00° 00' 00" WEST, 127.70 FEET;

THENCE SOUTH 90° 00' 00" EAST, 3.96 FEET;

THENCE NORTH 00° 00' 00" WEST, 236.35 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 2 (LOT 894)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 2 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM TWO) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 905, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/008 AS MAP NO. CA243.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 763.99 FEET TO A TIE LINE;

THENCE ALONG THE TIE LINE, SOUTH 70° 03' 51" EAST, 116.12 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 00° 00' 00" EAST, 63.61 FEET;

THENCE NORTH 44° 55' 56" EAST, 76.97 FEET;

THENCE NORTH 90° 00' 00" EAST, 167.24 FEET;

THENCE SOUTH 70° 46' 27" EAST, 19.58 FEET;

THENCE SOUTH 00° 00' 00" EAST, 6.61 FEET;

Continued...

THENCE NORTH 90° 00' 00" EAST, 47.87 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.59 FEET;

THENCE NORTH 70° 21' 07" EAST, 19.26 FEET;

THENCE NORTH 90° 00' 00" EAST, 107.86 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 35.67 FEET;

THENCE NORTH 00° 00' 00" EAST, 45.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 63.67 FEET;

THENCE SOUTH 00° 00' 00" WEST, 160.33 FEET;

THENCE SOUTH 90° 00' 00" WEST, 417.29 FEET;

THENCE SOUTH 00° 00' 00" EAST, 8.76 FEET;

THENCE NORTH 90° 00' 00" WEST, 96.00 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 5 (LOT 896)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 5 (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM FIVE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNIT BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 83, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 247.

TOGETHER WITH A TOTAL UNDIVIDED (SEE ATTACHED) % INTEREST IN THE COMMON ELEMENTS (AS SUCH TERM IS DEFINED IN THE DECLARATION).

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

Continued...



Title No. 572147NY2
Schedule 'A' Continued

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE ALONG A TIE LINE, SOUTH 59° 35' 33" EAST, 88.20 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;

THENCE SOUTH 30° 41' 44" EAST, 34.39 FEET;

THENCE SOUTH 11° 06' 57" EAST, 57.43 FEET;

THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;

THENCE SOUTH 11° 06' 57" EAST 38.15 FEET;

THENCE SOUTH 03° 56' 01" WEST, 45.59 FEET;

THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;

THENCE SOUTH 11° 06' 57" EAST, 38.35 FEET;

THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;

THENCE SOUTH 25° 13' 04" EAST, 39.64 FEET;

THENCE SOUTH 11° 06' 57" EAST, 136.49 FEET;

THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;

THENCE NORTH 11° 06' 57" WEST, 385.29 FEET TO THE POINT OR PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.



Title No. 3020-572147

UNIT PAGE
RESIDENCES AT NORTH HILLS, CONDOMINIUM I

UNIT Number	Condo Allocation of Common Interest	Tax Units
3101	2.1659%	101
3102	2.5532%	105
3103	1.9798%	102
3104	1.7996%	106
3105	2.7121%	103
3106	2.9906%	107
3107	2.9242%	104
3108	2.1538%	108
3110	1.4318%	109
3112	2.1149%	110
3201	2.5845%	201
3202	2.5655%	205
3203	2.5061%	202
3204	1.8351%	206
3205	2.7647%	203
3206	2.9406%	207
3207	2.9267%	204
3208	2.5873%	208
3210	1.5426%	209
3212	2.5882%	210
3301	2.6617%	301
3302	2.6426%	305
3303	2.5832%	302
3304	1.9122%	306
3305	2.8419%	303
3306	3.0178%	307
3307	3.0039%	304
3308	2.6644%	308
3310	1.6198%	309
3312	2.6654%	310
PH301	2.7774%	401
PH302	2.7583%	405
PH303	2.6989%	402
PH304	2.0279%	406
PH305	2.9576%	403
PH306	3.1335%	407
PH307	3.1196%	404
PH308	2.7802%	408
PH310	1.7355%	409
PH312	2.7810%	410



Title No. 3020-572147

UNIT PAGE
RESIDENCES AT NORTH HILLS, CONDOMINIUM 2

UNIT Number	Condo Allocation of Common Interest	Tax Units
4101	2.0255%	101
4102	1.8362%	108
4103	1.9375%	102
4104	1.0608%	109
4105	2.5216%	103
4106	1.0633%	110
4107	1.8867%	104
4108	1.9771%	111
4109	1.0672%	105
4110	1.4465%	112
4111	1.2854%	106
4112	1.2612%	113
4114	2.0295%	114
4115	2.1094%	107
4201	2.3544%	201
4202	1.8406%	208
4203	2.0566%	202
4204	1.0741%	209
4205	2.3467%	203
4206	1.0775%	210
4207	1.8088%	204
4208	1.9950%	211
4209	1.0838%	205
4210	1.7844%	212
4211	1.3070%	206
4212	1.3667%	213
4214	2.3584%	214
4215	2.1046%	207
4301	2.4117%	301
4302	1.8988%	308
4303	2.1138%	302
4304	1.1344%	309
4305	2.4043%	303
4306	1.1378%	310
4307	1.8616%	304

Title No. 3020-572147

UNIT PAGE CONTINUED
RESIDENCES AT NORTH HILLS, CONDOMINIUM 2

UNIT Number	Condo Allocation of Common Interest	Tax Units
4308	2.0522%	311
4309	1.1421%	305
4310	1.8460%	312
4311	1.3675%	306
4312	1.4242%	313
4314	2.4161%	314
4315	2.1623%	307
PH401	2.4963%	401
PH402	1.9834%	408
PH403	2.1983%	402
PH404	1.2189%	409
PH405	2.4888%	403
PH406	1.2223%	410
PH407	1.9462%	404
PH408	2.1367%	411
PH409	1.2267%	405
PH410	1.9305%	412
PH411	1.4521%	406
PH412	1.5089%	413
PH414	2.5008%	414
PH415	2.2468%	407

Title No. 3020-572147

UNIT PAGE
RESIDENCES AT NORTH HILLS, CONDOMINIUM 5

UNIT Number	Condo Allocation of Common Interest	Tax Units
2101	1.4654%	101
2102	2.0806%	107
2103	1.4104%	102
2104	1.5180%	108
2105	2.1638%	103
2106	1.2354%	109
2107	1.8808%	104
2108	1.3170%	110
2109	1.8143%	105
2110	1.4237%	111
2111	2.0862%	106
2112	2.4952%	112
2114	1.4663%	113
2201	1.9397%	201
2202	2.2828%	207
2203	1.5221%	202
2204	1.5277%	208
2205	2.5315%	203
2206	1.2202%	209
2207	1.9075%	204
2208	1.3731%	210
2209	1.8329%	205
2210	1.6154%	211
2211	2.2835%	206
2212	2.7342%	212
2214	1.9313%	213
2301	2.0175%	301
2302	2.3605%	307
2303	1.5998%	302
2304	1.6054%	308
2305	2.6092%	303
2306	1.2979%	309
2307	1.9852%	304
2308	1.4509%	310
2309	1.9107%	305



Title No. 3020-572147

UNIT PAGE CONTINUED
RESIDENCES AT NORTH HILLS, CONDOMINIUM 5

UNIT Number	Condo Allocation of Common Interest	Tax Units
2310	1.6932%	311
2311	2.3612%	306
2312	2.8120%	312
2314	2.0091%	313
PH 201	2.1107%	401
PH 202	2.4538%	407
PH 203	1.7631%	402
PH 204	1.7220%	408
PH 205	2.7258%	403
PH 206	1.4145%	409
PH 207	2.1018%	404
PH 208	1.5675%	410
PH 209	2.0273%	405
PH 210	1.8098%	411
PH 211	2.4778%	406
PH 212	2.9286%	412
PH 214	2.1257%	413

EXHIBIT "E-1"

Legal Descriptions
HOA to Phase I Developer Parcels

(See Attached)

HOA → PHASE I

(1)

H2M architects + engineers
538 Broad Hollow Road, 4th Floor East
Melville, NY 11747
tel 631.756.8000
fax 631.694.4122

December 13, 2013
Description (Parcel A) around Building 7 & 8
Nassau County Tax Map Section 8, Block A
Part of Tax Lot 893 going to Tax Lot 897C

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Commencing at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

Thence along the southerly side of the Long Island Expressway South Service Road, North 63 degrees 08 minutes 50 seconds east, 561.41 feet.

Thence South 00 degrees, 31 minutes, 00 seconds east 621.48 feet.

Thence South 63 degrees, 33 minutes, 45 seconds west, 56.00 feet to the previous most north westerly corner of Tax Lot 893, Condominium 3, also known as Parcel 4.

Thence North 90 degrees 00 minutes, 00 seconds east, 18.63 feet to the point or place of beginning as parcel A as shown on a map prepared by H2M Group dated October 31, 2013.

Thence the following four (4) courses:

1. North 00 degrees, 00 minutes 00 seconds east, 4.31 feet
2. North 90 degrees, 00 minutes 00 seconds east. 192.83 feet
3. South 00 degrees, 00 minutes, 00 seconds west, 4.31 feet.
4. South 90 degrees, 00 minutes, 00 seconds west, 192.83 feet to the point or place of beginning.

Containing within said bounds 831.10 S.F.

J:\LPS\Dept7300\Metes & Bounds Descriptions\RXRR, New lots\Building 7& 8, 13-1213\Desc. (A) from Tax Lot 893 to 897C. 13-1213.doc

HOA - PHASE I

H2M architects + engineers
538 Broad Hollow Road, 4th Floor East
Melville, NY 11747
tel 631.756.8000
fax 631.694.4122

(3)

December 13, 2013
Description (Parcel C) around Building 7 & 8
Nassau County Tax Map Section 8, Block A
Part of Tax Lot 893 going to Tax Lot 897C

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Commencing at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

Thence along the southerly side of the Long Island Expressway South Service Road, North 63 degrees 00 minutes 50 seconds east, 561.41 feet.

Thence South 00 degrees, 31 minutes, 00 seconds east 621.48 feet.

Thence South 63 degrees, 33 minutes, 45 seconds west, 56.00 feet to the previous most north westerly corner of Tax Lot 893, Condominium 3, also known as Parcel 4.

Thence the following two (2) courses:

1. North 90 degrees, 00 minutes, 00 seconds east, 239.33 feet.
2. South 00 degrees, 00 minutes 00 seconds west, 73.19 feet to the point of beginning.

Thence the following six (6) courses:

1. North 90 degrees, 00 minutes, 00 seconds east, 1.72 feet.
2. South 00 degrees, 00 minutes, 00 seconds west, 33.83 feet.
3. North 90 degrees, 00 minutes, 00 seconds east, 29.38 feet.
4. South 00 degrees, 00 minutes, 00 seconds west, 73.62 feet.
5. South 90 degrees, 00 minutes, 00 seconds west, 31.10 feet.
6. North 00 degrees, 00 minutes, 00 seconds east, 107.46 feet to the point of beginning.

Containing within said bounds 2,347.77 S.F.

J:\LPS\Dept7300\Metes & Bounds Descriptions\RXRR, New lots\Building 7& 8, 13-1213\Desc. (C) from Tax Lot 897C to 893, 13-1213.doc

HOA – PHASE I

H2M architects + engineers
538 Broad Hollow Road, 4th Floor East
Melville, NY 11747
tel 631.756.8000
fax 631.694.6122

4

December 13, 2013
Description (Parcel D) around Building 7 & 8
Nassau County Tax Map Section 8, Block A
Part of Tax Lot 897B going to Tax Lot 893

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Commencing at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

Thence along the southerly side of the Long Island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 561.41 feet.

Thence South 00 degrees, 31 minutes, 00 seconds east 621.48 feet.

Thence South 63 degrees, 33 minutes, 45 seconds west, 56.00 feet to the previous most north westerly corner of Tax Lot 893, Condominium 3, also known as Parcel 4.

Thence the following five (5) courses:

1. North 90 degrees, 00 minutes, 00 seconds east, 239.33 feet.
2. South 00 degrees, 00 minutes 00 seconds west, 73.19 feet.
3. North 90 degrees, 00 minutes, 00 seconds east, 1.72 feet.
4. South 00 degrees, 00 minutes, 00 seconds west, 33.83 feet.
5. North 90 degrees, 00 minutes, 00 seconds east, 29.38 feet to the point of beginning.

Thence the following four (4) courses:

1. North 90 degrees, 00 minutes, 00 seconds east, 13.70 feet.
2. South 00 degrees, 00 minutes, 00 seconds west, 249.08 feet.
3. South 90 degrees, 00 minutes, 00 seconds west, 13.70 feet.
4. North 00 degrees, 00 minutes, 00 seconds west, 249.08 feet to the point of beginning.

Containing within said bounds 3412.40 S.F.

J:\LPS\Dept7300\Metes & Bounds Descriptions\RXRR, New lots\Building 7& 8, 13-1213\Desc. (D) from Tax Lot 897B to 893, 13-1213.doc

HOA to PHASE I

(5)

Revised December 18, 2013
December 13, 2013
Description (Parcel E) around Building 7 & 8
Nassau County Tax Map Section 8, Block A
Part of Tax Lot 897C going to Tax Lot 893

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Commencing at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

Thence along the southerly side of the Long island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 561.41 feet.

Thence South 00 degrees, 31 minutes, 00 seconds east 621.48 feet.

Thence South 63 degrees, 33 minutes, 45 seconds west, 56.00 feet to the previous most north westerly corner of Tax Lot 893, Condominium 3, also known as Parcel 4.

Thence the following seven (7) courses:

1. North 90 degrees, 00 minutes, 00 seconds east, 239.33 feet.
2. South 00 degrees, 00 minutes 00 seconds west, 73.19 feet.
3. North 90 degrees, 00 minutes, 00 seconds east, 1.72 feet.
4. South 00 degrees, 00 minutes, 00 seconds west, 33.83 feet.
5. North 90 degrees, 00 minutes, 00 seconds east, 43.08 feet.
6. South 00 degrees, 00 minutes, 00 seconds west, 249.08 feet.
7. South 90 degrees, 00 minutes, 00 seconds west, 13.70 feet to the point of beginning.

Thence the following ten (10) courses:

1. South 90 degrees, 00 minutes, 00 seconds west, 116.47 feet.
2. North 00 degrees, 00 minutes, 00 seconds east, 207.68 feet.
3. North 45 degrees, 00 minutes, 00 seconds west, 20.51 feet.
4. North 00 degrees, 00 minutes, 00 seconds east, 8.07 feet.
5. South 90 degrees, 00 minutes, 00 seconds west, 120.83 feet.
6. North 00 degrees, 00 minutes, 00 seconds east, 16.53 feet.
7. North 90 degrees, 00 minutes, 00 seconds east, 121.37 feet.
8. South 00 degrees, 00 minutes, 00 seconds west, 6.00 feet.
9. North 90 degrees, 00 minutes, 00 seconds east, 19.25 feet.
10. South 00 degrees, 00 minutes, 00 seconds west, 223.67 feet.
11. North 90 degrees, 00 minutes, 00 seconds east, 53.85 feet.
12. South 00 degrees, 00 minutes, 00 seconds west, 13.17 feet.
13. North 90 degrees, 00 minutes, 00 seconds east, 57.33 feet.
14. South 00 degrees, 00 minutes, 00 seconds west, 3.94 feet to the point of beginning.

Containing within said bounds 4,793.88 S.F.

J:\LP3\Dept7300\Metes & Bounds Descriptions\RXRR, New lots\Building 7& 8\Desc. (E) from Tax Lot 897C to 893, 13-1213.doc

HOA - PHASE I
(8)

Revised December 19, 2013
December 13, 2013

(A) Description of property to be given to Tax Lot 892
From Tax Lot 897C for Building 9&10
Nassau County Tax Map Section 8, Block A
Part of Lot 897C (Part of Vanderbilt at the Residences)

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Commencing at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

THENCE along the southerly side of the Long island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 242.05 feet.

Thence South 26 degrees, 53 minutes, 10 seconds east, 128.72 feet to the previous most northwest corner of Building Tax Lot 892, Part of Vanderbilt at the Residences, also known as Parcel 4.

Thence the following two (2) courses;

1. North 78 degrees, 53 minutes, 03 seconds east, 9.86 feet.
2. North 11 degrees 06 minutes 58 seconds west, 19.78 feet to the Northwest corner of the reconfigured lot corner around Building 9 & 10 and the point or place of beginning

Thence the following eight (20) courses along the reconfigured lot line around Buildings 9 & 10.

1. North 78 degrees 53 minutes 02 seconds east. 130.17 feet.
2. South 11 degrees, 06 minutes, 58 seconds east, 410.17 feet.
3. South 78 degrees, 53 minutes, 02 seconds west, 130.17 feet.
4. North 11 degrees, 06 minutes, 58 seconds west, 180.90 feet.
5. North 23 degrees, 53 minutes, 02 seconds east, 18.31 feet.
6. North 11 degrees, 06 minutes, 58 seconds west, 18.37 feet.
7. North 46 degrees, 06 minutes, 58 seconds, east, 18.31 feet.
8. North 11 degrees, 06 minutes, 58 seconds west, 71.29 feet
9. North 78 degrees, 53 minutes, 03 seconds east, 8.38 feet.
10. South 11 degrees, 06 minutes, 57 seconds east, 38.15 feet.
11. South 26 degrees, 09 minutes, 55 seconds east, 45.59 feet.
12. North 78 degrees, 53 minutes, 03 seconds east, 10.46 feet.
13. South 11 degrees, 06 minutes, 57 seconds west, 38.35 feet.
14. South 78 degrees, 53 minutes, 03 seconds west, 10.53 feet.
15. South 02 degrees, 59 minutes, 09 seconds west, 39.64 feet.
16. South 11 degrees, 06 minutes, 57 seconds east, 136.49 feet.
17. North 78 degrees, 53 minutes, 03 seconds west, 111.29 feet.
18. North 11 degrees, 06 minutes, 58 seconds west, 385.29 feet
19. South 78 degrees, 53 minutes, 03 seconds west, 131.64 feet
20. North 11 degrees 06 minutes 58 seconds west, 19.78 feet to the reconfigured lot corner around building 9 &10 and the point of beginning.

Containing within said bounds 10,265.97 S.F.

J:\LPS\Dept7300\Metes & Bounds Descriptions\RXRR, New lots\Building 9&10, 13-1213\Desc. property given to 892, 13-1213.doc

EXHIBIT "E-2"

Legal Descriptions
Phase I Developer to HOA

(See Attached)

PHASE I - HOA

H2M architects + engineers
538 Broad Hollow Road, 4th Floor East
Melville, NY 11747
tel 631.756.8000
fax 631.694.4122

December 13, 2013
Description (Parcel B) around Building 7 & 8
Nassau County Tax Map Section 8, Block A
Part of Tax Lot 893 going to Tax Lot 897C

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Commencing at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

Thence along the southerly side of the Long Island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 561.41 feet.

Thence South 00 degrees, 31 minutes, 00 seconds east 621.48 feet.

Thence South 63 degrees, 33 minutes, 45 seconds west, 56.00 feet to the previous most north westerly corner of Tax Lot 893, Condominium 3, also known as Parcel 4.

Thence the following four (4) courses:

1. North 90 degrees, 00 minutes, 00 seconds east, 18.63 feet.
2. North 00 degrees, 00 minutes 00 seconds east, 4.31 feet.
3. North 90 degrees, 00 minutes 00 seconds east. 192.83 feet
4. South 00 degrees, 00 minutes, 00 seconds west, 4.31 feet to the point of beginning.

Thence the following six (6) courses:

1. North 90 degrees, 00 minutes, 00 seconds east, 27.87 feet.
2. South 00 degrees, 00 minutes, 00 seconds west, 73.19 feet.
3. South 90 degrees, 00 minutes, 00 seconds west, 15.70 feet.
4. North 00 degrees, 00 minutes, 00 seconds east, 26.75 feet.
5. South 90 degrees, 00 minutes, 00 seconds west, 12.17 feet.
6. North 00 degrees, 00 minutes 00 seconds east, 46.44 feet to the point of beginning.

Containing within said bounds 1,714.26 S.F.

J:\LPS\Dept7300\Metes & Bounds Descriptions\RXRR, New lots\Building 7& 8, 13-1213\Desc. (B) from Tax Lot 893 to 897C, 13-1213.doc

PHASE I to HOA

6

H2M architects + engineers
538 Broad Hollow Road, 4th Floor East
Melville, NY 11747
tel 631.756.8000
fax 631.694.4122

December 13, 2013
Description (Parcel F) around Building 7 & 8
Nassau County Tax Map Section 8, Block A
Part of Tax Lot 893 going to Tax Lot 897C

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Commencing at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

Thence along the southerly side of the Long Island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 561.41 feet.

Thence South 00 degrees, 31 minutes, 00 seconds east 621.48 feet.

Thence South 63 degrees, 33 minutes, 45 seconds west, 56.00 feet to the place of beginning.

Thence the following six (6) courses:

1. North 90 degrees, 00 minutes, 00 seconds east, 18.63 feet.
2. South 00 degrees, 00 minutes, 00 seconds west, 109.33 feet.
3. South 90 degrees, 00 minutes, 00 seconds west, 4.63 feet.
4. North 00 degrees, 00 minutes, 00 seconds east, 52.00 feet.
5. South 90 degrees, 00 minutes, 00 seconds west, 14.00 feet.
6. North 00 degrees, 00 minutes, 00 seconds east, 57.33 feet to the place of beginning.

Containing within said bounds 1,308.82

J:\LPS\Dept7300\Metes & Bounds Descriptions\RXRR, New lots\Building 7& 8, 13-1213\Desc. (F) from Tax Lot 893 to 897C, 13-1213.doc

PHASE I HOA

H2M architects + engineers
538 Broad Hollow Road, 4th Floor East
Melville, NY 11747
tel 631.756.8000
fax 631.694.4122

9

December 13, 2013

(B) Description of property to be taken from Tax Lot 892
And added to Tax Lot 897C for Building 9&10
Nassau County Tax Map Section 8, Block A

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Commencing at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

THENCE along the southerly side of the Long Island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 242.05 feet.

Thence South 26 degrees, 53 minutes, 10 seconds east, 128.72 feet to the previous most northwest corner of Tax Lot 892, Part of Vanderbilt at the Residences, also known as Parcel 4. Now to be incorporated into Tax Lot 897C.

Thence the following five (5) courses:

1. North 78 degrees, 53 minutes, 03 seconds east, 9.86 feet.
2. South 11 degrees 06 minutes 58 seconds east, 89.83 feet.
3. South 78 degrees, 53 minutes, 03 seconds west, 21.38 feet.
4. North 11 degrees, 06 minutes, 57 seconds west, 57.43 feet.
5. North 08 degrees, 27 minutes, 49 seconds east, 34.39 feet

To the previous corner of lot 892, around Building 9 &10 and the Point of beginning.
Containing within said bounds 1,733.91 S.F.

J:\LPS\Dept7300\Metes & Bounds Descriptions\RXRR, New lots\Building 9&10, 13-1213\Desc. property taken from 892, 13-1213.doc

EXHIBIT "F"

Legal Description
Post Amended Subdivision Phase I Property

(See Attached)

architects + engineers

538 Broad Hollow Road, 4th Floor East
Melville, NY 11747

tel 631.756.8000
fax 631.694.4122

New Lot 893

December 13, 2013

Revised Lot Description around Building 7 & 8
Nassau County Tax Map Section 8, Block A
Part of Lots 893, 897B and 897C (Condominium 3)

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Commencing at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

THENCE along the southerly side of the Long Island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 561.41 feet.

Thence South 00 degrees, 31 minutes, 00 seconds east 621.48 feet.

Thence South 63 degrees, 33 minutes, 45 seconds west, 56.00 feet to the previous most north westerly corner of Tax Lot 893, Condominium 3, also known as Parcel 4.

Thence the following two (2) courses:

1. North 90 degrees, 00 minutes, 00 seconds east, 18.63 feet.
2. North 00 degrees, 00 minutes 00 seconds east, 4.31 feet to the Northwest corner of the reconfigured corner of Tax Lot 893, around Building 8 and the point or place of beginning

Thence the following seventeen (14) courses along the reconfigured lot line around Buildings 7 & 8.

1. North 90 degrees, 00 minutes 00 seconds east. 192.83 feet.
2. South 00 degrees, 00 minutes, 00 seconds west, 50.75 feet.
3. North 90 degrees, 00 minutes, 00 seconds east, 12.17 feet.
4. South 00 degrees, 00 minutes, 00 seconds west, 26.75 feet.
5. North 90 degrees, 00 minutes, 00 seconds east, 17.42 feet.
6. South 00 degrees, 00 minutes, 00 seconds west, 33.83 feet.
7. South 90 degrees, 00 minutes, 00 seconds, west, 43.08 feet.
8. South 00 degrees, 00 minutes, 00 seconds west, 249.08 feet.
9. South 90 degrees, 00 minutes, 00 seconds, west, 130.17 feet.
10. North 00 degrees, 00 minutes, 00 seconds east, 207.68 feet.
11. North 45 degrees, 00 minutes, 00 seconds west, 20.51 feet.
12. North 00 degrees, 00 minutes, 00 seconds east, 8.07 feet.
13. South 90 degrees, 00 minutes, 00 seconds west, 120.83 feet.
14. North 00 degrees, 00 minutes, 00 seconds, east, 130.17 feet to the to the reconfigured lot corner around Building 7 & 8 And the point of beginning.

Containing within said bounds 57,988.37 S.F.

J:\LPS\Dept7300\Metes & Bounds Descriptions\RXRR, New lots\Building 7& 8, 13-1213\Revised lot Desc. for 7& 8, 13-1213, 13-1213.doc

architects + engineers

538 Broad Hollow Road, 4th Floor East
Melville, NY 11747

tel 631.756.8000
fax 631.694.4122

New Lot 892

December 13, 2013

Revised Lot Description around Building 9 &10
Nassau County Tax Map Section 8, Block A
Part of Lots 892 & 897C (Part of Vanderbilt at the Residences)

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Commencing at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

THENCE along the southerly side of the Long island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 242.05 feet.

Thence South 26 degrees, 53 minutes, 10 seconds east, 128.72 feet to the previous most northwest corner of Building Tax Lot 892, Part of Vanderbilt at the Residences, also known as Parcel 4.

Thence the following two (2) courses;

1. North 78 degrees, 53 minutes, 03 seconds east, 9.86 feet.
2. North 11 degrees 06 minutes 58 seconds west, 19.78 feet to the Northwest corner of the reconfigured lot corner around Building 9 & 10 and the point or place of beginning

Thence the following fourteen (8) courses along the reconfigured lot line around Buildings 9 & 10.

1. North 78 degrees 53 minutes 02 seconds east. 130.17 feet.
2. South 11 degrees, 06 minutes, 58 seconds east, 410.17 feet.
3. South 78 degrees, 53 minutes, 02 seconds west, 130.17 feet.
4. North 11 degrees, 06 minutes, 58 seconds west, 180.90 feet.
5. North 23 degrees, 53 minutes, 02 seconds, east, 18.31 feet.
6. North 11 degrees, 06 minutes, 58 seconds west, 18.37 feet.
7. North 46 degrees, 06 minutes, 58 seconds west, 18.31 feet.
8. North 11 degrees, 06 minutes, 58 seconds west, 180.90 feet to the reconfigured lot corner Around Building 9 &10 and the point of beginning.

Containing within said bounds 53,039.95 S.F.

J:\LPS\Dept7300\Metes & Bounds Descriptions\RXRR, New lots\Building 9&10, 13-1213\Revised Desc. Building 9&10, 13-1213.doc

EXHIBIT "G"

Legal Description
Post Amended Subdivision HOA Property Description

(To Be Attached)

The Post Amended Subdivision HOA Property Description will be comprised of the Phase I Property described in Exhibit C, with the addition of the parcels listed in Exhibit E-2, less the parcels listed in Exhibit E-1.

architects + engineers

538 Broad Hollow Road, 4th Floor East
Melville, NY 11747

tel 631.756.8000
fax 631.694.4122

Revised HOA

Nassau County Tax Lots Section 8, Block A
Lots 889, 900 and Part of 892, 893, 897C & 897B

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Beginning at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

Thence along the southerly side of the Long island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 561.41 feet to land now or formerly of Realm, LLC.

Thence along land now or formerly of Realm, LLC the following two (2) courses:

1. South 00 degrees 31 minutes 00 seconds east, 621.48 feet.
2. North 89 degrees 29 minutes 00 seconds east, 313.96 feet to land now or formerly of North Hills Associates, LLC.

Thence southerly along lands now or formerly of North Hills Associates, LLC. South 08 degrees 24 minutes 00 seconds west, 613.64 feet to the land of New York State Park Commission.

Thence westerly the following seven (7) courses along the former centerline of I.U. Willets Road and partly along llands of New York State Park Commission:

1. North 76 degrees 47 minutes 50 seconds west, 16.24 feet.
2. North 83 degrees 42 minutes 00 seconds west, 9.42 feet.
3. North 80 degrees 59 minutes 00 seconds west, 104.95 feet.
4. South 76 degrees, 53 minutes, 38 seconds west, 174.25 feet.
5. Along the arc of a curve bearing to the left having a radius of 5,829.65 feet with an arc length of 219.36 feet.
   With a chord bearing of South 75 degrees, 48 minutes, 57.3 seconds west, 219.35 feet.
6. South 88 degrees, 04 minutes, 03 seconds west, 546.12 feet.
7. North 61 degrees, 02 minutes, 37 seconds west, 76.53 feet to the easterly side of New Hyde Park Road.

Thence Northerly along the easterly side of New Hyde Park Road, North 13 degrees, 30 minutes, 07 seconds west, 97.72 feet to the former centerline of I.U. Willets Road.

Thence easterly along the former centerline of I.U. Willets Road the following two (2) courses:

1. North 77 degrees, 58 minutes, 02 seconds east, 77.19 feet.
2. North 87 degrees, 17 minutes, 00 seconds east, 414.18 feet to the easterly side of land now or formerly of X Cell Realty Associates.

Thence northerly along the easterly side of land now or formerly of X Cell Realty Associates the following two (2) courses:

1. North 00 degrees, 31 minutes, 00 seconds west, 763.99 feet to a concrete monument.

2. North 26 degrees, 53 minutes, 10 seconds west, 146.34 feet to a concrete monument and the point or place of beginning.

Excepting the following five described areas:

Area 1

Manhasset Lakeville Water District. Designated as Tax Lot 890 as shown on the Nassau County Land and Tax Maps. Beginning at the north east corner of Area 1, said point being further described as the following four (4) courses from the intersection of the easterly side of New Hyde Park Road with the southerly side of the Long Island Expressway, I-495, Service Road (Power House Road).

1. Easterly along the southerly side of the Long Island Expressway Service Road 583.06 feet to a concrete monument.
2. South 26 degrees, 53 minutes, 10 seconds east, 146.34 feet to a concrete monument.
3. South 00 degrees, 31 minutes, 00 seconds east, 763.99 feet to the former centerline of I.U. Willets Road.
4. Westerly along the former centerline of I.U. Willets Road, South 87 degrees, 17 minutes, 00 seconds west, 109.11 feet to the point or place of beginning of property of Manhasset Lakeville Water District.

Thence the following four (4) courses around property of The Manhasset Lakeville Water District:

1. South 01 degrees, 55 minutes, 57 seconds east, 152.74 feet.
2. South 88 degrees, 04 minutes, 03 seconds west, 200.00 feet.
3. North 01 degrees, 55 minutes, 57 seconds west, 150.00 feet.
4. North 87 degrees, 17 minutes, 00 seconds east, 200.02 feet to the point or place of beginning of the Manhasset Lakeville Water District.

Area 2

Beginning at the northwest corner of Area 2, said point being further described as the following two (2) courses from the intersection of the easterly road line of New Hyde Park Road with the southerly road line of Power House Road (Long Island Expressway South Service Road);

1. Easterly along the southerly line of Power House Road, 583.06 feet.
2. South 59° 35' 33" east, 88.20 feet to the point or place of beginning;

Thence the following thirteen (13) courses:

1. North 78° 53' 03" east, 131.64 feet;
2. South 30° 41' 44" east, 34.39 feet;
3. South 11° 06' 57" east, 57.43 feet;
4. South 78° 53' 03" west, 29.76 feet;
5. South 11° 06' 57" east 38.15 feet;
6. South 03° 56' 01" west, 45.59 feet;
7. South 78° 53' 03" west, 10.46 feet;
8. South 11° 06' 57" east, 38.35 feet;
9. North 78° 53' 03" east, 10.53 feet;
10. South 25° 13' 04" east, 39.64 feet;
11. South 11° 06' 57" east, 136.49 feet;
12. South 78° 53' 03" west, 111.29 feet;
13. North 11° 06' 57" west, 385.29 feet to the point or place of beginning.

Area 3

Beginning at the northwest corner of Area 3, said point being further described as the following four (4) courses from the intersection of the easterly road line of New Hyde Park Road with the southerly road line of Power House Road (Long Island Expressway South Service Road);

1. Easterly along the southerly line of Power House Road, 583.06 feet;
2. South 26° 53' 10" east, 146.34 feet;
3. South 00° 31' 00" east, 302.39 feet to a tie line;
4. North 89° 29' 00" east, 28.35 feet to the point or place of beginning;

Thence the following fifteen (15) courses:

1. North 90° 00' 00" east, 110.33 feet;
2. South 00° 00' 00" east, 199.65 feet;
3. South 22° 21' 08" west, 4.34 feet;
4. North 90° 00' 00" west, 7.43 feet;
5. South 00° 00' 00" east, 45.85 feet;
6. North 90° 00' 00" east, 7.36 feet;
7. South 23° 03' 13" east, 4.40 feet;
8. South 00° 00' 00" east, 107.88 feet;
9. South 44° 55' 56" west, 72.10 feet;
10. North 90° 00' 00" west, 68.05 feet;
11. North 00° 00' 00" west, 48.44 feet;
12. North 90° 00' 00" east, 4.68 feet;
13. North 00° 00' 00" west, 127.70 feet;
14. South 90° 00' 00" east, 3.96 feet;
15. North 00° 00' 00" west, 236.35 feet to the point or place of beginning.

Area 4

Beginning at the southwest corner of Area 4, said point being further described as the following four (4) courses from the intersection of the easterly road line of New Hyde Park Road with the southerly road line of Power House Road (Long Island Expressway South Service Road);

1. Easterly along the southerly line of Power House Road, 583.06 feet;
2. South 26° 53' 10" east, 146.35 feet;
3. South 00° 31' 00" east, 763.99 feet.
4. Along the tie line, south 70° 03' 51" east, 116.12 feet to the point or place of beginning;

Thence the following seventeen (17) courses:

1. North 00° 00' 00" east, 63.61 feet;
2. North 44° 55' 56" east, 76.97 feet;
3. North 90° 00' 00" east, 167.24 feet;
4. South 70° 46' 27" east, 19.58 feet;
5. South 00° 00' 00" east, 6.61 feet;
6. North 90° 00' 00" east, 47.87 feet;
7. North 00° 00' 00" west, 6.59 feet;
8. North 70° 21' 07" east, 19.26 feet;
9. North 90° 00' 00" east, 107.86 feet;
10. North 00° 00' 00" west, 6.00 feet;
11. North 90° 00' 00" east, 35.67 feet;
12. North 00° 00' 00" east, 45.00 feet;

13. North 90° 00' 00" east, 63.67 feet;
14. South 00° 00' 00" west, 160.33 feet;
15. South 90° 00' 00" west, 417.29 feet;
16. South 00° 00' 00" east, 8.76 feet;
17. North 90° 00' 00" west, 96.00 feet to the point or place of beginning.

Area 5

Beginning at the northwest corner of Area 5, said point being further described as the following six (6) courses from the intersection of the easterly road line of New Hyde Park Road with the southerly road line of Power House Road (Long Island Expressway South Service Road);

1. Easterly along the southerly line of Power House Road, 583.06 feet;
2. Continuing along the southerly side of the Long island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 561.41 feet.

3. South 00 degrees, 31 minutes, 00 seconds east 621.48 feet.
4. South 63 degrees, 33 minutes, 45 seconds west, 56.00 feet,
5. North 90 degrees, 00 minutes, 00 seconds east, 18.63 feet.
6. North 00 degrees, 00 minutes 00 seconds east, 4.31 feet to the point or place of beginning.

Thence the following seventeen (14) courses:

1. North 90 degrees, 00 minutes 00 seconds east. 192.83 feet
2. South 00 degrees, 00 minutes, 00 seconds west, 50.75 feet.
3. North 90 degrees, 00 minutes, 00 seconds east, 12.17 feet.
4. South 00 degrees, 00 minutes, 00 seconds west, 26.75 feet.
5. North 90 degrees, 00 minutes, 00 seconds east, 17.42 feet.
6. South 00 degrees, 00 minutes, 00 seconds west, 33.83 feet.
7. South 90 degrees, 00 minutes, 00 seconds, west, 43.08 feet.
8. South 00 degrees, 00 minutes, 00 seconds west, 249.08 feet.
9. South 90 degrees, 00 minutes, 00 seconds, west, 130.17 feet.
10. North 00 degrees, 00 minutes, 00 seconds east, 207.68 feet.
11. North 45 degrees, 00 minutes, 00 seconds west, 20.51 feet.
12. North 00 degrees, 00 minutes, 00 seconds east, 8.07 feet.
13. South 90 degrees, 00 minutes, 00 seconds west, 120.83 feet.
14. North 00 degrees, 00 minutes, 00 seconds, east, 130.17 feet to the point of beginning.

Area 6

Beginning at the northwest corner of Area 6, said point being further described as the following five (5) courses from the intersection of the easterly road line of New Hyde Park Road with the southerly road line of Power House Road (Long Island Expressway South Service Road);

1. Easterly along the southerly line of Power House Road, 583.06 feet;
2. Continuing along the southerly side of the Long island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 242.05 feet;

3. South 26 degrees, 53 minutes, 10 seconds east, 128.72 feet;
4. North 78 degrees, 53 minutes, 03 seconds east, 9.86 feet;
5. North 11 degrees 06 minutes 58 seconds west, 19.78 feet to the point or place of beginning;

Thence the following eight (8) courses:

1. North 78 degrees 53 minutes 02 seconds east, 130.17 feet.
2. South 11 degrees, 06 minutes, 58 seconds east, 410.17 feet.
3. South 78 degrees, 53 minutes, 02 seconds west, 130.17 feet.
4. North 11 degrees, 06 minutes, 58 seconds west, 180.90 feet.
5. North 23 degrees, 53 minutes, 02 seconds, east, 18.31 feet.
6. North 11 degrees, 06 minutes, 58 seconds west, 18.37 feet.
7. North 46 degrees, 06 minutes, 58 seconds west, 18.31 feet.
8. North 11 degrees, 06 minutes, 58 seconds west, 180.90 feet to the point of beginning.

Said Overall Property (Excepting the six (6) described areas) containing 10.45 acres, or 455,142.28 square feet.

X:\RXRR (RXR Realty) - 45536\RXRR 1001 - The Residences @North Hills\CORRESPONDENCE\Revised HOA on Letterhead.doc

BY-LAWS OF
THE RESIDENCES, NORTH HILLS
HOMEOWNERS ASSOCIATION, INC.

BY-LAWS
OF
THE RESIDENCES, NORTH HILLS
HOMEOWNERS ASSOCIATION, INC.
A New York Not-for-Profit Corporation

ARTICLE I. NAME, LOCATION AND PRINCIPAL OFFICE

These are the By-Laws of The Residences, North Hills Homeowners Association, Inc. hereinafter referred to as the "Association". The principal office of the Association shall be located in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York.

ARTICLE II. DEFINITIONS

The following words when used in these By-Laws shall, unless the context otherwise prohibits, have the meanings set forth below:

1. "Association Common Areas" or "Common Areas" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in Schedule "A" annexed hereto and made a part hereof, and the improvements which will be owned by the Association consisting of a clubhouse, landscaped areas, roadways, common lighting, sidewalks, recreational facilities, common utilities, entranceways, gatehouses and perimeter fences, if any, in the Community.

2. "Board" or "Board of Directors" shall mean the board of directors of the Association responsible for its affairs.

3. "Board of Managers" shall mean the governing body of a Condominium responsible for its affairs.

4. "By-Laws" shall mean the By-Laws governing the operation of Association.

5. "Class 1 Members" shall mean Phase I Developer and Phase II Developer.

6. "Class 2 Members" shall mean the purchasers of Units in the Phase I Condominium or the Phase II Condominium.

7. "Clubhouse" shall mean the facility to be constructed by Phase I Developer, owned and maintained by the Association for recreational use by Members of the Association and managed by Manager, and which is currently

anticipated to include a fitness center, a resident's lounge, women's and men's restrooms, a media room and other amenities that may be provided by Phase I Developer.

8. "Common Maintenance Charges" or "Maintenance Charges" shall mean the costs and expenses incurred by the Association in accordance with the terms hereof and chargeable to the Members.

9. "Community" shall mean the Association Common Areas, the Phase I Property and the Phase I Condominium, and the Phase II Property and the Phase II Condominium.

10. "Condominium Board Phase I" shall mean the Board of Managers of the Phase I Condominium, the governing body of the Phase I Condominium which represents the Unit Owners of the Phase I Condominium pursuant to the provisions of the Declaration of Condominium and By-Laws of the Phase I Condominium.

11. "Condominium Board Phase II" shall mean the Board of Managers of the Phase II Condominium, if developed, the governing body of the Phase II Condominium which represents the Unit Owners of the Phase II Condominium pursuant to the provisions of the Declaration of Condominium and the by-laws of the Phase II Condominium.

12. "Declaration of Condominium" shall mean the instrument by which each Condominium is submitted to the provisions of the Condominium Act, and as such instrument as from time to time may be amended, consistent with the provisions of the Condominium Act and of the By-Laws.

13. "Declaration" shall mean the Declaration of Covenants, Restrictions, Easements, Charges and Liens recorded in the land records of the County Clerk of Nassau County, New York which encumbers Association Common Areas, the Phase I Condominium and the Phase II Condominium, if developed. The Declaration provides for easements between the Association Common Areas, Phase I and Phase II and in favor of the Phase I Developer and Phase II Developer. The easements as recorded provide that the Association may fulfill all of the obligations required of the Association under the Declaration of Condominium for Phase I and Phase II. The Declaration of Easements also contains reciprocal easements between the Association Common Areas, the Phase I Property and the Phase II Property to provide for access and maintenance of utilities and services now and hereinafter installed

14. "GACC" shall mean German American Capital Corporation, its successors, agents and/or assigns.

15. "Governmental Approvals" shall mean all licenses, permits,

permissions and approvals from a Governmental Authority applicable to the development, construction or operation of, the Phase I Property, the Phase II Property or the Association Common Areas.

16. "Governmental Authority" shall mean the United States, the State in which the Premises are located, and any political subdivision thereof, including the Village, and any agency, department, commission, board, bureau or instrumentality of any of them, and any regulatory body such as a Board of Fire Underwriters.

17. "Initial Control Period" shall mean the period from the date of this Declaration until the date on which the last Unit in the Community is transferred to a Unit Owner by the last to hold an Unsold Unit among the Phase I Developer, Phase II Developer, and the successors and/or assigns of either, and the Association Common Areas are completed and all municipal requirements have been satisfied.

18. "Legal Requirement" shall mean and law, ordinance, order, rule or regulation, now existing or hereafter enacted, of a Governmental Authority applicable to the development, construction or operation of, the Phase I Property, the Phase II Property or the Association Common Areas.

19. "Manager" shall mean the Manager employed by the Board of Directors, the Condominium Board Phase I and the Condominium Board Phase II to undertake and perform the duties and services that the Board of Directors, the Condominium Board Phase I and the Condominium Board Phase II shall direct and who shall have such powers which are delegated to the Manager. The initial Manager is anticipated to be MIE, L.L.C. under the Ritz-Carlton brand, 10400 Fernwood Road, Bethesda, Maryland 20815 and 4445 Willard Avenue, Suite 800, Chevy Chase, Maryland 20815.

20. "Member" shall mean each holder of a membership interest in the Association as set forth in the Declaration.

21. "Nord LB" shall mean Norddeutsche Landesbank Girozentrale, its successors, agents and/or assigns.

22. "Phase I Condominium" shall mean The Residences, North Hills Condominium Phase I, including the Units to be located therein and the common elements of such condominium appurtenant to the Units.

23. "Phase II Condominium" shall mean The Residences, North Hills Condominium Phase II including the Units to be located therein and the common elements of such condominium appurtenant to the Units.

24. "Phase I Developer" shall mean RXR North Hills Phase I Owner

LLC, its successors and assigns, including without limitation, (i) Phase I Lender, if following default Phase I Lender obtains title to the portion of the Phase I Property then owned by Phase I Developer, (ii) any party who purchases the Phase I Property in a foreclosure sale; and (iii) any future owner of the Phase I Property that intends to develop the Phase I Property.

25. "Phase II Developer" shall mean RXR North Hills Phase II Owner LLC, its successors and assigns, including, without limitation, (i) Phase II Lender, if following default Phase II Lender obtains title to the portion of the Phase I Property then owned by Phase II Developer; and (ii) any party who purchases the Phase II Property in a foreclosure sale; and (iii) any future owner of the Phase II Property that intends to develop the Phase II Property.

26. "Phase I Lender" shall mean Deutsche Bank Trust Company Americas, as agent for GACC, its successors and assigns.

27. "Phase II Lender" shall mean Nord LB, its successors and assigns.

28. "Phase I Property" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in Schedule "B" annexed hereto and made a part hereof, which shall constitute the Phase I Condominium.

29. "Phase II Property" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in Schedule "C" annexed hereto and made a part hereof, which shall constitute the Phase II Condominium.

30. "Rules and Regulations" shall mean rules and regulations, and any amendments thereto, promulgated from time to time by the Board of Directors.

31. ""Unit" or "Units" shall mean the residential condominium units located within the Community.

32. "Unit Owner" or "Owner" shall mean the record owner of fee simple title to any Unit subject to this Declaration of Covenants, Restrictions, Easements, Charges and Liens, not including Phase I Developer and Phase II Developer with respect to any Unsold Unit within the Phase I Condominium and the Phase II Condominium, respectively. Every Unit Owner shall be treated for all purposes as a single owner for each Unit held, regardless of whether the ownership of such Unit is joint, in common or by tenancy by the entirety. Where such Ownership is joint, in common or by tenancy by the entirety, such collective Ownership shall constitute one (1) Member regardless of the number of Units the Member may own.

33. "Unsold Unit" shall mean a Unit owned by Phase I Developer or Phase II Developer, as applicable.

ARTICLE III. PURPOSE

This Association is formed to own, operate, manage, maintain and control the Association Common Areas and to perform certain maintenance and repairs to the Community as a Homeowners Association for the benefit of the Members of the Association.

ARTICLE IV. APPLICABILITY

All present and future Members, their family members, tenants, lessees, occupants, guests, licensees, agents, employees and any other person or persons that shall be permitted to use the Association Common Areas shall be subject to these By-Laws and to the Rules and Regulations.

ARTICLE V. USE OF FACILITIES

The Association Common Areas shall be limited to the use by the Members, their family members, their lessees (if leasing is permitted), occupants and their guests. In the event that a Member shall lease (if permitted), or permit another to occupy the Member's Unit, the lessee or occupant shall, at the option of the Member, be permitted to use the Association Common Areas in lieu of that Member, and subject to the same restrictions and limitations as said Member. Any Member, lessee (if permitted) or occupant entitled to the use of the Association Common Areas may extend such privileges to members of his or her family residing in his or her household by notifying the Secretary in writing of the names of any such persons and of the relationship of such Member, lessee or occupant to such persons. The Board may establish a limitation on guest privileges and/or establish a guest fee for the use of the Association Common Areas by guests of Members or permitted lessees (if permitted) or occupants of Units and their respective family members.

Phase I Developer and Phase II Developer shall have the right, on an equal basis with other Members, to use all or any of the Association Common Areas or permit all or any of the Association Common Areas to be used by their respective designees or any prospective Purchaser of a Unit or any tenants of Unsold Units, without charge, in accordance with and subject to these By-Laws and the Rules and Regulations. In addition, Phase I Developer and/or Phase II Developer shall have the right until all Unsold Units are sold to use all or any of the Association Common Areas without charge, for exhibitions or other promotional functions with respect to Phase I Developer's and/or Phase II Developer's sales programs. Phase I Developer and/or Phase II Developer shall also have the right to use the Clubhouse and/or any other Association Common

Areas or portions thereof as (i) offices for the promotion, sale, rental, management and/or operation of the Unsold Units; (ii) offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Phase I Developer and/or Phase II Developer with respect to the Association Common Areas and/or the Units or Unsold Units; and/or (iii) for any other purpose. provided that Phase I Developer and/or Phase II Developer (or their respective designee(s) refrain from using any such portion of the Association Common Areas in such a manner as will unreasonably interfere with the use of the same or of any Unit for its permitted purposes. This provision regarding Phase I Developer and/or Phase II Developer may not be amended without the written consent of: (a) Phase I Developer and/or Phase II Developer, as applicable; and (b) Phase I Lender, for so long as Phase I Lender is a holder of a mortgage on the Phase I Property, and/or Phase II Lender, for so long as Phase II Lender is a holder of a mortgage on the Phase II Property.

ARTICLE VI. MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. The Association shall have two classes of membership interests, which shall consist of Class 1 members and Class 2 members:

Class 1 Members:

Phase I Developer and Phase II Developer shall each be a Class 1 Member and there shall be no other members of Class 1 other than Phase I Developer and Phase II Developer. The Class 1 Members shall hold all voting rights in the Association until the end of the Initial Control Period. Class 1 shall have six (6) Members on the Board of Directors, three (3) of which shall be designated by Phase I Developer and three (3) of which shall be designated by Phase II Developer. Phase I Developer may collaterally assign its Class 1 membership interest in the Association to Phase I Lender and Phase II Developer may collaterally assign its membership interest in the Association to Phase II Lender, in each case for so long as the mortgage loan to Phase I Developer or Phase II Developer, as the case may be, remains unpaid.

Class 2 Members:

After the Initial Control Period, there shall be a total of six (6) directors elected by Class 2 Members on the Board of Directors. Each purchaser of a Unit in the Phase I Condominium and each purchaser of a Condominium Unit in the Phase II Condominium shall be a Class 2 Member.

Section 2. The Board of Directors shall consist of six (6) members designated by the Class 1 Members until the first Annual Meeting of the Members of the Association, which shall take place within thirty (30) days after the end of the Initial Control Period. Thereafter, the Board of Directors shall consist of six (6) members elected by the Class 2 Members on the following

basis:

a. The owner of each Unit in the Community shall be a Member of the Association, whether such ownership is joint, in common or as tenants by the entirety.

b. Each Member is entitled to one vote. When more than one person or entity holds an interest in a Unit, the one vote attributable to such Unit shall be exercised as such persons mutually determine, and not more than one vote may be cast with respect to any Unit.

Section 3. Voting Rights.

a. Upon the expiration of the Initial Control Period, there shall no longer be Class 1 members and the Board of Directors shall consist solely of the members elected by the Class 2 Members.

b. Within thirty days prior to the annual anniversary of the election of each Class 2 Member to the Board of Directors, a new election shall be held by the Members to elect the Board of Directors of the Association, whose respective terms shall begin on said anniversary date.

c. No Member shall split or divide its vote on any motion, resolution or ballot. Phase I Developer and Phase II Developer shall retain the voting rights for all Unsold Units in the Phase I Condominium and the Phase II Condominium, respectively, retained in accordance with this section.

Section 4. Suspension of Membership. The rights of a Member or permitted lessee (if permitted) or occupant of a Unit, and their respective family members, guests and invitees, to the use and enjoyment of the Association Common Areas are subject to the payment of periodic Common Maintenance Charges levied by the Board, the obligation of which Common Maintenance Charges is imposed against each Member and becomes a lien upon the property of any Unit Owner against which such Common Maintenance Charges are made as provided for by Article VI of the Declaration. If a Member shall be in default in the payment of the Common Maintenance Charges assessed against such Member's Unit, 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 Association by such Member, permitted lessee or occupant, and the respective family Members, guests and invitees of the foregoing, and until such Member is reinstated in good standing in the Association, to take such other legal action as may be permitted by applicable law or these By-Laws. In addition to the foregoing, any Member so in default shall lose all voting privileges, shall be ineligible to be considered for membership on the Board and, if on the Board, shall be suspended therefrom until such time as all Common Maintenance Charges, together with late charges, interest and

expenses, if any, are paid to the Association. In no event, however, shall a Member's or Member's permitted occupant's right of ingress and egress to and from his or her Unit and through the Association Common Areas be curtailed in any manner. This Section 2 of Article VI shall not apply to: (a) Phase I Developer, or Phase I Lender if Phase I Lender takes title to the Phase I Property then owned by Phase I Owner; or to (b) Phase II Developer, or Phase II Lender if Phase II Lender takes title to the Phase II Property then owned by Phase II Owner.

Section 5. Mortgagee's Right to Cure. The Association must provide written notice of a Member's default to that Member's permitted mortgagee at least thirty (30) days prior to exercising any action described in Section IV above.

Section 6. Transfer of Membership. Membership in the Association shall be appurtenant to, and may not be transferred except in conjunction with, the lawful sale or conveyance of a Unit. No Unit Owner shall be permitted to sell or convey his or her Unit unless and until he or she shall have paid in full to the Board all unpaid Common Maintenance Charges and other amounts required by the Board to be paid and assessed by the Board against such Unit. Upon such sale or conveyance, the seller of such Unit shall relinquish his or her membership in the Association and the Purchaser of such Unit shall automatically become a Member, subject to this Declaration, the By-Laws and the Rules and Regulations.

ARTICLE VII. QUORUM, PROXIES AND WAIVERS

Section 1. Quorum. After the Initial Control Period, thirty (30 %) percent of the Class 2 Members entitled to vote with respect to the business being transacted, present in person or represented by written proxy, shall be requisite to and shall constitute a quorum at all meetings of the Association for the transaction of business, except as otherwise provided by Statute, by the Declaration, the Certificate of Incorporation of the Association or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Association, the Members entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting. At least five (5) days written notice of such adjourned meeting shall be given to all voting Members. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting originally called.

Section 2. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Members of each class entitled to vote present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Members, unless the question is one upon which by express provision of the Statute, Declaration, Certificate of Incorporation 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 3. Right to Vote. After the Initial Control Period, Members of the Association shall be entitled to vote either in person or by proxy at any meeting of their respective Condominium for members of the Board of Directors as set forth in these By-Laws and the Declaration. Any such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 4. Number of Votes. After the Initial Control Period, each Unit Owner shall have one vote for each position for a Board of Director to serve on the Board of Directors of The Association

Section 5. Proxies. All proxies shall be in writing signed by the owner of the Unit, 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 6. Waiver and Consent. Wherever the vote of the membership at a meeting is required or permitted by Statute or by any provision of the Declaration, Certificate of Incorporation or by these By-Laws to be taken in connection with any action of the Association, the meeting and vote of the membership may be dispensed with if all Members 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 7. Place of Meeting. Meetings shall be held at any suitable place convenient to those Members entitled to vote as may be designated by the Board of Directors and designated in the notices of such meetings.

Section 8. Annual Meetings. The first annual meeting of the membership of the Association shall be held within thirty (30) days after the end of the Initial Control Period. Thereafter the annual meeting of the membership of the Association shall be held on such date as is fixed by the Board of Directors but at least on an annual basis. The Board of Directors shall not be elected at the Annual Meeting, but shall be elected in the manner described in Article VI of this Declaration. The Members may also transact such other business as may properly come before the meeting.

Section 9. Special Meetings. It shall be the duty of the President to call a special meeting of the Association, if so directed by the Board of Directors, or upon the presentation to the Secretary of a petition signed by a majority of the Members entitled to vote. The Secretary shall cause a notice of such special meeting, stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 10 of this Article to each Member of record of the

Association entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Directors and shall be held no later than sixty (60) days from receipt of any written request pursuant to this Section 9 unless a later date is agreed to in writing by the members or the Board of Directors requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all members of the Association that are entitled to vote are present in person or by proxy. Any or all of the Directors of the Association, other than those designated by Phase I Developer or Phase II Developer, may be removed without cause by vote of the members at a special meeting called pursuant to this Section 9 if the meeting is called for such purpose.

Section 10. Notice of Meetings. It shall be the duty of the Secretary to mail, or send by electronic 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 Member entitled to vote at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing or transmittal of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 11. Order of Business. The order of business at all meetings shall be as follows:

1. Roll call
2. Proof of notice of meeting or waiver of notice
3. Reading of minutes of preceding meeting
4. Report of officers
5. Report of committees
6. Appointment of inspectors of election (in the event there is an election)
7. Election of Directors (in the event there is an election)
8. Unfinished business
9. New business

ARTICLE VIII. BOARD OF DIRECTORS

Section 1. Vacancy and Replacement of Board Members.

a. If the office of any Class 1 member of the Board of Directors becomes vacant by reasons of death, resignation, retirement, disqualification, removal from office or otherwise, Phase I Developer or Phase II Developer, as the case may be, shall designate another Director to replace its previously designated Director who no longer holds such position.

b. If the office of any Class 2 Director becomes vacant by reasons of death, resignation, retirement, disqualification, removal from office or otherwise,

then a special election of Unit Owners of the Phase I Condominium or the Phase II Condominium, as the case may be, whose directorship becomes vacant shall be held within thirty (30) days to fill the remainder term of the Class 2 Director of such condominium.

Section 2. Removal.

a. A member of the Board designated by Phase I Developer or Phase II Developer may not be removed from the Board except by Phase I Developer or Phase II Developer, as applicable.

b. Class 2 Directors may be removed for cause by an affirmative vote of sixty six and two thirds (66-2/3%) percent of all Class 2 Members. No Class 2 Director shall continue to serve on the Board if, during his term of office, he shall cease to be a Member or no longer reside in the Member's Unit as part of the immediate family.

Section 3. Resignation. Any director may resign at any time by written notice delivered in person or sent by certified mail to the President or Secretary of the Association. Such resignation shall take effect at the time specified in such notice. Acceptance of such resignation shall not be necessary to make it effective.

Section 4. Powers.

a. The Association has all power permitted by law with respect to the Association Common Areas. Notwithstanding the foregoing, the Association may NOT take the actions specified in this Section 4 without Board of Directors approval or authorization; provided that the Association may not take, without the consent of Phase I Lender and/or Phase II Lender and the approval of the class of Members entitled to vote at the annual meeting or any special meeting any action that is not directly related to the operation, improvement, repair and maintenance of the Association Common Areas or to the finance, management and administration of the Association. These powers shall specifically include, but not be limited to the following items:

1. To prepare and amend an annual budget projecting the Association's income and expenses, which must be distributed promptly to Unit Owners after preparation, and to determine and levy monthly assessments of Common Maintenance Charges to cover the cost of operating and maintaining the Association Common Areas, which assessments shall be payable in advance. The Board of Directors may increase the monthly Common Maintenance Charges or vote a special Common Maintenance Charge assessment in excess of that amount, if required, to meet any additional necessary expenses.

2. To collect, use and expend the Common Maintenance Charges collected to maintain, care for and preserve the Association Common Areas.

3. To make repairs, restore or alter the Association Common Areas after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

4. To open bank accounts and borrow money on behalf of the Association and to designate the signatories to such bank accounts.

5. To collect delinquent Common Maintenance Charges by suit or otherwise, to abate nuisances and to enjoin or seek damages from Members for violations of the By-Laws or the Rules and Regulations.

6. To make Rules and Regulations and to amend the same from time to time. The Rules and Regulations shall be binding upon the Members when the Board of Directors has approved them in writing and delivered a copy of the Rules and Regulations to each Member. The Rules and Regulations may, without limiting the foregoing, include reasonable limitations on the use of the Association Common Areas by guests of the Members as well as reasonable admission and other fees for such use.

7. To impose fines, late charges or penalties upon any Member who violates the Declaration, the Rules and Regulations or By-Laws pursuant to Article IX of the Declaration.

8. To employ workers, contractors and supervisory personnel, and to purchase supplies and equipment, to enter into contracts to provide maintenance, refuse removal and other services, and generally to have the power of Directors in connection with the matters hereinabove set forth.

9. To bring and defend actions by or against one or more Members, any of their occupants and lessees pertinent to the operation of the Association and to assess special Common Maintenance Charges to pay the cost of such litigation.

10. To hire a manager to perform and exercise the powers of the Board of Directors in the management of the Community, subject to the contract with MIF, LLC, which will manage the Community under the Ritz-Carlton brand.

11. To execute, acknowledge and deliver (i) any Declaration or other instrument affecting the Association Common Areas, which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of any public authority, applicable to the occupancy, maintenance, demolition, construction, alteration, repair or restoration of the Association Common Areas, and (ii) any consent, covenant, restriction,

easement or Declaration, or any amendment thereto, affecting the Association Common Areas which the Board deems necessary or appropriate.

12. To obtain and review insurance for the Association, if developed.

13. Take any action or execute and deliver any document on behalf of the Association.

14. By resolution or resolutions, passed by a majority of all the Directors, designate one or more committees, in addition to any committee required by these By-Laws, each of such committees to include at least one (1) Director, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association and may have power to sign all papers which may be required, provided the said resolution or 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 Directors. Committees established by resolution of the Board of Directors shall keep regular minutes of their proceedings and shall report the same to the Board as required.

b. Notwithstanding anything contained in these By Laws to the contrary, for the duration of the Initial Control Period, the Board of Directors shall not, without the consent of Phase I Lender, for so long as Phase I Lender is a holder of a mortgage on the Phase I Property, and/or Phase II Lender, for so long as Phase II Lender is a holder of a mortgage on the Phase II Property: (i) make any addition, alteration or improvement to the Association Common Areas; (ii) assess any Common Maintenance Charge for the creation of, addition to or replacement of all or part of a reserve contingency or surplus fund; (iii) charge any special Common Charge Assessment for a non-budgeted item unless required by law, emergency, municipal agency or for the health and safety of the Association and its Members; (iv) hire any additional employees or enter into any service or maintenance contract for work not covered by contracts in existence on the date of the closing of the first Unit; (v) borrow money or otherwise create a security interest on behalf of the Association or on any portion of the Association property or; (vi) increase or decrease the services or maintenance of the Association as set forth in the proposed first year budget of the Association, the Declaration or the By-Laws or otherwise provide services in excess of those contemplated by the proposed first year budget or elsewhere in the Offering Plan or any amendments thereto; (vii) purchase any materials, equipment or other goods costing in excess of $1,000; (viii) increase the Common Maintenance Charges of the Association more than ten (10%) percent from the prior year's budget, unless required by law, emergency, municipal agency, the health and safety of the Association and its Members or if documentation is provided to Phase I Developer and/or Phase II Developer in the nature of a financial statement, bids from contractors or verified increases in utility rates evidencing

the need for an increase greater than ten (10%) percent; (ix) utilize Association funds or assess Phase I Developer and/or Phase II Developer in order to commence a lawsuit against Phase I Developer and/or Phase II Developer or any of their respective principals so long they hold any Unsold Units in the Community; or (x) the Board take any action that will interfere, impair or adversely affect the rights of Phase I Developer and/or Phase II Developer to sell and construct any Unsold Units. Notwithstanding the foregoing, at no time may Phase I Developer and/or Phase II Developer exercise veto power over expenses described in the Association budget or over expenses required to comply with Legal Requirements, remedy any notice of violation, or remedy any work order by an insurer.

c. For the duration of the Initial Control Period, no mortgage liens will be placed on the Association Common Areas without the consent of at least fifty-one (51%) percent of the Unit Owners other than Directors designated by Phase I Developer or Phase II Developer. This subparagraph (c) may not be amended without the written consent of Phase I Developer and Phase II Developer, in each case for so long such developer owns Units in the Phase I Condominium or the Phase II Condominium, as the case may be.

d. Notwithstanding subsection (c) of this Section 4 and any provision of these By-Laws to the contrary, the Association may place a mortgage lien on a portion of the Association Common Areas, if necessary, in order to conform the boundaries of the Phase I Property or, if developed, the Phase II Property to the revised boundaries of the Phase I Property or the Phase II Property, as the case may be, as approved in an amended site plan by the Village of North Hills.

e. Upon the sale of the last Unsold Unit in Phase I Property, Phase I Developer shall assign its right to designate three Class 1 members to the Phase II Developer, provided that Phase II Developer still owns at least one Unsold Unit at the Phase II Property.

f. Upon the sale of the last Unsold Unit in Phase II Property, Phase II Developer shall assign its right to designate three Class 1 members to the Phase 1 Developer, provided that Phase 1 Developer still owns at least one Unsold Unit at the Phase 1 Property.

Section 5. Compensation. Directors and officers, as such, shall receive no compensation for their services.

Section 8. Meetings.

a. After the Initial Control Period, the first meeting of each Board elected by the Class 2 Members shall be held immediately upon adjournment of the meeting of the Members 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 Directors shall be held at the same place as the annual meeting of the Class 2 Members 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 Director either personally, by mail, overnight courier service or electronic mail. 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 two (2) Directors.

d. At all meetings of the Board, a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, 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 meeting of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be present.

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

f. Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board or such committee consent in writing to the adoption of a resolution authorizing such action. The resolution and the written consents thereto shall be filed with the minutes of the proceedings of the Board of Directors or committee.

g. Notwithstanding the foregoing, prior to the expiration of the Initial Control Period, the presence of at least one Director designated by each of the Class 1 Members is required at all meetings of the Board of Directors and no quorum shall exist without the presence of at least one Director designated by each of the Class 1 Members, until such time as the Initial Control Period expires.

h. Members of the Board may participate in a meeting by means of a conference telephone call or similar communications equipment by means of

which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting.

Section 7. Annual Statement. The Board of Directors shall furnish to all Members and shall present annually, within five (5) months of the end of each fiscal year and when called for by a vote of the Members at any special meeting of the Members, a statement of the business conditions and affairs of the Association, 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 Members and a notice of the holding of the annual meeting of Association Members.

Section 8. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association (except Phase I Developer and/or Phase II Developer and their respective representatives or designees) handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a Common Maintenance Charge of the Association.

ARTICLE IX. OFFICERS

Section 1. Elective Officers. The officers of the Association shall be elected by the Board and shall consist of a President, a Vice President, a Secretary and a Treasurer. The Board of Directors 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 either members of the Board of Directors or Members of the Association. Two or more offices may be held by the same person, except for the President who may only hold the office of President. Until the expiration of the Initial Control Period, the Directors designated by Phase I Developer and Phase II Developer shall appoint the officers of the Association.

Section 2. Election. After the expiration of the Initial Control Period, the Board of Directors, at its first meeting after each annual meeting of Association Members, 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.

Section 4. Term. The officers shall hold office for a period of one (1) year, or until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed with or without cause, at any time, by the affirmative vote of a majority of the Board of Directors, provided

prior notice was given to all Board members that this item was on the agenda for such meeting. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President. The President shall: be the chief executive officer of the Association; preside at all meetings of the Association Members and the Board of Directors; be an ex-officio member of all standing committees; have general and active management of the business of the Association; see that all orders and resolutions of the Board are carried into effect; and have such other powers and duties as are usually vested in the office of President of a corporation organized under the Not-for-Profit 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 corporation organized under the Not-for-Profit 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 meetings of the Members 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 meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or by the President, under whose supervision he shall be.

Section 8. The Treasurer. The Treasurer and/or Assistant Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Association including the vouchers for such disbursements, and shall deposit all monies, and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. These duties may also be exercised by the Manager, if any. However, such Manager shall not replace the Treasurer.

The Treasurer shall disburse the funds of the Association as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Directors, 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 Association.

The Treasurer shall keep detailed financial records and book of account of the Association, including a separate account for each Member, which among other things, shall contain the amount of each Assessment, the date when due,

the amount 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 Directors.

ARTICLE X. NOTICES

Section 1. Definitions. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Directors or to any Director or Member, it shall not be construed to mean personal notice, and 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 Directors, such Director, or Member, at such address as appears on the books of the Association.

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 XI. COMMON MAINTENANCE CHARGES

Section 1. Creation of the Lien and Personal Obligation of Assessments. The creation of the lien and personal obligation of Common Maintenance Charges is governed by Section 1 of Article VI of the Declaration.

Section 2. Purpose of Common Maintenance Charges. The purpose of Common Maintenance Charges is as specified in Section 2 of Article VI of the Declaration.

Section 3. Basis of Common Maintenance Charges. The basis of the Common Maintenance Charges is as specified in Section 3 of Article VI of the Declaration.

Section 4. Date of Commencement of Common Maintenance Charges. Due Dates. The date of commencement and the due dates of Common Maintenance Charges are as specified in Section 4 of Article VI of the Declaration.

Section 5. Effect of Non-Payment of Common Maintenance Charges. Remedies of the Association. The effect of non-payment of Common Maintenance Charges and the remedies of the Association shall be as specified in Section 5 of Article VI of the Declaration.

Section 6. Subordination of Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinated pursuant to the provisions of Section 5 of Article VI of the Declaration.

Section 7. Checks. All checks or demands for money and notes of the Association 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 Directors may from time to time designate.

Section 8. 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 Common Maintenance Charges as fixed and determined for all Members. Disbursements from said account shall be for the general needs of the Association including, but not limited to, wages, repairs, improvements, maintenance and other operating expenses of the community.

Section 9. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes.

ARTICLE XII. INSURANCE

The insurance the Board of Directors is required to obtain and maintain on behalf of the Association shall be as provided for in Article VIII of the Declaration. The procedure and requirements for repair or reconstruction of the Association Common Areas shall be as provided for in the Declaration.

ARTICLE XIII. AMENDMENTS

Section 1. Requirements for Amending By-Laws. Except as otherwise provided in the Certificate of Incorporation or these By-Laws, these By-Laws may be altered, amended or added to at any duly called meeting of Association Members provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; and (2) that the amendment shall be approved by vote of (i) in the case of Class 1 Members, a vote of the majority of Board Members, and (ii) in the case of Class 2 Members, at least sixty six and two thirds (66-2/3%) percent of the total Class 2 Members whose Units are then subject to the Declaration. No amendment, however, shall affect or impair the validity or priority of the Members interests and the interests of holders of a mortgage encumbering a Member's Unit. The above notwithstanding, no amendment may infringe in any way upon Phase I Developer's and/or Phase II Developer's rights to build and make membership in or use of the Association available to Purchasers or lessees of no more in the aggregate than sixty Units in the Community without the respective consent of Phase I Developer and/or Phase II Developer.

Section 2. Consent Rights of Developer(s) and Lender(s) Notwithstanding any provision contained herein to the contrary:

a. no amendment, modification, addition or deletion of, to or from the By-Laws or the Rules and Regulations shall be effective in any way against Phase I Developer or Phase II Developer or its designees or any Unsold Unit, as long as Phase I Developer or Phase II Developer, as the case may be, owns an Unsold Unit in the Community, unless Phase I Developer or Phase II Developer, as the case may be, has given its prior written consent; and

b. these By-Laws may not be amended in any way without the written consent of Phase I Lender, for so long as Phase I Lender is a holder of a mortgage on the Phase I Property, and/or Phase II Lender, for so long as Phase II Lender is a holder of a mortgage on the Phase II Property.

ARTICLE XIV, SELLING, LEASING AND GIFTS OF UNITS

Section 1. Selling.

a. No Member shall convey, mortgage, pledge, hypothecate or sell his or her Unit unless and until all violations against the Unit are removed and all unpaid Common Maintenance Charges assessed against the Unit in accordance with the Declaration shall have been paid as directed by the Board of Directors. Such unpaid Common Maintenance Charges, however, may be paid out of the proceeds from the sale of a Unit, or by the grantee of such Unit. Any sale or lease of a Unit in violation of this section or the applicable Article of the Declaration shall be voidable at the election of the Board of Directors. Upon the written request of a Member or his or her mortgagee, the Board or its designee shall furnish a written statement of the status of any violation and the unpaid Common Maintenance Charges due from such Member which shall be conclusive evidence of the payment of amounts assessed prior to the date of the statement. A reasonable charge may be made by the Board for the issuance of such statements.

b. The provisions of this Section as they apply to unpaid Common Maintenance Charges shall not apply to the acquisition of a Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. In such event the unpaid Common Maintenance Charges against the Unit which were assessed and became due prior to the acquisition of title to such Unit by such mortgagee shall be deemed waived by the Association and shall be charged to all other Members of the Association as a Common Maintenance Charge. Such provisions shall, however, apply to any Common Maintenance Charges which are assessed and become due after the acquisition of title to such Unit by the mortgagee and to any Purchaser from such mortgagee.

c. Whenever the term "Unit" is referred to in this Section, it shall include the Unit, the Member's interest in the Association and the Member's interest in any Units acquired by the Association.

Section 2. Leasing Requirements. Every lease of a Unit in the Phase I Condominium or the Phase II Condominium, if developed, will be subject to the following provisions, whether or not stated in the lease:

a. the lease must be in writing;

b. the lease must be for the entire Unit;

c. the lease must be for a minimum of six (6) months.

d. the use of the premises is subject to the Declaration and the By-Laws of the Phase I Condominium or the Phase II Condominium, as applicable, and such condominium's Declaration of Covenants and Restrictions and By-Laws of The Association and the Rules and Regulations;

e. within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the Manager or if no Manager to a Member of the Board of Managers of the Condominium Board Phase I (for a Unit in the Phase I Condominium) or the Condominium Board Phase II (for a Unit in the Phase II Condominium) and the Board of Directors of The Association;

f. within forty-five (45) days of any renewal of a lease of a tenant, the name and telephone number of the tenant, together with a clear and complete copy of the renewal lease, must be furnished to the Manager or if no Manager to the Condominium Board Phase I (for a Unit in the Phase I Condominium) or the Condominium Board Phase II (for a Unit in the Phase II Condominium), if developed and the Board of Directors of The Association for review;

g. the Unit cannot be used as a motel or hotel or otherwise for transient tenants;

h. if any Unit Owner (landlord) or tenant is in violation of any of the provisions of the applicable Declaration or By-Laws, or both, including the Rules and Regulations, the Board of Directors of the Association and/or the Condominium Board Phase I (for a Unit in the Phase I Condominium) or Condominium Board Phase II (for a Unit in the Phase II Condominium) may bring an action in its own name or in the name of the Unit Owner, or both, to have the tenant evicted or to recover damages, or both.

Section 3. Tenant Bound by Declaration. By becoming a tenant, each tenant agrees to be bound by the Declaration, By-Laws and the rules and

regulations of the Phase I Condominium or the Phase II Condominium (if developed), as the case may be, and by the Declaration, By-Laws and the Rules and Regulations of the Association and recognizes and accepts the right and the power of the Association to evict the tenant for any violation by the tenant of the above, and the other rules and regulations of the Phase I Condominium and the Phase I Condominium, if developed, and the Association.

Section 4. Lenders. To protect first mortgage lenders and to encourage first mortgage lenders to make loans on Units in the Phase I Condominium and the Phase I Condominium, if developed, only subsection (d), (e), (g) and (h) of Section 2 of this Article XIV shall apply to a first mortgage lender who has title to the Unit through (a) foreclosure of its first mortgage on the Unit; or (b) a deed in lieu of foreclosure of its first mortgage on the Unit. Any subsequent Purchaser from the first mortgage lender is subject to all the terms of Article XIV.

Section 5. Non- Applicability to Developer. The terms of Section 2 of this Article XIV shall not be applicable to (a) Phase I Developer, or Phase I Lender if Phase I Lender takes title to the Phase I Property then owned by Phase I Owner or (b) Phase II Developer, or Phase II Lender if Phase II Lender takes title to the Phase II Property then owned by Phase II Owner as the case may be.

Section 6. Gifts, etc. Any Member may convey or transfer his or her Unit by gift during his or her lifetime or devise his or her Unit by will or pass the same by intestacy without restriction except as may be permitted regarding occupancy requirements as provided in the Declaration.

ARTICLE XV. INDEMNIFICATION

Section 1. Indemnification of Officers and Directors. To the fullest extent allowed by law, the Association shall indemnify Manager, and any person, made a party to an action by or in the right of the Association to procure a judgment in its favor by reason of the fact that he, his testator or, intestate, is or was or has agreed to become a Director or Officer of the Association, against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with the defense of such action, or in connection with an appeal therein, except in relation to matters as to which such Director or Officer is adjudged to have breached his duty to the Association, as such duty is defined in Section 717 of the Not-For-Profit Corporation Law. To the extent allowed by law, the Association shall also indemnify Manager, and any person, made, or threatened to be made, a party to an action or proceeding other than one by or in the right of the Association to procure a judgment in its favor, whether civil or criminal, including an action by or in the right of any other corporation, domestic or foreign, which he or she served in any capacity at the request of the Association by reason of the fact that he, his testator or intestate was a Director or Officer of the Association or served it in any capacity against judgment, fines, amounts paid in settlement, and reasonable attorney's fees actually and

necessarily incurred as a result of such action or proceeding, or any appeal therein, if such Director or Officer acted in good faith, for a purpose which he reasonably believed to be in the best interests of the Association and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his or her conduct was unlawful.

Section 2. Indemnification of Employees and Agents. The Association may, to the extent authorized from time to time by the Board or by a duly organized committee of the Board, provide indemnification to employees or agents of the Association who are not Officers or Directors of the Association with such scope and effect as determined by the Board, or such committee.

Section 3. Indemnification of Others. The Association may indemnify any person to whom the Association is permitted by applicable law to provide indemnification or the advancement of expenses, whether pursuant to rights granted pursuant to, or provided by, the New York Not-For-Profit Corporation Law or other rights created by (i) a resolution of the Members, (ii) a resolution of Directors, or (iii) an agreement providing for such indemnification, it being expressly intended that these By-Laws authorize the creation of other rights in any such manner.

Section 4. Other Rights. The right to be indemnified and to the reimbursement or advancement of expenses incurred in defending a proceeding in advance of its final disposition authorized by this Article XV shall not be exclusive of nor limit any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-Laws, agreement, vote of Members or disinterested Directors or otherwise.

Nothing contained in this provision shall limit any right to indemnification to which any Director or any Officer may be entitled to by contract or under any law now or hereinafter enacted.

ARTICLE XVI. GENERAL PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors and unless otherwise specified shall be based on the calendar year.

Section 2. Seal. The Association seal shall have inscribed thereon the name of the Association and the year of its incorporation, under the laws of the State of New York. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 3. Examination of Books and Records. Each Member, or its respective representatives and first mortgagees, shall be entitled to a reasonable examination of the books and records of the Association at any time during

normal business hours upon reasonable notice to its Board of Directors. The Declaration, Certification of Incorporation and the By-Laws of the Association shall be available for inspection by any Member or first mortgagee at the principal office of the Association.

Section 4. Construction. Whenever 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, whenever the context so requires.

Section 5. Conflicts. In the case of any conflict between the Certificate of Incorporation and these By-Laws, the Certificate shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 6. Severability. Should any of the covenants, terms or provisions herein imposed be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

SCHEDULE A

Legal Description of Association Common Areas

REVISED OVERALL PROPERTY DESCRIPTION

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A CONCRETE MONUMENT ON THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY, I-495, SOUTH SERVICE ROAD FORMERLY LITTLE NECK-OLD WESTBURY ROAD (OLD POWERHOUSE ROAD), 583.06 FEET EAST OF THE INTERSECTION OF THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD WITH THE NEW EASTERLY SIDE OF NEW HYDE PARK ROAD;

THENCE ALONG THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET TO LAND NOW OR FORMERLY OF REALM, LLC.

THENCE ALONG LAND NOW OR FORMERLY OF REALM, LLC THE FOLLOWING THREE (3) COURSES;

1. SOUTH 00° 31' 00" EAST, 621.48 FEET.

2. NORTH 89° 29' 00" EAST, 313.96 FEET TO LAND NOW OR FORMERLY OF NORTH HILLS ASSOCIATES, LLC.

3. SOUTHERLY ALONG LANDS NOW OR FORMERLY OF NORTH HILLS ASSOCIATES, LLC SOUTH 08° 24' 00" WEST, 613.64 FEET TO THE LAND OF NEW YORK STATE PARK COMMISSION.

THENCE WESTERLY THE FOLLOWING SEVEN (7) COURSES ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD AND PARTLY ALONG LANDS OF NEW YORK STATE PARK COMMISSION:

1. NORTH 76° 47' 50" WEST, 16.24 FEET.

2. NORTH 83° 42' 00" WEST, 9.42 FEET.

3. NORTH 80° 59' 00" WEST, 104.95 FEET.

4. SOUTH 76° 53' 38" WEST, 174.25 FEET.

5. ALONG THE ARC OF A CURVE BEARING TO THE LEFT, HAVING A RADIUS OF 5829.65 FEET. WITH A CHORD BEARING OF SOUTH 75° 48' 57.3" WEST, 219.36 FEET.

6. SOUTH 88° 04' 03" WEST, 546.12 FEET.

7. NORTH 61° 02' 37" WEST, 76.53 FEET TO THE EASTERLY SIDE OF NEW HYDE PARK ROAD.

NORTHERLY ALONG THE EASTERLY SIDE OF NEW HYDE PARK ROAD, NORTH 13° 30' 07" WEST, 97.72 FEET TO THE FORMER CENTERLINE OF I.U. WILLETS ROAD.

THENCE EASTERLY ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD THE FOLLOWING TWO (2) COURSES:

1. NORTH 77° 58' 02" EAST, 77.19 FEET.

2. NORTH 87° 17' 00" EAST, 414.18 FEET TO THE EASTERLY SIDE OF LAND NOW OR FORMERLY OF X CELL REALTY ASSOCIATES.

THENCE NORTHERLY ALONG THE EASTERLY SIDE OF LAND NOW OR FORMERLY OF X CELL REALTY ASSOCIATES THE FOLLOWING TWO (2) COURSES.

1. NORTH 00° 31' 00" WEST, 763.99 FEET TO A CONCRETE MONUMENT

2. NORTH 26° 53' 10" WEST, 146.34 FEET TO A CONCRETE MONUMENT AND THE POINT OR PLACE OF BEGINNING.

EXCEPTING THAT PROPERTY OF THE MANHASSET LAKEVILLE WATER DISTRICT. DESIGNATED AS TAX LOT 890 AS SHOWN ON THE NASSAU COUNTY LAND AND TAX MAPS. THE NORTHEAST CORNER OF SAID PROPERTY BEING FURTHER DESCRIBED AS THE FOLLOWING FOUR (4) COURSES FROM THE INTERSECTION OF THE EASTERLY SIDE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY, I-495, SERVICE ROAD (POWER HOUSE ROAD).

1. EASTERLY ALONG THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SERVICE ROAD 583.06 FEET TO A CONCRETE MONUMENT.

2. SOUTH 26° 53' 10" EAST, 146.34 FEET TO A CONCRETE MONUMENT.

3. SOUTH 00° 31' 00" EAST, 763.99 FEET TO THE FORMER CENTERLINE OF I.U. WILLETS ROAD.

4. WESTERLY ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD, SOUTH 87° 17' 00" WEST, 109.11 FEET TO THE POINT OR PLACE OF BEGINNING OF PROPERTY OF MANHASSET LAKEVILLE WATER DISTRICT.

THENCE THE FOLLOWING FOUR (4) COURSES AROUND PROPERTY OF THE MANHASSET LAKEVILLE WATER DISTRICT:

1. SOUTH 01° 55' 57" EAST, 152.74 FEET.

2. SOUTH 88° 04' 03" WEST, 200.00 FEET.

3. NORTH 01° 55' 57" WEST, 150.00 FEET.

4. NORTH 87° 17' 00" EAST, 200.02 FEET TO THE POINT OR PLACE OF BEGINNING OF THE MANHASSET LAKEVILLE WATER DISTRICT.

BEING THE SAME OVERALL PREMISES AS IS DESCRIBED IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC DATED 12/30/2009 RECORDED 1/13/2010 IN LIBER 12578 CP 139.

FURTHER EXCEPTING THEREFROM THE FOLLOWING FIVE (5) CONDOMINIUM PREMISES:

RESIDENCES AT NORTH HILLS, CONDOMINIUM 1 (LOT 895)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 1 RESIDENCES AT NORTH HILLS, (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 2/28/2008 RECORDED 3/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12379 CP 709, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 3/28/2008 AS MAP NO. CA238.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD),

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 302.39 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, NORTH 89° 29' 00" EAST, 28.35 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 90° 00' 00" EAST, 110.33 FEET,

THENCE SOUTH 00° 00' 00" EAST, 199.65 FEET,

THENCE SOUTH 22° 21' 08" WEST, 4.34 FEET;

THENCE NORTH 90° 00' 00" WEST, 7.43 FEET,

THENCE SOUTH 00° 00' 00" EAST, 45.85 FEET;

THENCE NORTH 90° 00' 00" EAST, 7.36 FEET;

THENCE SOUTH 23° 03' 13" EAST, 4.40 FEET;

THENCE SOUTH 00° 00' 00" EAST, 107.88 FEET;

THENCE SOUTH 44° 55' 56" WEST, 72.10 FEET;

THENCE NORTH 90° 00' 00" WEST, 68.05 FEET;

THENCE NORTH 00° 00' 00" WEST, 48.44 FEET;

THENCE NORTH 90° 00' 00" EAST, 4.68 FEET;

THENCE NORTH 00° 00' 00" WEST, 127.70 FEET,

THENCE SOUTH 90° 00' 00" EAST, 3.96 FEET;

THENCE NORTH 00° 00' 00" WEST, 236.35 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 2 (LOT 894)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 2 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM TWO) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE

DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 905, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/008 AS MAP NO. CA243.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 763.99 FEET TO A TIE LINE;

THENCE ALONG THE TIE LINE, SOUTH 70° 03' 51" EAST, 116.12 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 00° 00' 00" EAST, 63.61 FEET;

THENCE NORTH 44° 55' 56" EAST, 76.97 FEET;

THENCE NORTH 90° 00' 00" EAST, 167.24 FEET;

THENCE SOUTH 70° 46' 27" EAST, 19.58 FEET;

THENCE SOUTH 00° 00' 00" EAST, 6.61 FEET;

THENCE NORTH 90° 00' 00" EAST, 47.87 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.59 FEET;

THENCE NORTH 70° 21' 07" EAST, 19.26 FEET;

THENCE NORTH 90° 00' 00" EAST, 107.86 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 35.67 FEET;

THENCE NORTH 00° 00' 00" EAST, 45.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 63.67 FEET;

THENCE SOUTH 00° 00' 00" WEST, 160.33 FEET;

THENCE SOUTH 90° 00' 00" WEST, 417.29 FEET;

THENCE SOUTH 00° 00' 00" EAST, 8.76 FEET;

THENCE NORTH 90° 00' 00" WEST, 96.00 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 3 (LOT 893)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 3 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM THREE LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 814, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/2008 AS MAP NO. CA244.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET;

THENCE SOUTH 00° 31' 00" EAST, 621.48 FEET TO A TIE LINE:

THENCE ALONG A TIE LINE, SOUTH 63° 33' 45" WEST, 56.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 90° 00' 00" EAST, 239.33 FEET:

THENCE SOUTH 00° 00' 00" WEST, 180.65 FEET;

THENCE SOUTH 90° 00' 00" EAST, 31.10 FEET:

THENCE SOUTH 00° 00' 00" WEST, 171.52 FEET;

THENCE NORTH 90° 00' 00" WEST, 57.33 FEET;

THENCE NORTH 00° 00' 00" EAST, 13.17 FEET;

THENCE NORTH 90° 00' 00" WEST, 53.85 FEET;

THENCE NORTH 00° 00' 00" EAST, 223.67 FEET;

THENCE NORTH 90° 00' 00" WEST, 19.25 FEET;

THENCE NORTH 00° 00' 00" EAST, 6.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 126.00 FEET;

THENCE NORTH 00° 00' 00" WEST, 52.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 14.00 FEET

THENCE NORTH 00° 00' 00" WEST, 57.33 FEET TO THE POINT OR PLACE OF BEGINNING.

VANDERBILT AT THE RESIDENCES, NORTH HILLS (LOT 892 ONLY)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS VANDERBILT AT THE RESIDENCES, NORTH HILLS LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF

NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 1, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 246, AS AMENDED BY MAP NO. CA 246A FILED 8/23/2011.

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

DESCRIBED AS PARCEL 4 IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC RECORDED 1/13/2010 IN LIBER 12578 CP 139.

ALL THAT PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU, STATE OF NEW YORK, NASSAU LAND AND TAX PARCEL NUMBER SECTION 8, BLOCK A, LOT 892, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 242.05 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, SOUTH 26° 53' 10" EAST, 128.72 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;
THENCE SOUTH 11° 06' 58" EAST, 385.29 FEET;
THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;
THENCE NORTH 11° 06' 57" WEST, 136.49 FEET;
THENCE NORTH 02° 59' 09" EAST, 39.64 FEET;
THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;
THENCE NORTH 11° 06' 57" WEST, 38.35 FEET;
THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;
THENCE NORTH 26° 09' 55" WEST, 45.59 FEET;
THENCE NORTH 11° 06' 57" WEST, 38.15 FEET;
THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;
THENCE NORTH 11° 06' 57" WEST, 57.43 FEET;
THENCE NORTH 08° 27' 49" EAST, 34.39 FEET TO THE TRUE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 5 (LOT 896)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 5 (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM FIVE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNIT BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 83, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 247.

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE ALONG A TIE LINE, SOUTH 59° 35' 33" EAST, 88.20 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;

THENCE SOUTH 30° 41' 44" EAST, 34.39 FEET;

THENCE SOUTH 11° 06' 57" EAST, 57.43 FEET;

THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;

THENCE SOUTH 11° 06' 57" EAST 38.15 FEET;

THENCE SOUTH 03° 56' 01" WEST, 45.59 FEET;

THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;

THENCE SOUTH 11° 06' 57" EAST, 38.35 FEET;

THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;

THENCE SOUTH 25° 13' 04" EAST, 39.64 FEET;

THENCE SOUTH 11° 06' 57" EAST, 136.49 FEET;

THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;

THENCE NORTH 11° 06' 57" WEST, 385.29 FEET TO THE POINT OR PLACE OF BEGINNING.

SCHEDULE B

Legal Description of Phase I Property

Title No. 572147NY1
AMENDED 11/26/2013 (fho) VANDERBILT HEADING AMENDED

SCHEDULE "A"

RESIDENCES AT NORTH HILLS, CONDOMINIUM 3 (LOT 893)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 3 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM THREE LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 814, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/2008 AS MAP NO. CA244.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET;

THENCE SOUTH 00° 31' 00" EAST, 621.48 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, SOUTH 63° 33' 45" WEST, 56.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 90° 00' 00" EAST, 239.33 FEET;

THENCE SOUTH 00° 00' 00" WEST, 180.65 FEET;

THENCE SOUTH 90° 00' 00" EAST, 31.10 FEET;

THENCE SOUTH 00° 00' 00" WEST, 171.52 FEET;

THENCE NORTH 90° 00' 00" WEST, 57.33 FEET;

THENCE NORTH 00° 00' 00" EAST, 13.17 FEET;

THENCE NORTH 90° 00' 00" WEST, 53.85 FEET;

THENCE NORTH 00° 00' 00" EAST, 223.67 FEET;

Continued...



THENCE NORTH 90° 00' 00" WEST, 19.25 FEET;

THENCE NORTH 00° 00' 00" EAST, 6.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 126.00 FEET;

THENCE NORTH 00° 00' 00" WEST, 52.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 14.00 FEET

THENCE NORTH 00° 00' 00" WEST, 57.33 FEET TO THE POINT OR PLACE OF BEGINNING.

VANDERBILT AT THE RESIDENCES, NORTH HILLS (LOT 892 ONLY)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS VANDERBILT AT THE RESIDENCES, NORTH HILLS LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 J.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 1, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 246, AS AMENDED BY MAP NO. CA 246A FILED 8/23/2011.

TOGETHER WITH A TOTAL UNDIVIDED (SEE ATTACHED)% INTEREST IN THE COMMON ELEMENTS (AS SUCH TERM IS DEFINED IN THE DECLARATION).

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

DESCRIBED AS PARCEL 4 IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC RECORDED 1/13/2010 IN LIBER 12578 CP 139.

ALL THAT PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU, STATE OF NEW YORK, NASSAU LAND AND TAX PARCEL NUMBER SECTION 8, BLOCK A, LOT 892, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 242.05 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, SOUTH 26° 53' 10" EAST, 128.72 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;

THENCE SOUTH 11° 06' 58" EAST, 385.29 FEET;

Continued...



THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;

THENCE NORTH 11° 06' 57" WEST, 136.49 FEET;

THENCE NORTH 02° 59' 09" EAST, 39.64 FEET;

THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;

THENCE NORTH 11° 06' 57" WEST, 38.35 FEET;

THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;

THENCE NORTH 26° 09' 55" WEST, 45.59 FEET;

THENCE NORTH 11° 06' 57" WEST, 38.15 FEET;

THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;

THENCE NORTH 11° 06' 57" WEST, 57.43 FEET;

THENCE NORTH 08° 27' 49" EAST, 34.39 FEET TO THE TRUE POINT OR PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

Title No. 3020-572147

UNIT PAGE
RESIDENCES AT NORTH HILLS, CONDOMINIUM 3

UNIT Number	Condo Allocation of Common Interest	Tax Units
S101	2.3443%	101
S102	2.4966%	108
S103	2.4227%	102
S104	2.5025%	109
S105	2.4779%	103
S106	1.8915%	110
S107	1.5234%	104
S180	1.7903%	111
S109	1.2710%	105
S111	2.3820%	106
S115	2.5571%	107
S201	2.3600%	201
S202	2.4815%	208
S203	2.7313%	202
S204	2.4862%	209
S205	2.4866%	203
S206	2.1938%	210
S207	1.5484%	204
S208	2.2001%	211
S209	1.2902%	205
S211	2.1314%	206
S215	2.6963%	207
S301	2.4254%	301
S302	2.5469%	308
S303	2.7967%	302
S304	2.5516%	309
S305	2.5540%	303
S306	2.2592%	310
S307	1.6138%	304
S308	2.2655%	311
S309	1.3556%	305
S311	2.1968%	306
S315	2.7617%	307
PH 501	2.5234%	401
PH 502	2.6450%	408

UNIT PAGE CONTINUED
RESIDENCES AT NORTH HILLS, CONDOMINIUM 3

UNIT Number	Condo Allocation of Common Interest	Tax Units
PH 503	2.8948%	402
PH 504	2.6497%	409
PH 505	2.6520%	403
PH 506	2.3573%	410
PH 507	1.7118%	404
PH 508	2.3636%	411
PH 509	1.4537%	405
PH 511	2.2947%	406
PH 515	2.8597%	407

Title No. 3020-572147
AMENDED 12/14/2012 (fho)

UNIT PAGE
THE VANDERBILT AT THE RESIDENCES, NORTH HILLS

UNIT Number	Condo Allocation of Common Interest	Tax Units
6101	1.1206%	114
6102	1.5180%	121
6103	1.5537%	115
6104	1.1746%	122
6105	2.0099%	116
6106	1.1746%	123
6107	1.2217%	117
6108	1.4819%	124
6109	1.1746%	118
6110	1.2948%	125
6111	1.1746%	119
6112	1.2981%	126
6114	1.2981%	127
6115	1.5180%	120
6116	1.1206%	128
6201	1.6614%	214
6202	1.6281%	221
6203	1.6740%	215
6204	1.2589%	222
6205	2.1014%	216
6206	1.2589%	223
6207	1.3991%	217
6208	1.6281%	224
6209	1.2589%	218
6210	1.6614%	225
6211	1.2589%	219
6212	1.3902%	226
6214	1.3902%	227
6215	1.6281%	220
6216	1.6614%	228
6301	1.7279%	314
6302	1.6947%	321
6303	1.7405%	315
6304	1.3254%	322
6305	2.1680%	316
6306	1.3254%	323
6307	1.4657%	317
6308	1.6947%	324
6309	1.3254%	318

Title No. 3020-572147
AMENDED 12/14/2012 (fho)

UNIT PAGE CONTINUED
THE VANDERBILT AT THE RESIDENCES, NORTH HILLS

UNIT Number	Condo Allocation of Common Interest	Tax Units
6310	1.7279%	325
6311	1.3254%	319
6312	1.4568%	326
6314	1.4568%	327
6315	1,6947%	320
6316	1.7279%	328
PH 601	1.8278%	414
PH 602	1.7945%	421
PH 603	1.8404%	415
PH 604	1.4253%	422
PH 605	2.2678%	416
PH 606	1.4253%	423
PH 607	1.5655%	417
PH 608	3.7442%	424
PH 609	1.4253%	418
PH 611	1.4253%	419
PH 612	3.1400%	425
PH 615	1.7945%	420
PH 616	1.8078%	426

SCHEDULE C

Legal Description of Phase II Property

Title No. 572147NY2
AMENDED 12/14/2012 (lho) CONDO 5 PARCELS 4 AND 6 DELETED

SCHEDULE "A"

RESIDENCES AT NORTH HILLS, CONDOMINIUM 1 (LOT 895)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 1 RESIDENCES AT NORTH HILLS, (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 2/28/2008 RECORDED 3/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12379 CP 709, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 3/28/2008 AS MAP NO. CA238.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 302.39 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, NORTH 89° 29' 00" EAST, 28.35 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 90° 00' 00" EAST, 110.33 FEET;

THENCE SOUTH 00° 00' 00" EAST, 199.65 FEET;

THENCE SOUTH 22° 21' 08" WEST, 4.34 FEET;

THENCE NORTH 90° 00' 00" WEST, 7.43 FEET;

THENCE SOUTH 00° 00' 00" EAST, 45.85 FEET;

THENCE NORTH 90° 00' 00" EAST, 7.36 FEET;

THENCE SOUTH 23° 03' 13" EAST, 4.40 FEET;

THENCE SOUTH 00° 00' 00" EAST, 107.88 FEET;

THENCE SOUTH 44° 55' 56" WEST, 72.10 FEET;

THENCE NORTH 90° 00' 00" WEST, 68.05 FEET;

Continued...

THENCE NORTH 00° 00' 00" WEST, 48.44 FEET;

THENCE NORTH 90° 00' 00" EAST, 4.68 FEET;

THENCE NORTH 00° 00' 00" WEST, 127.70 FEET;

THENCE SOUTH 90° 00' 00" EAST, 3.96 FEET;

THENCE NORTH 00° 00' 00" WEST, 236.35 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 2 (LOT 894)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 2 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM TWO) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 905, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/008 AS MAP NO. CA243.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 763.99 FEET TO A TIE LINE;

THENCE ALONG THE TIE LINE, SOUTH 70° 03' 51" EAST, 116.12 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 00° 00' 00" EAST, 63.61 FEET;

THENCE NORTH 44° 55' 56" EAST, 76.97 FEET;

THENCE NORTH 90° 00' 00" EAST, 167.24 FEET;

THENCE SOUTH 70° 46' 27" EAST, 19.58 FEET;

THENCE SOUTH 00° 00' 00" EAST, 6.61 FEET;

Continued...

THENCE NORTH 90° 00' 00" EAST, 47.87 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.59 FEET;

THENCE NORTH 70° 21' 07" EAST, 19.26 FEET;

THENCE NORTH 90° 00' 00" EAST, 107.86 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 35.67 FEET;

THENCE NORTH 00° 00' 00" EAST, 45.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 63.67 FEET;

THENCE SOUTH 00° 00' 00" WEST, 160.33 FEET;

THENCE SOUTH 90° 00' 00" WEST, 417.29 FEET;

THENCE SOUTH 00° 00' 00" EAST, 8.76 FEET;

THENCE NORTH 90° 00' 00" WEST, 96.00 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 5 (LOT 896)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 5 (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM FIVE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNIT BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 83, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 247.

TOGETHER WITH A TOTAL UNDIVIDED (SEE ATTACHED) % INTEREST IN THE COMMON ELEMENTS (AS SUCH TERM IS DEFINED IN THE DECLARATION).

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

Continued...

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE ALONG A TIE LINE, SOUTH 59° 35' 33" EAST, 88.20 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;

THENCE SOUTH 30° 41' 44" EAST, 34.39 FEET;

THENCE SOUTH 11° 06' 57" EAST, 57.43 FEET;

THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;

THENCE SOUTH 11° 06' 57" EAST 38.15 FEET;

THENCE SOUTH 03° 56' 01" WEST, 45.59 FEET;

THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;

THENCE SOUTH 11° 06' 57" EAST, 38.35 FEET;

THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;

THENCE SOUTH 25° 13' 04" EAST, 39.64 FEET;

THENCE SOUTH 11° 06' 57" EAST, 136.49 FEET;

THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;

THENCE NORTH 11° 06' 57" WEST, 385.29 FEET TO THE POINT OR PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.



Title No. 3020-572147

UNIT PAGE
RESIDENCES AT NORTH HILLS, CONDOMINIUM I

UNIT Number	Condo Allocation of Common Interest	Tax Units
3101	2.1659%	101
3102	2.5532%	105
3103	1.9798%	102
3104	1.7996%	106
3105	2.7121%	103
3106	2.9906%	107
3107	2.9242%	104
3108	2.1538%	108
3110	1.4318%	109
3112	2.1149%	110
3201	2.5845%	201
3202	2.5655%	205
3203	2.5061%	202
3204	1.8351%	206
3205	2.7647%	203
3206	2.9406%	207
3207	2.9267%	204
3208	2.5873%	208
3210	1.5426%	209
3212	2.5882%	210
3301	2.6617%	301
3302	2.6426%	305
3303	2.5832%	302
3304	1.9122%	306
3305	2.8419%	303
3306	3.0178%	307
3307	3.0039%	304
3308	2.6644%	308
3310	1.6198%	309
3312	2.6654%	310
PH301	2.7774%	401
PH302	2.7583%	405
PH303	2.6989%	402
PH304	2.0279%	406
PH305	2.9576%	403
PH306	3.1335%	407
PH307	3.1196%	404
PH308	2.7802%	408
PH310	1.7355%	409
PH312	2.7810%	410



Title No. 3020-572147

UNIT PAGE
RESIDENCES AT NORTH HILLS, CONDOMINIUM 2

UNIT Number	Condo Allocation of Common Interest	Tax Units
4101	2.0255%	101
4102	1.8362%	108
4103	1.9375%	102
4104	1.0608%	109
4105	2.5216%	103
4106	1.0633%	110
4107	1.8867%	104
4108	1.9771%	111
4109	1.0672%	105
4110	1.4465%	112
4111	1.2854%	106
4112	1.2612%	113
4114	2.0295%	114
4115	2.1094%	107
4201	2.3544%	201
4202	1.8406%	208
4203	2.0566%	202
4204	1.0741%	209
4205	2.3467%	203
4206	1.0775%	210
4207	1.8088%	204
4208	1.9950%	211
4209	1.0838%	205
4210	1.7844%	212
4211	1.3070%	206
4212	1.3667%	213
4214	2.3584%	214
4215	2.1046%	207
4301	2.4117%	301
4302	1.8988%	308
4303	2.1138%	302
4304	1.1344%	309
4305	2.4043%	303
4306	1.1378%	310
4307	1.8616%	304



Title No. 3020-572147

UNIT PAGE CONTINUED
RESIDENCES AT NORTH HILLS, CONDOMINIUM 2

UNIT Number	Condo Allocation of Common Interest	Tax Units
4308	2.0522%	311
4309	1.1421%	305
4310	1.8460%	312
4311	1.3675%	306
4312	1.4242%	313
4314	2.4161%	314
4315	2.1623%	307
PH401	2.4963%	401
PH402	1.9834%	408
PH403	2.1983%	402
PH404	1.2189%	409
PH405	2.4888%	403
PH406	1.2223%	410
PH407	1.9462%	404
PH408	2.1367%	411
PH409	1.2267%	405
PH410	1.9305%	412
PH411	1.4521%	406
PH412	1.5089%	413
PH414	2.5008%	414
PH415	2.2468%	407



Title No. 3020-572147

UNIT PAGE
RESIDENCES AT NORTH HILLS, CONDOMINIUM 5

UNIT Number	Condo Allocation of Common Interest	Tax Units
2101	1.4654%	101
2102	2.0806%	107
2103	1.4104%	102
2104	1.5180%	108
2105	2.1638%	103
2106	1.2354%	109
2107	1.8808%	104
2108	1.3170%	110
2109	1.8143%	105
2110	1.4237%	111
2111	2.0862%	106
2112	2.4952%	112
2114	1.4663%	113
2201	1.9397%	201
2202	2.2828%	207
2203	1.5221%	202
2204	1.5277%	208
2205	2.5315%	203
2206	1.2202%	209
2207	1.9075%	204
2208	1.3731%	210
2209	1.8329%	205
2210	1.6154%	211
2211	2.2835%	206
2212	2.7342%	212
2214	1.9313%	213
2301	2.0175%	301
2302	2.3605%	307
2303	1.5998%	302
2304	1.6054%	308
2305	2.6092%	303
2306	1.2979%	309
2307	1.9852%	304
2308	1.4509%	310
2309	1.9107%	305



Title No. 3020-572147

UNIT PAGE CONTINUED
RESIDENCES AT NORTH HILLS, CONDOMINIUM 5

UNIT Number	Condo Allocation of Common Interest	Tax Units
2310	1.6932%	311
2311	2.3612%	306
2312	2.8120%	312
2314	2.0091%	313
PH 201	2.1107%	401
PH 202	2.4538%	407
PH 203	1.7631%	402
PH 204	1.7220%	408
PH 205	2.7258%	403
PH 206	1.4145%	409
PH 207	2.1018%	404
PH 208	1.5675%	410
PH 209	2.0273%	405
PH 210	1.8098%	411
PH 211	2.4778%	406
PH 212	2.9286%	412
PH 214	2.1257%	413

BY-LAWS OF
THE RESIDENCES, NORTH HILLS
HOMEOWNERS ASSOCIATION, INC.

BY-LAWS
OF
THE RESIDENCES, NORTH HILLS
HOMEOWNERS ASSOCIATION, INC.
A New York Not-for-Profit Corporation

ARTICLE I. NAME, LOCATION AND PRINCIPAL OFFICE

These are the By-Laws of The Residences, North Hills Homeowners Association, Inc. hereinafter referred to as the "Association". The principal office of the Association shall be located in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York.

ARTICLE II. DEFINITIONS

The following words when used in these By-Laws shall, unless the context otherwise prohibits, have the meanings set forth below:

1. "Association Common Areas" or "Common Areas" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in Schedule "A" annexed hereto and made a part hereof, and the improvements which will be owned by the Association consisting of a clubhouse, landscaped areas, roadways, common lighting, sidewalks, recreational facilities, common utilities, entranceways, gatehouses and perimeter fences, if any, in the Community.

2. "Board" or "Board of Directors" shall mean the board of directors of the Association responsible for its affairs.

3. "Board of Managers" shall mean the governing body of a Condominium responsible for its affairs.

4. "By-Laws" shall mean the By-Laws governing the operation of Association.

5. "Class 1 Members" shall mean Phase I Developer and Phase II Developer.

6. "Class 2 Members" shall mean the purchasers of Units in the Phase I Condominium or the Phase II Condominium.

7. "Clubhouse" shall mean the facility to be constructed by Phase I Developer, owned and maintained by the Association for recreational use by Members of the Association and managed by Manager, and which is currently

anticipated to include a fitness center, a resident's lounge, women's and men's restrooms, a media room and other amenities that may be provided by Phase I Developer.

8. "Common Maintenance Charges" or "Maintenance Charges" shall mean the costs and expenses incurred by the Association in accordance with the terms hereof and chargeable to the Members.

9. "Community" shall mean the Association Common Areas, the Phase I Property and the Phase I Condominium, and the Phase II Property and the Phase II Condominium.

10. "Condominium Board Phase I" shall mean the Board of Managers of the Phase I Condominium, the governing body of the Phase I Condominium which represents the Unit Owners of the Phase I Condominium pursuant to the provisions of the Declaration of Condominium and By-Laws of the Phase I Condominium.

11. "Condominium Board Phase II" shall mean the Board of Managers of the Phase II Condominium, if developed, the governing body of the Phase II Condominium which represents the Unit Owners of the Phase II Condominium pursuant to the provisions of the Declaration of Condominium and the by-laws of the Phase II Condominium.

12. "Declaration of Condominium" shall mean the instrument by which each Condominium is submitted to the provisions of the Condominium Act, and as such instrument as from time to time may be amended, consistent with the provisions of the Condominium Act and of the By-Laws.

13. "Declaration" shall mean the Declaration of Covenants, Restrictions, Easements, Charges and Liens recorded in the land records of the County Clerk of Nassau County, New York which encumbers Association Common Areas, the Phase I Condominium and the Phase II Condominium, if developed. The Declaration provides for easements between the Association Common Areas, Phase I and Phase II and in favor of the Phase I Developer and Phase II Developer. The easements as recorded provide that the Association may fulfill all of the obligations required of the Association under the Declaration of Condominium for Phase I and Phase II. The Declaration of Easements also contains reciprocal easements between the Association Common Areas, the Phase I Property and the Phase II Property to provide for access and maintenance of utilities and services now and hereinafter installed.

14. "GACC" shall mean German American Capital Corporation, its successors, agents and/or assigns.

15. "Governmental Approvals" shall mean all licenses, permits,

permissions and approvals from a Governmental Authority applicable to the development, construction or operation of, the Phase I Property, the Phase II Property or the Association Common Areas.

16. "Governmental Authority" shall mean the United States, the State in which the Premises are located, and any political subdivision thereof, including the Village, and any agency, department, commission, board, bureau or instrumentality of any of them, and any regulatory body such as a Board of Fire Underwriters.

17. "Initial Control Period" shall mean the period from the date of this Declaration until the date on which the last Unit in the Community is transferred to a Unit Owner by the last to hold an Unsold Unit among the Phase I Developer, Phase II Developer, and the successors and/or assigns of either, and the Association Common Areas are completed and all municipal requirements have been satisfied.

18. "Legal Requirement" shall mean and law, ordinance, order, rule or regulation, now existing or hereafter enacted, of a Governmental Authority applicable to the development, construction or operation of, the Phase I Property, the Phase II Property or the Association Common Areas.

19. "Manager" shall mean the Manager employed by the Board of Directors, the Condominium Board Phase I and the Condominium Board Phase II to undertake and perform the duties and services that the Board of Directors, the Condominium Board Phase I and the Condominium Board Phase II shall direct and who shall have such powers which are delegated to the Manager. The initial Manager is anticipated to be MI L.L.C. under the Ritz-Carlton brand, 10400 Fernwood Road, Bethesda, Maryland 20815 and 4445 Willard Avenue, Suite 800, Chevy Chase, Maryland 20815.

20. "Member" shall mean each holder of a membership interest in the Association as set forth in the Declaration.

21. "Nord LB" shall mean Norddeutsche Landesbank Girozentrale, its successors, agents and/or assigns.

22. "Phase I Condominium" shall mean The Residences, North Hills Condominium Phase I, including the Units to be located therein and the common elements of such condominium appurtenant to the Units.

23. "Phase II Condominium" shall mean The Residences, North Hills Condominium Phase II including the Units to be located therein and the common elements of such condominium appurtenant to the Units.

24. "Phase I Developer" shall mean RXR North Hills Phase I Owner

LLC, its successors and assigns, including without limitation, (i) Phase I Lender, if following default Phase I Lender obtains title to the portion of the Phase I Property then owned by Phase I Developer, (ii) any party who purchases the Phase I Property in a foreclosure sale; and (iii) any future owner of the Phase I Property that intends to develop the Phase I Property.

25. "Phase II Developer" shall mean RXR North Hills Phase II Owner LLC, its successors and assigns, including, without limitation, (i) Phase II Lender, if following default Phase II Lender obtains title to the portion of the Phase I Property then owned by Phase II Developer; and (ii) any party who purchases the Phase II Property in a foreclosure sale; and (iii) any future owner of the Phase II Property that intends to develop the Phase II Property.

26. "Phase I Lender" shall mean Deutsche Bank Trust Company Americas, as agent for GACC, its successors and assigns.

27. "Phase II Lender" shall mean Nord LB, its successors and assigns.

28. "Phase I Property" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in Schedule "B" annexed hereto and made a part hereof, which shall constitute the Phase I Condominium.

29. "Phase II Property" shall mean all those plots, pieces or parcels of land situate, lying and being in the Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, being more particularly bounded and described in Schedule "C" annexed hereto and made a part hereof, which shall constitute the Phase II Condominium.

30. "Rules and Regulations" shall mean rules and regulations, and any amendments thereto, promulgated from time to time by the Board of Directors.

31. ""Unit" or "Units" shall mean the residential condominium units located within the Community.

32. "Unit Owner" or "Owner" shall mean the record owner of fee simple title to any Unit subject to this Declaration of Covenants, Restrictions, Easements, Charges and Liens, not including Phase I Developer and Phase II Developer with respect to any Unsold Unit within the Phase I Condominium and the Phase II Condominium, respectively. Every Unit Owner shall be treated for all purposes as a single owner for each Unit held, regardless of whether the ownership of such Unit is joint, in common or by tenancy by the entirety. Where such Ownership is joint, in common or by tenancy by the entirety, such collective Ownership shall constitute one (1) Member regardless of the number of Units the Member may own.

33. "Unsold Unit" shall mean a Unit owned by Phase I Developer or Phase II Developer, as applicable.

ARTICLE III. PURPOSE

This Association is formed to own, operate, manage, maintain and control the Association Common Areas and to perform certain maintenance and repairs to the Community as a Homeowners Association for the benefit of the Members of the Association.

ARTICLE IV. APPLICABILITY

All present and future Members, their family members, tenants, lessees, occupants, guests, licensees, agents, employees and any other person or persons that shall be permitted to use the Association Common Areas shall be subject to these By-Laws and to the Rules and Regulations.

ARTICLE V. USE OF FACILITIES

The Association Common Areas shall be limited to the use by the Members, their family members, their lessees (if leasing is permitted), occupants and their guests. In the event that a Member shall lease (if permitted), or permit another to occupy the Member's Unit, the lessee or occupant shall, at the option of the Member, be permitted to use the Association Common Areas in lieu of that Member, and subject to the same restrictions and limitations as said Member. Any Member, lessee (if permitted) or occupant entitled to the use of the Association Common Areas may extend such privileges to members of his or her family residing in his or her household by notifying the Secretary in writing of the names of any such persons and of the relationship of such Member, lessee or occupant to such persons. The Board may establish a limitation on guest privileges and/or establish a guest fee for the use of the Association Common Areas by guests of Members or permitted lessees (if permitted) or occupants of Units and their respective family members.

Phase I Developer and Phase II Developer shall have the right, on an equal basis with other Members, to use all or any of the Association Common Areas or permit all or any of the Association Common Areas to be used by their respective designees or any prospective Purchaser of a Unit or any tenants of Unsold Units, without charge, in accordance with and subject to these By-Laws and the Rules and Regulations. In addition, Phase I Developer and/or Phase II Developer shall have the right until all Unsold Units are sold to use all or any of the Association Common Areas without charge, for exhibitions or other promotional functions with respect to Phase I Developer's and/or Phase II Developer's sales programs. Phase I Developer and/or Phase II Developer shall also have the right to use the Clubhouse and/or any other Association Common

Areas or portions thereof as (i) offices for the promotion, sale, rental, management and/or operation of the Unsold Units; (ii) offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Phase I Developer and/or Phase II Developer with respect to the Association Common Areas and/or the Units or Unsold Units; and/or (iii) for any other purpose. provided that Phase I Developer and/or Phase II Developer (or their respective designee(s) refrain from using any such portion of the Association Common Areas in such a manner as will unreasonably interfere with the use of the same or of any Unit for its permitted purposes. This provision regarding Phase I Developer and/or Phase II Developer may not be amended without the written consent of: (a) Phase I Developer and/or Phase II Developer, as applicable; and (b) Phase I Lender, for so long as Phase I Lender is a holder of a mortgage on the Phase I Property, and/or Phase II Lender, for so long as Phase II Lender is a holder of a mortgage on the Phase II Property.

ARTICLE VI. MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. The Association shall have two classes of membership interests, which shall consist of Class 1 members and Class 2 members:

Class 1 Members:

Phase I Developer and Phase II Developer shall each be a Class 1 Member and there shall be no other members of Class 1 other than Phase I Developer and Phase II Developer. The Class 1 Members shall hold all voting rights in the Association until the end of the Initial Control Period. Class 1 shall have six (6) Members on the Board of Directors, three (3) of which shall be designated by Phase I Developer and three (3) of which shall be designated by Phase II Developer. Phase I Developer may collaterally assign its Class 1 membership interest in the Association to Phase I Lender and Phase II Developer may collaterally assign its membership interest in the Association to Phase II Lender, in each case for so long as the mortgage loan to Phase I Developer or Phase II Developer, as the case may be, remains unpaid.

Class 2 Members:

After the Initial Control Period, there shall be a total of six (6) directors elected by Class 2 Members on the Board of Directors. Each purchaser of a Unit in the Phase I Condominium and each purchaser of a Condominium Unit in the Phase II Condominium shall be a Class 2 Member.

Section 2. The Board of Directors shall consist of six (6) members designated by the Class 1 Members until the first Annual Meeting of the Members of the Association, which shall take place within thirty (30) days after the end of the Initial Control Period. Thereafter, the Board of Directors shall consist of six (6) members elected by the Class 2 Members on the following

basis:

a. The owner of each Unit in the Community shall be a Member of the Association, whether such ownership is joint, in common or as tenants by the entirety.

b. Each Member is entitled to one vote. When more than one person or entity holds an interest in a Unit, the one vote attributable to such Unit shall be exercised as such persons mutually determine, and not more than one vote may be cast with respect to any Unit.

Section 3. Voting Rights.

a. Upon the expiration of the Initial Control Period, there shall no longer be Class 1 members and the Board of Directors shall consist solely of the members elected by the Class 2 Members.

b. Within thirty days prior to the annual anniversary of the election of each Class 2 Member to the Board of Directors, a new election shall be held by the Members to elect the Board of Directors of the Association, whose respective terms shall begin on said anniversary date.

c. No Member shall split or divide its vote on any motion, resolution or ballot. Phase I Developer and Phase II Developer shall retain the voting rights for all Unsold Units in the Phase I Condominium and the Phase II Condominium, respectively, retained in accordance with this section.

Section 4. Suspension of Membership. The rights of a Member or permitted lessee (if permitted) or occupant of a Unit, and their respective family members, guests and invitees, to the use and enjoyment of the Association Common Areas are subject to the payment of periodic Common Maintenance Charges levied by the Board, the obligation of which Common Maintenance Charges is imposed against each Member and becomes a lien upon the property of any Unit Owner against which such Common Maintenance Charges are made as provided for by Article VI of the Declaration. If a Member shall be in default in the payment of the Common Maintenance Charges assessed against such Member's Unit, 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 Association by such Member, permitted lessee or occupant, and the respective family Members, guests and invitees of the foregoing, and until such Member is reinstated in good standing in the Association, to take such other legal action as may be permitted by applicable law or these By-Laws. In addition to the foregoing, any Member so in default shall lose all voting privileges, shall be ineligible to be considered for membership on the Board and, if on the Board, shall be suspended therefrom until such time as all Common Maintenance Charges, together with late charges, interest and

expenses, if any, are paid to the Association. In no event, however, shall a Member's or Member's permitted occupant's right of ingress and egress to and from his or her Unit and through the Association Common Areas be curtailed in any manner. This Section 2 of Article VI shall not apply to: (a) Phase I Developer, or Phase I Lender if Phase I Lender takes title to the Phase I Property then owned by Phase I Owner; or to (b) Phase II Developer, or Phase II Lender if Phase II Lender takes title to the Phase II Property then owned by Phase II Owner.

Section 5. Mortgagee's Right to Cure. The Association must provide written notice of a Member's default to that Member's permitted mortgagee at least thirty (30) days prior to exercising any action described in Section IV above.

Section 6. Transfer of Membership. Membership in the Association shall be appurtenant to, and may not be transferred except in conjunction with, the lawful sale or conveyance of a Unit. No Unit Owner shall be permitted to sell or convey his or her Unit unless and until he or she shall have paid in full to the Board all unpaid Common Maintenance Charges and other amounts required by the Board to be paid and assessed by the Board against such Unit. Upon such sale or conveyance, the seller of such Unit shall relinquish his or her membership in the Association and the Purchaser of such Unit shall automatically become a Member, subject to this Declaration, the By-Laws and the Rules and Regulations.

ARTICLE VII. QUORUM, PROXIES AND WAIVERS

Section 1. Quorum. After the Initial Control Period, thirty (30 %) percent of the Class 2 Members entitled to vote with respect to the business being transacted, present in person or represented by written proxy, shall be requisite to and shall constitute a quorum at all meetings of the Association for the transaction of business, except as otherwise provided by Statute, by the Declaration, the Certificate of Incorporation of the Association or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Association, the Members entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting. At least five (5) days written notice of such adjourned meeting shall be given to all voting Members. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting originally called.

Section 2. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Members of each class entitled to vote present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Members, unless the question is one upon which by express provision of the Statute, Declaration, Certificate of Incorporation 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 3. Right to Vote. After the Initial Control Period, Members of the Association shall be entitled to vote either in person or by proxy at any meeting of their respective Condominium for members of the Board of Directors as set forth in these By-Laws and the Declaration. Any such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 4. Number of Votes. After the Initial Control Period, each Unit Owner shall have one vote for each position for a Board of Director to serve on the Board of Directors of The Association

Section 5. Proxies. All proxies shall be in writing signed by the owner of the Unit, 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 6. Waiver and Consent. Wherever the vote of the membership at a meeting is required or permitted by Statute or by any provision of the Declaration, Certificate of Incorporation or by these By-Laws to be taken in connection with any action of the Association, the meeting and vote of the membership may be dispensed with if all Members 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 7. Place of Meeting. Meetings shall be held at any suitable place convenient to those Members entitled to vote as may be designated by the Board of Directors and designated in the notices of such meetings.

Section 8. Annual Meetings. The first annual meeting of the membership of the Association shall be held within thirty (30) days after the end of the Initial Control Period. Thereafter the annual meeting of the membership of the Association shall be held on such date as is fixed by the Board of Directors but at least on an annual basis. The Board of Directors shall not be elected at the Annual Meeting, but shall be elected in the manner described in Article VI of this Declaration. The Members may also transact such other business as may properly come before the meeting.

Section 9. Special Meetings. It shall be the duty of the President to call a special meeting of the Association, if so directed by the Board of Directors, or upon the presentation to the Secretary of a petition signed by a majority of the Members entitled to vote. The Secretary shall cause a notice of such special meeting, stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 10 of this Article to each Member of record of the

Association entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Directors and shall be held no later than sixty (60) days from receipt of any written request pursuant to this Section 9 unless a later date is agreed to in writing by the members or the Board of Directors requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all members of the Association that are entitled to vote are present in person or by proxy. Any or all of the Directors of the Association, other than those designated by Phase I Developer or Phase II Developer, may be removed without cause by vote of the members at a special meeting called pursuant to this Section 9 if the meeting is called for such purpose.

Section 10. Notice of Meetings. It shall be the duty of the Secretary to mail, or send by electronic 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 Member entitled to vote at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing or transmittal of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 11. Order of Business. The order of business at all meetings shall be as follows:

1. Roll call
2. Proof of notice of meeting or waiver of notice
3. Reading of minutes of preceding meeting
4. Report of officers
5. Report of committees
6. Appointment of inspectors of election (in the event there is an election)
7. Election of Directors (in the event there is an election)
8. Unfinished business
9. New business

ARTICLE VIII. BOARD OF DIRECTORS

Section 1. Vacancy and Replacement of Board Members.

a. If the office of any Class 1 member of the Board of Directors becomes vacant by reasons of death, resignation, retirement, disqualification, removal from office or otherwise, Phase I Developer or Phase II Developer, as the case may be, shall designate another Director to replace its previously designated Director who no longer holds such position.

b. If the office of any Class 2 Director becomes vacant by reasons of death, resignation, retirement, disqualification, removal from office or otherwise,

then a special election of Unit Owners of the Phase I Condominium or the Phase II Condominium, as the case may be, whose directorship becomes vacant shall be held within thirty (30) days to fill the remainder term of the Class 2 Director of such condominium.

Section 2. Removal.

a. A member of the Board designated by Phase I Developer or Phase II Developer may not be removed from the Board except by Phase I Developer or Phase II Developer, as applicable.

b. Class 2 Directors may be removed for cause by an affirmative vote of sixty six and two thirds (66-2/3%) percent of all Class 2 Members. No Class 2 Director shall continue to serve on the Board if, during his term of office, he shall cease to be a Member or no longer reside in the Member's Unit as part of the immediate family.

Section 3. Resignation. Any director may resign at any time by written notice delivered in person or sent by certified mail to the President or Secretary of the Association. Such resignation shall take effect at the time specified in such notice. Acceptance of such resignation shall not be necessary to make it effective.

Section 4. Powers.

a. The Association has all power permitted by law with respect to the Association Common Areas. Notwithstanding the foregoing, the Association may NOT take the actions specified in this Section 4 without Board of Directors approval or authorization; provided that the Association may not take, without the consent of Phase I Lender and/or Phase II Lender and the approval of the class of Members entitled to vote at the annual meeting or any special meeting any action that is not directly related to the operation, improvement, repair and maintenance of the Association Common Areas or to the finance, management and administration of the Association. These powers shall specifically include, but not be limited to the following items:

1. To prepare and amend an annual budget projecting the Association's income and expenses, which must be distributed promptly to Unit Owners after preparation, and to determine and levy monthly assessments of Common Maintenance Charges to cover the cost of operating and maintaining the Association Common Areas, which assessments shall be payable in advance. The Board of Directors may increase the monthly Common Maintenance Charges or vote a special Common Maintenance Charge assessment in excess of that amount, if required, to meet any additional necessary expenses.

2. To collect, use and expend the Common Maintenance Charges collected to maintain, care for and preserve the Association Common Areas.

3. To make repairs, restore or alter the Association Common Areas after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

4. To open bank accounts and borrow money on behalf of the Association and to designate the signatories to such bank accounts.

5. To collect delinquent Common Maintenance Charges by suit or otherwise, to abate nuisances and to enjoin or seek damages from Members for violations of the By-Laws or the Rules and Regulations.

6. To make Rules and Regulations and to amend the same from time to time. The Rules and Regulations shall be binding upon the Members when the Board of Directors has approved them in writing and delivered a copy of the Rules and Regulations to each Member. The Rules and Regulations may, without limiting the foregoing, include reasonable limitations on the use of the Association Common Areas by guests of the Members as well as reasonable admission and other fees for such use.

7. To impose fines, late charges or penalties upon any Member who violates the Declaration, the Rules and Regulations or By-Laws pursuant to Article IX of the Declaration.

8. To employ workers, contractors and supervisory personnel, and to purchase supplies and equipment, to enter into contracts to provide maintenance, refuse removal and other services, and generally to have the power of Directors in connection with the matters hereinabove set forth.

9. To bring and defend actions by or against one or more Members, any of their occupants and lessees pertinent to the operation of the Association and to assess special Common Maintenance Charges to pay the cost of such litigation.

10. To hire a manager to perform and exercise the powers of the Board of Directors in the management of the Community, subject to the contract with MIF, LLC, which will manage the Community under the Ritz-Carlton brand.

11. To execute, acknowledge and deliver (i) any Declaration or other instrument affecting the Association Common Areas, which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of any public authority, applicable to the occupancy, maintenance, demolition, construction, alteration, repair or restoration of the Association Common Areas, and (ii) any consent, covenant, restriction,

easement or Declaration, or any amendment thereto, affecting the Association Common Areas which the Board deems necessary or appropriate.

12. To obtain and review insurance for the Association, if developed.

13. Take any action or execute and deliver any document on behalf of the Association.

14. By resolution or resolutions, passed by a majority of all the Directors, designate one or more committees, in addition to any committee required by these By-Laws, each of such committees to include at least one (1) Director, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association and may have power to sign all papers which may be required, provided the said resolution or 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 Directors. Committees established by resolution of the Board of Directors shall keep regular minutes of their proceedings and shall report the same to the Board as required.

b. Notwithstanding anything contained in these By Laws to the contrary, for the duration of the Initial Control Period, the Board of Directors shall not, without the consent of Phase I Lender, for so long as Phase I Lender is a holder of a mortgage on the Phase I Property, and/or Phase II Lender, for so long as Phase II Lender is a holder of a mortgage on the Phase II Property: (i) make any addition, alteration or improvement to the Association Common Areas; (ii) assess any Common Maintenance Charge for the creation of, addition to or replacement of all or part of a reserve contingency or surplus fund; (iii) charge any special Common Charge Assessment for a non-budgeted item unless required by law, emergency, municipal agency or for the health and safety of the Association and its Members; (iv) hire any additional employees or enter into any service or maintenance contract for work not covered by contracts in existence on the date of the closing of the first Unit; (v) borrow money or otherwise create a security interest on behalf of the Association or on any portion of the Association property or; (vi) increase or decrease the services or maintenance of the Association as set forth in the proposed first year budget of the Association, the Declaration or the By-Laws or otherwise provide services in excess of those contemplated by the proposed first year budget or elsewhere in the Offering Plan or any amendments thereto; (vii) purchase any materials, equipment or other goods costing in excess of $1,000; (viii) increase the Common Maintenance Charges of the Association more than ten (10%) percent from the prior year's budget, unless required by law, emergency, municipal agency, the health and safety of the Association and its Members or if documentation is provided to Phase I Developer and/or Phase II Developer in the nature of a financial statement, bids from contractors or verified increases in utility rates evidencing

the need for an increase greater than ten (10%) percent; (ix) utilize Association funds or assess Phase I Developer and/or Phase II Developer in order to commence a lawsuit against Phase I Developer and/or Phase II Developer or any of their respective principals so long they hold any Unsold Units in the Community; or (x) the Board take any action that will interfere, impair or adversely affect the rights of Phase I Developer and/or Phase II Developer to sell and construct any Unsold Units. Notwithstanding the foregoing, at no time may Phase I Developer and/or Phase II Developer exercise veto power over expenses described in the Association budget or over expenses required to comply with Legal Requirements, remedy any notice of violation, or remedy any work order by an insurer.

c. For the duration of the Initial Control Period, no mortgage liens will be placed on the Association Common Areas without the consent of at least fifty-one (51%) percent of the Unit Owners other than Directors designated by Phase I Developer or Phase II Developer. This subparagraph (c) may not be amended without the written consent of Phase I Developer and Phase II Developer, in each case for so long such developer owns Units in the Phase I Condominium or the Phase II Condominium, as the case may be.

d. Notwithstanding subsection (c) of this Section 4 and any provision of these By-Laws to the contrary, the Association may place a mortgage lien on a portion of the Association Common Areas, if necessary, in order to conform the boundaries of the Phase I Property or, if developed, the Phase II Property to the revised boundaries of the Phase I Property or the Phase II Property, as the case may be, as approved in an amended site plan by the Village of North Hills.

e. Upon the sale of the last Unsold Unit in Phase I Property, Phase I Developer shall assign its right to designate three Class 1 members to the Phase II Developer, provided that Phase II Developer still owns at least one Unsold Unit at the Phase II Property.

f. Upon the sale of the last Unsold Unit in Phase II Property, Phase II Developer shall assign its right to designate three Class 1 members to the Phase 1 Developer, provided that Phase 1 Developer still owns at least one Unsold Unit at the Phase 1 Property.

Section 5. Compensation. Directors and officers, as such, shall receive no compensation for their services.

Section 8. Meetings.

a. After the Initial Control Period, the first meeting of each Board elected by the Class 2 Members shall be held immediately upon adjournment of the meeting of the Members 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 Directors shall be held at the same place as the annual meeting of the Class 2 Members 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 Director either personally, by mail, overnight courier service or electronic mail. 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 two (2) Directors.

d. At all meetings of the Board, a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, 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 meeting of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be present.

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

f. Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board or such committee consent in writing to the adoption of a resolution authorizing such action. The resolution and the written consents thereto shall be filed with the minutes of the proceedings of the Board of Directors or committee.

g. Notwithstanding the foregoing, prior to the expiration of the Initial Control Period, the presence of at least one Director designated by each of the Class 1 Members is required at all meetings of the Board of Directors and no quorum shall exist without the presence of at least one Director designated by each of the Class 1 Members, until such time as the Initial Control Period expires.

h. Members of the Board may participate in a meeting by means of a conference telephone call or similar communications equipment by means of

which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting.

Section 7. Annual Statement. The Board of Directors shall furnish to all Members and shall present annually, within five (5) months of the end of each fiscal year and when called for by a vote of the Members at any special meeting of the Members, a statement of the business conditions and affairs of the Association, 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 Members and a notice of the holding of the annual meeting of Association Members.

Section 8. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association (except Phase I Developer and/or Phase II Developer and their respective representatives or designees) handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a Common Maintenance Charge of the Association.

ARTICLE IX. OFFICERS

Section 1. Elective Officers. The officers of the Association shall be elected by the Board and shall consist of a President, a Vice President, a Secretary and a Treasurer. The Board of Directors 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 either members of the Board of Directors or Members of the Association. Two or more offices may be held by the same person, except for the President who may only hold the office of President. Until the expiration of the Initial Control Period, the Directors designated by Phase I Developer and Phase II Developer shall appoint the officers of the Association.

Section 2. Election. After the expiration of the Initial Control Period, the Board of Directors, at its first meeting after each annual meeting of Association Members, 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.

Section 4. Term. The officers shall hold office for a period of one (1) year, or until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed with or without cause, at any time, by the affirmative vote of a majority of the Board of Directors, provided

prior notice was given to all Board members that this item was on the agenda for such meeting. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President. The President shall: be the chief executive officer of the Association; preside at all meetings of the Association Members and the Board of Directors; be an ex-officio member of all standing committees; have general and active management of the business of the Association; see that all orders and resolutions of the Board are carried into effect; and have such other powers and duties as are usually vested in the office of President of a corporation organized under the Not-for-Profit 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 corporation organized under the Not-for-Profit 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 meetings of the Members 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 meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or by the President, under whose supervision he shall be.

Section 8. The Treasurer. The Treasurer and/or Assistant Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Association including the vouchers for such disbursements, and shall deposit all monies, and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. These duties may also be exercised by the Manager, if any. However, such Manager shall not replace the Treasurer.

The Treasurer shall disburse the funds of the Association as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Directors, 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 Association.

The Treasurer shall keep detailed financial records and book of account of the Association, including a separate account for each Member, which among other things, shall contain the amount of each Assessment, the date when due,

the amount 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 Directors.

ARTICLE X. NOTICES

Section 1. Definitions. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Directors or to any Director or Member, it shall not be construed to mean personal notice, and 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 Directors, such Director, or Member, at such address as appears on the books of the Association.

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 XI. COMMON MAINTENANCE CHARGES

Section 1. Creation of the Lien and Personal Obligation of Assessments. The creation of the lien and personal obligation of Common Maintenance Charges is governed by Section 1 of Article VI of the Declaration.

Section 2. Purpose of Common Maintenance Charges. The purpose of Common Maintenance Charges is as specified in Section 2 of Article VI of the Declaration.

Section 3. Basis of Common Maintenance Charges. The basis of the Common Maintenance Charges is as specified in Section 3 of Article VI of the Declaration.

Section 4. Date of Commencement of Common Maintenance Charges. Due Dates. The date of commencement and the due dates of Common Maintenance Charges are as specified in Section 4 of Article VI of the Declaration.

Section 5. Effect of Non-Payment of Common Maintenance Charges. Remedies of the Association. The effect of non-payment of Common Maintenance Charges and the remedies of the Association shall be as specified in Section 5 of Article VI of the Declaration.

Section 6. Subordination of Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinated pursuant to the provisions of Section 5 of Article VI of the Declaration.

Section 7. Checks. All checks or demands for money and notes of the Association 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 Directors may from time to time designate.

Section 8. 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 Common Maintenance Charges as fixed and determined for all Members. Disbursements from said account shall be for the general needs of the Association including, but not limited to, wages, repairs, improvements, maintenance and other operating expenses of the community.

Section 9. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes.

ARTICLE XII. INSURANCE

The insurance the Board of Directors is required to obtain and maintain on behalf of the Association shall be as provided for in Article VIII of the Declaration. The procedure and requirements for repair or reconstruction of the Association Common Areas shall be as provided for in the Declaration.

ARTICLE XIII. AMENDMENTS

Section 1. Requirements for Amending By-Laws. Except as otherwise provided in the Certificate of Incorporation or these By-Laws, these By-Laws may be altered, amended or added to at any duly called meeting of Association Members provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; and (2) that the amendment shall be approved by vote of (i) in the case of Class 1 Members, a vote of the majority of Board Members, and (ii) in the case of Class 2 Members, at least sixty six and two thirds (66-2/3%) percent of the total Class 2 Members whose Units are then subject to the Declaration. No amendment, however, shall affect or impair the validity or priority of the Members interests and the interests of holders of a mortgage encumbering a Member's Unit. The above notwithstanding, no amendment may infringe in any way upon Phase I Developer's and/or Phase II Developer's rights to build and make membership in or use of the Association available to Purchasers or lessees of no more in the aggregate than sixty Units in the Community without the respective consent of Phase I Developer and/or Phase II Developer.

Section 2. Consent Rights of Developer(s) and Lender(s) Notwithstanding any provision contained herein to the contrary:

a. no amendment, modification, addition or deletion of, to or from the By-Laws or the Rules and Regulations shall be effective in any way against Phase I Developer or Phase II Developer or its designees or any Unsold Unit, as long as Phase I Developer or Phase II Developer, as the case may be, owns an Unsold Unit in the Community, unless Phase I Developer or Phase II Developer, as the case may be, has given its prior written consent; and

b. these By-Laws may not be amended in any way without the written consent of Phase I Lender, for so long as Phase I Lender is a holder of a mortgage on the Phase I Property, and/or Phase II Lender, for so long as Phase II Lender is a holder of a mortgage on the Phase II Property.

ARTICLE XIV, SELLING, LEASING AND GIFTS OF UNITS

Section 1. Selling.

a. No Member shall convey, mortgage, pledge, hypothecate or sell his or her Unit unless and until all violations against the Unit are removed and all unpaid Common Maintenance Charges assessed against the Unit in accordance with the Declaration shall have been paid as directed by the Board of Directors. Such unpaid Common Maintenance Charges, however, may be paid out of the proceeds from the sale of a Unit, or by the grantee of such Unit. Any sale or lease of a Unit in violation of this section or the applicable Article of the Declaration shall be voidable at the election of the Board of Directors. Upon the written request of a Member or his or her mortgagee, the Board or its designee shall furnish a written statement of the status of any violation and the unpaid Common Maintenance Charges due from such Member which shall be conclusive evidence of the payment of amounts assessed prior to the date of the statement. A reasonable charge may be made by the Board for the issuance of such statements.

b. The provisions of this Section as they apply to unpaid Common Maintenance Charges shall not apply to the acquisition of a Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. In such event the unpaid Common Maintenance Charges against the Unit which were assessed and became due prior to the acquisition of title to such Unit by such mortgagee shall be deemed waived by the Association and shall be charged to all other Members of the Association as a Common Maintenance Charge. Such provisions shall, however, apply to any Common Maintenance Charges which are assessed and become due after the acquisition of title to such Unit by the mortgagee and to any Purchaser from such mortgagee.

c. Whenever the term "Unit" is referred to in this Section, it shall include the Unit, the Member's interest in the Association and the Member's interest in any Units acquired by the Association.

Section 2. Leasing Requirements. Every lease of a Unit in the Phase I Condominium or the Phase II Condominium, if developed, will be subject to the following provisions, whether or not stated in the lease:

a. the lease must be in writing;

b. the lease must be for the entire Unit;

c. the lease must be for a minimum of six (6) months.

d. the use of the premises is subject to the Declaration and the By-Laws of the Phase I Condominium or the Phase II Condominium, as applicable, and such condominium's Declaration of Covenants and Restrictions and By-Laws of The Association and the Rules and Regulations;

e. within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the Manager or if no Manager to a Member of the Board of Managers of the Condominium Board Phase I (for a Unit in the Phase I Condominium) or the Condominium Board Phase II (for a Unit in the Phase II Condominium) and the Board of Directors of The Association;

f. within forty-five (45) days of any renewal of a lease of a tenant, the name and telephone number of the tenant, together with a clear and complete copy of the renewal lease, must be furnished to the Manager or if no Manager to the Condominium Board Phase I (for a Unit in the Phase I Condominium) or the Condominium Board Phase II (for a Unit in the Phase II Condominium), if developed and the Board of Directors of The Association for review;

g. the Unit cannot be used as a motel or hotel or otherwise for transient tenants;

h. if any Unit Owner (landlord) or tenant is in violation of any of the provisions of the applicable Declaration or By-Laws, or both, including the Rules and Regulations, the Board of Directors of the Association and/or the Condominium Board Phase I (for a Unit in the Phase I Condominium) or Condominium Board Phase II (for a Unit in the Phase II Condominium) may bring an action in its own name or in the name of the Unit Owner, or both, to have the tenant evicted or to recover damages, or both.

Section 3. Tenant Bound by Declaration. By becoming a tenant, each tenant agrees to be bound by the Declaration, By-Laws and the rules and

regulations of the Phase I Condominium or the Phase II Condominium (if developed), as the case may be, and by the Declaration, By-Laws and the Rules and Regulations of the Association and recognizes and accepts the right and the power of the Association to evict the tenant for any violation by the tenant of the above, and the other rules and regulations of the Phase I Condominium and the Phase I Condominium, if developed, and the Association.

Section 4. Lenders. To protect first mortgage lenders and to encourage first mortgage lenders to make loans on Units in the Phase I Condominium and the Phase I Condominium, if developed, only subsection (d), (e), (g) and (h) of Section 2 of this Article XIV shall apply to a first mortgage lender who has title to the Unit through (a) foreclosure of its first mortgage on the Unit; or (b) a deed in lieu of foreclosure of its first mortgage on the Unit. Any subsequent Purchaser from the first mortgage lender is subject to all the terms of Article XIV.

Section 5. Non- Applicability to Developer. The terms of Section 2 of this Article XIV shall not be applicable to (a) Phase I Developer, or Phase I Lender if Phase I Lender takes title to the Phase I Property then owned by Phase I Owner or (b) Phase II Developer, or Phase II Lender if Phase II Lender takes title to the Phase II Property then owned by Phase II Owner as the case may be.

Section 6. Gifts, etc. Any Member may convey or transfer his or her Unit by gift during his or her lifetime or devise his or her Unit by will or pass the same by intestacy without restriction except as may be permitted regarding occupancy requirements as provided in the Declaration.

ARTICLE XV. INDEMNIFICATION

Section 1. Indemnification of Officers and Directors. To the fullest extent allowed by law, the Association shall indemnify Manager, and any person, made a party to an action by or in the right of the Association to procure a judgment in its favor by reason of the fact that he, his testator or, intestate, is or was or has agreed to become a Director or Officer of the Association, against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with the defense of such action, or in connection with an appeal therein, except in relation to matters as to which such Director or Officer is adjudged to have breached his duty to the Association, as such duty is defined in Section 717 of the Not-For-Profit Corporation Law. To the extent allowed by law, the Association shall also indemnify Manager, and any person, made, or threatened to be made, a party to an action or proceeding other than one by or in the right of the Association to procure a judgment in its favor, whether civil or criminal, including an action by or in the right of any other corporation, domestic or foreign, which he or she served in any capacity at the request of the Association by reason of the fact that he, his testator or intestate was a Director or Officer of the Association or served it in any capacity against judgment, fines, amounts paid in settlement, and reasonable attorney's fees actually and

necessarily incurred as a result of such action or proceeding, or any appeal therein, if such Director or Officer acted in good faith, for a purpose which he reasonably believed to be in the best interests of the Association and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his or her conduct was unlawful.

Section 2. Indemnification of Employees and Agents. The Association may, to the extent authorized from time to time by the Board or by a duly organized committee of the Board, provide indemnification to employees or agents of the Association who are not Officers or Directors of the Association with such scope and effect as determined by the Board, or such committee.

Section 3. Indemnification of Others. The Association may indemnify any person to whom the Association is permitted by applicable law to provide indemnification or the advancement of expenses, whether pursuant to rights granted pursuant to, or provided by, the New York Not-For-Profit Corporation Law or other rights created by (i) a resolution of the Members, (ii) a resolution of Directors, or (iii) an agreement providing for such indemnification, it being expressly intended that these By-Laws authorize the creation of other rights in any such manner.

Section 4. Other Rights. The right to be indemnified and to the reimbursement or advancement of expenses incurred in defending a proceeding in advance of its final disposition authorized by this Article XV shall not be exclusive of nor limit any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-Laws, agreement, vote of Members or disinterested Directors or otherwise.

Nothing contained in this provision shall limit any right to indemnification to which any Director or any Officer may be entitled to by contract or under any law now or hereinafter enacted.

ARTICLE XVI. GENERAL PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors and unless otherwise specified shall be based on the calendar year.

Section 2. Seal. The Association seal shall have inscribed thereon the name of the Association and the year of its incorporation, under the laws of the State of New York. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 3. Examination of Books and Records. Each Member, or its respective representatives and first mortgagees, shall be entitled to a reasonable examination of the books and records of the Association at any time during

normal business hours upon reasonable notice to its Board of Directors. The Declaration, Certification of Incorporation and the By-Laws of the Association shall be available for inspection by any Member or first mortgagee at the principal office of the Association.

Section 4. Construction. Whenever 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, whenever the context so requires.

Section 5. Conflicts. In the case of any conflict between the Certificate of Incorporation and these By-Laws, the Certificate shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 6. Severability. Should any of the covenants, terms or provisions herein imposed be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

SCHEDULE A

Legal Description of Association Common Areas

REVISED OVERALL PROPERTY DESCRIPTION

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A CONCRETE MONUMENT ON THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY, I-495, SOUTH SERVICE ROAD FORMERLY LITTLE NECK-OLD WESTBURY ROAD (OLD POWERHOUSE ROAD), 583.06 FEET EAST OF THE INTERSECTION OF THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD WITH THE NEW EASTERLY SIDE OF NEW HYDE PARK ROAD:

THENCE ALONG THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET TO LAND NOW OR FORMERLY OF REALM, LLC.

THENCE ALONG LAND NOW OR FORMERLY OF REALM, LLC THE FOLLOWING THREE (3) COURSES;

1. SOUTH 00° 31' 00" EAST, 621.48 FEET.

2. NORTH 89° 29' 00" EAST, 313.96 FEET TO LAND NOW OR FORMERLY OF NORTH HILLS ASSOCIATES, LLC.

3. SOUTHERLY ALONG LANDS NOW OR FORMERLY OF NORTH HILLS ASSOCIATES, LLC SOUTH 08° 24' 00" WEST, 613.64 FEET TO THE LAND OF NEW YORK STATE PARK COMMISSION.

THENCE WESTERLY THE FOLLOWING SEVEN (7) COURSES ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD AND PARTLY ALONG LANDS OF NEW YORK STATE PARK COMMISSION:

1. NORTH 76° 47' 50" WEST, 16.24 FEET.

2. NORTH 83° 42' 00" WEST, 9.42 FEET.

3. NORTH 80° 59' 00" WEST, 104.95 FEET.

4. SOUTH 76° 53' 38" WEST, 174.25 FEET.

5. ALONG THE ARC OF A CURVE BEARING TO THE LEFT, HAVING A RADIUS OF 5829.65 FEET. WITH A CHORD BEARING OF SOUTH 75° 48' 57.3" WEST, 219.36 FEET.

6. SOUTH 88° 04' 03" WEST, 546.12 FEET.

7. NORTH 61° 02' 37" WEST, 76.53 FEET TO THE EASTERLY SIDE OF NEW HYDE PARK ROAD.

NORTHERLY ALONG THE EASTERLY SIDE OF NEW HYDE PARK ROAD, NORTH 13° 30' 07" WEST, 97.72 FEET TO THE FORMER CENTERLINE OF I.U. WILLETS ROAD.

THENCE EASTERLY ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD THE FOLLOWING TWO (2) COURSES:

1. NORTH 77° 58' 02" EAST, 77.19 FEET.

2. NORTH 87° 17' 00" EAST, 414.18 FEET TO THE EASTERLY SIDE OF LAND NOW OR FORMERLY OF X CELL REALTY ASSOCIATES.

THENCE NORTHERLY ALONG THE EASTERLY SIDE OF LAND NOW OR FORMERLY OF X CELL REALTY ASSOCIATES THE FOLLOWING TWO (2) COURSES.

1. NORTH 00° 31' 00" WEST, 763.99 FEET TO A CONCRETE MONUMENT.

2. NORTH 26° 53' 10" WEST, 146.34 FEET TO A CONCRETE MONUMENT AND THE POINT OR PLACE OF BEGINNING.

EXCEPTING THAT PROPERTY OF THE MANHASSET LAKEVILLE WATER DISTRICT. DESIGNATED AS TAX LOT 890 AS SHOWN ON THE NASSAU COUNTY LAND AND TAX MAPS. THE NORTHEAST CORNER OF SAID PROPERTY BEING FURTHER DESCRIBED AS THE FOLLOWING FOUR (4) COURSES FROM THE INTERSECTION OF THE EASTERLY SIDE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY, I-495, SERVICE ROAD (POWER HOUSE ROAD).

1. EASTERLY ALONG THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SERVICE ROAD 583.06 FEET TO A CONCRETE MONUMENT.

2. SOUTH 26° 53' 10" EAST, 146.34 FEET TO A CONCRETE MONUMENT.

3. SOUTH 00° 31' 00" EAST, 763.99 FEET TO THE FORMER CENTERLINE OF I.U. WILLETS ROAD.

4. WESTERLY ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD, SOUTH 87° 17' 00" WEST, 109.11 FEET TO THE POINT OR PLACE OF BEGINNING OF PROPERTY OF MANHASSET LAKEVILLE WATER DISTRICT.

THENCE THE FOLLOWING FOUR (4) COURSES AROUND PROPERTY OF THE MANHASSET LAKEVILLE WATER DISTRICT:

1. SOUTH 01° 55' 57" EAST, 152.74 FEET.

2. SOUTH 88° 04' 03" WEST, 200.00 FEET.

3. NORTH 01° 55' 57" WEST, 150.00 FEET.

4. NORTH 87° 17' 00" EAST, 200.02 FEET TO THE POINT OR PLACE OF BEGINNING OF THE MANHASSET LAKEVILLE WATER DISTRICT.

BEING THE SAME OVERALL PREMISES AS IS DESCRIBED IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC DATED 12/30/2009 RECORDED 1/13/2010 IN LIBER 12578 CP 139.

FURTHER EXCEPTING THEREFROM THE FOLLOWING FIVE (5) CONDOMINIUM PREMISES:

RESIDENCES AT NORTH HILLS, CONDOMINIUM 1 (LOT 895)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 1 RESIDENCES AT NORTH HILLS, (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 2/28/2008 RECORDED 3/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12379 CP 709, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 3/28/2008 AS MAP NO. CA238.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 302.39 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, NORTH 89° 29' 00" EAST, 28.35 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 90° 00' 00" EAST, 110.33 FEET;

THENCE SOUTH 00° 00' 00" EAST, 199.65 FEET;

THENCE SOUTH 22° 21' 08" WEST, 4.34 FEET;

THENCE NORTH 90° 00' 00" WEST, 7.43 FEET;

THENCE SOUTH 00° 00' 00" EAST, 45.85 FEET;

THENCE NORTH 90° 00' 00" EAST, 7.36 FEET;

THENCE SOUTH 23° 03' 13" EAST, 4.40 FEET;

THENCE SOUTH 00° 00' 00" EAST, 107.88 FEET;

THENCE SOUTH 44° 55' 56" WEST, 72.10 FEET;

THENCE NORTH 90° 00' 00" WEST, 68.05 FEET;

THENCE NORTH 00° 00' 00" WEST, 48.44 FEET;

THENCE NORTH 90° 00' 00" EAST, 4.68 FEET;

THENCE NORTH 00° 00' 00" WEST, 127.70 FEET;

THENCE SOUTH 90° 00' 00" EAST, 3.96 FEET;

THENCE NORTH 00° 00' 00" WEST, 236.35 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 2 (LOT 894)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 2 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM TWO) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE

DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 905, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/008 AS MAP NO. CA243.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 763.99 FEET TO A TIE LINE;

THENCE ALONG THE TIE LINE, SOUTH 70° 03' 51" EAST, 116.12 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 00° 00' 00" EAST, 63.61 FEET;

THENCE NORTH 44° 55' 56" EAST, 76.97 FEET;

THENCE NORTH 90° 00' 00" EAST, 167.24 FEET;

THENCE SOUTH 70° 46' 27" EAST, 19.58 FEET;

THENCE SOUTH 00° 00' 00" EAST, 6.61 FEET;

THENCE NORTH 90° 00' 00" EAST, 47.87 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.59 FEET;

THENCE NORTH 70° 21' 07" EAST, 19.26 FEET;

THENCE NORTH 90° 00' 00" EAST, 107.86 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 35.67 FEET;

THENCE NORTH 00° 00' 00" EAST, 45.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 63.67 FEET;

THENCE SOUTH 00° 00' 00" WEST, 160.33 FEET;

THENCE SOUTH 90° 00' 00" WEST, 417.29 FEET;

THENCE SOUTH 00° 00' 00" EAST, 8.76 FEET;

THENCE NORTH 90° 00' 00" WEST, 96.00 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 3 (LOT 893)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 3 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM THREE LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 814, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/2008 AS MAP NO. CA244.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET;

THENCE SOUTH 00° 31' 00" EAST, 621.48 FEET TO A TIE LINE:

THENCE ALONG A TIE LINE, SOUTH 63° 33' 45" WEST, 56.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 90° 00' 00" EAST, 239.33 FEET:

THENCE SOUTH 00° 00' 00" WEST, 180.65 FEET;

THENCE SOUTH 90° 00' 00" EAST, 31.10 FEET:

THENCE SOUTH 00° 00' 00" WEST, 171.52 FEET;

THENCE NORTH 90° 00' 00" WEST, 57.33 FEET;

THENCE NORTH 00° 00' 00" EAST, 13.17 FEET;

THENCE NORTH 90° 00' 00" WEST, 53.85 FEET;

THENCE NORTH 00° 00' 00" EAST, 223.67 FEET;

THENCE NORTH 90° 00' 00" WEST, 19.25 FEET;

THENCE NORTH 00° 00' 00" EAST, 6.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 126.00 FEET;

THENCE NORTH 00° 00' 00" WEST, 52.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 14.00 FEET

THENCE NORTH 00° 00' 00" WEST, 57.33 FEET TO THE POINT OR PLACE OF BEGINNING.

VANDERBILT AT THE RESIDENCES, NORTH HILLS (LOT 892 ONLY)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS VANDERBILT AT THE RESIDENCES, NORTH HILLS LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF

NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 1, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 246, AS AMENDED BY MAP NO. CA 246A FILED 8/23/2011.

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

DESCRIBED AS PARCEL 4 IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC RECORDED 1/13/2010 IN LIBER 12578 CP 139.

ALL THAT PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU, STATE OF NEW YORK, NASSAU LAND AND TAX PARCEL NUMBER SECTION 8, BLOCK A, LOT 892, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 242.05 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, SOUTH 26° 53' 10" EAST, 128.72 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;
THENCE SOUTH 11° 06' 58" EAST, 385.29 FEET;
THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;
THENCE NORTH 11° 06' 57" WEST, 136.49 FEET;
THENCE NORTH 02° 59' 09" EAST, 39.64 FEET;
THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;
THENCE NORTH 11° 06' 57" WEST, 38.35 FEET;
THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;
THENCE NORTH 26° 09' 55" WEST, 45.59 FEET;
THENCE NORTH 11° 06' 57" WEST, 38.15 FEET;
THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;
THENCE NORTH 11° 06' 57" WEST, 57.43 FEET;
THENCE NORTH 08° 27' 49" EAST, 34.39 FEET TO THE TRUE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 5 (LOT 896)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 5 (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM FIVE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNIT BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 83, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 247.

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE ALONG A TIE LINE, SOUTH 59° 35' 33" EAST, 88.20 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;

THENCE SOUTH 30° 41' 44" EAST, 34.39 FEET;

THENCE SOUTH 11° 06' 57" EAST, 57.43 FEET;

THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;

THENCE SOUTH 11° 06' 57" EAST 38.15 FEET;

THENCE SOUTH 03° 56' 01" WEST, 45.59 FEET;

THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;

THENCE SOUTH 11° 06' 57" EAST, 38.35 FEET;

THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;

THENCE SOUTH 25° 13' 04" EAST, 39.64 FEET;

THENCE SOUTH 11° 06' 57" EAST, 136.49 FEET;

THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;

THENCE NORTH 11° 06' 57" WEST, 385.29 FEET TO THE POINT OR PLACE OF BEGINNING.

SCHEDULE B

Legal Description of Phase I Property

Title No. 572147NY1

AMENDED 11/26/2013 (fho) VANDERBILT HEADING AMENDED

SCHEDULE "A"

RESIDENCES AT NORTH HILLS, CONDOMINIUM 3 (LOT 893)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 3 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM THREE LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 814, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/2008 AS MAP NO. CA244.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET;

THENCE SOUTH 00° 31' 00" EAST, 621.48 FEET TO A TIE LINE:

THENCE ALONG A TIE LINE, SOUTH 63° 33' 45" WEST, 56.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 90° 00' 00" EAST, 239.33 FEET:

THENCE SOUTH 00° 00' 00" WEST, 180.65 FEET;

THENCE SOUTH 90° 00' 00" EAST, 31.10 FEET:

THENCE SOUTH 00° 00' 00" WEST, 171.52 FEET;

THENCE NORTH 90° 00' 00" WEST, 57.33 FEET;

THENCE NORTH 00° 00' 00" EAST, 13.17 FEET;

THENCE NORTH 90° 00' 00" WEST, 53.85 FEET;

THENCE NORTH 00° 00' 00" EAST, 223.67 FEET;

Continued...



THENCE NORTH 90° 00' 00" WEST, 19.25 FEET;

THENCE NORTH 00° 00' 00" EAST, 6.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 126.00 FEET;

THENCE NORTH 00° 00' 00" WEST, 52.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 14.00 FEET

THENCE NORTH 00° 00' 00" WEST, 57.33 FEET TO THE POINT OR PLACE OF BEGINNING.

VANDERBILT AT THE RESIDENCES, NORTH HILLS (LOT 892 ONLY)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS VANDERBILT AT THE RESIDENCES, NORTH HILLS LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 1, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 246, AS AMENDED BY MAP NO. CA 246A FILED 8/23/2011.

TOGETHER WITH A TOTAL UNDIVIDED (SEE ATTACHED)% INTEREST IN THE COMMON ELEMENTS (AS SUCH TERM IS DEFINED IN THE DECLARATION).

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

DESCRIBED AS PARCEL 4 IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC RECORDED 1/13/2010 IN LIBER 12578 CP 139.

ALL THAT PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU, STATE OF NEW YORK, NASSAU LAND AND TAX PARCEL NUMBER SECTION 8, BLOCK A, LOT 892, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 242.05 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, SOUTH 26° 53' 10" EAST, 128.72 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;

THENCE SOUTH 11° 06' 58" EAST, 385.29 FEET;

Continued...

Title No. 572147NY1
Schedule "A" Continued

THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;

THENCE NORTH 11° 06' 57" WEST, 136.49 FEET;

THENCE NORTH 02° 59' 09" EAST, 39.64 FEET;

THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;

THENCE NORTH 11° 06' 57" WEST, 38.35 FEET;

THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;

THENCE NORTH 26° 09' 55" WEST, 45.59 FEET;

THENCE NORTH 11° 06' 57" WEST, 38.15 FEET;

THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;

THENCE NORTH 11° 06' 57" WEST, 57.43 FEET;

THENCE NORTH 08° 27' 49" EAST, 34.39 FEET TO THE TRUE POINT OR PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of In and to the land lying in the street in front of and adjoining said premises.



Title No. 3020-572147

UNIT PAGE
RESIDENCES AT NORTH HILLS, CONDOMINIUM 3

UNIT Number	Condo Allocation of Common Interest	Tax Units
5101	2.3443%	101
5102	2.4966%	108
5103	2.4227%	102
5104	2.5025%	109
5105	2.4779%	103
5106	1.8915%	110
5107	1.5234%	104
5180	1.7903%	111
5109	1.2710%	105
5111	2.3820%	106
5115	2.5571%	107
5201	2.3600%	201
5202	2.4815%	208
5203	2.7313%	202
5204	2.4862%	209
5205	2.4866%	203
5206	2.1938%	210
5207	1.5484%	204
5208	2.2001%	211
5209	1.2902%	205
5211	2.1314%	206
5215	2.6963%	207
5301	2.4254%	301
5302	2.5469%	308
5303	2.7967%	302
5304	2.5516%	309
5305	2.5540%	303
5306	2.2592%	310
5307	1.6138%	304
5308	2.2655%	311
5309	1.3556%	305
5311	2.1968%	306
5315	2.7617%	307
PH 501	2.5234%	401
PH 502	2.6450%	408



Title No. 3020-572147

UNIT PAGE CONTINUED
RESIDENCES AT NORTH HILLS, CONDOMINIUM 3

UNIT Number	Condo Allocation of Common Interest	Tax Units
PH 503	2.8948%	402
PH 504	2.6497%	409
PH 505	2.6520%	403
PH 506	2.3573%	410
PH 507	1.7118%	404
PH 508	2.3636%	411
PH 509	1.4537%	405
PH 511	2.2947%	406
PH 515	2.8597%	407

Title No. 3020-572147
AMENDED 12/14/2012 (fho)

UNIT PAGE
THE VANDERBILT AT THE RESIDENCES, NORTH HILLS

UNIT Number	Condo Allocation of Common Interest	Tax Units
6101	1.1206%	114
6102	1.5180%	121
6103	1.5537%	115
6104	1.1746%	122
6105	2.0099%	116
6106	1.1746%	123
6107	1.2217%	117
6108	1.4819%	124
6109	1.1746%	118
6110	1.2948%	125
6111	1.1746%	119
6112	1.2981%	126
6114	1.2981%	127
6115	1.5180%	120
6116	1.1206%	128
6201	1.6614%	214
6202	1.6281%	221
6203	1.6740%	215
6204	1.2589%	222
6205	2.1014%	216
6206	1.2589%	223
6207	1.3991%	217
6208	1.6281%	224
6209	1.2589%	218
6210	1.6614%	225
6211	1.2589%	219
6212	1.3902%	226
6214	1.3902%	227
6215	1.6281%	220
6216	1.6614%	228
6301	1.7279%	314
6302	1.6947%	321
6303	1.7405%	315
6304	1.3254%	322
6305	2.1680%	316
6306	1.3254%	323
6307	1.4657%	317
6308	1.6947%	324
6309	1.3254%	318



Title No. 3020-572147
AMENDED 12/14/2012 (fho)

UNIT PAGE CONTINUED
THE VANDERBILT AT THE RESIDENCES, NORTH HILLS

UNIT Number	Condo Allocation of Common Interest	Tax Units
6310	1.7279%	325
6311	1.3254%	319
6312	1.4568%	326
6314	1.4568%	327
6315	1,6947%	320
6316	1.7279%	328
PH 601	1.8278%	414
PH 602	1.7945%	421
PH 603	1.8404%	415
PH 604	1.4253%	422
PH 605	2.2678%	416
PH 606	1.4253%	423
PH 607	1.5655%	417
PH 608	3.7442%	424
PH 609	1.4253%	418
PH 611	1.4253%	419
PH 612	3.1400%	425
PH 615	1.7945%	420
PH 616	1.8078%	426

SCHEDULE C

Legal Description of Phase II Property



Title No. 572147NY2
AMENDED 12/14/2012 (fho) CONDO 5 PARCELS 4 AND 6 DELETED

SCHEDULE "A"

RESIDENCES AT NORTH HILLS, CONDOMINIUM 1 (LOT 895)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 1 RESIDENCES AT NORTH HILLS, (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 2/28/2008 RECORDED 3/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12379 CP 709, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 3/28/2008 AS MAP NO. CA238.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 302.39 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, NORTH 89° 29' 00" EAST, 28.35 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 90° 00' 00" EAST, 110.33 FEET;

THENCE SOUTH 00° 00' 00" EAST, 199.65 FEET;

THENCE SOUTH 22° 21' 08" WEST, 4.34 FEET;

THENCE NORTH 90° 00' 00" WEST, 7.43 FEET;

THENCE SOUTH 00° 00' 00" EAST, 45.85 FEET;

THENCE NORTH 90° 00' 00" EAST, 7.36 FEET;

THENCE SOUTH 23° 03' 13" EAST, 4.40 FEET;

THENCE SOUTH 00° 00' 00" EAST, 107.88 FEET;

THENCE SOUTH 44° 55' 56" WEST, 72.10 FEET;

THENCE NORTH 90° 00' 00" WEST, 68.05 FEET;

Continued...



Title No. 572147NY2
Schedule 'A' Continued

THENCE NORTH 00° 00' 00" WEST, 48.44 FEET;

THENCE NORTH 90° 00' 00" EAST, 4.68 FEET;

THENCE NORTH 00° 00' 00" WEST, 127.70 FEET;

THENCE SOUTH 90° 00' 00" EAST, 3.96 FEET;

THENCE NORTH 00° 00' 00" WEST, 236.35 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 2 (LOT 894)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 2 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM TWO) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 905, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/008 AS MAP NO. CA243.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 763.99 FEET TO A TIE LINE;

THENCE ALONG THE TIE LINE, SOUTH 70° 03' 51" EAST, 116.12 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 00° 00' 00" EAST, 63.61 FEET;

THENCE NORTH 44° 55' 56" EAST, 76.97 FEET;

THENCE NORTH 90° 00' 00" EAST, 167.24 FEET;

THENCE SOUTH 70° 46' 27" EAST, 19.58 FEET;

THENCE SOUTH 00° 00' 00" EAST, 6.61 FEET;

Continued...



Title No. 572147NY2
Schedule 'A' Continued

THENCE NORTH 90° 00' 00" EAST, 47.87 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.59 FEET;

THENCE NORTH 70° 21' 07" EAST, 19.26 FEET;

THENCE NORTH 90° 00' 00" EAST, 107.86 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 35.67 FEET;

THENCE NORTH 00° 00' 00" EAST, 45.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 63.67 FEET;

THENCE SOUTH 00° 00' 00" WEST, 160.33 FEET;

THENCE SOUTH 90° 00' 00" WEST, 417.29 FEET;

THENCE SOUTH 00° 00' 00" EAST, 8.76 FEET;

THENCE NORTH 90° 00' 00" WEST, 96.00 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 5 (LOT 896)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 5 (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM FIVE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNIT BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 83, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 247.

TOGETHER WITH A TOTAL UNDIVIDED (SEE ATTACHED) % INTEREST IN THE COMMON ELEMENTS (AS SUCH TERM IS DEFINED IN THE DECLARATION).

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

Continued...



RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE ALONG A TIE LINE, SOUTH 59° 35' 33" EAST, 88.20 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;

THENCE SOUTH 30° 41' 44" EAST, 34.39 FEET;

THENCE SOUTH 11° 06' 57" EAST, 57.43 FEET;

THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;

THENCE SOUTH 11° 06' 57" EAST 38.15 FEET;

THENCE SOUTH 03° 56' 01" WEST, 45.59 FEET;

THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;

THENCE SOUTH 11° 06' 57" EAST, 38.35 FEET;

THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;

THENCE SOUTH 25° 13' 04" EAST, 39.64 FEET;

THENCE SOUTH 11° 06' 57" EAST, 136.49 FEET;

THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;

THENCE NORTH 11° 06' 57" WEST, 385.29 FEET TO THE POINT OR PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.



Title No. 3020-572147

UNIT PAGE
RESIDENCES AT NORTH HILLS, CONDOMINIUM I

UNIT Number	Condo Allocation of Common Interest	Tax Units
3101	2.1659%	101
3102	2.5532%	105
3103	1.9798%	102
3104	1.7996%	106
3105	2.7121%	103
3106	2.9906%	107
3107	2.9242%	104
3108	2.1538%	108
3110	1.4318%	109
3112	2.1149%	110
3201	2.5845%	201
3202	2.5655%	205
3203	2.5061%	202
3204	1.8351%	206
3205	2.7647%	203
3206	2.9406%	207
3207	2.9267%	204
3208	2.5873%	208
3210	1.5426%	209
3212	2.5882%	210
3301	2.6617%	301
3302	2.6426%	305
3303	2.5832%	302
3304	1.9122%	306
3305	2.8419%	303
3306	3.0178%	307
3307	3.0039%	304
3308	2.6644%	308
3310	1.6198%	309
3312	2.6654%	310
PH301	2.7774%	401
PH302	2.7583%	405
PH303	2.6989%	402
PH304	2.0279%	406
PH305	2.9576%	403
PH306	3.1335%	407
PH307	3.1196%	404
PH308	2.7802%	408
PH310	1.7355%	409
PH312	2.7810%	410



Title No. 3020-572147

UNIT PAGE
RESIDENCES AT NORTH HILLS, CONDOMINIUM 2

UNIT Number	Condo Allocation of Common Interest	Tax Units
4101	2.0255%	101
4102	1.8362%	108
4103	1.9375%	102
4104	1.0608%	109
4105	2.5216%	103
4106	1.0633%	110
4107	1.8867%	104
4108	1.9771%	111
4109	1.0672%	105
4110	1.4465%	112
4111	1.2854%	106
4112	1.2612%	113
4114	2.0295%	114
4115	2.1094%	107
4201	2.3544%	201
4202	1.8406%	208
4203	2.0566%	202
4204	1.0741%	209
4205	2.3467%	203
4206	1.0775%	210
4207	1.8088%	204
4208	1.9950%	211
4209	1.0838%	205
4210	1.7844%	212
4211	1.3070%	206
4212	1.3667%	213
4214	2.3584%	214
4215	2.1046%	207
4301	2.4117%	301
4302	1.8988%	308
4303	2.1138%	302
4304	1.1344%	309
4305	2.4043%	303
4306	1.1378%	310
4307	1.8616%	304



UNIT PAGE CONTINUED
RESIDENCES AT NORTH HILLS, CONDOMINIUM 2

UNIT Number	Condo Allocation of Common Interest	Tax Units
4308	2.0522%	311
4309	1.1421%	305
4310	1.8460%	312
4311	1.3675%	306
4312	1.4242%	313
4314	2.4161%	314
4315	2.1623%	307
PH401	2.4963%	401
PH402	1.9834%	408
PH403	2.1983%	402
PH404	1.2189%	409
PH405	2.4888%	403
PH406	1.2223%	410
PH407	1.9462%	404
PH408	2.1367%	411
PH409	1.2267%	405
PH410	1.9305%	412
PH411	1.4521%	406
PH412	1.5089%	413
PH414	2.5008%	414
PH415	2.2468%	407

Title No. 3020-572147

UNIT PAGE
RESIDENCES AT NORTH HILLS, CONDOMINIUM 5

UNIT Number	Condo Allocation of Common Interest	Tax Units
2101	1.4654%	101
2102	2.0806%	107
2103	1.4104%	102
2104	1.5180%	108
2105	2.1638%	103
2106	1.2354%	109
2107	1.8808%	104
2108	1.3170%	110
2109	1.8143%	105
2110	1.4237%	111
2111	2.0862%	106
2112	2.4952%	112
2114	1.4663%	113
2201	1.9397%	201
2202	2.2828%	207
2203	1.5221%	202
2204	1.5277%	208
2205	2.5315%	203
2206	1.2202%	209
2207	1.9075%	204
2208	1.3731%	210
2209	1.8329%	205
2210	1.6154%	211
2211	2.2835%	206
2212	2.7342%	212
2214	1.9313%	213
2301	2.0175%	301
2302	2.3605%	307
2303	1.5998%	302
2304	1.6054%	308
2305	2.6092%	303
2306	1.2979%	309
2307	1.9852%	304
2308	1.4509%	310
2309	1.9107%	305



Title No. 3020-572147

UNIT PAGE CONTINUED
RESIDENCES AT NORTH HILLS, CONDOMINIUM 5

UNIT Number	Condo Allocation of Common Interest	Tax Units
2310	1.6932%	311
2311	2.3612%	306
2312	2.8120%	312
2314	2.0091%	313
PH 201	2.1107%	401
PH 202	2.4538%	407
PH 203	1.7631%	402
PH 204	1.7220%	408
PH 205	2.7258%	403
PH 206	1.4145%	409
PH 207	2.1018%	404
PH 208	1.5675%	410
PH 209	2.0273%	405
PH 210	1.8098%	411
PH 211	2.4778%	406
PH 212	2.9286%	412
PH 214	2.1257%	413

DEED TO
THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

CONSULT YOUR LAWYER BEFORE SIGNING THIS INSTRUMENT. THIS INSTRUMENT SHOULD BE USED BY LAWYERS ONLY.

THIS INDENTURE, made the 20 day of December 2011

BETWEEN

MIDTOWN NORTH HILLS LLC, having an address at c/o RXR, 625 RXR Plaza, Uniondale, New York 11556,

Section 8 Block A Lots 889, 897B, 897C, 900

party of the first part, and

THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC., having an address at c/o RXR, 625 RXR Plaza, Uniondale, New York 11556,

party of the second part,

WITNESSETH, that the party of the first part, in consideration of Ten Dollars and other valuable consideration paid by the party of the second part, does hereby grant and release unto the party of the second part, the heirs or successors and assigns of the party of the second part forever,

ALL that certain plot, piece or parcel of land, more fully set forth in Schedule A annexed hereto.

BEING THE SAME PREMISES conveyed by the following deeds:

1) From James W. O'Connor as Trustee of the Susie Brown O'Connor Trust, James W. O'Connor as Trustee of the Frank J. O'Connor Trust and James W. O'Connor as Trustee of The O'Connor 2002 Gift Trust by deed dated 12/19/2005 and recorded 1/27/2006 in Liber 12060 Cp 37. (As to former Lots 51, 502)

2) From Greater New York Corporation of Seventh Day Adventists by deed dated 5/25/2009 and recorded 6/29/2009 in Liber 12137 Cp 382. (As to former Lots 302, 302a, 302b, 882) (Parcel I Lot 892 is part of former lots 302, 302a & 882)

3) From Board of Commissioners of the Manhasset-Lakeville Water District by deed dated 7/2/2007 and recorded 8/8/2007 in Liber 12299 Cp 298. (As to Lot 889, formerly part of former Lot 785)

4) From: Board of Commissioners of the Manhasset-Lakeville Water District by deed dated 7/2/2007 and recorded 8/8/2007 in Liber 12299 Cp 318. (As to former Lot 891, formerly part of former Lot 785)

5) From Midtown North Hills, LLC to Midtown North Hills, LLC by deed dated 12/30/2009 and recorded 1/13/2010 in Liber 12578 Cp 154 (Present Tax Lot 900, revised 9/30/2009 by Henderson & Bodwell L.L.P.), description therein amended by Correction Deed dated 2/9/2011 recorded 3/2/2011 in Liber 12698 Cp 735.

6) From Midtown North Hills, LLC to Midtown North Hills, LLC by deed dated 12/30/2009 and recorded 1/13/2010 in Liber 12578 Cp 139 (Blanket description less and excepting Parcels I through 6 described therein, being Residences at North Hills 1, 2, 3, 5 and Vanderbilt being f/k/a Residences at North Hills 4, revised 1/8/2010 by Henderson & Bodwell, L.L.P.)

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any streets and roads abutting the above described premises to the center lines thereof; TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises; 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 purpose.

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 the day and year first above written.

IN PRESENCE OF:

MIDTOWN NORTH HILLS LLC

By: _____
Name: Jason Barnett
Title: Authorized Person

STATE OF NEW YORK)
COUNTY OF NASSAU)ss.:

On the ___ day of December, in the year 2013,
before me, the undersigned, personally appeared
_____, personally known
to me or proved to me on the basis of satisfactory
evidence to be the individual whose name is subscribed to
the within instrument, and acknowledged to me that he
executed the same in his capacity, and that by his
signature on the instrument, the individual, or the person
upon behalf of which the individual acted, executed the
instrument

_____
Signature and office of individual taking
acknowledgment

ACKNOWLEDGMENT TAKEN OUTSIDE
NEW YORK STATE

STATE OF)
)ss.:
COUNTY OF)
(or insert District of Columbia, Territory, Possession,
or Foreign Country)
(On the Day of , before me,
the undersigned, personally appeared
personally known to me or proved to me on the basis of
satisfactory evidence to be the individual(s) whose
name(s) is (are) subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in
his/her/their capacity(ies), that by his/her/their signature(s)
on the instrument, the individual(s) or the person upon
behalf of which the individual(s) acted, executed the
instrument, and that such individual made such
appearance before the undersigned in the

(Add the city or political subdivision and the state or
country or other place the acknowledgment was taken.)

_____
Signature and office of individual taking acknowledgment

STATE OF NEW YORK)
COUNTY OF)ss.:
Nassau
On the 27 day of Dec in the year 2013,
before me, the undersigned, personally appeared
Eric Scott personally known to me or
proved to me on the basis of satisfactory evidence to be
the individual(s) whose name(s) is (are) subscribed to the
within instrument, and acknowledged to me that
he/she/they executed the same in his/her/their
capacity(ies), and that by his/her/their signature on the
instrument, the individual(s), or the person upon behalf
of which the individual(s) acted, executed the
instrument

_____
Signature and office of individual taking
acknowledgment

FRANCIS SHEEHAN
Notary Public, State of New York
No. 02SH6250135
Qualified in Queens County
Commission Expires Oct. 24, 2015

BARGAIN AND SALE DEED
WITH COVENANT AGAINST GRANTOR'S ACTS

Title No. 572147NY3

MIDTOWN NORTH HILLS LLC

TO

THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

SECTION 8

BLOCK 4

LOTS 889, 897B, 897C, 900

COUNTY Nassau

RETURN BY MAIL TO

John Rucanelli, Esq.
Farrell Fritz, P.C.
1320 RXR Plaza
Uniondale, New York 11556

Zip No

SCHEDULE A

REVISED OVERALL PROPERTY DESCRIPTION

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A CONCRETE MONUMENT ON THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY, I-495, SOUTH SERVICE ROAD FORMERLY LITTLE NECK-OLD WESTBURY ROAD (OLD POWERHOUSE ROAD), 583.06 FEET EAST OF THE INTERSECTION OF THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD WITH THE NEW EASTERLY SIDE OF NEW HYDE PARK ROAD;

THENCE ALONG THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET TO LAND NOW OR FORMERLY OF REALM, LLC;

THENCE ALONG LAND NOW OR FORMERLY OF REALM, LLC THE FOLLOWING THREE (3) COURSES:

1. SOUTH 00° 31' 00" EAST, 621.48 FEET;

2. NORTH 89° 29' 00" EAST, 313.96 FEET TO LAND NOW OR FORMERLY OF NORTH HILLS ASSOCIATES, LLC;

3. SOUTHERLY ALONG LANDS NOW OR FORMERLY OF NORTH HILLS ASSOCIATES, LLC SOUTH 08° 24' 00" WEST, 613.64 FEET TO THE LAND OF NEW YORK STATE PARK COMMISSION;

THENCE WESTERLY THE FOLLOWING SEVEN (7) COURSES ALONG THE FORMER CENTERLINE OF LU. WILLETS ROAD AND PARTLY ALONG LANDS OF NEW YORK STATE PARK COMMISSION:

1. NORTH 76° 47' 50" WEST, 16.24 FEET;

2. NORTH 83° 42' 00" WEST, 9.42 FEET;

3. NORTH 80° 59' 00" WEST, 104.95 FEET;

4. SOUTH 76° 53' 38" WEST, 174.25 FEET;

5. ALONG THE ARC OF A CURVE BEARING TO THE LEFT, HAVING A RADIUS OF 5829.65 FEET, WITH A CHORD BEARING OF SOUTH 75° 48' 57.3" WEST, 219.36 FEET;

6. SOUTH 88° 04' 03" WEST, 546.12 FEET;

7. NORTH 61° 02' 37" WEST, 76.53 FEET TO THE EASTERLY SIDE OF NEW HYDE PARK ROAD.

NORTHERLY ALONG THE EASTERLY SIDE OF NEW HYDE PARK ROAD, NORTH 13° 30' 07" WEST, 97.72 FEET TO THE FORMER CENTERLINE OF I.U. WILLETS ROAD.

THENCE EASTERLY ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD THE FOLLOWING TWO (2) COURSES:

1. NORTH 72° 58' 02" EAST, 77.19 FEET.

2. NORTH 87° 17' 00" EAST 414.18 FEET TO THE EASTERLY SIDE OF LAND NOW OR FORMERLY OF X CELL REALTY ASSOCIATES.

THENCE NORTHERLY ALONG THE EASTERLY SIDE OF LAND NOW OR FORMERLY OF X CELL REALTY ASSOCIATES THE FOLLOWING TWO (2) COURSES.

1. NORTH 00° 31' 00" WEST, 763.99 FEET TO A CONCRETE MONUMENT.

2. NORTH 26° 53' 10" WEST, 146.34 FEET TO A CONCRETE MONUMENT AND THE POINT OR PLACE OF BEGINNING.

EXCEPTING THAT PROPERTY OF THE MANHASSET LAKEVILLE WATER DISTRICT. DESIGNATED AS TAX LOT 890 AS SHOWN ON THE NASSAU COUNTY LAND AND TAX MAPS. THE NORTHEAST CORNER OF SAID PROPERTY BEING FURTHER DESCRIBED AS THE FOLLOWING FOUR (4) COURSES FROM THE INTERSECTION OF THE EASTERLY SIDE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY, I-495, SERVICE ROAD (POWER HOUSE ROAD).

1. EASTERLY ALONG THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SERVICE ROAD 583.06 FEET TO A CONCRETE MONUMENT.

2. SOUTH 26° 53' 10" EAST, 146.34 FEET TO A CONCRETE MONUMENT.

3. SOUTH 00° 31' 00" EAST, 763.99 FEET TO THE FORMER CENTERLINE OF I.U. WILLETS ROAD.

4. WESTERLY ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD, SOUTH 87° 17' 00" WEST, 109.11 FEET TO THE POINT OR PLACE OF BEGINNING OF PROPERTY OF MANHASSET LAKEVILLE WATER DISTRICT.

THENCE THE FOLLOWING FOUR (4) COURSES AROUND PROPERTY OF THE MANHASSET LAKEVILLE WATER DISTRICT:

1. SOUTH 01° 55' 57" EAST, 152.74 FEET.

2. SOUTH 88° 04' 03" WEST, 200.00 FEET.

3. NORTH 01° 55' 57" WEST, 150.00 FEET.

4. NORTH 87° 17' 00" EAST, 200.02 FEET TO THE POINT OR PLACE OF BEGINNING OF THE MANHASSET LAKEVILLE WATER DISTRICT

BEING THE SAME OVERALL PREMISES AS IS DESCRIBED IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC DATED 12/30/2009 RECORDED 1/13/2010 IN LIBER 12578 CP 139.

FURTHER EXCEPTING THEREFROM THE FOLLOWING FIVE (5) CONDOMINIUM PREMISES:

RESIDENCES AT NORTH HILLS, CONDOMINIUM I (LOT 895)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM I RESIDENCES AT NORTH HILLS, (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK. SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 2/28/2008 RECORDED 3/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12379 CP 709, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 3/28/2008 AS MAP NO. CA238.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 302.39 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, NORTH 89° 29' 00" EAST, 28.35 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 90° 00' 00" EAST, 110.33 FEET;

THENCE SOUTH 00° 00' 00" EAST, 199.65 FEET;

THENCE SOUTH 22° 21' 08" WEST, 4.34 FEET;

THENCE NORTH 90° 00' 00" WEST, 7.43 FEET;

THENCE SOUTH 00° 00' 00" EAST, 45.85 FEET;

THENCE NORTH 90° 00' 00" EAST, 7.36 FEET;

THENCE SOUTH 23° 03' 13" EAST, 4.40 FEET;

THENCE SOUTH 00° 00' 00" EAST, 107.88 FEET;

THENCE SOUTH 44° 55' 56" WEST, 72.10 FEET;

THENCE NORTH 90° 00' 00" WEST, 68.05 FEET;

THENCE NORTH 00° 00' 00" WEST, 48.44 FEET;

THENCE NORTH 90° 00' 00" EAST, 4.68 FEET;

THENCE NORTH 00° 00' 00" WEST, 127.70 FEET;

THENCE SOUTH 90° 00' 00" EAST, 3.96 FEET;

THENCE NORTH 00° 00' 00" WEST, 236.35 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 2 (LOT 894)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 2 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM TWO) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE

DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 905, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/008 AS MAP NO. CA243.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 763.99 FEET TO A TIE LINE;

THENCE ALONG THE TIE LINE, SOUTH 70° 03' 51" EAST, 116.12 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 00° 00' 00" EAST, 63.61 FEET;

THENCE NORTH 44° 55' 56" EAST, 76.97 FEET;

THENCE NORTH 90° 00' 00" EAST, 167.24 FEET;

THENCE SOUTH 70° 46' 27" EAST, 19.58 FEET;

THENCE SOUTH 00° 00' 00" EAST, 6.61 FEET;

THENCE NORTH 90° 00' 00" EAST, 47.87 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.59 FEET;

THENCE NORTH 70° 21' 07" EAST, 19.26 FEET;

THENCE NORTH 90° 00' 00" EAST, 107.86 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 35.67 FEET;

THENCE NORTH 00° 00' 00" EAST, 45.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 63.67 FEET;

THENCE SOUTH 00° 00' 00" WEST, 160.33 FEET;

THENCE SOUTH 90° 00' 00" WEST, 417.29 FEET;

THENCE SOUTH 00° 00' 00" EAST, 8.76 FEET;

THENCE NORTH 90° 00' 00" WEST, 96.00 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 3 (LOT 893)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 3 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM THREE LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 814, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/2008 AS MAP NO. CA244.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET;

THENCE SOUTH 00° 31' 00" EAST, 621.48 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, SOUTH 63° 33' 45" WEST, 56.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 90° 00' 00" EAST, 239.33 FEET;

THENCE SOUTH 00° 00' 00" WEST, 180.65 FEET;

THENCE SOUTH 90° 00' 00" EAST, 31.10 FEET;

THENCE SOUTH 00° 00' 00" WEST, 171.52 FEET;

THENCE NORTH 90° 00' 00" WEST, 57.33 FEET;

THENCE NORTH 00° 00' 00" EAST, 13.17 FEET;

THENCE NORTH 90° 00' 00" WEST, 53.85 FEET;

THENCE NORTH 00° 00' 00" EAST, 223.67 FEET;

THENCE NORTH 90° 00' 00" WEST, 19.25 FEET;

THENCE NORTH 00° 00' 00" EAST, 6.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 126.00 FEET;

THENCE NORTH 00° 00' 00" WEST, 52.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 14.00 FEET;

THENCE NORTH 00° 00' 00" WEST, 57.33 FEET TO THE POINT OR PLACE OF BEGINNING.

VANDERBILT AT THE RESIDENCES, NORTH HILLS (LOT 892 ONLY)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS VANDERBILT AT THE RESIDENCES, NORTH HILLS LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF

NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 1, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL R. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 246, AS AMENDED BY MAP NO. CA 246A FILED 8/23/2011.

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

DESCRIBED AS PARCEL 4 IN DEED MADE BY MID TOWN NORTH HILLS, LLC TO MID TOWN NORTH HILLS, LLC RECORDED 1/13/2010 IN LIBER 12578 CP 139.

ALL THAT PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU, STATE OF NEW YORK, NASSAU LAND AND TAX PARCEL NUMBER SECTION 8, BLOCK A, LOT 892, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 242.05 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, SOUTH 26° 53' 10" EAST, 128.72 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;
THENCE SOUTH 11° 06' 58" EAST, 385.29 FEET;
THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;
THENCE NORTH 11° 06' 57" WEST, 136.49 FEET;
THENCE NORTH 02° 59' 09" EAST, 39.64 FEET;
THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;
THENCE NORTH 11° 06' 57" WEST, 38.35 FEET;
THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;
THENCE NORTH 26° 09' 55" WEST, 45.59 FEET;
THENCE NORTH 11° 06' 57" WEST, 38.15 FEET;
THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;
THENCE NORTH 11° 06' 57" WEST, 57.43 FEET;
THENCE NORTH 08° 27' 49" EAST, 34.39 FEET TO THE TRUE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 5 (LOT 896)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 5 (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM FIVE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 LEE WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNIT BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 83, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 247.

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE ALONG A TIE LINE, SOUTH 59° 35' 33" EAST, 88.20 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;

THENCE SOUTH 30° 41' 44" EAST, 34.39 FEET;

THENCE SOUTH 11° 06' 57" EAST, 57.43 FEET;

THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;

THENCE SOUTH 11° 06' 57" EAST 38.15 FEET;

THENCE SOUTH 03° 56' 01" WEST, 45.59 FEET;

THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;

THENCE SOUTH 11° 06' 57" EAST, 38.35 FEET;

THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;

THENCE SOUTH 25° 13' 04" EAST, 39.64 FEET;

THENCE SOUTH 11° 06' 57" EAST, 136.49 FEET;

THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;

THENCE NORTH 11° 06' 57" WEST, 385.29 FEET TO THE POINT OR PLACE OF BEGINNING.

CERTIFICATIONS

OO-1. CERTIFICATION BY SPONSOR AND PRINCIPALS OF SPONSOR
CERTIFICATION BY SPONSOR AND PRINCIPAL OF SPONSOR

We are Sponsor and the principal of Sponsor of the Condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and in Part 22 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, Purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where I:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

RXR North Hills Phase I Owner LLC
Sponsor

by: _____
Scott Rechler,
Authorized Signatory

_____
Scott Rechler

Sworn to before me this
February 14, 2014

_____
Notary Public, State of New York

DAWN M. KENNY
Notary Public, State of New York
No. 01KE5040363
Qualified in Nassau County
Commission Expires March 13, 2015

lessard DESIGN INC. P.C.
8521 Leesburg Pike, Suite 700
Vienna, VA 22182

CERTIFICATION BY ARCHITECT OR ENGINEER PURSUANT TO 13 NYCRR 20.4(C) (1)

May 1, 2014

State of New York
Department of Law
120 Broadway
New York, New York 10271

RE: The Residences, North Hills Phase I Condominium
1000 and 2000 Royal Court,
North Hills, New York

Sponsor of the Offering Plan to convert the captioned property to Condominium Ownership retained me to prepare a report describing the construction of the property (the "Report"). I have examined the building plans and specifications that I prepared for Building Department and prepared the Report dated April 18, 2014, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

I am a registered architect in the State in which the property is located.

I understand that I am/we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 and Part 22 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the Plans and specifications that I examined;

(ii) in my/our professional opinion affords potential investors, Purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical

condition of the property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the Plans and specifications that I examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where I:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in Sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a Condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Very truly yours,
Lessard Design Inc., P.C.

Christian J. Lessard, AIA
President

REGISTERED ARCHITECT CHRISTIAN J. LESSARD MAY 2014 020072-1 STATE OF NEW YORK

Sworn to before me this
May 1, 2014

NOTARY PUBLIC

SUSAN E MEJIA NOTARY PUBLIC COMMONWEALTH OF VIRGINIA REGISTRATION NO. 7506594 MY COMM. EXPIRES 05/31/2015

Main 571.830.1800 | Fax 571.830.1801
www.lessarddesign.com

OO.3 CERTIFICATION BY SPONSOR'S EXPERT CONCERNING THE ADEQUACY OF BUDGET

Barnett Maller, licensed real estate broker
6010 Little Neck Parkway,
Little Neck, New York 11362
516-437-1224

March 7, 2014

New York State Department of Law
Real Estate Financing Bureau
120 Broadway , 23rd Floor
New York, New York 10271

Re: THE RESIDENCES NORTH HILLS PHASE I CONDOMINIUM
THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

Sponsor of the Condominium Offering Plan for the captioned property retained me firm to review or prepare Schedule(s) B and B-1, containing projections of income and expenses for the First Year of Operations.

My experience in this field includes:

I have been a real estate broker licensed in the State of New York for over thirty (30) years and I have managed residential real estate.

I am past President of the Long Island Builders Institute, New York State Builders Association, Honorary Life Director of the National Association of Home Builders and Life Director of the Long Island Builders Institute.

I have been actively involved in the construction and development of residential real estate for over 25 years; and have built and developed more than 750 homes in Queens, Suffolk and Nassau Counties. For such developments, I handled all phases of the construction operation.

I have been involved in Condominium consulting work for Sponsor/developers since June 1985. In addition to preparing certifications of budgets for submission to the New York State Department of Law, I have been actively involved in the day to day management as a consultant with the Sponsors until such times as management was turned over to the Unit Owners of more than fifty (50) condominium developments in the metropolitan area since 1985.

Some of the Condominiums with which I have been involved include Paerdegat Bay Condominium II, Brooklyn, New York; Flatlands Gardens Condominium, Brooklyn, New York; Canarsie Gardens Condominium Brooklyn, New York; Bay Ridge Plaza Condominium, Brooklyn, New York; Dyker View Condominium, Brooklyn, New York;

Queens Royale Condominium, Queens, New York; Cambridge Gardens Condominium, Queens, New York; and Woodview Condominium, Staten Island, New York, Bergen Cove Condominiums I, II, III & IV, Brooklyn, New York.

I am a past member of the Deepdale Gardens Board of Directors, a self-managed co-op of 1,396 Units in Queens, New York. I have been President, Chairman of the Operations Committee and have worked on budgetary matters for the preparation of the annual budgets for the Deepdale Gardens Board of Directors.

I understand that I am are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule(s) B and B-1.

I have reviewed the Schedule(s) and investigated the facts set forth in the Schedule(s) and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of Condominium operation.

I certify that the Schedule(s):

(i) sets forth in detail the projected income and expenses for the first year of Condominium and Homeowner's Association operation;

(ii) affords potential investors, Purchasers and participants an adequate basis upon which to found their judgment concerning the first year of Condominium and Homeowner's Association operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where I:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

I further certify that I am are not owned or controlled by Sponsor. I understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of Condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

Barnett Maller

Sworn to before me this
March 7, 2014

Notary Public, State of New York

Irwin Rosen
Notary Public, State of New York
No. 01RO4523865
Qualifed in Queens County
Commission Expires June 30, 2014

PP. ESCROW AGREEMENT.

Agreement made this May 12, 2014 between

RXR North Hills Phase I Owner LLC ("SPONSOR") as Sponsor of the Offering Plan

and

Rosen Law LLC, with an address of 1010 Northern Boulevard, Suite 322, Great Neck, New York 11021, telephone number 516-437-3400 ("ESCROW AGENT") as escrow agent.

WHEREAS, RXR North Hills Phase I Owner LLC is Sponsor of an Offering Plan to convert to Condominium Ownership the property located at 1000 and 2000 Royal Court, Section 8, Block A, Lot 901 and 902 and certain condominium tax lots previously issued and on the Tax Maps of the County of Nassau, State of New York, Village of North Hills, Town of North Hempstead, Nassau County, New York which property is known as The Residences, North Hills Phase I Condominium and,

WHEREAS, Rosen Law LLC is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e (2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for Down Payments and payments by Purchasers and subscribers, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1.0 ESTABLISHMENT OF THE ESCROW ACCOUNT.

SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding Down Payments of payments made by Purchasers or subscribers. The escrow account has been opened with JP Morgan Chase Bank, 410 Northern Boulevard, Great Neck, New York 11021.

1.1 The account number is 593719862.

1.2 The name of the account is the "Rosen Law LLC, The Residences, North Hills Phase I Condominium Master Escrow Account".

1.3 Gary Rosen, Esq. and Jared Rosen, Esq. are the sole signatories on the account.

1.4 The escrow account shall be an interest bearing escrow account at a prevailing interest rate with interest credited to Purchaser at closing, unless Purchaser defaults and the Plan is consummated.

2.0 DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective Purchasers or subscribers prior to closing whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account., All instruments to be deposited into the escrow account shall be made payable to, or endorsed by Purchaser or subscriber to the order of "Rosen Law LLC, The Residences, North Hills Phase I Condominium Master Escrow Account" and each Down Payment will thereafter be deposited into a sub-account individual escrow account for each purchaser upon Purchaser furnishing an IRS form W9 to Sponsor's attorneys. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective Purchaser or subscriber promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the Down Payment submitted with the subscription or Purchase Agreement, ESCROW AGENT shall notify Purchaser of the deposit of such funds in the bank-indicated in the Offering Plan, provide the account number, and disclose the initial interest rate. If Purchaser does not receive notification of such deposit within ten (10) business days after tender of the deposit, Purchaser may cancel the purchase and rescind within ninety (90) days after tender of the Down Payment, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or Purchaser.

3.0 RELEASE OF FUNDS.

3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting Purchaser until after consummation of the Plan as defined in the Attorney General's regulations. Consummation of the Plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the funds in escrow until (a) otherwise directed in a writing signed by both Sponsor and Purchaser, (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction, or (d) until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan or (b) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless Purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified ESCROW AGENT in accordance with such provisions.

4.0 RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5.0 GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

6.0 RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

7.0 TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is cancelled, by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(c) All shares or Units offered pursuant to the Plan have been sold and all sales transactions have been consummated.

(d) Escrow Agent shall have no responsibility to verify qualifications of any successor escrow agent.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8.0 SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

9.0 GOVERNING LAW.

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10.0 ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that ESCROW AGENT'S compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

11.0 SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions

of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12.0 ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-e (2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

13.0 NOTICES.

13.1 Any notice required to be given or given hereunder shall be given by depositing such notice in a post-paid wrapper, in an official depository under the exclusive care and custody of the United States Postal Service within New York State, or by Express Mail, FedEx, Airbourne Express, facsimile transmission, messenger service (with proper receipt thereof), addressed to the party at the address hereinabove set forth with a copy of any such notice by regular mail to the attorney for such party as follows:

IF TO ESCROW AGENT:	Rosen Law LLC 1010 Northern Boulevard, Suite 322 Great Neck, New York 11021
IF TO SPONSOR:	RXR North Hills Phase I Owner LLC 625 RXR Plaza, Uniondale, New York 11556

Any notice may be given by the attorney for a party and shall have the same force as if given by the party. Either party may, by notice, change the address at which notices are to be given hereunder.

14.0 CAPTIONS AND HEADINGS

14.1 The captions and headings used in this Agreement are intended for convenience and reference only and shall not imply or convey any additional meanings to the contents of the respective provisions.

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

ESCROW AGENT
Rosen Law LLC

_____
Gary Rosen, Esq.

RXR North Hills Phase I Owner LLC

By:_____
Name: Scott Rechler
Title: Authorized Signatory

QQ. Management Agreement with The Ritz Carlton Hotel Company, LLC who will manage the Condominium and the Homeowner's Association under the Ritz-Carlton Marks.

Management Agreement
Between
The Ritz-Carlton Hotel Company, LLC
("Ritz-Carlton")
And RXR North Hills Phase I Owner LLC

MANAGEMENT AGREEMENT
FOR
THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE
AND
THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

between

THE RITZ-CARLTON HOTEL COMPANY, L.L.C.
("Manager")

and

RXR NORTH HILLS PHASE I PROPERTY OWNER LLC,
(the "Developer"),

THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE
("Condominium One") and

THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.
(the "Homeowners Association")

covering

THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE
AND
THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

Dated: _____, 200_

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MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT is dated as of the _____ day of _____, 200_ and effective as of the Commencement Date, by and between **THE RITZ-CARLTON HOTEL COMPANY, L.L.C.**, a limited liability company organized and existing under the laws of the State of Delaware with its principal place of business at 4445 Willard Avenue, Suite 800, Chevy Chase, Maryland 20815 ("Manager"), and **[RXR NORTH HILLS PHASE I PROPERTY OWNER LLC, a New York limited liability company ("Developer"), with offices located at 625 RexCorp Plaza, Uniondale, New York 11554, on behalf of the BOARD OF MANAGERS OF THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE, a New York unincorporated association,] [CONFIRM]** with its principal place of business at 85-95 Long Island Expressway, North Hills, New York and on behalf of THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC., a New York Not-for-Profit Corporation, with its principal place of business located at 85-95 Long Island Expressway, North Hills, New York.

RECITALS

A. Developer owns and is developing a residential community known as "The Ritz-Carlton Residences, Long Island, North Hills" (the "Overall Development"). The Overall Development is intended to include, among other things:

(i) a Homeowners Association, to be known as "The Residences, North Hills Homeowners Association, Inc." which will own and maintain the Association Common Areas (as hereinafter defined) and which will also be responsible for the management, operation, maintenance and repair of certain Common Elements (as hereinafter defined) in The Residences, North Hills Condominium One and the Common Elements of Condominium Two, if they are approved to be developed as a part of the Overall Development.

(ii) "The Residences, North Hills Condominium One" or "Condominium One" means The Residences, North Hills Condominium One which contains one hundred twenty-four (124) Units and the Common Elements in The Residences, North Hills Condominium One, which will be established pursuant to the terms of a Declaration of Condominium and By-Laws.

(iii) "The Residences, North Hills Condominium Two" or "Condominium Two" means The Residences, North Hills Condominium Two, which if constructed and if a Condominium Offering Plan is accepted for filing by the New York State Department of Law, may contain one hundred twenty (120) Units which may be established pursuant to the terms of a Declaration of Condominium and By-Laws.

B. Each of the Condominium Regimes is intended to consist of buildings with two (2) wings connected by a common enclosed lobby structure (the "Condominium Building"

and all five (5) Buildings, or such lesser number of Buildings as may exist from time to time, are collectively referred to as the "Condominium Buildings").

C. The Overall Development is intended to contain upon completion:

(i) a total of two hundred forty-four (244) luxury residential condominium units (each a "Unit" and collectively the "Units") and

(ii) Association Common Areas.

D. Each of the Condominium Regimes shall be subjected to a separate and unique condominium regime that shall contain a space whose horizontal perimeter shall generally be bounded by the footprint of such Condominium Building.

E. Upon formation of and acceptance for filing of an Offering Plan with the New York State Department of Law for Condominium Two (the "Future Condominium"), this Agreement shall be included in and referenced in the Offering Plans for the Future Condominium. This Agreement shall be binding on and agreed upon by the Sponsor on behalf of or by the Board of Managers of the Future Condominium. Any Offering Plan for the Future Condominium shall contain language binding the Future Condominium to this Agreement. When an Offering Plan for the Future Condominium is accepted for filing by the New York State Department of Law, any reference to "Condominium" shall include any of the Condominium Regimes that are accepted for filing by the New York State Department of Law and which are created by recording the applicable Declaration of Condominium. Upon completion of the Future Condominium, an Addendum to this Agreement, in the form attached as Exhibit B, shall be executed to evidence that this Agreement governs the operation and maintenance of the Future Condominium.

F. Developer intends to submit the Overall Development (or portions thereof as development progresses from time to time) to a Homeowners Association Declaration of Covenants and Restrictions (the "Homeowners Association Declaration") that shall establish a Homeowners Association to be composed of all of the Unit Owners of the Condominium Units within the Condominium Buildings.

G. The Developer further intends to convey to the Homeowners Association those portions of the Overall Development that have been subjected to the Homeowners Association Declaration from time to time, excluding the Condominium Buildings.

H. The Homeowners Association Declaration shall establish (i) covenants for the operation, maintenance, repair and replacement of the Association Common Areas and for the payment of the costs of the same, and (ii) covenants, conditions, easements, and restrictions otherwise applicable to the Overall Development.

I. The duties, responsibilities and obligations of the Homeowners Association are governed by the Homeowners Association Declaration.

J. The cost of operation, maintenance, repair and replacement of the Association Common Areas shall be assessed by the Homeowners Association against the Unit Owners, all of whom are Members of the Homeowners Association in accordance with the Homeowners Association Declaration.

K. The Condominiums will be established pursuant to Declarations of Condominium and will have an address of 85-95 Long Island Expressway, North Hills, N.Y. The actual address of each Condominium will be determined at a future date, together by the Village of North Hills, New York, and/or the United States Postal Service and the Sponsor.

L. To relieve the Board of Managers from the daily duties and responsibilities of managing the Condominium, including the daily duties and responsibilities of managing, operating and maintaining the Common Elements, from and after the Commencement Date (as hereinafter defined) the Board of Managers shall appoint Manager as the exclusive manager of the Condominium on behalf of the Condominium. The Manager shall be responsible for the day to day operation of the Condominium and management, operation and maintenance of the Common Elements as more fully set forth in this Agreement.

M. To relieve the Board of Directors from the daily duties and responsibilities of managing the Homeowners Association, including the daily duties and responsibilities of managing, operating and maintaining the Association Common Areas and the Condominium Common Elements on behalf of the Board of Managers from and after the Commencement Date, the Board of Directors shall appoint Manager as the exclusive manager of the Homeowners Association on behalf of the Homeowners Association.

In consideration of the terms, conditions, and covenants hereinafter set forth, the parties hereto mutually agree as follows:

1. DEFINITIONS, TERMS AND REFERENCES

1.1 Definitions. In this Agreement (including any addenda, exhibits, or riders), the following terms have the following meanings:

"Additional Services" means those certain services that Manager shall provide to Unit Owners in accordance with Section 5.2 of this Agreement.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, directly or indirectly, of the power to

vote fifty percent (50%) or more of the voting interest of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting interest, by contract or otherwise.

"Agreement" means this Management Agreement, as it may be amended or supplemented from time to time in accordance with this Agreement.

"Applicable Law" means the laws and ordinances of any or all of the federal, New York State, Town of North Hempstead, Nassau County, or Village of North Hills governments, including without limitation the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over the Condominium Property and Association Common Areas and/or the Condominium that are applicable at the time in question.

"Approval," "Approve" or "Approved" means prior written approval or consent, not to be unreasonably withheld, delayed or conditioned, except as specifically set forth herein.

"Approved Name" has the meaning ascribed to that term in Section 4.8.2.

"Approved Plans" means the plans, specifications and construction budgets for the Condominium and Association Common Areas, as prepared by Developer and approved by Manager.

"Association Common Areas" means the land and improvements which will be owned by The Residences, North Hills Homeowners Association, Inc. and which will consist of the entire Property of the Overall Development, including portions of the parking garage, the clubhouse, ponds, roadways, common lighting, outdoor parking areas, sidewalks, recreational facilities, common utilities, entranceway, gatehouses and perimeter fences, if any, on the Property, except for the land, and to the extent constructed, the buildings and other improvements thereon, on which Condominium One will be located and the Future Condominium may be located.

"Base Concierge Services" means those certain services that Manager shall provide to Unit Owners in accordance with Section 5.1 of this Agreement.

"Board of Directors" means the duly elected governing body of the Homeowners Association.

"Board of Managers" means the duly elected governing body of the Condominium. For purposes of clarity, Condominium One will duly elect a Board of Managers and, upon recording of Condominium Two's Declaration of Condominium, Condominium Two will duly elect a Board of Managers.

"Budgets" mean the Condominium Budget and the Homeowners Association Budget. For purposes of clarity, Condominium One and Condominium Two will have separate Budgets.

"By-Laws" mean the By-Laws for the Condominium and the Homeowners Association.

"CC&Rs" means any and all covenants, conditions, or restrictions of the Condominium, including reciprocal easement agreements or cost sharing arrangements, applicable to the operation of the Association Common Areas and the Homeowners Association or the operation of the Condominium and the Common Elements. As of the date hereof, the term "CC&Rs" includes the documents listed on Exhibit C attached to this Agreement.

"Clubhouse" means the clubhouse building containing fitness center, swimming pool and other agreed upon amenities.

[PARTIES TO REVIEW] **["Commencement Date" means such date as shall be mutually determined by the parties and shall be the date upon which (a) all elements of Condominium One, including all Common Elements, have been substantially completed in accordance with the Approved Plans and Ritz-Carlton Standards (including installation of all Furniture and Equipment as approved by Manager) and are ready, in Manager's opinion, for their intended use as a Ritz-Carlton operation, as set forth on Exhibit D attached hereto [ATTACH PHASE I PORTION OF EXHIBIT D FROM PHASE I LICENSE AGREEMENT], including reasonable vehicular and pedestrian access to and from Condominium One, a parking garage, the Clubhouse and the entranceway to the Overall Development; (b) the construction of the Buildings consisting of Condominium One are substantially complete; and (c) Condominium One and the Homeowners Association were duly formed and have been in existence for at least fifteen (15) continuous days; provided that clause (d) shall be deemed satisfied, notwithstanding that (i) one (1) or more portions of Condominium One may contain Units the interior spaces of which have not yet been finished, so long as all Common Elements in Condominium One have been substantially completed, furnished and equipped and a Certificate of Occupancy or a Temporary Certificate of Occupancy has been issued for the Condominium Building; and provided, further, that clause (b) shall be deemed satisfied, notwithstanding that final topping or other components of the roadways may not have been completed so long as such roadways are passable. Notwithstanding the foregoing, the Commencement Date shall in all events occur no later than the date of the conveyance of the first Unit in Condominium One to an unrelated party. The Commencement Date for the Future Condominium, should it be created will be the date on which all elements of the Future Condominium, including all Common Elements, have been substantially completed in accordance with the Approved Plans and Ritz-Carlton Standards (including installation of all Furniture and Equipment**

as approved by Manager) and are ready, in Manager's opinion, for their intended use as a Ritz-Carlton operation.]

"Common Charges" means any charges allocated and/or assessed by the Condominium Board against any Unit Owner and/or each Unit's proportionate share of the common expenses in accordance with its Common Interest.

"Common Elements" means the portion of the Condominium which will consist of the building (except the interior of the Condominium Units) including, but without limitation, walls and roofs of the building comprising Condominium (including a portion of the land under the building and under the improvements), portions of the parking garage, storage rooms, windows, elevators, building entrances, electric panels, closets, feeders and risers feeding the Units, refuse chutes, equipment rooms, meter rooms, shafts, pipes, apparatus, installations, systems and certain other portions of the building to be set aside for common use. The Common Elements are divided into General Common Elements which are Common Elements shared by all Unit Owners and Limited Common Elements which are irrevocably restricted in use to specified Unit Owners. There will be cross easements between the Condominium and the Homeowners Association to provide access and required use of such easements.

"Common Expense" means the expenses of operation of the Condominium and all sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

"Concierge Services" means, collectively, the Base Concierge Services and the Additional Services.

"Condominium" means The Residences, North Hills Condominium One and the Future Condominium, as applicable.

"Condominium Act" means Article 9-B of the N.Y. Real Property Law and the regulations promulgated thereunder in 13 NYCRR, Part 20 as amended.

"Condominium Budgets" have the meaning ascribed to such term in Section 4.1.1. Condominium Building means the each building housing the Condominium Units which consists of one building with two wings.

"Condominium Building" means each building housing the Condominium Units which consists of one (1) building with two (2) wings.

"Condominium Instruments" means the Offering Plan, including the Declaration of Condominium, the Condominium By-Laws, legal descriptions and other operating documents under which the Condominium and is created, organized and operated in accordance with the

Condominium Act and the New York Codes, Rules and Regulations and shall also include the Homeowners Association Instruments, as applicable to the Condominium.

"Condominium One" has the meaning ascribed to that term in Recital A(ii).

"Condominium Property" means the portion of the Condominium which will consist of the building (except the interior of the Condominium Units) including, but without limitation, walls and roofs of the building comprising the Condominium (including a portion of the land under the building and under the improvements), portions of the parking garage, storage rooms, windows, elevators, building entrances, electric panels, closets, feeders and risers feeding the Units, refuse chutes, equipment rooms, meter rooms, shafts, pipes, apparatus, installations, systems and certain other portions of the building to be set aside for common use. The Common Elements are divided into General Common Elements which are Common Elements shared by all Unit Owners and Limited Common Elements which are irrevocably restricted in use to specified Unit Owners. There will be cross easements between the Condominium and the Homeowners Association to provide access and required use of such easements.

["Condominium Regime" is intended to consist of two (2) buildings connected by a common enclosed lobby structure (each such structure consisting of two (2) buildings with a connecting lobby building are referred to herein as a "Condominium Building" and all five (5) Buildings, or such lesser number of Buildings as may exist from time to time, are collectively referred to as the "Condominium Buildings").] [CONFIRM]

"Condominium Two" has the meaning ascribed to that term in Recital A(iii).

"CPI" means the "Revised Consumer Price Index for Urban Wage Earners and Clerical Workers, All Items, U.S. Cities Average (1982-1984=100)" published by the United States Bureau of Labor Statistics, or any revisions or replacement thereto subsequently published, with any necessary adjustments.

"Declaration of Condominium" means the Declaration of Condominium for the Condominium intended to be executed by Developer and recorded among the Land Records of Nassau County, New York, Clerk's Office, prior to the Commencement Date, whereby the Developer has created the Condominium pursuant to the Condominium Act and including without limitation the Declarations of Condominium for each Future Condominium, once is declared in effect in accordance with the Condominium Act.

"Developer" has the meaning ascribed to that term in the Preamble to this Management Agreement.

"Environmental Laws" means any rules, regulations, laws, and/or other enactments now or hereafter in effect and applicable to the Condominium or to activities carried on with respect to the Condominium and Homeowners Association (whether of a national,

regional, state, or local government, agency, or instrumentality), dealing with the use, generation, treatment, storage, disposal, removal or abatement of Hazardous Materials.

"Event of Default/Condominium and the Homeowners Association" has the meaning ascribed to such term in Section 3.2.1 (Event of Default).

"Event of Default/Manager" has the meaning ascribed to such term in Section 3.3.1 (Event of Default).

"Expert" means an independent nationally recognized consulting firm or individual who is qualified to resolve the issue in question, and who is appointed in each instance by agreement of the parties. In the event that any party calls for an Expert determination pursuant to the terms hereof, the parties shall have ten (10) days from the date of such request to mutually agree on one (1) nationally recognized consulting firm or individual with substantial experience in the operation of facilities which are the subject of any dispute hereunder as the Expert and, if they fail to agree, each party shall have an additional ten (10) days to each select one (1) nationally recognized consulting firm or individual with substantial experience in the operation of residential condominiums as the Expert and within ten (10) days of such respective selections, the two (2) respective firms and/or individuals so selected by each of the parties hereto shall select another such nationally recognized consulting firm or individual to be the Expert. If any party hereto fails to make its respective selection of a firm or individual within the ten (10) day period provided for above, then the other party's or parties' selection shall be the Expert. Also, if the two (2) or more respective firms and/or individuals so selected shall fail to select a nationally recognized consulting firm or individual to be the Expert, then such Expert shall be appointed by the American Arbitration Association and shall be a qualified person having at least ten (10) years recent professional experience as to the subject matter in question.

"Extraordinary Event" means any of the following events, regardless of where it occurs or its duration: acts of nature without the interference of any human agency (including hurricanes, typhoons, tornadoes, cyclones, other severe storms, winds, lightning, floods, earthquakes, volcanic eruptions, disease, epidemic and certain fires and explosions); fires and explosions caused wholly or in part by human agency; acts of war; riots or other civil commotion; terrorism (including hijacking, sabotage, bombing, murder, assault and kidnapping); strikes or similar labor disturbances; shortage of critical materials or supplies; action or inaction of governmental authorities having jurisdiction over the Condominium or the Homeowners Association (including the imposition of restrictions on employee wages or other material aspects of operation); and any other events beyond the reasonable control of Manager, the Condominium or the Homeowners Association.

"Fiscal Year" means a fiscal year which ends on December 31. The first Fiscal Year shall be the period commencing on the Commencement Date and ending on December 31 of the year in which the Commencement Date occurs. The words "full Fiscal Year" means any Fiscal Year containing not fewer than 364 days. A partial Fiscal Year after the end of the last

full Fiscal Year and ending with the expiration or earlier termination of the Operating Term shall constitute a separate Fiscal Year.

"Furniture and Equipment" means all furniture, furnishings, wall coverings, carpeting, fixtures, equipment, and systems located at, or used in connection with, the Common Elements and which are owned or leased by the Condominium or the Homeowners Association, together with all replacements therefore and additions thereto, including the following: furniture and equipment in the Common Elements; office equipment; material handling equipment; cleaning and engineering equipment; telephone systems; computerized accounting systems; and vehicles.

"Future Condominium" has the meaning ascribed to that term in Recital F. Condominium Two shall be subject to and a part of this Agreement at such time as the Addendum to this Agreement attached as Exhibit B is executed the applicable parties and the applicable approved Budget is attached to the Addendum.

"General Common Elements" have the meaning ascribed to them in the Condominium Instruments.

"Hazardous Materials" means any substance or material containing one or more of any of the following: hazardous material, hazardous waste, hazardous substance, regulated substance, petroleum, pollutant, contaminant, or asbestos, as such terms are defined as of the date of this Agreement or thereafter defined in any applicable Environmental Law, or otherwise generally understood, in such concentration(s) or amount(s) as may require clean-up or removal, or which may present a risk of harm to occupants, guests, invitees or employees.

"Homeowners Association" means The Residences, North Hills Homeowners Association, Inc., a Not-for-Profit Corporation organized to own and maintain the Association Common Areas and which will also be responsible for the maintenance and repair of certain Common Elements in the Condominium.

"Homeowners Association Budget" means the budget of The Residences, North Hills Homeowners Association, Inc., for a calendar year (or for the portion of the year commencing on the date of formation of the Homeowners Association and ending on December 31 of such year), prepared in accordance with the Homeowners Association Instruments, as approved from time to time by the Board of Directors pursuant to the Homeowners Association Instruments and the New York Code, Rules and Regulations, which shall include an allocation of funds at a minimum for (a) maintenance, repair and operation of the Association Common Areas, (b) the operation of the Homeowners Association, and (c) the Homeowners Association's allocable share of costs and expenses pursuant to the CC&Rs. The Homeowners Association Budget may be modified from time to time to incorporate the addition of the Future Condominium.

"Homeowners Association Declaration" has the meaning ascribed to such term in the Recitals.

"Homeowners Association Instruments" means the By-Laws and Declaration of the Homeowners Association and any rules and regulations adopted in accordance therewith.

"Insurance Retention" has the meaning ascribed to such term in Section 12.2.F.

"Interest Rate" means a rate of interest equal to three hundred fifty (350) basis points over LIBOR.

"LIBOR" means for any fiscal period, an interest rate per annum equal to the rate per annum for a period equal to the one month rate shown for "London Interbank Offered Rates (LIBOR)" as published in the "Money Rates" section of The Wall Street Journal (or, if a range of rates is published, the average of such rates); or, if no such rate is published, the one month rate for deposits in U.S. dollars which appears on Page 3750 of the Dow Jones Telerate Service (or such other display page as may replace that page on that service for the purpose of displaying comparable rates); or, if no such rate is published, the lowest borrowing rate available to Manager or its Affiliates for borrowings of one month or less; in each case as determined for each period specified (and, to the extent applicable, at 11:00 a.m. Washington, D.C. time on the determination date for each such period).

"Limited Common Elements" has the meaning ascribed to such term in the Condominium Instruments.

"Maintenance Charges" means each Unit Owner's proportionate share of the expenses of Homeowners Association.

"Management Fees" has the meaning ascribed to such term in Section 6.1.

"Management Services" means the services described in Section 4.1 (Financial Services), Section 4.2 (Administrative Services), Section 4.3 (Operating Services), Section 4.4 (Personnel), Section 4.5 (Other Services) and Section 4.6 (All Other Acts) to be performed by Manager pursuant to this Agreement.

"Manager" has the meaning stated in the Preamble and includes its legal successors and permitted assigns.

"Member" means a Unit Owner of a Condominium who is thereby an automatic Member in the Homeowners Association

"Mortgage" means any mortgage, deed of trust, or other similar security interest encumbering any part of the Condominium, the Association Common Areas, the Common

Elements or a Unit or any interest in the Condominium, the Association Common Areas, the Common Elements or a Unit.

"Overall Development" has the meaning ascribed to such term in Recital A.

"Permitted User" means any officer, director, member, stockholder, principal, partner, employee, agent (including managing, sales and leasing agent), guest, tenant, occupant, customer, invitee, licensee, contractor, permitted mortgagee or any other Person related, affiliated or designated by Sponsor, the Board of Managers, the Board of Directors, a Unit Owner who has permission to use a Unit and/or the Common Elements or Association Common Areas subject to the terms of the Condominium Documents and Homeowners Association Documents, as applicable, whether written or oral, granted by (i) a Unit Owner in the case of such Unit Owner's Unit and its appurtenant Common Elements, (ii) a Member of the Homeowners Association, (iii) the Board of Managers or the Board of Directors, (iv) the Condominium Documents and the Homeowners Association Documents, or (v) Developer.

"Person" means an individual (and the heirs, executors, administrators, or other legal representatives of an individual), a partnership, a limited liability company, a corporation, a government or any department or agency thereof, a trustee, a trust and an unincorporated organization or any other legal entity.

"Preliminary Budgets" means the estimated budgets for the first (1st) Fiscal Year, heretofore delivered and Approved by the Manager and the Developer, a copy of which is attached hereto as Exhibit A-1 for the Condominium and Exhibit A-2 for the Homeowners Association.

"Property" means and includes the real property owned by the Developer consisting of approximately 16.385 acres, a portion of which are a part of the Condominium One and the Association Common Areas, and may become a part of Condominium Two, if an Offering Plan is submitted to and accepted by the New York Department of Law.

"Reserve Account" has the meaning ascribed to that term in Section 6.3.

"Reserve Account Obligations" has the meaning ascribed to that term in Section 6.3.

"Ritz-Carlton" means The Ritz-Carlton Hotel Company, L.L.C. and its successors and assigns.

"Ritz-Carlton Marks" means certain trademarks and service marks consisting of the mark "The Ritz-Carlton," the LION AND CROWN Logo (United States Service Mark Register No. 1,094,823 issued on June 27, 1978), and such other names, slogans, logos or other

indicia of Ritz-Carlton or any of its Affiliates that are used in connection with hotels, condominiums or other facilities operated under the Ritz-Carlton name.

"Ritz-Carlton Rights" means United States Service Mark Registration No. 1,094.823 issued on June 27, 1978, on the Principal Register for the mark "The Ritz-Carlton" for hotel or condominium services and all other service marks, trademarks, trade names, insignias and logos (including a distinctive lion and crown logo which has been furnished to Ritz-Carlton, emblems, services and rights in distinctive design of buildings and signs or combinations thereof used to identify hotels, condominiums or other facilities using such marks, names, insignias and logos) used for hotel or condominium services, for other related goods and services and for the business associated therewith that contain the Ritz-Carlton name or by reason of extent of usage are associated with hotels, condominiums or other facilities operated by Ritz-Carlton or its Affiliates under the Ritz-Carlton name.

"Ritz-Carlton Standards" means the standards of operation, construction, furnishing, maintenance and equipping, as in effect from time to time, applicable to substantially all of the residential condominium projects comparable to the Condominium in size, location and operation, and operated by Manager or its Affiliates pursuant to the Ritz-Carlton Rights. The Ritz-Carlton Standards shall include The Ritz-Carlton Residences Brand and Design Standards.

"Rules and Regulations" mean the rules and regulations promulgated by the Board of Managers from time to time in accordance with the Condominium Instruments and this Agreement and promulgated by the Board of Directors from time to time in accordance with the Homeowners Association Instruments and this Agreement.

"Special Assessments" has the meaning ascribed to that term in Section 4.1.2.

"Special Charges" has the meaning ascribed to that term in Section 4.1.3.

"Term" has the meaning ascribed to that term in Section 3.1.

"Termination Fee" has the meaning ascribed to that term in Section 3.5.

"Unit" means any or all, as the context requires, of the sixty-four (64) Condominium Units initially created by the Condominium Instruments for private residences in Condominium One. In the event that the Future Condominium is created, the term "Unit" shall include all Units in both Condominium Regimes.

"Unit Owner" means the record owner of legal title of a Unit, whether one or more Persons, but excluding those having such interests merely as security for the performance of an obligation; provided, however, that on foreclosure, trustee sale or other transfer of legal or beneficial title to any such interest, the person or entity that receives such title shall be deemed a Unit Owner and shall be subject to the terms and conditions of this Agreement.

"Unrestricted Rebate" has the meaning ascribed to that term in Section 13.11.

1.2 Terminology and Interpretations. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all genders; the singular shall include the plural and the plural shall include the singular. References to days, months, and years are to calendar days, calendar months, and calendar years, respectively, unless the context clearly otherwise requires. The word "include" and similar terms such as "included" and "including" shall be terms of enlargement or example and shall not imply any restriction or limitation unless the context clearly requires otherwise. The word "or" shall not indicate exclusivity and shall be interpreted to mean both "and" and "or" unless the context clearly requires otherwise. The table of contents and titles of articles or sections and paragraphs in this Agreement are for convenience only and neither limit nor amplify the provisions of this Agreement, and all references in this Agreement to articles, sections, paragraphs, clauses, exhibits, addenda, or riders shall refer to the corresponding articles, section, paragraph, clause, exhibit, addendum, or rider attached to this Agreement, unless otherwise specified.

1.3 Exhibits, Addenda, and Riders. All exhibits, addenda, and riders attached hereto are by reference hereby made a part hereof.

2. APPOINTMENT; ACCEPTANCE OF APPOINTMENT

2.1 Appointment as Manager. The Board of Managers of the Condominium and the Board of Directors of the Homeowners Association each hereby employs Manager to act on behalf of the Condominium and the Homeowners Association, and the Members, as the exclusive managing entity of the Board of Managers and Board of Directors and to manage the daily affairs of the Condominium and Homeowners Association and to maintain, operate and manage the Condominium and its Common Elements and the Homeowners Association and its Association Common Areas; and Manager hereby agrees to so act in such role and to perform Management Services (as hereinafter described). The Board of Managers and Board of Directors each hereby delegates to Manager all of the power and authority of the Condominium and Homeowners Association, as applicable, to the extent necessary to perform Manager's duties and obligations under this Agreement subject to the terms of this Agreement, the Condominium Act and the Condominium Instruments and the Homeowners Association Instruments. No party shall have the power to bind or obligate the other except as expressly set forth in this Agreement, except that Manager is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement consistent with this Agreement, the Condominium Act, the New York Codes, Rules and Regulations the Condominium Instruments and the Homeowners Association Instruments.

2.2 Recognition of Roles. Under the Condominium Act, the New York Codes, Rules and Regulations, the Condominium Instruments and the Homeowners Association Instruments, the Board of Managers and the Board of Directors are each responsible for the

governance and operation of the Condominium and the Homeowners Association, respectively. Pursuant to Section 2.1, the Board of Managers and the Board of Directors has each employed the Manager to provide and perform the Management Services on behalf of the Condominium and the Homeowners Association. The Board of Managers and Board of Directors each recognizes that in order for the Manager to effectively perform the Management Services, the Manager must be given reasonable latitude to provide and perform such Management Services without the Unit Owners, the Board of Managers, or the Board of Directors becoming involved on a day to day basis in the actual delivery and performance of any or all of the Management Services. The Board of Managers and Board of Directors each agree that to the extent permitted by the Condominium Act, the New York Codes, Rules and Regulations, the Condominium Instruments and the Homeowners Association Instruments, the role of the Board of Managers and the Board of Directors shall be one of oversight of Manager's delivery and performance of Management Services.

2.3 Cooperation with Manager. The Board of Managers and the Board of Directors shall promptly furnish Manager with copies of all documents and notices that may assist or be necessary to Manager in carrying out its duties under this Agreement, and shall furnish Manager with sufficient instructions and funds to enable Manager to perform all Management Services under the provisions of this Agreement.

2.4 Name. During the Term, the Homeowners Association shall at all times be legally known and designated as "The Residences, North Hills, Homeowners Association, Inc." or by such other name as may be approved by the Developer and Manager. During the Term, the Condominium shall at all times be legally known and designated as "The Residences, North Hills Condominium One" and the Future Condominium shall be known as "The Residences, North Hills Condominium Two."

The legal name of the Condominium (i.e., the name used in the Homeowners Association Declaration of Condominium (i.e., the name used in the New York Codes, Rules and Regulations) and other Condominium Instruments) and the Homeowners Association shall not include the words "Ritz-Carlton," or any of the Ritz-Carlton Marks, or any reference that would create confusion with or interfere with the Ritz-Carlton Rights. Provided however, that so long as this Management Agreement is in effect the Condominiums may be known as the "The Ritz-Carlton Residences, North Hills, Long Island." Upon termination or expiration of the Agreement the name "The Ritz-Carlton Residences, North Hills, Long Island" shall be removed from the Property as more fully set forth in Section 3.4.

3. TERM

3.1 General. This Agreement shall commence on the Commencement Date and shall continue thereafter through December 31 of the year that is twenty (20) years after the Commencement Date, subject to early termination as provided in Section 3.2 and Section 3.3 (the "Term"). In the event that the Future Condominium is added to this Agreement, this

Agreement shall terminate for all Condominiums twenty years from the date on which the Addendum to this Agreement for the Future Condominium is executed.

3.2 Termination by Manager. This Agreement may be terminated by Manager before the expiration of the Term on the occurrence of one or more of the following events:

3.2.1 Event of Default. Each of the following events shall be deemed an event of default under this Agreement by the Condominium or the Homeowners Association (an "Event of Default/Condominium or Homeowners Association"): (a) the Condominium or the Homeowners Association fails to pay, when due and owing, the Management Fees as required under this Agreement and reimbursement for any expenses and costs incurred by Manager in providing and performing the Management Services as required under this Agreement and does not cure any such failure within twenty (20) days after receipt of written notice of such failure from Manager; (b) the Condominium or the Homeowners Association commits a material breach of or material failure to perform any other term, covenant or condition contained in this Agreement, and does not cure or diligently pursue reasonable efforts to cure, any such breach or failure within thirty (30) days after receipt of written notice of such default or breach from Manager; provided, however, that if such failure does not constitute a payment default and is not reasonably capable of being cured within such thirty (30) day period, then so long as Condominium and/or the Homeowners Association have commenced curative action within such period and thereafter continues to pursue diligently such curative action, such thirty (30) day period shall be extended for the period necessary to cure such breach or failure; (c) the Condominium or the Homeowners Association breaches a material representation contained in Section 10 of this Agreement; (d) upon any assignment by the Board of Managers or Board of Directors of all or any portion of this Agreement, unless consent to in writing by Manager, at the option of the Manager, exercised by written notice to the Condominium or the Homeowners Association within ninety (90) days after the Manager learns of such transfer; or (e) Manager exercises any right to terminate any existing or future licensing agreement relating to the Condominium and Homeowners Association with any Person pursuant to the terms thereof. Upon the occurrence of one or more of the Events of Default by the Condominium or Homeowners Association, Manager may terminate this Agreement by delivering to the Board of Managers or Board of Directors at least thirty (30) days prior written notice of Manager's election to terminate this Agreement; provided that if another provision of this Agreement specifies a shorter notice period or provides for termination by Manager without notice, such provision shall control at the time(s) and in the events(s) described therein.

3.2.2 Operational Limitations. At Manager's option, if at any time during the Term, Manager is materially limited in managing the Condominium and the Homeowners Association and enforcing the Condominium Instruments, the Homeowners Association Instruments, and the CC&Rs, in each case in accordance with the Ritz-Carlton Standards and otherwise in conformity with the requirements of this Agreement, the Condominium Instruments, the Homeowners Association Instruments, the Rules and Regulations and the CC&Rs, for any reason (unless directly attributable to Manager's willful misconduct or

fraud) including (a) governmental laws, rules or regulations hereafter enacted, and (b) the failure of the Condominium, the Homeowners Association, the Board of Managers and/or the Board of Directors, as applicable, to give an Approval or to provide sufficient funds, which (in either case) Manager reasonably believes would prevent Manager from providing or performing the Management Services in accordance with the Ritz-Carlton Standards or from maintaining the Condominium, the Homeowners Association, or the Common Elements in accordance with the Ritz-Carlton Standards, Manager may terminate this Agreement by written notice given to the Condominium and to the Homeowners Association, which termination shall be effective no less than thirty (30) days after the date such notice is given to the Condominium and the Homeowners Association, provided that such notice of termination shall be null and void if such default is cured within thirty (30) days after the Condominium or Homeowners Association's receipt of such termination notice; provided further that if such failure is not reasonably capable of being cured within such thirty (30) day period, then so long as the Condominium or the Homeowners Association has commenced curative action within such period and thereafter continues to pursue diligently such curative action, such thirty (30) day period shall be extended for the period (not to exceed sixty (60) additional days) necessary to cure such default.

3.2.3 Default Under CC&Rs or Other Agreements. In the event that the Condominium or the Homeowners Association (or the Board of Managers and/or the Board of Directors, as applicable) takes any action (including amendment of the Condominium Instruments or the Homeowners Association Instruments and amendment of the Rules and Regulations of the Condominium or Homeowners Association) or fails to take any action, which: (a) leads to or constitutes a failure by the Condominium or the Homeowners Association to comply materially with the maintenance standards specified in the CC&Rs applicable to the Condominium and to the Homeowners Association and required to be performed by the Condominium or the Homeowners Association, through no material fault or material failure of Manager in its performance of the Management Services, or (b) leads to or constitutes a failure by the Condominium or the Homeowners Association to comply materially with any other agreement or document binding upon the Condominium or Homeowners Association, through no material fault or material failure of Manager, in its performance of the Management Services, then, at the Manager's option, Manager may terminate this Agreement by written notice given to the Condominium and to the Homeowners Association, which termination shall be effective no less than thirty (30) days after the date of delivery of the written notice of termination, provided that such notice of termination shall be null and void if such default is cured within thirty (30) days after the Board of Managers and Board of Directors' receipt of such termination notice; provided further that if such failure is not reasonably capable of being cured within such thirty (30) day period, then so long as the Condominium and/or the Homeowners Association has commenced curative action within such period and thereafter continues to pursue diligently such curative action, such thirty (30) day period shall be extended for the period (not to exceed sixty (60) additional days) necessary to cure such default.

3.2.4 Termination of CC&Rs. In the event that any of the CC&Rs expire or are earlier terminated for any reason, and such expiration or early termination could (in

the opinion of Manager) materially interfere with Manager's ability to perform its duties and obligations or materially impair its rights and powers hereunder, then Manager may, at Manager's option, terminate this Agreement, such termination to be effective as of thirty (30) days after the date of delivery of a written notice of termination given by Manager to the Condominium and to the Homeowners Association, or such later date as Manager may specify in such notice.

3.2.5 Material Impairment of Ability to Perform. In the event that there is an amendment or modification of any of the Condominium Instruments or Homeowners Association Instruments without Manager's Approval which could (in the opinion of Manager) materially interfere with Manager's ability to perform its duties and obligations or materially impair its rights and powers hereunder, Manager may, at its option, terminate this Agreement, such termination to be effective thirty (30) days after the date of delivery of a written notice of termination given by Manager to the Condominium and to the Homeowners Association, or such later date as Manager may specify in such notice.

3.2.6 Condemnation of the Condominium. In the event that a condemnation or eminent domain action occurs affecting all or any material portion of the Condominium or the Association Common Areas, and the Condominium or the Homeowners Association is not required to operate, or elects not to continue to operate, the Condominium or the Homeowners Association, then, at Manager's option, Manager may terminate this Agreement, such termination to be effective as of the date of delivery of a written notice of termination given by Manager to the Condominium and to the Homeowners Association or such later date as Manager may specify in such notice.

3.2.7 Casualty Affecting the Condominium. In the event a casualty occurs affecting all or any material portion of the Condominium or the Association Common Areas, and the Condominium or the Homeowners Association is not required to repair or restore the Condominium or the Association Common Areas, or the Condominium or the Homeowners Association elects not to do so, then, at Manager's option, Manager may terminate this Agreement, such termination to be effective as of the date of delivery of a written notice of termination given by Manager to the Condominium and to the Homeowners Association, or such later date as Manager may specify in such notice.

3.2.8 Material Adverse Reflection on Ritz-Carlton Marks. At the option of Manager at any time during the Term, if a circumstance, development or event occurs with respect to the Condominium, the Homeowners Association, or any Unit Owner which in Manager's good faith judgment would have a material adverse reflection on the Ritz-Carlton Marks, which is not cured as hereinafter provided, Manager may terminate this Agreement. In the event that any circumstance, development or event occurs which in Manager's good faith judgment would cause a material adverse reflection on the Ritz-Carlton Marks, Manager shall have the right to send notice thereof to the Condominium and to the Homeowners Association and in the event that the same is not cured to Manager's satisfaction within thirty (30) days after

the date of such written notice, Manager shall have the right to terminate this Agreement by written notice to the Condominium and to the Homeowners Association at any time thereafter.

3.2.9 Excused Performance of Services. Manager shall be excused from its performance of Management Services and Concierge Services, without any diminution in fees, during any notice and/or cure period established under this Section 3.2, to the extent that such performance is materially impaired, in the reasonable opinion of Manager, as a result of the event, condition or circumstance giving rise to such notice or cure period.

3.2.10 Impasse over Proposed Budget. In the event of an impasse over a proposed Condominium Budget or Homeowners Association Budget, then Manager may terminate this Agreement by delivering a written notice to the Condominium and the Homeowners Association within no more than thirty (30) days following delivery by the Expert of its non-binding recommendation pursuant to Section 4.1.1(c), such termination to be effective as of the date specified in such notice, which date shall be no less than thirty (30) days following delivery of such notice of termination.

3.3 Termination by the Board of Managers and Board of Directors

3.3.1 Event of Default. Each of the following events shall be deemed an event of default under this Agreement by the Manager (an "Event of Default/Manager"): (a) the Manager commits a material breach of or material failure to perform any term, covenant, or condition contained in this Agreement, and does not cure or diligently pursue reasonable efforts to cure, any such breach or failure, within thirty (30) days after receipt of written notice of such default or breach from the Condominium or the Homeowners Association; provided, however, that if such failure is not reasonably capable of being cured within such thirty (30) day period, then so long as Manager has commenced curative action within such period and thereafter continues to pursue diligently such curative action, such thirty (30) day period shall be extended for the period (not to exceed sixty (60) additional days) necessary to cure such default, or (b) the Manager breaches a material representation contained in this Agreement.

Upon the occurrence of one or more of the Events of Default/Manager, the Homeowners Association may terminate this Agreement by giving the Manager no less than thirty (30) days prior written notice of Homeowners Association's election to terminate this Agreement.

3.3.2 Termination by Homeowners Association. This Agreement and the Term hereof may be terminated by the Homeowners Association upon a vote of at least seventy-five percent (75%) of the Members of the Homeowners Association. Such termination shall be effective on the first day of the first calendar month that is at least three (3) months following the date on which Manager receives written notice of such termination provided that such effective date shall be extended for such additional period of time as may be necessary to comply with Applicable Laws and regulations pertaining to termination of employment.

3.4 Conditions of Termination; Transition Procedures. The effectiveness of any expiration, or earlier termination by the Homeowners Association, if applicable, of the Term of this Agreement shall be conditioned on payment of all amounts (including a Termination Fee, if applicable) required to be paid to Manager under this Agreement through the date of such expiration or earlier termination, except to the extent that such condition of payment is invalid under the Condominium Act. On the expiration or earlier termination of this Agreement for any reason: (a) Manager shall deliver to the Condominium and to the Homeowners Association a final accounting, reflecting the balance of income and expenses of the Condominium and the Homeowners Association as of the date of expiration or earlier termination, such accounting to be delivered within ninety (90) days after the effective date of the expiration or earlier termination of the Term; (b) any monies of the Condominium and the Homeowners Association held by Manager for the Condominium and the Homeowners Association shall be paid to the Condominium and to the Homeowners Association, as the case may be (provided, however, that Manager shall have the right to set-off from such monies any amounts owed to Manager by the Condominium or the Homeowners Association as the case may be); (c) all books and records of account, contracts, leases, receipts for deposits, unpaid bills and other papers or documents in the possession of Manager that pertain to the Condominium and the Homeowners Association shall be delivered to the Board of Managers and Board of Directors; and (d) the parties shall cooperate in order to effect a smooth transition, including, without limitation, assignment of any licenses and permits utilized in the operation and management of the Condominium and the Homeowners Association and the requirements of Section 4.8.3. Effective as of the last day of the Term, the Board of Managers and Board of Directors shall be responsible for the payment of any unpaid bills for any purposes previously Approved by the Board of Managers and Board of Directors as part of its Approval of the Budgets.

3.5 Termination Fee. In the event of an early termination of the Term of this Agreement by Manager pursuant to Section 3.2.5, or by the Homeowners Association pursuant to Section 3.3.2, the Homeowners Association shall pay an early termination fee (a "Termination Fee") to Manager equal to one (1) times the then-current annual Management Fees - such Termination Fee to be payable on the date of early termination. The parties hereby acknowledge and agree that the Termination Fee is intended to represent their mutual estimate of Manager's reasonable, direct compensatory damages in the event of an early termination pursuant to Section 3.2.5 or Section 3.3.2, as the case may be, and that the Termination Fee shall be payable to Manager as liquidated damages and not as a penalty. Payment by the Homeowners Association of a Termination Fee pursuant to this Section 3.5 shall be in addition to, not in lieu of, any other amounts that may be payable by the Condominium and/or the Homeowners Association upon an early termination pursuant to this Agreement.

4. MANAGEMENT SERVICES

Manager shall provide or cause to be provided all services reasonably required to administer the affairs of the Condominium and the Homeowners Association and its operations

with respect to the Condominium Units, the Common Elements of the Condominium and the Association Common Areas at all times in a manner consistent with the provisions of the Condominium Instruments, the Homeowners Association Instruments and Ritz-Carlton Standards and subject to the terms and conditions set forth in this Agreement. Nothing contained in the first sentence of Section 4.4.1 shall in any way limit Manager's obligations to make someone available to provide all Management Services reasonably required to administer the affairs of the Condominium and the Homeowners Association and its operations with respect to the Units, the Common Elements of the Condominium and the Association Common Areas at all times in a manner consistent with the provisions of the Condominium Instruments, the Homeowners Association Instruments and Ritz-Carlton Standards and subject to the terms and conditions set forth in this Agreement. Manager is hereby authorized to perform each of the services set forth in this Section 4, and shall have all the powers that the Condominium has and the Homeowners Association have, pursuant to the Condominium Instruments, subject to any limitations contained in the Condominium Act, the Condominium Instruments, the Homeowners Association Instruments, and the New York Codes, Rules and Regulations to the extent necessary to perform its duties and obligations under this Agreement. In performing its duties under this Agreement, Manager shall be deemed to be acting on behalf and for the account of the Board of Managers and Board of Directors. Except as otherwise expressly provided, Manager shall perform the Management Services for the Condominium and the Homeowners Association in return for payment of the Management Fees as provided for in Section 6.1 of this Agreement. In addition to payment of the Management Fees, the Board of Managers and Board of Directors shall also be responsible to pay all third-party costs and expenses incurred by Manager in the performance of the Management Services (such as postage, delivery charges, photocopy charges, facsimile charges and similar costs and expenses). All expenditure of costs and expenses for Management Services by Manager shall be made consistent with the Budgets as Approved from time to time by the Board of Managers and Board of Directors as provided in Section 4.1.1 and shall be deemed Common Expenses of the Condominium or the Homeowners Association as the case may be. The Management Fees and the costs and expenses incurred by Manager in the performance of the Management Services shall be deemed Common Expenses of the Condominium and Common Expenses of the Homeowners Association, provided the same are incurred by Manager consistent with the applicable Budgets or as otherwise permitted by this Agreement. Manager may hire and employ vendors and outside contractors to perform services related to any audit of the finances of the Condominium and the Homeowners Association and the filing of tax returns and related documents with appropriate governmental authorities, the cost thereof being a reimbursable cost to Manager (subject to the Budget, and otherwise in accordance with this Agreement) and allocated to the Homeowners Association and the Condominium, as appropriate.

4.1 Financial Services. Manager shall provide the following services of a financial nature, consistent with the Condominium Budget and the Homeowners Association Budget, at the expense of the Condominium and the Homeowners Association:

4.1.1 Budgets

(a) For each Fiscal Year during the Term, Manager shall, during the ninety (90) day period prior to the commencement of such Fiscal Year (or earlier, if required by the Condominium Instruments or the Homeowners Association Instruments) (i) prepare and submit to the Board of Managers Condominium a proposed Condominium Budget, and (ii) prepare and submit to the Homeowners Association a proposed Homeowners Association Budget, in each case for such Fiscal Year satisfying the requirements of the Condominium Instruments, the Condominium Act, the New York Codes, Rules and Regulations, and the Homeowners Association Instruments, including budgetary line items for the Condominium's costs and expenses arising under the CC&Rs and for the Reserve Account, the Homeowners Association's costs and expenses arising under the CC&Rs and for the Reserve Account, and an amount for Working Capital for the Condominium (equal to Five Hundred Dollars ($500) per condominium unit) and the Homeowners Association (equal to One Thousand Dollars ($1,000) per condominium unit), as applicable; provided that the Budgets for the first Fiscal Year shall be prepared by Manager on the basis of the Preliminary Budgets, updated to reflect the final configuration of the Units, the Common Elements and other components of the Condominium and the Homeowners Association, and also modified as may be necessary or appropriate in order for Manager to perform Management Services in light of the Board of Managers and Board of Directors' anticipated needs as of the Commencement Date. The proposed Budgets shall reflect all ratable and special allocations of Common Expenses among the Unit Owners (including special allocations for Limited Common Elements) that are authorized or required under the Condominium Instruments, the Condominium Act and the Homeowners Association Instruments, as applicable. The Board of Managers shall Approve the Condominium Budget in a duly called meeting (acting in accordance with the Condominium Instruments and the Condominium Act. The Board of Directors shall Approve the Homeowners Association Budget in a duly called meeting (acting in accordance with the Homeowners Association Instruments). Once a Budget has been Approved by the Board of Managers and the Board of Directors, as applicable, such Budgets shall form the basis for which all expenditures for the Condominium and the Homeowners Association shall be made for such fiscal year. In the event Manager anticipates a need to make additional expenditures, Manager shall discuss such needs with the Board of Managers and/or the Board of Directors, as the case may be, and shall jointly consider the need for revisions to the Approved Budgets. In that regard, Manager shall continuously monitor the Budgets, and should Manager find it necessary to revise the Budgets during the course of the Fiscal Year, whether due to a change in the real estate market, operations, unforeseen capital requirements or for any other reason, Manager will be required to promptly submit such revisions for the balance of the Fiscal Year to the Board of Managers and/or the Board of Directors, as the case may be, setting forth in writing the reasons for such revisions and/or the measures to be taken to correct such variance. Manager shall distribute or cause to be distributed a copy of the Budgets to all Unit Owners, in accordance with the Condominium Instruments, the Condominium Act, the New York Codes, Rules and Regulations, and the Homeowners Association, and shall notify each Unit Owner of the Condominium's

regular Assessment ("Common Charges"), Special Assessments (as defined in Section 4.1.2 below) and the Maintenance Charges of the Homeowners Association arising under the Budgets.

(b) If the Board of Managers or the Board of Directors and Manager are unable to agree on the Budgets prior to the commencement of any Fiscal Year or as to any revision of the Budget, and until an agreement is reached (or referred to the Expert, in the event of a disagreement between the Board of Managers or the Board of Directors and Manager), the Condominium or the Homeowners Association shall be operated on the basis of the provisions of the proposed Budgets then in effect which have been Approved by the Board of Managers or the Board of Directors, and as to other portions of the proposed Budgets which have not been Approved, on the basis of the actual expenditures for the prior Fiscal Year, with the following modifications (each of which shall be deemed to be an Approved modification to the last Approved Budgets):

(i) Manager shall have the right to expend for Common Expenses amounts which are increased by the CPI (or such comparable index as may be utilized in substitution for or as successor to the stated index), but not in excess of ten percent (10%) of the budgeted amount previously adopted, compounded per Fiscal Year since the Fiscal Year of the last applicable Approved Budgets (provided, however, that there shall be no limit on expenditures made to correct conditions which could reasonably result in a threat to the health or safety of the Unit Owners, their Permitted Users or a significant risk of damage to the Condominium or to the Homeowners Association).

(ii) Manager shall have the right to expend such amounts for taxes, insurance and utilities as are actually required to operate the Condominium and the Homeowners Association and otherwise required by the terms hereof.

(iii) Manager shall have the right to expend from the Reserve Account up to the entire amount to be dedicated to Reserve Account Obligations during such ensuing Fiscal Year as it reasonably deems necessary or appropriate to cause the Condominium Buildings and the Common Elements (including Furniture and Equipment therein) to comply with Ritz-Carlton Standards.

(iv) Manager shall have the right to expend the amount for employee wages and benefits that are contained in the proposed Budgets (or proposed revision thereof) submitted for such Fiscal Year.

(v) Manager shall have the right to expend such amounts in the proposed Budgets over which there is no disagreement between the Board of Managers and/or the Board of Directors and Manager.

(vi) Manager shall have the right to make allocations of Common Expenses based upon its good faith interpretation of the requirements of the

Condominium Instruments, the Homeowners Association Instruments and the Condominium Act.

(c) Upon any disagreement over the proposed Budgets (or proposed revision thereof) with respect to any Fiscal Year, any of the Board of Managers, the Board of Directors or Manager shall have the right to refer the matter to an Expert. The Expert shall make a non-binding recommendation (which recommendation shall be in writing) as to the appropriate Budgets necessary to maintain the Ritz-Carlton Standards for the Fiscal Year in dispute. The Expert's fees and expenses shall be shared (a) fifty percent (50%) by Manager, and (b) (i) fifty percent (50%) by the Condominium involved in such dispute, or (ii) fifty percent (50%) if the dispute involves the Homeowners Association. In the event that the parties do not accept the Expert's recommendation or otherwise fail to resolve their disagreement over the proposed Budget, then Manager shall have the right to terminate this Agreement pursuant to Section 3.2.10 within the time period specified therein; provided that Manager has the right to terminate only as long as the amount in dispute in the Budget is material.

(d) With respect to the first Fiscal Year, promptly following Manager's receipt and approval of Approved Plans reflecting the final configuration of the Units and the Common Elements (no later than the Commencement Date), Manager shall submit the respective Budgets to the Board of Managers and the Board of Directors; and the Board of Managers and the Board of Directors agree to respond to such Budgets within ten (10) days thereafter, either Approving said Budgets or specifying where revisions are required. Manager shall consider the Board of Managers and/or the Board of Directors revisions in good faith, but shall not be required to incorporate the Board of Managers and/or the Board of Directors revisions if Manager believes they would be detrimental to operating the Condominium and/or Homeowners Association in accordance with the Ritz-Carlton Standards or otherwise as required under this Agreement. If not Approved, the parties shall each thereafter cooperate to address the Board of Managers and the Board of Directors objections, but if no agreement is reached within ten (10) days after the Board of Managers and the Board of Directors of the Homeowners Association initial response, the matters in dispute shall be referred to the Expert. Pending resolution of the Board of Managers and the Board of Directors objections, Manager shall have the right to expend amounts as proposed in its Budgets submitted to the Board of Managers and the Board of Directors pursuant to this paragraph. Once the Budgets for such period have been Approved by the Board of Managers and the Board of Directors, they shall form the basis for which all expenditures for the Condominium and Homeowners Association shall be made, subject to modification as contemplated by clause (i) through (vi) of this Section 4.1.1(b).

4.1.2 Special Assessments for Common Elements and Association Common Areas. Manager shall be authorized to collect against the Unit Owners, in accordance with and subject to the Condominium Instruments, the Condominium Act, the New York Codes, Rules and Regulations, and the Homeowners Association Instruments, any Special Assessments (herein "Special Assessment") adopted by the Board of Managers of the Condominium or the Board of Directors of the Homeowners Association for the costs of: (a) major or extraordinary

repairs, alterations, improvements, renewals, replacements or additions to the Common Elements and Association Common Areas, including those (i) necessary to comply with any Applicable Law, regulation, or order, (ii) necessary for the continued safe and orderly operation of the Condominium and/or the Homeowners Association, or (iii) necessary to maintain the Common Elements and Association Common Areas to the Ritz-Carlton Standards and in compliance with the CC&Rs generally; (b) removing Hazardous Materials (and all contaminated soil and containers) discovered at any time on any portion of the Common Elements and Association Common Areas or the Condominium or the Homeowners Association, correcting the violation of any Environmental Law pertaining to the Common Elements and Association Common Areas, and taking all other necessary steps to remedy any such problem in accordance with all Environmental Laws; (c) repairing, rebuilding or replacing the Common Elements and Association Common Areas, as a result of a fire, casualty, or any other similar cause, whether or not covered by insurance proceeds, to the extent such repairing, rebuilding and/or replacing is required by, or has been Approved by the Board of Directors and/or the Board of Managers in accordance with, the Condominium Instruments and/or the Homeowners Association Instruments; or (d) altering, repairing, rebuilding, or replacing the Common Elements and Association Common Areas in the event of a complete or partial taking in any eminent domain, condemnation, compulsory acquisition or like proceeding of any competent authority, whether or not covered by the proceeds of such action or proceeding due and payable to the Condominium and the Homeowners Association, to the extent such repairing, rebuilding and/or replacing is required by, or has been Approved by the Board of Managers or the Board of Directors, in accordance with the Condominium Instruments or the Homeowners Association Instruments. Special Assessments shall be deemed additional Common Charges under the Condominium Instruments and Maintenance Charges under the Homeowners Association Instruments. The costs of collection shall be a Common Expense of (as applicable) the Condominium or Homeowners Association, subject to its right of reimbursement against the Unit Owner(s) in accordance with the Condominium Instruments and/or the Homeowners Association Instruments.

4.1.3 Special Charges. Manager shall be authorized, subject to Approval of the Board of Managers and the Board of Directors to collect a special charge (herein, "Special Charge") against any Unit Owner, as and to the extent permitted in the Condominium Instruments, the Condominium Act or the Homeowners Association Instruments, for (a) repair or replacement of all or any part of the Common Elements of the Condominium or Association Common Areas caused, in the opinion of the Board of Managers or the Board of Directors, as applicable, by the negligence or misuse of a Unit Owner, or his or her Permitted Users; or (b) violation of the provisions of the Condominium Instruments or Homeowners Association Instruments that require the removal of property or that increases the costs and expenses of maintenance and repair of the Condominium or the Homeowners Association by Manager, or increases in insurance rates. Special Charges shall be deemed additional Common Charges or Maintenance Charges, under the Condominium Instruments or under the Homeowners Association Instruments, as applicable. The costs of collection shall be a Common Expense of the Condominium and/or the Homeowners Association, as applicable, subject to its right of

reimbursement against the particular Unit Owner(s) who have caused the imposition of such Special Charge(s) in accordance with the Condominium Instruments and/or the Homeowners Association Instruments.

4.1.4 Collection of Assessments. Manager shall be authorized to collect from the Unit Owners, on behalf of the Board of Managers and Board of Directors, all regular Common Charges, Maintenance Charges, Special Assessments and Special Charges (including special allocations for Common Expenses with respect to Limited Common Elements) that may be due under the Condominium Instruments, the Condominium Act and/or the Homeowners Association Instruments in accordance with collection guidelines as adopted by the Board of Managers and/or the Board of Directors from time to time and the requirements or restrictions of the Condominium Instruments, the Condominium Act, the New York Codes, Rules and Regulations, and the Homeowners Association Instruments. Manager may file a lien for non-payment on behalf of the Condominium and/or the Homeowners Association against a Unit Owner should such Unit Owner fail to pay such Common Charges, Maintenance Charges, Special Assessments and Special Charges, and take such other appropriate action, either in its name as agent or in the name of the Condominium and/or the Homeowners Association. The Condominium and/or the Homeowners Association may satisfy charges of record or privileges on payment and render statements as to the current status of a Unit Owner's account. The costs of collection, to the extent not paid by a Unit Owner, shall be a Common Expense of the Condominium or the Homeowners Association, as applicable, subject to its right of reimbursement against the Unit Owner(s) in accordance with the Condominium Instruments and the Homeowners Association Instruments.

4.1.5 Bank Accounts. Manager shall establish and maintain segregated bank accounts, on behalf of the Board of Managers and Board of Directors, and shall deposit or invest funds collected from Unit Owners and all other amounts collected by Manager in connection with the performance of its duties under this Agreement in such accounts. Receipt of the foregoing funds by Manager shall not constitute income to it for income tax purposes, since these funds are received and held in a custodial capacity only. Any costs and expenses incurred to open and maintain such accounts shall be a Common Expense of the Condominium and the Homeowners Association.

4.1.6 Disbursements. Manager shall disburse from the bank accounts of the Condominium and the Homeowners Association amounts required for the payment of all Common Expenses of the Condominium and the Homeowners Association incurred consistent with the provisions of Section 4.1 or as otherwise permitted by this Agreement, the Condominium Instruments or the Homeowners Association Instruments.

4.1.7 Financial Reports. Manager shall, within ninety (90) days after the end of each Fiscal Year, or as soon thereafter as reasonably practical, prepare and distribute annual reports to the Board of Managers and Board of Directors and to each Unit Owner in accordance with the Condominium Instruments and Homeowners Association Instruments or as

required by Applicable Law. To the extent that third party consultants are necessary to produce such reports, the cost and expense thereof shall be a Common Expense of the Condominium and the Homeowners Association. Manager shall make such records available to the Condominium and the Homeowners Association's accountant without charge, in order for the accountant to prepare certified financial statements annually.

4.1.8 Books and Records. Manager shall keep and maintain, or cause to be kept and maintained, books and records for the Condominium and the Homeowners Association in accordance with generally accepted accounting principles. The books of accounts and other records for the Condominium and the Homeowners Association shall be available to the Board of Managers and Board of Directors, Unit Owners and the holders, insurers and guarantors of Mortgages pertaining to any Unit, as applicable, at all reasonable times for examination, inspection and transcription. Manager has the authority to charge a reasonable fee to cover the Condominium's and the Homeowners Association's costs to provide any transcription or reproduction of the records of the Condominium and the Homeowners Association, except that no fees shall be charged to companies or agents who have been employed or contracted to perform work for or on behalf of the Condominium or Homeowners Association. Such inspections shall be conducted without unreasonable disruption to the operations of Manager.

4.1.9 Filing of Returns. Manager shall execute and file returns and other instruments and do and perform all acts required of an employer under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, the United States Internal Revenue Code of 1986, as amended from time to time, and the Income Tax Act with respect to wages paid by the Manager, and under any similar Federal, State or Municipal law now or hereafter in force.

4.2 Administrative Services. Manager shall provide the following services of an administrative nature:

4.2.1 Board of Managers and Board of Directors Meetings. Manager shall assist in scheduling and holding the meetings of the Board of Managers and the Board of Directors, including the preparation and mailing of notices of meetings, in accordance with the provisions of the Condominium Instruments, the Condominium Act and the Homeowners Association Instruments as the case may be. Manager shall prepare the agenda for all meetings, assist in the conduct of the meetings and oversee the election of the Board of Managers and the Board of Directors. Manager shall circulate minutes of any such meeting as prepared by the secretary of the Board of Managers and the Board of Directors, in accordance with the requirements of the Condominium Instruments and Homeowners Association Instruments.

4.2.2 Condominium Records. Manager shall keep all records of the affairs of the Condominium and the Homeowners Association, including minutes of meetings, correspondence and modifications of the Condominium Instruments and the Rules and Regulations which shall at all times be the property of the Condominium and the Homeowners

Association, as the case may be. Manager shall make such records available during normal business hours, or under other reasonable arrangements, for inspection by such parties as may be authorized to inspect the same pursuant to the Condominium Instruments and the Homeowners Association Instruments. Manager may charge a reasonable fee (to cover the Condominium and the Homeowners Association's costs) for any transcription or reproduction of the records of the Condominium and the Homeowners Association. Manager shall comply with the requirements of the Condominium Act and the New York Codes, Rules and Regulations with respect to the location and availability of such records.

4.2.3 Rules and Regulations. Manager may, from time to time, suggest amendments to the Rules and Regulations, as Manager deems advisable, for the use and occupancy of the Units the Common Elements, or the Association Common Areas and will consult the Board of Managers as to the Condominium and the Board of Directors as to the Association Common Areas prior to adoption of any amendments to the Rules and Regulations proposed by others. All such amendments shall comply with applicable requirements of the Condominium Instruments, the Homeowners Instruments, the Condominium Act, and the New York Codes, Rules and Regulations. Upon request, Manager shall provide to any Unit Owner a copy of the Rules and Regulations as adopted by the Board of Managers and the Board of Directors, as applicable, and amended or modified from time to time in accordance with the Condominium Instruments and the Homeowners Instruments. Manager shall use its reasonable efforts to enforce the Rules and Regulations.

4.2.4 Roster of Unit Owners. Manager shall use reasonable efforts to maintain, in accordance with the Condominium Act, a complete and accurate roster of Unit Owners, setting forth their names and mailing addresses. Manager may furnish a copy of the roster to one or more of the Unit Owners, but only at the express written direction of the Board of Managers or the Board of Directors delivered in accordance with any applicable requirements set forth in the Condominium Instruments or the Homeowners Association Instruments. Manager shall collect from the Person(s) receiving such roster a sum equal to the cost of reproduction and the other administrative costs attendant to such reproduction.

4.2.5 Maintenance of Records. Manager shall maintain records sufficient to describe its services hereunder, including financial books and records sufficient to identify the source of all funds collected by it in its capacity as Manager, and disbursement thereof. Such records shall be kept in accordance with sound accounting practices and will be kept at the office of Manager. Any independent or external audit or other financial report required by the Board of Managers, the Board of Directors, the Condominium Instruments, the Condominium Act or the Homeowners Association Instruments shall be obtained by Manager at the direction of the Board of Managers-and the Board of Directors, but shall be prepared by accountants selected by the Board of Managers and the Board of Directors. The cost thereof shall be a Common Expense of the Condominium and/or the Homeowners Association, as applicable.

4.2.6 Employment of Consultants. As a Common Expense of the Condominium or the Homeowners Association, as the case may be, Manager shall retain and employ such attorneys, accountants and other professionals and experts whose services may be reasonably required to effectively perform the Management Services, and Manager shall employ same on such basis as it deems most beneficial to the Condominium and the Homeowners Association.

4.3 Operating Services. Manager shall provide the following operating services in respect of the Condominium:

4.3.1 Licenses and Permits. Manager shall maintain, either (a) in its own name or as agent for the Board of Managers and Board of Directors, or (b) in the Condominium and the Homeowners Association's name, as may be required by the applicable authorities, all licenses and permits required to be obtained by the Condominium and the Homeowners Association and the Manager in connection with the management and operation of the Condominium and the Homeowners Association. The Board of Managers and the Board of Directors shall execute and deliver any applications and other documents and otherwise cooperate to the fullest extent with Manager in applying for, obtaining and maintaining such licenses and permits. The cost of obtaining and maintaining any of the foregoing licenses or permits, including satisfaction of any requirements therefore, shall be a Common Expense of the Condominium and the Homeowners Association, as the case may be.

4.3.2 Compliance with Laws. Manager shall use its reasonable efforts to operate the Condominium and the Homeowners Association in compliance with all applicable governmental laws, regulations, ordinances, orders and requirements, subject to the limitations set forth in Section 4.8. In addition, the Manager shall use its reasonable efforts to operate the Condominium and the Homeowners Association with respect to all Unit Owners in compliance with (a) the terms and conditions of the Condominium Instruments and the Homeowners Association Instruments, (b) the requirements of any insurance carrier insuring all or any part of the Common Elements or the Association Common Areas, (c) the CC&Rs, and (d) any third-party contracts entered into by or on behalf of the Condominium and the Homeowners Association. Manager, with the consent of the Board of Managers and the Board of Directors, shall have the right to contest any governmental law, regulation, ordinance, order and requirement, unless failure to comply promptly with any such law, regulation, ordinance, order and requirement would or might expose the Manager, the Condominium or the Homeowners Association, as the case may be, to any criminal liability or to substantial civil penalty unless the party affected thereby consents to such action. Manager shall not, however, be responsible for the compliance of the Condominium, the Homeowners Association or any equipment therein or related thereto with the requirements of any building codes or with any statutes, ordinances, laws, rules or regulations (including those relating to the existence and disposal of solid, liquid, and gaseous wastes, and toxic substance or Hazardous Materials) of governments or agencies, or any public authority or official thereof having jurisdiction over it, unless such non-compliance is directly attributable to the willful misconduct of Manager. However, Manager shall promptly

notify or forward to the Board of Managers or the Board of Directors, as the case may be, any complaints, warnings, notices or summonses received by Manager relating to any such matters. The Board of Managers and Board of Directors authorize Manager to disclose the ownership of the Condominium Units to any such officials. The Board of Managers and Board of Directors agree to indemnify, defend and hold Manager, its representatives, servants, and employees, harmless from all loss, cost, expense and liability whatsoever that may be imposed on them by reason of any present or future violation or alleged violation of such laws, ordinances, rules or regulations unless such violation was directly attributable to the willful misconduct of Manager. The cost of compliance with laws, ordinances, rules and regulations incurred by Manager shall be a Common Expense of the Condominium or the Homeowners Association, as the case may be.

4.3.3 Management Supplies. Manager shall, on behalf of and as Common Expenses of the Condominium and the Homeowners Association, buy and maintain sufficient inventories of all consumable items used in the administration or operation of the Condominium and the Homeowners Association, including cleaning materials, stationery and similar items, to the extent consistent with the Budgets.

4.3.4 Investigation of Accidents. Manager shall, on behalf of the Board of Managers and Board of Directors, investigate, or have others investigate all accidents, estimate the cost to repair any damage or destruction to the Common Elements and Association Common Areas, and make written reports to the Board of Managers and the Board of Directors as to all material claims for damages relating to the ownership, operation and maintenance of the Common Elements and Association Common Areas as such claims shall become known to Manager. Manager shall prepare all reports required by any insurance company to be filed in connection therewith, and may hire any necessary consultants pursuant to Section 4.2.6.

4.3.5 Service Contracts. Manager shall, on behalf of and as a Common Expense of the Condominium or the Homeowners Association (but only to the extent said costs and expenses are reasonably consistent with the provisions of Section 4.1.1), engage such third parties as Manager deems advisable to provide such services as may be necessary or desirable for the operation and maintenance of the Common Elements and Association Common Areas, in accordance with the terms of the Condominium Instruments or the Homeowners Association Instruments, as the case may be, and this Agreement. Manager shall administer any contracts for such services on behalf of the Board of Managers and Board of Directors. Manager shall not be precluded from executing agreements or granting concessions or licenses to itself or to any Affiliate. To the extent not prohibited by the Condominium Act, New York Codes or Rules and Regulations, entering into any contract, agreement, concession or license by Manager with itself or an Affiliate of Manager shall not be considered to be self-dealing; provided that such contract, agreement, concession or license complies with the provisions of Section 13.11. Manager shall prepare an annual summary of any service contracts with Affiliates of Manager that result in a direct economic benefit to Manager or such Affiliate which exceeds the costs of providing

services under such contract. Such summary shall be delivered at the same time as the annual financial report required under Section 4.1.7.

4.3.6 Approvals Under the Condominium Instruments. Manager shall have no authority to grant or deny any approvals required to be obtained by any Unit Owner or Member from the Condominium or the Homeowners Association, as the case may be, or the Board of Managers or the Board of Directors as applicable, under the Condominium Instruments or the Homeowners Association Instruments. Manager shall process applications for Unit Owners who apply to the Board of Managers to sell or sublet, and the fees for such services (including obtaining credit reports, if requested by the Board of Managers) will be charged to and payable by the applicable Unit Owner.

4.3.7 Compliance with Ancillary Documents. Consistent with the Budgets, and subject to the Condominium Instruments, and the Homeowners Association Instruments, as applicable, and Applicable Law, Manager shall use reasonable efforts to see that the Condominium and the Homeowners Association complies with, and enjoys all of the benefits of, all agreements affecting the Condominium and/or the Homeowners Association, as applicable, including the CC&Rs or other agreements to which the Condominium and the Homeowners Association is a party. Manager is authorized to act on behalf of the Board of Managers and Board of Directors as applicable in regard to all such agreements, subject to any applicable requirements of the Condominium Instruments and Homeowners Association Instruments. Additionally, Manager, on behalf of the Board of Managers and Board of Directors, as applicable, is authorized to act or give such approvals or consents as may be required of the Condominium and the Homeowners Association under such documents, provided that notice of such action, approval or consent, if material, shall be given to the Board of Managers and/or the Board of Directors. As and to the extent that compliance incurs costs and expenses, such costs and expenses shall be a Common Expense of the Condominium and the Homeowners Association. The cost and expense of any employees employed directly by the Condominium and the Homeowners Association shall be included as a Common Expense of the Condominium or the Homeowners Association.

4.4 Personnel

4.4.1 Employees of Manager and Others. In the performance of the Management Services, Manager shall directly employ such personnel as Manager deems reasonably necessary for delivery of the Management Services, as well as use the services of vendors and third parties to supply such personnel. Manager shall be responsible to supervise the selection, hiring, and work of such personnel, as well as the selection and hiring of vendors and third parties. Manager shall have sole discretion to hire, terminate and promote its personnel, or terminate vendors or third parties supplying personnel. Manager shall have full responsibility to supervise, direct and train all personnel, to fix their compensation (consistent with local standards for similar positions in luxury condominiums), and generally to establish and maintain all employment policies and practices, provided that Manager's employment

policies and practices shall comply with all Applicable Laws, regulations and orders of any competent government authority. The Board of Managers and the Board of Directors shall have no right to supervise or direct any personnel of or employed by Manager, and the Board of Managers and the Board of Directors agrees not to attempt to so supervise or direct. The Board of Managers and the Board of Directors and Manager shall fully cooperate with each other to implement and carry out the provisions of this Section 4.4.1. The cost and expense of all personnel directly employed by Manager shall be included as a Common Expense of the Condominium and the Homeowners Association, as applicable, and the cost and expense of such vendors and third parties shall also be included as a Common Expense of the Condominium and the Homeowners Association, as applicable.

4.4.2 Representatives of Condominium and Homeowners Association. The Board of Managers and Board of Directors shall have the right to retain one or more Persons to serve as representative(s) of each of the Condominium and the Homeowners Association in its dealings with Manager and/or governmental agencies and public authorities; provided that no such Person shall perform any Management Services whatsoever, or otherwise interfere with Manager's rights or Manager's performance of its duties under this Agreement, without the prior written consent of Manager, which consent may be withheld in Manager's sole and absolute discretion. The cost and expense of any Persons retained by the Condominium and the Homeowners Association shall be included as a Common Expense of the Condominium and the Homeowners Association, as applicable.

4.4.3 Termination. In the event this Agreement is terminated and Manager ceases to act as the manager of the Condominium, nothing herein shall prevent the Condominium and the Homeowners Association from extending offers of employment under Section 4.4.1 to employees of Manager whose employment is being terminated by Manager effective as of the termination of this Agreement. Manager represents that it is prepared to take all steps reasonable and appropriate pursuant to its normal transition procedures to coordinate a smooth transition in order to avoid any successor liability to Condominium and the Homeowners Association with respect to Manager's employees, including any WARN Act liability (provided Condominium and the Homeowners Association have taken all necessary steps to avoid WARN Act liability, including giving Manager sufficient advance notice of such termination).

4.5 Other Services. Manager shall provide the following additional services:

4.5.1 Inspections. Manager shall make periodic physical inspections of the Common Elements and Association Common Areas and render reports and make recommendations to the Board of Managers and shall make periodic physical inspections of the Association Common Areas and render reports and make recommendations to the Board of Directors, concerning the Common Elements and the Association Common Areas respectively.

4.5.2 Emergencies

(a) Manager shall have the right to enter any of the Units as necessary, without prior notice, for emergency repairs to prevent damage to the Condominium Building, the Association Common Areas, any Unit or any element of the Common Elements, and for the purpose of abating any unlawful or prohibited activity; provided that, except in cases involving manifest danger to public safety or property, Manager shall make a reasonable effort to give notice to the Unit Owner of any Unit to be entered into for such purposes.

(b) In the event that Manager has actual knowledge of an emergency situation or condition in any Unit which requires emergency repairs that are authorized under clause (a) above, then Manager shall promptly contact an emergency repair technician from a list of technicians which has been Approved by the Board of Managers and the Board of Directors and shall supervise such technician's performance of the required emergency repairs; provided that Manager may select any technician on the Approved list; and provided, further, that the scope of the repairs shall be limited to making the emergency situation or condition safe.

(c) Without limiting the applicability of the indemnification provisions set forth in Section 9, the Board of Managers and Board of Directors acknowledge and agree that Manager shall have no liability or responsibility to the Condominium and the Homeowners Association or any Unit Owner or Member as a direct or indirect result of Manager's actions hereunder, for any damage or loss sustained by any of them in, to or about any property, real or personal, including any loss of use or interruption of occupancy or commercial operations in, of or on any Unit. The cost and expense of taking any such action shall be included as a Common Expense of the Condominium and the Homeowners Association, as applicable, and allocated in accordance with the Condominium Instruments and the Homeowners Association Instruments, as applicable.

4.5.3 Repair and Maintenance of Common Elements and Association Common Areas. Manager shall, as a Common Expense of the Condominium and the Homeowners Association, cause the Common Elements and Association Common Areas to be maintained, repaired, and replaced in accordance with the Condominium Instruments and Homeowners Association Instruments, as applicable, consistent with the Ritz-Carlton Standards and the provisions of the CC&Rs.

4.5.4 Insurance. Manager shall, as Common Expenses of the Condominium and the Homeowners Association, as applicable, procure and keep in force all insurance and bonds required to be procured and maintained by this Agreement as set forth in Section 12.

4.6 All Other Acts. Manager shall perform all such other and further acts and things (a) as may (in its reasonable opinion) be necessary or advisable from time to time to fulfill

the terms of this Agreement, and (b) as otherwise delegated to it or authorized by action of the Board of Managers and/or the Board of Directors or under the Condominium Instruments and Homeowners Association Instruments, as applicable.

4.7 Frequency of Services. Manager shall perform the Management Services as often as may be specified above; however, if no time frame is specified in this Section 4, then Manager shall perform the Management Services as often as it deems reasonably necessary and appropriate for the specified services, applying prudent management practices.

4.8 Ritz-Carlton Rights

4.8.1 Ownership of the Ritz-Carlton Rights. The Board of Managers and Board of Directors acknowledge that Manager and its Affiliates are the sole and exclusive owners of all rights, title and interest of every kind and nature in and to the Ritz-Carlton Rights and all the goodwill associated with the Ritz-Carlton Rights. The Board of Managers and Board of Directors further acknowledge that neither they nor any Unit Owner shall have any rights or interest whatsoever in any of the Ritz-Carlton Rights.

4.8.2 Rights to Use Ritz-Carlton Rights. So long as Manager manages the Condominium and the Homeowners Association, and this Agreement is in effect, the Condominium project may be known as "The Ritz-Carlton Residences, North Hills," or by such other name as may be approved by the Condominium and the Homeowners Association and Manager (the "Approved Name"). However, Manager and the Condominium and the Homeowners Association expressly agree that none of the Unit Owners the Condominium nor the Homeowners Association shall have any right, title or interest in or to the Ritz-Carlton Marks.

Any use of the Approved Name shall be limited to (i) signage on or about the Condominium and which may also include the Ritz-Carlton Marks, in form and style approved by Manager, in its sole discretion, and (ii) use of the Approved Name by the Condominium, the Homeowners Association, the Board of Managers, the Board of Directors, the Unit Owners to identify the address of the Condominium, the Homeowners Association or the Units. Any other use of the Approved Name or the Ritz-Carlton Marks is strictly prohibited. No use of the Approved Name or any of the Ritz-Carlton Marks whatsoever shall be permitted should this Agreement terminate for any reason. Any use of the Approved Name or any of the Ritz-Carlton Marks on signage by the Unit Owners, the Board of Managers or the Board of Directors or anyone else, which in the sole discretion of Manager is likely to cause confusion or to dilute or disparage the Ritz-Carlton Marks or the Ritz-Carlton Rights, or to harm in any manner the image or reputation of Manager or of any Affiliate, is strictly prohibited. See also Section 2.4 hereof.

4.8.3 Removal of Ritz-Carlton Rights. Within fifteen (15) days after any expiration or termination of the Term of this Agreement, the Board of Managers and Board of

Directors shall remove from the Condominium any signs or other indicia of any connection with the Ritz-Carlton Rights or the Ritz-Carlton Marks at the Condominium and the Homeowners Association's cost. Manager shall have the right to seek injunctive or other relief in a court of competent jurisdiction to enforce the foregoing provisions, and if such enforcement shall be necessary, the Homeowners Association shall bear all of Manager's costs, including attorneys' fees, of such enforcement. If the Condominium and the Homeowners Association fails to complete such action within such fifteen (15) day period, Manager shall have the right to take such action as it may consider necessary to remove from the Condominium any signs or other indicia of any connection with the Ritz-Carlton Rights or the Ritz-Carlton Marks at the Condominium and the Homeowners Association's costs and risk.

4.8.4 Survival. The provisions of this Section 4.8 and the enforceability thereof shall survive the expiration of this Agreement.

4.9 Office and Ancillary Spaces. If requested by Manager, the Condominium and the Homeowners Association will provide or make available to Manager (a) a reasonable amount of space within the Property to be used by Manager as an office or offices to assist Manager in providing the Management Services, and (b) a reasonable amount of space on each floor of the Condominium to facilitate delivery of Concierge Services as hereinafter described, so long as such space is determined at the design review phase, unless Manager requests such space at a later phase, in which case the Condominium and the Homeowners Association will make reasonable efforts to provide such space. The office space and the other ancillary spaces will be provided at no cost to Manager.

5. CONCIERGE SERVICES

Manager shall provide the Concierge Services to the Unit Owners as described below:

5.1 Base Concierge Services. For purposes of this Agreement, "Base Concierge Services" means hotel-type concierge services (such as arranging for seamstress, laundry, dry cleaning and transportation services by third party providers), valet, day porter and business center services. Manager shall provide Base Concierge Services to Unit Owners as a Common Expense; provided that all third party service charges shall be billed directly to the Unit Owner using such services. There will be no reduction in the Management Fees due to the cessation for any reason of any Base Concierge Services, so long as reasonably similar services continue to be provided.

5.2 Additional Services. Subject to the Management Services to be provided by Manager in accordance with Section 4 of this Agreement, Manager agrees to make available to each Unit Owner certain additional hotel-type services (excluding Base Concierge Services) for which no price list is established, such as housekeeping services (collectively, "Additional Services"). Each Unit Owner will pay Manager directly for all costs and expenses associated with providing and billing for the Additional Services to that Unit Owner, on a monthly basis.

Manager shall charge no profit or additional fee for Additional Services provided that Manager shall have no responsibility for costs and expenses thereof.

5.3 Valet Parking Services. Manager may provide valet parking services at the garage located in the Condominium Building to the Unit Owners, their guests, visitors and invitees. Manager shall have the right to retain a third party garage operator on behalf of the Condominium and the Homeowners Association to provide valet parking and related garage services, in accordance with Section 4.4.1. Parking services shall be provided at the Condominium and the Homeowners Association's cost as a Common Expense. The distribution and assignment of parking spaces in the garage among Unit Owners shall be determined in accordance with the Condominium Instruments.

5.4 Revision of Services/Termination of Services. Manager shall have the right to revise from time to time the Additional Services. Additionally, Manager shall have the right to terminate Additional Services to any Unit Owner that fails to pay Manager on a timely basis. Failure of any Unit Owner to pay for any Concierge Services shall not permit Manager to terminate this Agreement.

5.5 Unit Owners' Responsibility. A Unit Owner shall be directly liable to Manager for payment for Additional Services provided to that Unit Owner, or such Unit Owner's Permitted Users. Nothing in this Agreement, in the Condominium Instruments or Homeowners Association Instruments is intended to prevent or shall be used by the Condominium or Homeowners Association to prevent Manager from seeking direct recovery from any delinquent Unit Owner. Manager shall not be obligated to provide Additional Services to any Unit Owner that fails to pay accrued charges for such services or otherwise abuses the use of those services. Any such charges which are not timely paid by a Unit Owner shall be included as a Common Expense of the Homeowners Association or Condominium, subject to the Homeowners Association or Condominium's right under the Homeowners Association Instruments or Condominium Instruments, as the case may be, to seek reimbursement from the Unit Owner.

5.6 Commencement of Concierge Services. In no event shall Manager be required to provide any of the Concierge Services described in this Section 5 prior to the Commencement Date.

6. FEES; ADVANCES; RESERVE ACCOUNTS

6.1 Management Fees. In consideration of Manager providing the Management Services and Concierge Services (as provided for under this Agreement), Manager shall be entitled to receive from the Condominium and the Homeowners Association and the Condominium and the Homeowners Association shall be obligated to pay to Manager Management Fees (the "Management Fees") with regard to each Unit, including any Unit owned by the Developer or any other Affiliate of Midtown North Hills LLC.

(a) The Management Fees for the Condominium shall be Three Hundred Dollars ($300) per Unit per annum and the Management Fees for the Homeowners Association shall be One Thousand Two Hundred Dollars ($1,200) per Unit subject to escalation in accordance with Section 6.1(b). No consolidation of Units following the Commencement Date, whether pursuant to the Condominium Instruments, Homeowners Association Instruments or otherwise, shall serve to relieve the Condominium and/or the Homeowners Association from responsibility for payment of Management Fees for each Unit. By example, if two Units are combined and treated as a single Unit by a Unit Owner subsequent to the Commencement Date, the Condominium and the Homeowners Association shall still be responsible to pay to the Manager two Management Fees for the consolidated Unit of two prior Units.

(b) Beginning with the Fiscal Year commencing on the first January 1 following the Commencement Date, the aggregate amount of the Management Fees shall be adjusted and increased annually by the CPI (or such comparable index as may be utilized in substitution for or as successor to the stated index); provided that for each of the Fiscal Years thereafter, the amount of any increase for such Fiscal Year shall not exceed five percent (5%) of the aggregate amount of the Management Fees for the immediately preceding Fiscal Year. Any annual adjustment to the aggregate amount of the Management Fees shall take effect on the first day of the Fiscal Year.

(c) One twelfth (8.3333%) of the annual Management Fees shall be paid monthly, in advance, on or before the first day of each calendar month during the Fiscal Year. The first payment of the Management Fees under this Agreement shall be due and owing and shall be paid to Manager on the Commencement Date; provided that if the Commencement Date is on a date other than the first day of a calendar month, then the amount of this first payment shall be prorated to reflect payment for less than a full calendar month. There will be no reduction in the Management Fees due to the cessation for any reason of any Base Concierge Services; and the Board of Managers and Board of Directors shall be solely responsible for supplying at its sole cost and expense any substitute services desired by the Condominium and the Homeowners Association and the Unit Owners, including any related equipment.

6.2 Advances and Reimbursements. All costs and expenses incurred by Manager in providing the Management Services shall be reimbursed to Manager by the Condominium and the Homeowners Association, as applicable, no later than the tenth (10th) day of the month following the month in which such costs and expenses were incurred and billed, provided the same are consistent with the Budget. Manager may reimburse itself for such costs and expenses from the Condominium and the Homeowners Association's funds, as applicable, maintained in any of its bank accounts, other than a Reserve Account. Manager shall not be required to perform any act or duty under this Agreement involving an expenditure of money unless there shall be sufficient funds therefore in the bank accounts of the Condominium and the Homeowners Association. If at any time the funds in the bank accounts of the Condominium and the Homeowners Association are not sufficient to pay the Common Expenses incident to this Agreement, Manager shall have the right, but not the obligation, to advance such sums as it

deems necessary. In case of such advancement, Manager shall be entitled to reimburse itself from the Condominium and/or the Homeowners Association funds for the amount of the advances, together with interest thereon at the Interest Rate from the date of the advance by Manager. Nothing in this Agreement shall require Manager to expend any of its own funds (including its remuneration and expenses payable hereunder) for any matter herein or otherwise in respect of the Condominium or the Homeowners Association. Manager shall not commingle the monies of Condominium One, Condominium Two and the Homeowners Association and Manager shall not reimburse itself from Condominium accounts for the obligations of Homeowners Association operations.

6.3 Reserve Account. Pursuant to the Condominium Instruments and the Homeowners Association Instruments, the Condominium and the Homeowners Association are required to establish one or more monetary reserve accounts (a "Reserve Account") for repairs, replacements and purchases of Common Elements and Association Common Areas and other obligations in accordance with the Condominium Instruments and the Homeowners Association Instruments (including the Board of Managers and Board of Directors' obligations under the CC&Rs), the cost of which is normally capitalized under generally accepted accounting procedures ("Reserve Account Obligations"). Manager shall establish in the Condominium One, Condominium Two and/or Homeowners Association's name one or more Reserve Accounts, each as a separate interest-bearing bank account for those reserves specified in the Budget required by the Condominium Instruments and Homeowners Association Instruments, in a bank designated by the Condominium and/or the Homeowners Association and Approved by Manager. The Reserve Account shall only be available for use by Manager to cover the cost of Reserve Account Obligations. Subject to timely receipt of all assessments, Manager shall timely deposit into the Reserve Account the amount required under the Budget to be set aside for the Reserve Account.

6.3.1 Sales Proceeds. The proceeds from the sale of Furniture and Equipment no longer needed for the operation of the Common Elements or the Association Common Areas shall be deposited into the Reserve Account. At the end of each Fiscal Year, any amounts remaining in the Reserve Account shall be carried forward to the next Fiscal Year and shall be in addition to the amount to be deposited in the Reserve Account in the next Fiscal Year.

6.3.2 Proceeds Shortfall. If the contributions for the Reserve Account provided for in this Section 6.3 prove insufficient to cover Reserve Account Obligations, the Condominium and/or the Homeowners Association shall provide the additional required funds.

7. ENFORCEMENT RIGHTS

7.1 Charges. Manager is authorized to take all action on behalf of the Condominium and the Homeowners Association, consistent with Applicable Law, including the Condominium Act, the Condominium Instruments, the New York Codes, Rules and Regulations, and the Homeowners Association Instruments, to bill and enforce collection of Common

Charges, Maintenance Charges, Special Assessments and Special Charges from Unit Owners may file a lien on behalf of the Condominium or the Homeowners Association against a Unit should the Unit Owner of that Unit or Member fail to pay Common Charges, Maintenance Charges, Special Assessments or Special Charges, and take such other appropriate action for purposes of collection, in the name of the Condominium and the Homeowners Association. Manager may satisfy any such liens on payment and render statements as to the current status of a Unit Owner's account. Any Special Assessments and Charges against a Unit Owner shall be limited to the Unit owned by the defaulting Unit Owner and shall not be filed so as to encumber the Unit owned by any non-defaulting Unit Owner. The Condominium or the Homeowners Association, as the case may be, shall aid and assist Manager in any reasonable manner requested by Manager in the collection of Common Charges, Maintenance Charges, Special Assessments and Special Charges.

7.2 Conditions to Manager's Obligations. Manager's obligations under this Agreement shall be subject to: (a) the execution and delivery by the parties thereto, and filing and recordation in all appropriate places of official record, of the Condominium Instruments, the Homeowners Association Instruments and the CC&Rs, all in form and substance reasonably satisfactory to Manager; (b) receipt by Manager at least sixty (60) days prior to the projected Commencement Date (or if not obtainable by then, as soon thereafter as legally obtainable) of all licenses, permits and other approvals and instruments necessary for the management and operation of the Condominium and the Homeowners Association and the Common Elements and Association Common Areas; (c) the representations and warranties made by the Board of Managers and Board of Directors in Section 10 shall be complete, accurate and valid; and (d) the execution of this Agreement by the Developer on behalf of the Board of Managers and Board of Directors and Manager and their assumption hereof. Upon request, Manager will advise the Board of Managers and Board of Directors as to the status of the foregoing conditions from time to time prior to the Commencement Date.

8. REMEDIES

8.1 Remedies. Upon the occurrence of an Event of Default by the Condominium and the Homeowners Association, Manager may, in addition to any other remedy given it by agreement or in law or in equity, bring an action against the Condominium or the Homeowners Association, as applicable, for damages (excluding consequential and punitive damages), specific performance, injunctive relief and/or such other rights and remedies as it may have. All of such rights of Manager on default shall be cumulative, and the exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other or additional remedy. Termination of this Agreement for any reason shall not affect the Condominium and/or the Homeowners Association's obligations (including the payment of the Management Fees and all costs and expenses incurred by Manager in the performance of the Management Services as provided in Section 4), that have accrued as of the date of termination, and those obligations which, from the context hereof, are intended to survive termination of this Agreement. Without

limiting the foregoing, the provisions of Section 4.3.2, Section 4.8, 9, Section 13.16 and Section 13.17 shall survive the termination of this Agreement.

9. INDEMNIFICATION

9.1 Indemnity. The Board of Managers and Board of Directors, as applicable, agree that they shall defend, indemnify and hold harmless Manager from and against any and all costs, damages, claims, liabilities and expenses (including reasonable attorney's fees) arising from any claim by any Person relating to the Condominium, the Homeowners Association or any part thereof (including the Condominium, any Unit and the Common Elements and Association Common Areas), or directly or indirectly arising out of any defect or alleged defect in design or construction, or any death, injury to person, or property damage occurring on or about the Condominium, the Homeowners Association or any part thereof, or the conduct or operation of the Condominium or the performance of Manager's duties or services hereunder and the same is not directly attributable to willful misconduct or fraud of Manager. If any proceeding shall be brought or threatened against Manager with respect to any matter for which Manager is entitled to indemnity pursuant to the preceding sentence, Manager shall promptly notify the Board of Managers and Board of Directors in writing and the Board of Managers and Board of Directors, as applicable, shall assume the defense thereof, including the employment of counsel Approved by Manager and the payment of all costs of litigation. Notwithstanding the preceding sentence, Manager shall have the right to employ its own counsel and to determine its own defense of such action in any such case, but the fees and expenses of such counsel shall be at the expense of Manager unless (i) the employment of such counsel shall have been authorized in writing by the Condominium or the Homeowners Association, as applicable, or (ii) the Condominium or the Homeowners Association, as applicable, after due notice of the action, shall not have employed counsel satisfactory to Manager to have charge of such defense, in either of which events the reasonable fees and expenses of counsel for Manager shall be borne by the Condominium and/or the Homeowners Association. The Condominium and/or the Homeowners Association shall not be liable for any settlement of any such action effected without its consent, provided that such consent is not unreasonably withheld or delayed. The provisions of Section 9.1 and Section 9.2 shall survive the termination of this Agreement.

9.2 Limitation on Liability. Manager assumes no liability whatsoever for (a) any acts, omissions or conduct of the Developer, Condominium the Homeowners Association, any current or Board of Directors or Board of Managers, any current or previous Unit Owners (including their Permitted Users), or any previous management of any of the foregoing Persons; (b) any failure of or default by any Unit Owner in the payment of any Assessment or other charges due to the Condominium and/or the Homeowners Association or in the performance of any obligations owed by any Unit Owner to the Condominium and the Homeowners Association; (c) violations of environmental or other regulations that may become known during the period this Agreement is in effect provided, however, such violation is not directly attributable to the willful misconduct or fraud of Manager; and (d) any and all claims or damages or injuries to persons or property by reason of any cause whatsoever, either in or about

the Condominium and/or the Association Common Areas, the Common Elements or any Unit, unless such claim results from the willful misconduct or fraud of Manager.

9.3 Standard of Care. Except for a breach by Manager of Manager's express obligations under the provisions of this Agreement, Manager shall have no liability for the performance or nonperformance of any acts by Manager or for any omissions of Manager not directly attributable to Manager's willful misconduct or fraud. Condominium and the Homeowners Association recognize that the multitude of the tasks imposed upon Manager and the complexity of some matters is such that a competent and successful performance of Manager's obligations from an overall viewpoint could be achieved, notwithstanding the fact that an employee of Manager might be negligent in the performance of one or more particular activities and accordingly, Board of Managers and Board of Directors each waives any and all claims against Manager based upon negligence or gross negligence.

9.4 Waiver. The Board of Managers and Board of Directors hereby waive and release Manager from and against any liability with respect to any representations or defects, any proper termination of any condominium agreement or Homeowners Association agreement to which Manager or any of its Affiliates is a party (including this Agreement), or any claims whatsoever, relating to the marketing, development, sale or construction of any Unit, the Common Elements and Association Common Areas, the Condominium, the Homeowners Association or any part thereof.

10. REPRESENTATIONS AND WARRANTIES OF THE CONDOMINIUM AND THE HOMEOWNERS ASSOCIATION

To induce Manager to enter into this Agreement, the Board of Managers and Board of Directors each hereby makes the following representations and warranties as of the date hereof:

10.1 Authority. The execution of this Agreement is permitted by the Condominium Instruments and Homeowners Association Instruments, and this Agreement has been duly authorized, executed, and delivered and constitutes the legal, valid and binding obligation of the Condominium and the Homeowners Association enforceable in accordance with the terms hereof. The terms and conditions of this Agreement comply with the Condominium Instruments and Homeowners Association Instruments.

10.2 No Claims. There is no claim, litigation, proceeding or governmental investigation pending (or as far as is known to the Condominium and the Homeowners Association, threatened) against or relating to the Condominium and the Homeowners Association, the properties or business of the Condominium and the Homeowners Association or the transactions contemplated by this Agreement, which does or may reasonably be expected to materially and adversely affect the ability of the Condominium and the Homeowners Association to enter into this Agreement or to carry out its obligations hereunder, and there is no basis for

any such claim, litigation, proceeding or governmental investigation, except as has been fully disclosed in writing to Manager.

10.3 No Conflicting Agreements. Neither the consummation of the actions contemplated by this Agreement to be performed by the Condominium and/or the Homeowners Association, nor the fulfillment of the terms and conditions of this Agreement, conflicts with or will result in the breach of any of the terms or conditions of, or constitutes a default under, any agreement, indenture, instrument or undertaking to which the Condominium and /or the Homeowners Association is a party or by which it or its assets is bound.

11. REPRESENTATIONS AND WARRANTIES OF MANAGER

To induce the Condominium and the Homeowners Association to enter into this Agreement, Manager hereby makes the following representations and warranties as of the date hereof:

11.1 Authority. This Agreement has been duly authorized, executed, and delivered and constitutes the legal, valid and binding obligation of Manager enforceable in accordance with the terms hereof.

11.2 No Claims. There is no claim, litigation, proceeding or governmental investigation pending (or as far as is known to Manager, threatened) against or relating to Manager, the properties or business of Manager or the transactions contemplated by this Agreement, which does or may reasonably be expected to materially and adversely affect the ability of Manager to enter into this Agreement or to carry out its obligations hereunder, and there is no basis for any such claim, litigation, proceeding or governmental investigation, except as has been fully disclosed in writing to the Condominium and the Homeowners Association.

11.3 No Conflicting Agreements. Neither the consummation of the actions contemplated by this Agreement to be performed by Manager, nor the fulfillment of the terms and conditions of this Agreement, conflicts with or will result in the breach of any of the terms or conditions of, or constitutes a default under, any agreement, indenture, instrument or undertaking to which Manager is a party or by which it or its assets is bound.

12. INSURANCE

12.1 Property Insurance. Commencing with the Commencement Date, the Board of Managers and Board of Directors shall separately procure and maintain the following insurance (or Manager shall procure and maintain the following insurance if (i) Condominium and the Homeowners Association requests in writing, at least sixty (60) days prior to the Commencement Date, that Manager procure and maintain the following, (ii) the Condominium Building and Association Common Areas satisfies the then-current insurability criteria under

Manager's insurance program, and (iii) Manager approves such request, in its sole and absolute discretion, at the Condominium and the Homeowners Association's sole cost and expense):

A. Property insurance (and to the extent applicable, builders risk insurance), including boiler and machinery coverage, on the Condominium Building and Association Common Areas (including its component), but not including the improvements and betterments and personal property of each Unit Owner and amenities operators if any), all Common Elements and Association Common Areas including but not limited to common Furniture and Equipment and fixed asset supplies and contents (the foregoing, collectively, the "Areas of Insurance Responsibility") against loss or damage by risks generally covered by an "all risk of physical loss," form or equivalent policy of insurance. Such coverage, to the extent available at commercially reasonable rates, terms and conditions shall be for an amount not less than one hundred percent (100%) replacement cost thereof, less a reasonable deductible and subject to commercially reasonable sub-limits. Such coverage shall include (i) an agreed value provision, (ii) waiver of co-insurance, (iii) landscape improvements coverage of not less than the replacement cost of such improvements, and (iv) law and ordinance coverage in an amount not less than twenty-five percent (25%) of the replacement value or Ten Million Dollars ($10,000,000) whichever is greater;

B. Business interruption insurance caused by any occurrence covered by the insurance described in Section 12.1.A, Section 12.1.C, Section 12.1.D, Section 12.1.E and Section 12.1.F. Such coverage, to the extent available at commercially reasonable rates, terms and conditions, shall include (i) extra expense, (ii) necessary continuing expenses, including ordinary payroll expenses covering a period of not less than ninety (90) days, (iii) management fees, (iv) if applicable, loss of rental income and not less than two (2) years loss of profits, (v) if applicable, maintenance fees (if the Condominium and/or the Homeowners Association elects to insure such Common Charges and Maintenance Charges), and (vi) an extended period of indemnity of not less than three hundred sixty-five (365) days;

C. Flood insurance, to the extent such coverage is excluded or sub-limited from the property insurance required under Section 12.1.A and the Condominium Building or Association Common Areas is located in whole or in part within an area identified as having a special flood hazard. Such coverage to the extent available at commercially reasonable rates, terms and conditions, shall be for not less than twenty-five percent (25%) of the replacement cost of the Condominium Building and Association Common Areas, in excess of the application of a reasonable deductible. In no event shall flood insurance coverage be less than the maximum amount available under the National Flood Insurance Program (or successor program) for such coverage;

D. Insurance for loss or damage caused by earth movement, to the extent such coverage is excluded from the property insurance required under Section 12.1.A, and to the extent the Condominium Building and/or Association Common Areas is located in an "earthquake prone zone" as determined by the authority or by the insurance industry. Such

coverage, to the extent available at commercially reasonable rates, terms and conditions, shall be for not less than the probable maximum loss of the Condominium Building and/or Association Common Areas or the aggregate probable maximum loss if insured under a blanket program, less a reasonable deductible;

E. Terrorism insurance, to the extent such coverage is excluded or sub-limited from the property insurance required under Section 12.1.A. Such coverage, to the extent available at commercially reasonable rates, terms and conditions, shall be for not less than the replacement cost of the Condominium Building and/or Association Common Areas, less a reasonable deductible; and

F. Windstorm insurance, to the extent such coverage is excluded from the property insurance required under Section 12.1.A and to the extent the Condominium Building and/or Association Common Areas is located in a "windstorm prone zone" as determined by an appropriate government authority or by the insurance industry. Such coverage, to the extent available at commercially reasonable rates, terms and conditions, shall be for not less than the probable maximum loss of the Condominium Building and/or Association Common Areas or the aggregate probable maximum loss if insured under a blanket program, less a reasonable deductible.

G. Such other property insurance as is customarily maintained by Manager at similar condominium developments.

H. All insurance procured by the Condominium and the Homeowners Association hereunder shall be obtained from reputable insurance companies of recognized responsibility and financial standing reasonably acceptable to Manager. Any premiums and deductibles under said policies shall be subject to the reasonable approval of Manager. Such premiums and deductibles (net of any credits, rebates and discounts) shall be paid as Common Expenses of the Condominium and the Homeowners Association, as applicable.

I. All such policies of insurance shall be carried in the name of Developer until all Condominium Units are sold in all Condominium Regimes, with Manager as an additional insured unless Manager procures such insurance on behalf of the Condominium or the Homeowners Association, in which event Manager shall be the named insured and shall name the Condominium and the Homeowners Association as an additional insured. Any property losses thereunder shall be payable to the respective parties as their interests may appear. Each Mortgage granted by the Condominium and the Homeowners Association shall contain provisions to the effect that proceeds of the insurance policies required to be carried by the Condominium and the Homeowners Association under Section 12.1 shall be available for repair and restoration of the Condominium Building and/or the Association Common Areas.

J. If the Condominium and the Homeowners Association procure the insurance described in Section 12.1.A, the Condominium and the Homeowners Association shall

deliver to Manager (i) certificates of insurance for such insurance or, upon Manager's request, a certified copy of the policy(ies) so procured, and (ii) in the case of insurance policies about to expire, certificates with respect to the renewal(s) thereof. All such certificates of insurance shall, to the extent obtainable, state that the insurance shall not be cancelled, non-renewed or materially changed without at least thirty (30) days prior written notice to the certificate holder.

K. Each of Condominium and the Homeowners Association and Manager hereby waives its rights of recovery and its insurer rights of subrogation from the other party or any of its Affiliates (and its respective directors, officers, shareholders, agents and employees) for loss or damage to the Condominium, and any resultant interruption of business regardless of the cause of such property or business interruption loss.

L. All premiums for the insurance required in this Section shall be allocated by Manager among the Budgets as Common Expenses of the Condominium and the Homeowners Association in accordance with the Condominium Instruments and the Homeowners Association Instruments, including special allocations where required.

M. In the event Board of Managers and Board of Directors elects to have Condominium Building and Association Common Areas insured under Manager's property insurance program and Manager approves such participation pursuant to the first (1ST) paragraph of Section 12.1, the Condominium and Association Common Areas shall be insured under Manager's property insurance program until such time as Condominium, Homeowners Association or Manager shall provide written notice to the other of its intent to discontinue such participation in accordance with the following:

(i) If Condominium and/or the Homeowners Association elects to remove the Condominium Building and/or Association Common Areas from Manager's property insurance program and to procure their own property insurance, the Condominium and the Homeowners Association shall provide Manager written notice of such decision at least ninety (90) days prior to the next renewal date of coverage under Manager's property insurance program (which is currently April 1st of each calendar year). If the Condominium and/or the Homeowners Association fails to timely provide such notice, but the Condominium and the Homeowners Association nevertheless procure their own property insurance for the Condominium Building and/or Association Common Areas, the Condominium and the Homeowners Association shall pay to Manager an amount equal to ten percent (10%) of the annual premium under Manager's property insurance program to cover all fixed costs and expenses incurred by Manager for the placement of such property insurance. If the Condominium and the Homeowners Association elects to exit Manager's property insurance program in the middle of a coverage year (i.e., prior to the end of a coverage year), (i) the premiums under each of Manager's property insurance program and the Condominium and the Homeowners Association's replacement property insurance program will be prorated as of the date on which Manager receives and approves certificates of insurance evidencing the Condominium and the Homeowners Association's replacement property insurance coverage and

its compliance with the requirements of this Section 12.1, and (ii) the Condominium and the Homeowners Association shall pay to Manager the amount described in the immediately preceding sentence. If the Condominium and the Homeowners Association elect to exit Manager's property insurance program pursuant to the foregoing provisions (ergo why the election shall be made jointly), the Condominium and the Homeowners Association may elect to again have the Condominium and the Homeowners Association participate in Manager's property insurance program only upon Manager's prior approval, which Manager may withhold in its sole and absolute discretion.

(ii) If Manager elects to remove the Condominium Building and/or Association Common Areas from Manager's property insurance program, Manager shall provide Condominium and/or Homeowners Association written notice of such decision at least ninety (90) days prior to the next renewal date of coverage under Manager's property insurance program (which is currently April 1st of each calendar year). Following such notice, Condominium and/or Homeowners Association shall proceed to procure insurance for the Condominium Building and/or Association Common Areas pursuant to Section 12.1 effective as of the expiration date of the current coverage. Condominium and/or Homeowners Association may subsequently seek to have the Condominium Building and/or Association Common Areas participate in Manager's property insurance program; however such participation shall be subject to the requirements of the first (1st) paragraph of Section 12.1.

12.2 Operational Insurance

Commencing with the Commencement Date and thereafter during the Term, Manager shall procure and maintain the following:

A. Commercial general liability insurance against claims for bodily injury, death or property damage occurring in conjunction with Manager's operation of the Condominium and the Homeowners Association, and automobile liability insurance on vehicles operated in conjunction with the operations of the Condominium and the Homeowners Association, with a combined single limit for each occurrence of not less than One Hundred Million Dollars ($100,000,000);

B. Workers' compensation coverage as may be required under Applicable Laws covering all of Manager's employees at the Board of Managers and Board of Directors, and employer's liability insurance of not less than One Million Dollars ($1,000,000) per accident/disease;

C. Fidelity bond coverage in an amount not less than Two Million Dollars ($2,000,000) covering Manager's employees at the Board of Managers and Board of Directors; and

D. Employment practices liability insurance covering all of Manager's employees at the Condominium and the Homeowners Association, to the extent available at commercially reasonable rates and terms, in an amount not less than Two Million Dollars ($2,000,000);

E. Such other insurance in amounts as Manager, in its reasonable judgment, deems advisable for protection against claims, liabilities and losses arising out of or connected with the operation of the Condominium and the Homeowners Association.

F. All insurance procured by Manager pursuant to Section 12.1 (if Manager procures such insurance) and Section 12.2 may be obtained by Manager through blanket insurance programs, with shared aggregate coverage levels, sub-limits, deductibles, conditions, and exclusions based on industry conditions and based on what is available at commercially reasonable rates, terms and conditions. The blanket program may apply to one or more insured locations which may incur a loss for the same insured event, which could result in the exhaustion of coverage prior to the resolution of all claims arising from such event. In addition, industry conditions may cause policy terms, conditions, sub-limits, conditions or exclusions to result in coverage levels less than the amounts prescribed in Section 12.1 and Section 12.2. Such conditions and limitations shall not constitute a breach of Manager's insurance procurement obligations hereunder. The insurance procured under Section 12.2 may include an "Insurance Retention." Insurance Retention shall mean the deductibles or risk retention levels; however, the Condominium's and the Homeowners Association's responsibility for such deductibles or risk retention levels shall be limited to the Condominium's and Homeowners Association's per occurrence limit for any loss or reserve as established for the Condominium and the Homeowners Association, which limit shall be the same as other similar condominiums participating in the blanket insurance programs.

G. All insurance required under Section 12.2 shall be carried in the name of Manager. The insurance required under Section 12.2.A shall include the Condominium and the Homeowners Association, and the holders of any Mortgages specified by the Condominium and the Homeowners Association in writing, as additional insureds.

H. Manager, upon request, shall deliver to the Condominium and the Homeowners Association and to a Unit Owner certificates of insurance evidencing the insurance coverages required under Section 12.2.A (and the insurance coverages required under Section 12.1.A, if Manager procures such insurance) and any renewals thereof. All such certificates of insurance shall, to the extent obtainable, state that the insurance shall not be cancelled or materially reduced without at least thirty (30) days prior written notice to the certificate holder.

I. All insurance premiums, costs and other expenses, including any Insurance Retention, shall be treated as Common Expenses of the Condominium and the Homeowners Association. All charges under the blanket programs shall be allocated to the

Condominium and/or to the Homeowners Association on a reasonable basis. Any losses and associated costs and expenses that are uninsured shall be treated as a cost of insurance and shall also be treated as a Common Expense.

J. Upon termination of this Agreement, Manager shall establish from funds in the Reserve Account a reserve in an amount determined by Manager, based on loss projections, to cover the amount of any Insurance Retention and all other costs and expenses that will eventually have to be paid by any of the Condominium, the Homeowners Association or Manager with respect to pending or contingent claims, including those that arise after termination, for causes arising during the Term. If the Reserve Account is insufficient to meet the requirements of such reserve, the Condominium and/or the Homeowners Association shall deliver to Manager, within ten (10) days after receipt of Manager's written request therefore, the sums necessary to establish such reserve; and if the Condominium and/or the Homeowners Association fails to timely deliver such sums to Manager, Manager shall have the right (without affecting Manager's other remedies under this Agreement) to withdraw any necessary amounts from the bank accounts referenced in Section 4.1.5 or from any other funds of the Condominium and/or the Homeowners Association held by or under the control of Manager.

12.3 Insurance Proceeds. All proceeds of property damage insurance obtained by the Condominium and the Homeowners Association, when collected, shall be deposited with the Manager, in a trust account in a bank or trust company Approved by (i) Manager, and (ii) the Condominium or the Homeowners Association, as applicable. Subject to the limitations set forth in the Condominium Act, such insurance proceeds shall be used to the extent necessary for the repairing, rebuilding, and replacement of the Condominium and the Association Common Areas and any other related improvement or improvements, together with replacing any Common Elements, including Furniture and Equipment, required in the operation of the Condominium and the Homeowners Association, all such proceeds being pledged and dedicated by the parties for that purpose. Any Mortgage on the Condominium or the Association Common Areas and any Mortgage on any Unit shall contain provisions to the effect that all such proceeds shall be available for that purpose.

12.4 Condominium and the Homeowners Association's Insurance. The Condominium and the Homeowners Association shall, throughout the Term of this Agreement, provide and maintain, at their sole expense, commercial general liability insurance in amounts not less than a combined single limit of Ten Million Dollars ($10,000,000) for each occurrence, providing coverage for claims for personal injury, death and property damage occurring at the Condominium or in connection with the business of the Condominium and the Homeowners Association. Such insurance shall be obtained from reputable insurance companies of recognized responsibility and financial standing reasonably acceptable to Manager. Any premiums and deductibles under said policies shall be subject to the reasonable approval of Manager and shall be paid as a Common Expense of the Condominium and the Homeowners Association. Manager shall be named as additional insured on the insurance described in this Section 12.4.

12.5 Unit Owner's Insurance. The Condominium shall require that each Unit Owner obtain, with regard to its Unit, adequate insurance to protect the Unit Owner's improvements and betterments, personal property and personal liability associated with its activities in accordance with the Condominium Instruments. The Condominium shall provide a certificate of insurance evidencing such insurance from each Unit Owner within ten (10) days after receipt by the Condominium of a request from Manager for such insurance certificates.

13. MISCELLANEOUS

13.1 Further Assurances. The Condominium, the Homeowners Association and Manager shall execute and deliver all other appropriate supplemental agreements and other instruments, and take any other action necessary to make this Agreement fully and legally effective, binding, and enforceable as between them and as against third parties.

13.2 Waiver. The waiver of any of the terms and conditions of this Agreement on any occasion or occasions shall not be deemed a waiver of such terms and conditions on any future occasion.

13.3 Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the Condominium, the Homeowners Association and Manager and their respective successors and permitted assigns.

13.3.1 Assignment by Manager. Manager shall have the right to assign its rights and obligations under this Agreement without the consent of the Condominium or the Homeowners Association (a) to any Affiliate so long as said Affiliate continues to have the benefit of the Ritz-Carlton Rights and Ritz-Carlton Marks, or (b) to any assignee that is not an Affiliate but that acquires all or a substantial part of the assets of Manager (including all or a substantial part of the Ritz-Carlton Rights and Ritz-Carlton Marks) and assumes its obligation under this Agreement. In such latter event, Manager's liability hereunder shall terminate on the effective date of such assignment, but in the event of any assignment to an Affiliate, Manager shall continue to be liable under this Agreement to the same extent as though such assignment had not been made. Manager may assign its rights to receive the Management Fees or portions thereof to any Person as security for indebtedness. If Manager elects to assign its rights and obligations under this Agreement to an Affiliate in connection with restructuring Manager's interest under this Agreement for income tax or other tax related purposes, the Condominium and the Homeowners Association shall cooperate with Manager, at no cost or expense to the Condominium or the Homeowners Association, in effectuating such restructuring. Manager shall promptly notify the Condominium and the Homeowners Association in writing of any assignment made pursuant to this Section 13.3.1. Except as hereinabove provided, Manager shall not assign its rights or obligations under this Agreement without the Approval of Condominium and the Homeowners Association, which approval shall be granted or denied in the sole discretion of the Condominium and the Homeowner's Association.

13.3.2 Assignment By Condominium and the Homeowners Association. Neither the Condominium nor the Homeowners Association shall assign all or any portion of this Agreement without the approval of Manager, which approval may be withheld for any reason.

13.4 Governing Law. This Agreement is executed pursuant to, and shall be construed under and governed exclusively by, the internal laws of the State of New York.

13.5 Expert Decisions. Where a matter is referred to an Expert for determination, the following provisions shall apply to such Expert's determination, except as may be otherwise expressly provided in this Agreement:

(a) Except as may be provided in Section 4.1.1, the decision of the Expert shall be final and binding on the parties and shall not be capable of challenge, whether by arbitration, in court or otherwise.

(b) Each party shall be entitled to make written submissions to the Expert within thirty (30) days of the Expert being selected, and if a party makes any submission it shall also provide a copy to the other party and the other party shall have the right to comment on such submission. The parties shall make available to the Expert all books and records relating to the issue in dispute and shall render to the Expert any assistance requested of the parties. The costs of the Expert and the proceedings shall be borne as directed by the Expert unless otherwise provided for herein.

(c) The terms of engagement of the Expert shall include an obligation on the part of the Expert to:

(i) notify the parties in writing of his decision within forty-five (45) days from the date on which the Expert has been selected (or such other period as the parties may agree or as set forth herein);

(ii) apply the standards applicable to first-class residential condominiums in accordance with the Ritz-Carlton Standards; and

(iii) establish a timetable for the making of submissions and replies.

13.6 Amendments. This Agreement may not be modified, amended, surrendered or changed, except by a written instrument executed by each of the parties hereto.

13.7 Estoppel Certificates. The Condominium, the Homeowners Association and Manager agree, at any time and from time to time, as requested by the other party on not less than thirty (30) days prior written notice, to execute and deliver to the other a statement

certifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that this Agreement is in full force and effect as modified and stating the modifications), certifying the dates on which required payments have been paid, and stating whether, to the best knowledge of the signer, the other party is in default in performance of any of its obligations under this Agreement, and if so, specifying each such default of which the signer may have knowledge, it being intended that any such statement delivered pursuant hereto may be relied on by others with whom the party requesting such certificate may be dealing.

13.8 Partial Invalidity. If any of the provisions in this Agreement shall be declared invalid by a final and non-appealable order, decree, or judgment of any court or shall be invalid due to any change in Applicable Law, then this Agreement shall be construed as if such provision(s) had not been inserted, unless such construction would substantially destroy the benefit of the bargain of such agreement to the Condominium, the Homeowners Association or Manager. The applicable terms and provisions of the Condominium Instruments, the Homeowners Association Instruments and the Condominium Act shall be deemed paramount to the terms and provisions of this Agreement and, where applicable, the terms and provisions of this Agreement shall be deemed amended to comply with the foregoing.

13.9 No Representation. In entering into this Agreement, the Condominium, the Homeowners Association and Manager acknowledge that no party has made any representation to the other regarding business prospects, economic value, financial condition or other similar matters with respect to the Condominium.

13.10 Relationship. In the performance of this Agreement, Manager shall act solely as an independent contractor of the Condominium and the Homeowners Association and shall have no agency relationship with the Condominium, the Homeowners Association, the Board of Directors or the Board of Managers. Neither this Agreement nor any agreements, instruments, documents, or transactions contemplated hereby shall in any respect be interpreted, deemed, or construed as making Manager a partner or joint venturer with the Condominium, the Homeowners Association, the Board of Directors or the Board of Managers or as creating any similar relationship, or as requiring Manager to bear any portion of the losses arising out of or connected with the ownership or operation of the Condominium and the Homeowners Association. The Developer has no financial or ownership interest in or with regard to the Manager. The Condominium and the Homeowners Association each agree that it will not make any contrary assertion, contention, claim or counterclaim in any action, suit, arbitration or other legal proceedings involving Manager, the Board of Managers or the Board of Directors.

13.11 Affiliates. Manager shall be entitled to contract with companies that are Affiliates (or companies in which Manager has an ownership interest if such interest is not sufficient to make such a company an Affiliate) to provide goods and/or services to the Condominium and to the Homeowners Association; provided that the prices and/or terms for such goods and/or services are competitive with those obtainable from unrelated vendors or are the subject of competitive bidding. Additionally, Manager may contract for the purchase of

goods and services for the Condominium and/or the Homeowners Association with third parties that have other contractual relationships with Manager, Marriott International, Inc. and their Affiliates, so long as the prices and terms are competitive with those obtainable from unrelated vendors or are the subject of competitive bidding. In determining, pursuant to the foregoing, whether such prices and/or terms are competitive, they will be compared to the prices and/or terms which would be available from reputable and qualified parties for goods and/or services of similar quality, and the goods and/or services which are being purchased shall be grouped in reasonable categories, rather than being compared item by item. Any dispute as to whether prices and/or terms are competitive shall be referred to the Expert as provided in Section 13.5. The prices paid may include overhead and the allowance of a reasonable return to Manager and its Affiliates (or companies in which Manager has an ownership interest if such interest is not sufficient to make such a company an Affiliate). The Condominium and the Homeowners Association each acknowledge and agree that, with respect to any purchase of goods or services pursuant to this Section 13.11 and subject to the foregoing qualification that prices and/or terms are competitive, Manager and its Affiliates may retain for their own benefit any allowances, credits, rebates, commissions and discounts received with respect to any such purchases. In any instance in which Manager or an Affiliate receives an Unrestricted Rebate with respect to any purchase, sale, lease or other procurement or provision of goods or services for or to the Condominium and/or the Homeowners Association, such Unrestricted Rebate (or allocable portion thereof, based on a reasonable allocation formula, to the extent that such Unrestricted Rebate also applies to the purchase, sale, lease or other procurement or provision of goods or services for or to other condominiums, homeowners associations or third parties) shall be treated as follows: (i) first, the amount of such Unrestricted Rebate shall be applied against any procurement fees or costs incurred in connection with the purchase, sale, lease or other procurement or provision of goods or services for or to the Condominium and Homeowners Association (which fees and costs shall be allocated to the Condominium and the Homeowners Association on a reasonable basis to the extent such fees and costs also apply to the purchase, sale, lease or other procurement or provision of goods or services for or to other condominiums, homeowners association or third parties), and (ii) second, any remaining amount of such Unrestricted Rebate shall be reimbursed to the Condominium or the Homeowners Association (which reimbursement shall be treated as a reduction of the applicable Common Expenses). For purposes hereof, the term "Unrestricted Rebate" shall mean a rebate, payment or other enrichment received by Manager or an Affiliate with respect to the purchase, sale, lease or other procurement or provision of goods or services for or to the Condominium or the Homeowners Association, where Manager or such Affiliate is entitled to return such rebate, payment or enrichment to the Condominium or Homeowners Association for or to which the goods or services were purchased, sold, leased, procured or provided. The term "Unrestricted Rebate" shall not include any allowances, payments or other enrichments received by Manager or an Affiliate with respect to the purchase, sale, lease or other procurement or provision of goods or services for or to the Condominium or the Homeowners Association, where Manager or such Affiliate is not entitled to return such allowances, payments or enrichments to the Condominium or the Homeowners Association for or to which the goods or services were purchased, sold,

leased, procured or provided or is required by a third party to utilize or allocate such allowances, payments or enrichments in a specific manner.

13.12 Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof, superseding all prior agreements or undertakings, oral or written; provided that this Agreement does not supersede any existing or future development or licensing agreement between Manager and the Developer.

13.13 Extraordinary Events. Notwithstanding anything else in this Agreement, if any party's failure to comply with, perform, or satisfy any representation, warranty, covenant, undertaking, obligation, standard, test, or condition set forth in this Agreement is caused in whole or in part by any Extraordinary Event(s), such failure shall not constitute a default under this Agreement (unless the failure is a failure to procure or maintain insurance coverages specified in this Agreement or to make any monetary payments required by this Agreement), and such failure (except regarding insurance coverages and monetary payments) shall be excused for as long as the failure is caused in whole or in part by such Extraordinary Event(s); provided that if such failure would (but for this Section 13.13) constitute an Event of Default (after expiration of any applicable cure period) attributable to one party, and if the Extraordinary Event causing such failure has continued for a period of ninety (90) days or more, then the other party may, at its option, cancel this Agreement and the Term hereof upon thirty (30) days' written notice.

13.14 Interpretation. No provisions of this Agreement shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or dictated such provision.

13.15 Notices. Any notice, statement or demand required to be given under this Agreement shall be in writing, and at the option of the party giving notice, be (i) personally delivered, or (ii) transmitted by certified or registered mail, return receipt requested, postage prepaid, or (iii) by Federal Express or other recognizable overnight courier, or (iv) by confirmed facsimile (provided that a confirmatory copy is thereafter sent by certified or registered mail or recognizable overnight courier), addressed:

To the Condominium and the Homeowners Association:

President
The Residence, North Hills Condominium One
85-95 Long Island Expressway
North Hills, New York 11042

President
The Residence, North Hills Homeowners Association, Inc.
85-95 Long Island Expressway
North Hills, New York 11042

with a copy to:

Forchelli, Curto, Deegan, Schwartz, Mineo, Cohn & Terrana LLP
The Omni
333 Earle Ovington, Boulevard
Uniondale, New York 11553
Attn: Daniel P. Deegan, Esq.
Fax: (516) 759-3419

and a copy to:

Midtown North Hills LLC
625 RexCorp Plaza
Uniondale, New York 11556
Attn: Legal Department
Fax: (516) 506-6813

To Manager:

The Ritz-Carlton Hotel Company, L.L.C.
4445 Willard Avenue, Suite 800
Chevy Chase, Maryland 20815
Attn: General Counsel
Fax: (301) 547-4718

with a copy to:

The Ritz-Carlton Hotel Company, L.L.C.
10400 Fernwood Road
Department 52/923.28
Bethesda, Maryland 20817
Attn: Law Department Operations
Fax: (301) 380-6727

and a copy to:

The Ritz-Carlton Hotel Company, LLC
6675 Westwood Boulevard, Suite 175
Orlando, Florida 32821
Attn: Manager of Governance, Residential Services
Fax: (407) 370-2131

or to such other addresses as Condominium, the Homeowners Association or Manager shall designate in the manner herein provided. Any such notice shall be deemed to have been given on (x) the date of receipt if delivered personally, or (y) the date that the return receipt, overnight courier's records or confirmed facsimile indicates that delivery to the addressee was received. The Condominium, the Homeowners Association and Manager each agree that on giving of any notice, it shall use its reasonable efforts to advise the other by telephone that a notice has been sent hereunder. Such telephonic advice shall not, however, be a condition to the effectiveness of notice hereunder.

13.16 Confidentiality. The parties agree that the matters set forth in this Agreement and statements, reports, projections other information relating to the operation of the Condominium are strictly confidential, and each party and the Unit Owners will make every effort to ensure that the information is not disclosed to any outside person or entities (including the press) without the prior written consent of the other party, except as required by Applicable Law and as may be reasonably necessary to obtain licenses, permits, insurance and other approvals necessary for the refurbishment, repair or operation of the Condominium. The provisions of this Section 13.16 shall survive the expiration or earlier termination of this Agreement. A copy of this Management Agreement may be included in the Offering Plans for The Residences, North Hills Condominium One, The Residences, North Hills Condominium Two, and The Residences, North Hills Homeowners Association, Inc.

13.17 Brokerage. Each of the parties hereby represents and warrants to the other that it has not engaged any broker, consultant or similar Person in connection with the subject matter of this Agreement. Each party shall indemnify, defend, and hold harmless the other party from and against all damages, costs, liabilities and expenses (including reasonable attorneys' fees) based on or arising from any third party claim based on an alleged brokerage, consultancy or similar engagement by the indemnifying party or by any of its Affiliates. Any payment from a party to a broker, consultant or similar Person shall be borne exclusively by such party. The provisions of this Section 13.17 shall survive the termination of this Agreement.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, Manager and the Developer, on behalf of itself and the Condominium and the Homeowners Association, acting by and through their proper and duly authorized directors, partners, officers or other representatives, have each duly executed this Agreement as of the date first written above.

MANAGER:
THE RITZ-CARLTON HOTEL COMPANY, L.L.C.

By: _____
Name: _____
Title: _____

DEVELOPER:
RXR NORTH HILLS PHASE I PROPERTY OWNER LLC

By: _____
Name: _____
Title: Member

CONDOMINIUM:
BOARD OF MANAGERS OF
THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE

By: _____
Name: _____
Title: President of Board of Managers

HOMEOWNERS ASSOCIATION:
BOARD OF DIRECTORS OF
THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

By: _____
Name: _____
Title: President of North Hills Homeowners Association, Inc.

EXHIBIT A-1

CONDOMINIUM BUDGET

The Residences, North Hills Condominium One

PROJECTED BUDGET FOR THE FIRST YEAR OF OPERATION

Budget for First Year of Operations

[TO BE AGREED TO AND INSERTED]

EXHIBIT A-2

HOMEOWNERS ASSOCIATION BUDGET

The Residences, North Hills Homeowners Association, Inc.
PROJECTED BUDGET FOR THE FIRST YEAR OF OPERATION
Budget for First Year of Operations
[TO BE AGREED TO AND INSERTED]

	The Residence, North Hills Condominium	1	1, 2 & 3	1, 2, 3, 4 & 5
	TOTAL UNITS	40	140 UNITS	244 UNITS
	Income:			
	Homeowners Association Maintenance Charges			
	Contribution by Sponsor			
	TOTAL HOMEOWNERS ASSOCIATION INCOME			
	Expenses:			
	Audit Fees			
	Franchise & Corporate Taxes			
	Legal Fees			
	Printing & Postage			
	Office Supplies & Equipment			
	Total Administrative			
	Administrative Wages & Benefits			
	Doormen – Wages & Benefits			
	Concierge – Wages & Benefits			
	Maintenance – Wages & Benefits			
	Porters – Wages & Benefits			
	Security – Wages & Benefits			
	Valet – Wages & Benefits			
	Total Wages & Benefits			
	Management Fees			
	HVAC Maintenance			
	Building Repairs & Maintenance			
	Carpet Cleaning			
	Decorations & Flowers			
	Elevator Maintenance			
	Fire System Maintenance			
	Goose Control			

	Housekeeping Supplies			
	Equipment Repairs & Maintenance			
	Plumbing Maintenance			
	Landscaping			
	Lawn Sprinkler Maintenance			
	Marble & Metal Maintenance			
	Permits & Licenses			
	The Residence, North Hills Condominium			
	TOTAL UNITS			
	Pest Control			
	Refuse			
	Security System			
	Snow Removal			
	Uniforms – Purchase, Cleaning & Repair			
	Window Washing			
	Total Maintenance			
	Utilities			
	Electricity Common Area			
	Gas Common Area			
	Cable TV & Internet (Clubhouse & Concierge)			
	Telephone			
	Water & Sewer			
	Total Utilities			
	Insurance			
	Accounting Service			
	Night Cleaners			
	Fitness Club Operations & Classes			
	Food & Beverage – Restaurant			
	Pool Operations & Maintenance			
	Spa			
	Reserves			
	Contingency (1% of total budget)			
	TOTAL EXPENSES INCLUDING CONTINGENCY			

EXHIBIT B

FORM OF ADDENDUM FOR THE FUTURE CONDOMINIUM WITH BUDGET

ADDENDUM TO MANAGEMENT AGREEMENT

THIS ADDENDUM is made this _____ day of _____, 20__, by and between THE RITZ-CARLTON HOTEL COMPANY, L.L.C., a limited liability company organized and existing under the laws of the State of Delaware with its principal place of business at 4445 Willard Avenue, Suite 800, Chevy Chase, Maryland 20815 ("Manager"), and RXR NORTH HILLS PHASE II PROPERTY OWNER LLC, a New York limited liability company ("Developer"), with offices located at 625 RexCorp Plaza, Uniondale, New York 11554, on behalf of the BOARD OF MANAGERS OF THE RESIDENCES, NORTH HILLS CONDOMINIUM, a New York unincorporated association ("Board of Managers"), with its principal place of business at 85-95 Long Island Expressway, North Hills, New York and on behalf of THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC. ("Homeowners Association"), a New York Not-for-Profit Corporation, with its principal place of business located at 85-95 Long Island Expressway, North Hills, New York.

RECITALS:

A. Developer and Manager have entered into that certain Management Agreement dated _____, 200__ ("Management Agreement"), wherein Developer requested, on behalf of Homeowners Association and the Board of Managers of The Residences, North Hills Condominium One, and the Manager agreed to perform certain management services for the Homeowners Association and the Board of Managers for the Association Common Areas and the Common Elements of Condominium One.

B. Pursuant to the terms of the Management Agreement, the Developer reserved the right, but not the obligation, to develop the additional condominium which is referred to in the Management Agreement as Condominium Two ("Future Condominium").

C. The parties agreed that upon completion of the Future Condominium, it would be managed as an integrated part of the original Property subject to the Management Agreement by execution of this Addendum.

D. Developer has completed the construction of The Residences, North Hills Condominium Two ("Condominium Two") and hereby evidences its agreement that Condominium Two be managed by Manager in accordance with all the terms and conditions of the Management Agreement, as modified herein.

NOW THEREFORE, in consideration of the term, condition and covenants hereinafter set forth, the parties agree as follows:

1. Condominium Two is complete and is incorporated into the Management Agreement so that any and all reference to "Condominium" shall mean and refer to Condominium One and Condominium Two and the Boards of Managers of Condominium One, and the Board of Managers of Condominium Two.

2. The budget for Condominium Two is set forth in Schedule 1 attached hereto and made a part hereof. Manager agrees to operate the Common Elements of Condominium Two in accordance with the attached budget, unless and until it is amended as provided in the Management Agreement.

3. Except for the amendment of the budget all other terms and conditions of the Management Agreement remain in full force and effect.

MANAGER:
THE RITZ-CARLTON HOTEL COMPANY, L.L.C.

By: _____
Name: _____
Title: _____

DEVELOPER:
RXR NORTH HILLS PHASE II PROPERTY OWNER LLC

By: _____
Name: _____
Title: Member

CONDOMINIUM:
BOARD OF MANAGERS OF
THE RESIDENCES, NORTH HILLS CONDOMINIUM TWO

By: _____
Name: _____
Title: President of Board of Managers

HOMEOWNERS ASSOCIATION:
BOARD OF DIRECTORS OF
THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

By: _____

Name: _____

Title: President of North Hills Homeowners Association, Inc.

SCHEDULE 1

BUDGET FOR CONDOMINIUM TWO

EXHIBIT C

LIST OF CC&RS

EXHIBIT D

DESCRIPTION OF PHASE I

Approval of Incentive Zoning Permit, Subdivision and Site Plan and Architectural Review

BOARD OF TRUSTEES
VILLAGE OF NORTH HILLS

Case No. 04-26tz. Application of Midtown North Hills LLC for an incentive zoning permit, pursuant to Village Local Law 1-2004, for enhanced development with respect to premises known on the Nassau County Land and Tax Map as Section 8, Block A, Lots 51, 302, 502, 702A, 785 and 882, and located east of New Hyde Park Road, south of the Long Island Expressway South Service Road and north of the Northern State Parkway

Approval of Incentive Zoning Permit, Subdivision and Site Plan, Architectural Review

The proposed project involves an incentive zoning permit application and applications for site plan and subdivision approval for the development of 244 luxury condominium units on a 16.382 acre site. Of the proposed 244 units, there would be 16 one-bedroom units, 149 two-bedroom units, 39 three-bedroom units and 40 four-bedroom units. On May 24, 2006, the Board of Trustees issued a conditional approval for the incentive zoning permit for this project.

The current configuration of "The Residences at North Hills" includes the grouping of 10 buildings in pairs with a common lobby area located between each pair of buildings. The proposed buildings are four stories in height with a pitched mansard roof. The buildings are configured around a central courtyard and promenade entrance road from the South Service Road of the Long Island Expressway ("LIE"). Sidewalks, extensive landscaping and water features (e.g. ponds) are proposed throughout the site.

The proposed project would provide 602 parking spaces, below-grade, under the residential structures and the community center with interconnections provided between each pair of buildings. All wastewater generated by the project would be conveyed off-site via the public sewer system for treatment and disposal at the Bay Park Sewage Treatment Plant ("STP").

The proposed project would have access to the Long Island Expressway South Service Road, and to New Hyde Park Road. The applicant has submitted a proposed alternative access plan which would provide for the ingress and egress via New Hyde Park Road to be at a signalized intersection, using an access route to be shared with a proposed office building project to be located on property at the northeast corner of New Hyde Park Road and the South Service Road.

The Board of Trustees issued a "positive declaration" for the subject action, which addressed the potential impacts associated with the proposed construction of The Residences at North Hills. The "positive declaration," and the ensuing public scoping process, identified the areas of environmental concern to be studied in the State

Environmental Quality Review Act (SEQRA) process. The positive declaration set forth the following as reasons supporting its issuance:

1 *The subject property is situated within the North Hills Special Groundwater Protection Area (SGPA), which is a Critical Environmental Area (CEA), and the potential impacts to the SGPA require assessment. A consistency analysis with the Long Island Comprehensive Special Groundwater Protection Area Plan is necessary.*

2 *The proposed action will result in the removal of approximately 3.6 acres of predominantly oak-tulip forest. The potential impact to such forest and associated ecological resources should be assessed.*

3. *The proposed project involves significant demolition on the property. The impacts of such demolition, including the potential for the presence of hazardous materials should be evaluated.*

4 *Implementation of the proposed action will increase density, and the effect of such increased density on neighborhood character must be evaluated.*

5 *The development of an additional 234 residential units[1] in this area may result in adverse traffic impacts, and these potential impacts must be analyzed.*

6 *The increased demand for community services (e.g., fire protection, police protection, schools, water district, sewer district, recreational facilities) resulting from the proposed residential development must be assessed.*

7 *As the buildings are proposed to be four stories in height and would be located in an area that is highly visible to a large number of viewers, the visual impacts of such development must be examined.*

8 *As the subject site is located in an archaeologically-sensitive zone, as identified by the New York State Office of Parks, Recreation and Historic Preservation, the potential for the presence of such resources must be investigated, and the impact of the proposed project on such resources (if encountered) must be evaluated.*

9. *There are several projects proposed or recently-approved and/or constructed in the immediate vicinity of the subject parcel (i.e., Chatham at North Hills and The Bristol). The cumulative impact of such development must be evaluated.*

The applicant prepared several successive versions of a Draft Environmental Impact Statement (DEIS), which were reviewed by the Village with the assistance of its consultants. All but the final version of the DEIS were rejected by the Village as incomplete and/or inadequate. A DEIS ultimately was accepted by the Board of Trustees on August 11, 2005, and a Notice of Completion was issued in accordance

[1] The unit count was changed to 244 subsequent to issuance of the Positive Declaration.

with SEQRA. A combined public hearing on the DEIS and on the applications for the incentive zoning permit, site plan approval and subdivision approval was held on August 30, 2005, and written comments on the DEIS were accepted through September 12, 2005, also in compliance with SEQRA. Based upon the comments received during the public comment period on the DEIS, the applicant revised the proposed site plan to eliminate site access which had been proposed from New Hyde Park Road

After completion of the DEIS stage of review, and receipt of public comments, the applicant prepared several successive versions of a proposed Final Environmental Impact Statement (FEIS), which were submitted to the Board of Trustees With the exception of the last such submission, the FEIS submissions by the applicant were found incomplete and/or inadequate by the Village. Pursuant to 6 NYCRR §617.11(a) and 6 NYCRR §617.12(a)(2)(iii), a complete FEIS was accepted for filing by the Board of Trustees on March 3, 2006, and was made available for public consideration through March 14, 2006.

The Village published all required notices pursuant to SEQRA throughout the SEQRA review process, and all interested and involved agencies, including the New York State Department of Transportation (DOT), the New York State Department of Environmental Conservation (DEC), the Nassau County Department of Public Works (DPW), the Nassau County Department of Health (DOH), and the Nassau County Planning Commission (NCPC), were provided with all required notice of the SEQRA review proceedings. On several occasions, comments were received from the DOT and DPW, or the DEC, after the expiration of the time during which such comments were required to be submitted, but the applicant and the Village considered all such comments regardless of late filing.

On March 20, 2006, in order to permit additional time for review of the application by the NCPC, the Village transmitted to the NCPC a full statement of the application, without the Village's Findings Statement. This submission included the application papers, the DEIS, and the FEIS, and also included copies of additional correspondence received by the Village after the conclusion of the applicable comment periods. These materials were transmitted to NCPC with an explanation that this submission was not intended to constitute a submission pursuant to General Municipal Law §239-m, in that the submission did not include the Village's SEQRA Findings Statement, and that the formal submission would be made after the issuance of that Findings Statement. The transmittal also explained that the purpose of the early submission was to permit the NCPC to have additional time to review a complex and detailed application.

On April 19, 2006, the Board of Trustees held another public hearing, with respect to the applications for an incentive zoning permit, a subdivision plan and a site plan. Those hearings were not concluded at that meeting, but were continued to May 17, 2006.

Also on April 19, 2006, after extensive study of the applicant's submissions and the information gathered during the SEQRA review process, including input from the Village's environmental and planning consultant and its traffic consultant, the Village

Board of Trustees issued its Findings Statement pursuant to SEQRA. On April 20, 2006 that Findings Statement was transmitted to NCPC, at which time NCPC was advised that the Village's submission, consisting of the March 20, 2006 submission and the April 20, 2006 submission, was considered submission of a full statement of the application pursuant to General Municipal Law §239-m.

On May 11, 2006, the NCPC adopted a resolution to "deny" the subject application. Although General Municipal Law §239-m only permits the NCPC to make a recommendation to the Village with respect to the subject application, and authorizes the NCPC to recommend denial of a referred application, the NCPC purported to deny the application rather than to recommend to the Village that the Village deny the application. Be that as it may, the Village considers the NCPC resolution to be a recommendation that the Village deny the application, and is proceeding in accordance with that interpretation.

On May 17, 2006, the Board of Trustees held another public hearing with respect to the subject applications for an incentive zoning permit, and subdivision plan and site plan approvals. *At that hearing, the Board heard extensive comment with respect to* those applications, and with respect to the content of NCPC Resolution 9131-06. The Board also was presented with an alternative access plan submitted by the applicant for Board consideration, which also included site plan revisions with respect to the parcel proposed to be subdivided for the Manhasset Lakeville Water District.

At the conclusion of the public comments and other comments at the May 17, 2006 public hearing, the Board adopted a resolution to close the public hearing with respect to the application for an incentive zoning permit but to continue the public hearings with respect to the subdivision plan and site plan. Those hearings continued to, and including, October 18, 2006, on which date those hearings were closed.

On May 24, 2006, the Board issued a conditional approval with respect to the subject application for an incentive zoning permit pursuant to Village Local Law 1-2004 (Village Code §215-14). Subsequent thereto, the Board has held further hearings, and the applicant has made amendments to the application consistent with the Findings Statement and to meet the conditions therein stated.

In making the current determination, the Board has taken into consideration all of the information received by the Board in the application process, including the application and any revisions, the DEIS, the FEIS, the Findings Statement, the comments and correspondence received by the Board throughout the review process through and including October 18, 2006, and the personal knowledge of the Board members gained through their many years of residence in the community.

The Incentive Zoning Law

Village Code §215-14, enacted in May 2004 pursuant to the Village's general zoning authority, and authorized pursuant to New York Village Law §7-703, authorized an application to be made to the Village Board of Trustees for certain enhanced

development of property within parameters set out in that Code provision. That law made no substantive change with respect to the zoning of any property in the Village, and its effect was limited to an authorization of, and the establishment of procedures for, an application to the Board of Trustees for an incentive zoning permit which would permit enhanced development of property.

Because that local law by itself had no substantive zoning effect with respect to any property or development, and did no more than authorize an application to the Board of Trustees, the Board of Trustees concluded that the law could have no environmental impact, and required no SEQRA review prior to its adoption. The Board transmitted that proposed law to the NCPC for a recommendation pursuant to General Municipal Law §239-m, and the NCPC recommended that the Board take such action as it deemed appropriate in that the NCPC had no position with respect to the adoption of that law. The Board proceeded to adopt that law, and this application ensued.

Whether or not to grant such a permit is within the discretion of the Board of Trustees. Village Code §215-14 as originally adopted vested in the Board of Trustees the authority to grant such permits, as transferred to the Board of Trustees all other authority regarding subdivision and site plan applications, and approval of buildings, customarily vested in the Village Planning Board and Architectural Review Board. The period of time during which that transfer of authority was to remain in effect was later extended by Village Local Law 2-2004.[2]

Pursuant to Village Code §215-14, the Board of Trustees may issue an incentive zoning permit in its sole discretion, upon a determination that the permit is authorized and warranted under the standards set forth in that section.

The various types of incentives which the Board of Trustees may grant as part of an incentive zoning permit are enumerated in Village Code §215-14(C), and the instant application requests one or more of those incentives.

Village Code §214-15(C) requires that an incentive zoning application also include a plan for provision of community amenities. The Board of Trustees is the sole

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[2] This local law made no change in the substantive zoning provisions applicable in the Village, and merely extended until 2008 the period of time in which the powers of the Planning Board and Architectural Review Board were transferred to the Board of Trustees. As such, it did not constitute a zoning law which required referral to the Nassau County Planning Commission. The Board of Trustees performed SEQRA review with respect to this law, issued a negative declaration, and adopted the law. The adoption of this law has been found proper, and the law has been sustained, in the March 2, 2006 determination of Supreme Court, Nassau County, in "Long Island Drinking Water Coalition, Inc. et al. v. Board of Trustees, et al", index number 013512-05. That litigation since has been discontinued, with prejudice, and without any determination adverse to any action taken by the Village. Furthermore, the Village has enacted Local Law 2-2006 which extends indefinitely the authority of the Board of Trustees with respect to such incentive zoning applications.

judge whether such plan is "acceptable, feasible, adequate, or in a form acceptable to the Board" In the case of the instant application, the applicant has elected to present a plan which involves the payment of a cash amount to the Village, to be placed in a trust fund to be used only for community amenities as may be determined from time to time by the Board of Trustees

Village Law §7-703, which authorizes the Village to create an incentive zoning system, also contains various requirements for such system. Pursuant to Village Law §7-703, the Board of Trustees must make certain findings as part of adoption of such an incentive zoning law, and the Board of Trustees here did so. Local Law 1-2004 contains the following findings by the Board of Trustees

"A. The Board of Trustees of the Village of North Hills hereby finds that properties located in the area of the Village bounded by New Hyde Park Road, the Northern State Parkway, the Long Island Expressway South Service Road, and Shelter Rock Road, and presently zoned R-3, are uniquely situated within the Village. Accordingly, the Board of Trustees concludes that it would be reasonable and appropriate to permit within such district uses which are appropriate to that locale, taking into account the current uses, and the characteristics of the said properties and the area in which those properties are located.

B. As part of such consideration, the Board of Trustees recognizes the various factors relevant to development and use of those properties for single family residential uses, as presently permitted by the Village zoning regulations, and finds that enhanced development of those properties may be permissible and appropriate, provided that such development is accompanied by community amenities, pursuant to Village Law §7-703, as may be determined by the Board of Trustees as permitted by New York State law

C. The Board further finds that the Residential R-3 District contains adequate resources, environmental quality and public facilities (including transportation, water supply, waste disposal and fire protection) to permit the authorization of incentive uses, and development as specified in this section for property located within the said zoning district. Under appropriate circumstances, and with appropriate conditions, such R-3 District property may be compatible with the development otherwise permitted in the Residential R-3 District, and in conformity with the Board's conclusions as to the appropriate plan for use and development of property in the Village.

D. Within reasonable constraints to preserve the existing character of the Village, and consistent with other uses of property permitted in the Village, the Board further finds that it would be beneficial as part of the Residential R-3 District to encourage the construction of residential development, with density and other characteristics different than those presently permitted. The Board further finds that there exists property within the Residential R-3 zoning district which is potentially available for such enhanced development. The Board also finds and concludes that the authorization of incentive uses and enhanced development pursuant to this law will not have any impact on the potential development of affordable housing in the Village

E. It would serve the health, welfare and public safety to provide incentives, as authorized by Village Law §7-703, in the Residential R-3 District, to adopt regulations as to

such incentive uses of property in such district, and to facilitate and encourage the construction of residential development within the Residential R-3 District. The health, welfare and public safety will be furthered by enacting this legislation, to provide a comprehensive regulatory scheme for the use and development of properties in the Residential R-3 District, and to provide community amenities pursuant to such State enabling legislation in connection with any authorization for such development.

In adopting Village Code §215-14, the Board of Trustees followed the procedures customarily applicable to adoption of zoning legislation, as required by Village Law §7-703(3). Local Law 1-2004, which enacted Village Code §215-14, also contains all findings and conclusions which are required by Village Law §7-703 as a prerequisite to adoption of an incentive zoning law.

The Review Process

As mandated by Village Law §7-703, and by Village Code §215-14, the Village has performed extensive SEQRA review, and has held public hearings with respect to the incentive zoning permit application.

In the course of the SEQRA review, the Village extensively studied various environmental impacts which could potentially result from the project as proposed, including impacts of other known, or reasonably anticipated projects in the vicinity. In this regard, it should be noted that in the course of the SEQRA study for this project, this Board has considered the impacts not only of this project, but the cumulative impacts of other pending projects in the area. The only such project is the Chatham II development which was approved by the Village prior to the conclusion of the SEQRA study for the subject development. In addition, the Board took into consideration the effects and impacts of the completed Bristal at North Hills project, which is also in the vicinity of the subject property, and the X-Cell commercial office building project which has been approved by the Village previously but which has not yet been constructed. The Village is aware of no other pending or impending projects in the vicinity of the subject property which also should be included in such a study, and a consideration of the properties involved in the subject application, combined with knowledge of the other area properties, conclusively demonstrates that no other such future projects can be expected.

The subject property is part of a total area of approximately 74 acres located in an area circumscribed by the Northern State Parkway, the Long Island Expressway South Service Road, Shelter Rock Road and New Hyde Park Road. With the exception of the property included in the subject application, the only other properties located within that area are the following existing developments or approved projects: Chatham I condominiums, Chatham II condominiums, Bristal at North Hills assisted living facility, X-Cell commercial office property (not yet constructed, but approved), and a small parcel owned by the Village and used as a site for a cellular communications pole. The only other property located adjacent to or in proximity to the subject property are the Long Island Expressway and Northern State Parkway rights of way, the Shelter Rock Road and New Hyde Park Road rights of way, and an existing office building located

across New Hyde Park Road to the west of the subject property. Thus, study of the impacts of the subject proposed project, together with the impacts of those other existing or pending uses, constitutes a complete study of the entire area there being no other properties for which development applications are known or could reasonably be anticipated.

Also as part of the Village's SEQRA study, the Village gave considerable attention to water supply and quality, demands upon municipal services, traffic impacts, noise impacts, visual impacts, and various other environmental concerns all enumerated in the final scope issued by the Village, and expanded upon at great length in the DEIS and FEIS. It is beyond cavil that the Village took the required "hard look" at those various impacts and potential or imagined impacts.

Having done so, it then became the obligation of the Village to issue a Findings Statement, which is a summary of the conclusions reached by the Board, as lead agency, based upon its consideration of those extensive studies, and the varying opinions received with respect to some of those subjects from the applicant's expert consultants, the Village's expert consultants, and members of the public or interested groups or public agencies. In the final analysis, it is the obligation of the Board to issue Findings which are reasonable, and not arbitrary, taking into account those various facts and opinions brought to the Board's attention during the SEQRA process.

In conclusion of that process, the Board issued its Findings Statement on April 19, 2006. That extensive document summarized the conclusions reached by the Board after completion of the SEQRA study process. Generally speaking, those conclusions were that the subject project would generate some adverse environmental impacts, but that with two significant exceptions all such impacts were either mitigated by the project conditions proposed by the applicant, or would be mitigated by conditions to be imposed by the Board in granting any approval for the subdivision and site plan for the project. In light of such conclusions, the Board issued a conditional approval of the incentive zoning permit on May 24, 2006, and clearly noted that final approval of the project would require resolution of those issues, as well as any others which might arise during the continuing review process with respect to the subdivision and site plan approvals.

The incentive zoning permit previously approved by the Board did not constitute final building approval for the project. Rather, the incentive zoning permit constituted authorization to proceed with the development approval process for a particular development or type of development, based upon a determination that doing so would meet the requirements and conditions of Village Code §215-14. The applicant is still required to obtain from the Village subdivision approval and site plan approval, as well as architectural approvals, in order to obtain the required permits for actual construction. In addition, the applicant must also obtain permits or approvals from other public agencies, including the Nassau County Department of Health, the Nassau County Department of Public Works and the New York State Department of Transportation. This determination deals with, and concludes, the Village's actions with respect to the subdivision and site plan approval for the project.

The Nassau County Planning Commission Resolution

Pursuant to General Municipal Law §239-m, the Village is required to refer to the NCPC various land use applications under consideration by the Village, including land use applications such as the subject application for an incentive zoning permit. Also pursuant to that statute, the NCPC may make a recommendation to the Village with respect to the decision to be made on such referred applications, and in doing so may recommend modification or denial of the application. Should NCPC recommend modification or denial, the Village nevertheless may act contrary to that recommendation, but doing so requires a supermajority concurring vote of at least four members of this five member Board of Trustees.

As noted above, the content of Resolution 9131-06 was the subject of extensive testimony and comment at the May 17, 2006 public hearing with respect to the incentive zoning permit application. In determining whether to act contrary to that resolution, the Board members may consider all relevant matter, including the comments received at the public hearing on the incentive zoning permit application.

After consideration of that information, and for the reasons set forth hereinafter, the Board elected on May 24, 2006 to act contrary to that NCPC recommendation to deny the incentive zoning permit application. For those same reasons, the Board now elects to act contrary to the NCPC recommendation with respect to the subdivision and site plan portions of the applications. In the interest of brevity, the Board will not reiterate those reasons in this resolution, and for that purpose it instead incorporates the discussion of those matters in the May 24, 2006 resolution, as if set forth in full herein.

The Incentive Zoning Approval

The Board notes that revisions to the subdivision and site plan have fully satisfied the conditions of the incentive zoning permit approval granted on May 24, 2006. Accordingly, the Village considers that approval now to be unconditional, and re-issues it here in that manner.

The Subdivision and Site Plan Approval And Architectural Review

The Board of Trustees, exercising the powers of the Village Planning Board, and of the Architectural Review Board, as provided by law, has conducted public hearings on this application, notice of which hearings was duly given as provided by law, and

The application contains minor variations and omissions of information required for such applications by Chapter 179 of the Code of the Village of North Hills, which variations and omissions are insignificant, and consist of information not required in this instance for protection of the public health, safety or general welfare, and

The application includes numerous items for which variances from Chapter 215 of the Code of the Village of North Hills would be required, and such variances are authorized and have been granted by the incentive zoning approval heretofore granted for this project, and

The Board of Trustees has given consideration to the said application and the requirements of law for such applications, and the information provided to the Board at the many public hearings held with respect to this application and project, and

It is the determination of the Board of Trustees that improvements should be installed as a condition precedent to the approval of the site plan application, including the following: (1) street rights-of-way shall be graded between property lines; (2) traveled ways within the boundaries of the site shall be paved in accordance with the requirements of law and cross-sections shown on the application; (3) sidewalks, curbs and driveway aprons shall be installed on all streets as shown on the application, in accordance with law; (4) water mains shall be installed, as shown on the application and in accordance with the specifications of any public agency or private water company which will be responsible for supply of water to the area shown on the application; (5) storm drains and catch basins, including impounding and recharge basins, if any, of size and design as shown on the application and as approved by the Nassau County Commissioner of Public Works shall be installed; (6) street signs and monuments shall be installed, as directed by the Village Code Official;

The Board hereby waives and varies the requirements of Chapter 179 of the Code of the Village of North Hills to the extent that application content required by law may not have been submitted to the Village of North Hills as part of this application.

The Board hereby grants those variances from the requirements of the Chapter 215 of the Code of the Village of North Hills as indicated on the application and plans, and which are within the scope of the authority of the Board to grant

The application for final site plan approval and subdivision approval is hereby granted, subject to the terms and conditions set forth herein, and subject to compliance by the applicant with all applicable laws and regulations.

The site improvements (excluding landscaping and lighting, and the recreational facility) to be installed in said site shall be as heretofore set forth herein, and as required by law and as shown on the said application and plans. In lieu of completion of such public improvements prior to the approval of this application, the applicant may furnish to the Village of North Hills, within ninety (90) days (or such longer period as may be authorized by the Board of Trustees), a surety company bond or cash deposit to secure to the Village the actual construction and installation of such improvements, in approved form, said improvements to be completed within two (2) years after the date of the surety company bond, such bond to be in the sum of $4,000,000.00, which total sum this Board deems sufficient to cover the full cost of the construction and installation of such site improvements, including labor and materials, and such bond to be in a form approved by the Village Attorney, and from a surety

company authorized to do business in the State of New York Additional performance bonds shall be required and filed, under the same terms and conditions, in the amount of $2,500,000.00 for landscaping and lighting, and $12,000,000.00 for the recreational facility

Should the applicant apply for an extension of time to complete any of the required improvements and/or extension of the term of the surety bond, there may be imposed an increase in the face amount of said surety bond as determined by the Board at the time of such application.

The applicant, and its successors in interest, shall comply with the following conditions, as recommended by the Village Superintendent of Building Department, and by the Village's landscape consultant, Land Design Associates:

1. prior to construction of the sewer system, supply copy of Nassau County Department of Public Works permit for sewer connection;
2. prior to construction of curb cut, supply copies of Nassau County Department of Public Works permits for road openings;
3. comply with items in letter from Land Design, dated August 4, 2006, or submit new plan to be reviewed and approved by Board of Trustees.

The approval of this application is tentative, and shall not become final until delivery of the surety bond or cash deposit hereinbefore referred to, to the Village Clerk-Treasurer of the Village of North Hills, and the approval as to form and manner of execution of said bond by the Village Attorney of the Village of North Hills, and upon payment to the Village Clerk-Treasurer of five (5) per cent of the first $10,000 and three (3) per cent of the sum in excess of $10,000 of the amount of all the surety bonds required hereunder, pursuant to Village Code Chapter 179, which amount is hereby determined to be the reasonable costs of inspection of the required improvements and utilities or of their estimated cost, when not installed prior to approval of the application.

Pursuant to Village Code Chapter 179, the applicant shall file with the Village Clerk-Treasurer a written guarantee that the construction and installation of improvements shall be made in good and workmanlike manner.

The applicant shall file written statements as required by Village Code Chapter 179.

In lieu of a contribution to the Village park and recreation capital reserve fund, and as a condition of this approval, the applicant shall be required to pay to the Village the sum of $21,000,000.00 as proposed in the applicant's proffer (as amended by letter dated June 29, 2005), in lieu of any other community amenity to be provided by the applicant. The Board hereby determines that a suitable community amenity is not immediately feasible, or is otherwise not practical at this time, and that in lieu of such amenity the applicant should make payment to the Village in an amount determined by the Board. The Board hereby further determines that payment in the foregoing amount is the appropriate amount for this payment, taking into account the impact of the

proposed development upon the community and the value of the approved incentives to the applicant. Such payment shall be made within fifteen (15) days after the adoption of this resolution, or within fifteen (15) days after the expiration of the period of time provided for the institution of an Article 78 proceeding seeking judicial review of this resolution or any part thereof, or any other proceeding which is an integral part of this approval, or if such litigation is timely commenced, within fifteen (15) days after the final determination of such litigation in favor of the Village and the applicant and the expiration of any time to appeal therefrom, whichever last occurs. Upon receipt of such payment, the Village Treasurer shall deposit the same in a trust fund to be used by the Village Board of Trustees exclusively for specific community amenities authorized by the Board of Trustees.

This approval shall not become effective until the applicant has filed with the Village a map registration certificate from a New York State title insurance company, in a form satisfactory to the Village Attorney.

This approval shall not become effective unless within sixty (60) days of the date hereof the applicant shall record with the Nassau County Clerk a declaration of covenants and restrictions, executed by such persons, and in such form, as approved by the Village Attorney prior to recording, which declaration shall incorporate such of the conditions of this approval as, in the opinion of the Village Attorney, are necessary to memorialize such conditions for the information of future owners of the subject property and for the protection of the interests of the Village.

Upon completion of the foregoing conditions, and compliance with the applicable provisions of the Site Development Code, and payment of all required fees the Board shall enter on the original application the approval of the Village of North Hills, as provided in the Site Development Code.

In the event during the course of construction the Village Department of Engineering and Building, or other appropriate Village official, determines that silt is accumulating or being caused to be deposited in any area where such deposit is not appropriate or necessary, the applicant shall take such steps as may be directed by the Village for remedy of such conditions.

The subject property shall not be used in whole or in part for any commercial business operated on the property, other than a business operated solely for the convenience of and service to persons residing on the property and their guests. The property shall be used and operated only for residential condominium use, and shall not be used as a hotel or any other facility to provide housing or other accommodations to transients. The restaurant and health spa, and any other similar facilities, located on the property shall be open and available only to residents of the property and their guests. No activities, events, or facilities on the site shall be open to the general public without the prior permission of the Village of North Hills.

The construction and development of the subject property shall be in all respects in conformance with the following plans which have been filed as part of the application process for this project

Site Work.

A "Improvement Plans" by Henderson & Bodwell LLP
  a. Page 1 of 9 (rev. date 9/12/06)
  b Pages 2, 3 4, of 9 (rev. date 9/27/06)
  c Page 5 of 9 (rev. date 10/11/06)
  d. Page 6 of 9 (rev. date 7/25/06)
  e. Page 7 of 9 (rev. date 9/27/06)
  f Page 8 of 9 (rev. date 7/13/06)

B. "Erosion and Sediment Control Plan" by Henderson and Bodwell LLP (rev. date 9/12/06)

C. "Map of Residences at North Hills" by Henderson and Bodwell LLP (rev. date 7/25/06)

Architectural:

A pages A000, A010, A012, A121 through A130, A 157, A160, A162, A163, A207A, and AS100 by Perkins Eastman (all dated 6/6/06)

B pages A 161, A207 and A218 by Perkins Eastman (rev. date 7/19/06)

This approval is also conditional upon the applicant submitting revised landscape plans, and obtaining approval therefor from the Board within three months from the date of this determination, or such later date as may be authorized by resolution of the Board of Trustees. No certificate of occupancy or completion shall issue for any building or structure on the property until such approval has been obtained.

Adopted by the Board of Trustees of the Village of North Hills on November 15, 2006.

Votes in favor:
Votes against:
Absent:

Declaration of Covenants and Restrictions in Accordance with the Approval of Incentive Zoning Permit, Subdivision and Site Plan and Architectural Review

DECLARATION OF COVENANTS AND RESTRICTIONS

THIS DECLARATION made as of the ____ day of March, 2007, by and by MIDTOWN NORTH HILLS, LLC, with an office at 415 5th Avenue, New York, New York 10016 (the "Declarant").

WITNESSETH:

WHEREAS, Declarant did make application to the Board of Trustees of the Village of North Hills (the "Board") for an Incentive Zoning Permit for the development of property located on the south side of the Long Island Expressway, east of New Hyde Park Road, in the Village of North Hills, Town of North Hempstead, County of Nassau, known and designated as Section 8, Block A, Lots 51, 302, 502, 702A, 702B, 785 and 882, inclusive, (the "Property") which is the subject of this Declaration and for approval of a proposed subdivision for residential dwelling units thereon and the approval of a site plan and architectural approval in connection with the above-referenced property, and

WHEREAS, the Board, at its meeting on August 17, 2005, adopted a decision (the "Decision") on said application, a copy of which is attached hereto and made a part hereof; and

WHEREAS, the Decision required that a Declaration of Covenants and Restrictions, which shall embody the restrictions and requirements set forth in said Resolution for the information of future owners of the subject property and for the protection of the interests of the Village

NOW, THEREFORE, Declarant does hereby declare that all of the restrictions and requirements referenced in the Decision are hereby imposed against the Property.

IN WITNESS WHEREOF Declarant has caused this document to be executed the day and year first above written

MIDTOWN NORTH HILLS, LLC

By:_____

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On the _____ day of March, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

TT. Certificate of Incorporation of The Residences, North Hills Homeowners Association, Inc.

Certification of Incorporation of The Residences, North Hills Homeowners Association, Inc.

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS ALBANY, NY 12231-0001

FILING RECEIPT

ENTITY NAME: THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

DOCUMENT TYPE: INCORPORATION (NOT-FOR-PROFIT) TYPE: A COUNTY: NASS

FILED:12/18/2013 DURATION:PERPETUAL CASH#:131218000407 FILM #:131218000388

FILER:

FARRELL FRITZ, P.C.
1320 RXR PLAZA

UNIONDALE, NY 11556-1320

EXIST DATE
12/18/2013

ADDRESS FOR PROCESS:

THE CORPORATION
C/O RXR REALTY LLC
UNIONDALE, NY 11556

625 RXR PLAZA

REGISTERED AGENT:

STATE OF NEW YORK ★ DEPARTMENT OF STATE ★

SERVICE COMPANY: GERALD WEINBERG, INC. - 14 SERVICE CODE: 14

FEES	160.00
FILING	75.00
TAX	0.00
CERT	0.00
COPIES	10.00
HANDLING	75.00

PAYMENTS	160.00
CASH	0.00
CHECK	0.00
CHARGE	0.00
DRAWDOWN	160.00
OPAL	0.00
REFUND	0.00

DOS-1025 (04/2007)

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on December 19, 2013.

Anthony Giardina

Anthony Giardina
Executive Deputy Secretary of State

Rev. 06/13

IWG-14

131218000 388

CERTIFICATE OF INCORPORATION
OF
THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

Under Section 402 of the Not for Profit Corporation Law

We, the undersigned, desiring to associate ourselves together to form a membership corporation under the New York Not-For-Profit Corporation Law, do hereby certify:

FIRST: The name of the Corporation is: **THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.**

SECOND: The Residences, North Hills, Homeowners Association, Inc. (hereinafter, the "Corporation") is a corporation as defined in Subparagraph (a)(5) of Section 102 (Definitions) of the New York Not-for-Profit Corporation Law.

THIRD: The exclusive purposes for which the Corporation is formed are to:

1. Associate its members together for their mutual benefit as homeowners of the Corporation;

2. To maintain and administer the property and improvements owned by the Corporation;

3. To administer and enforce the covenants and restrictions set forth in the Declaration of Covenants, Restrictions, Easements, Charges and Liens by the Corporation to be recorded in the office of the Nassau County Clerk, as amended from time to time (the "Declaration"), a copy of which shall available for inspection at the offices of the Corporation following the recording thereof;

4. To open bank accounts on behalf of the Corporation, and to designate the signatories to such bank accounts.

5. To impose, collect and disburse the Assessments and charges imposed by the Corporation upon its members pro-rata according to their respective common interest;

6. To bring and defend actions by or against one or more Members and pertinent to the operation of the Corporation, and to levy special assessments to Class 2 Members to pay for the cost of such litigation;

7. To employ and terminate the employment of employees and independent contractors 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;

8. To enter into management contracts for the management of the Corporation and its property;

9. To have duties and responsibility as set forth in the Declaration;

10. To make repairs, restore or alter the Corporation's property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

11. To provide its members with information relating to their rights as homeowners;

12. To promote good will and cooperation among its members and to generally to do any and all acts suitable, proper and conducive to the successful conduct of a homeowner's association;

13. To promulgate rules and regulations for the use and enjoyment of the Common Areas;

14. To make reasonable rules and regulations (and to amend the same from time to time), with such rules and regulations and amendments to be binding upon all Class 2 Members upon the Board of Director's approval of them in writing;

15. To insure and keep insured the Association and its property.

16. To suspend the enjoyment rights of any Class 2 Member for a period during which any Assessment remains unpaid; provided, however, that the rights of the Class 1 Members may not be subject to said suspension;

17. To suspend the enjoyment rights of any Class 2 Member for a period not to exceed thirty (30) days for any infraction of its published rules and regulations; provided, however, that the rights of the Class 1 Members may not be subject to said suspension;

18. To dedicate or transfer all or any part of the real property of the Corporation and improvements located therein, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof; shall be effective unless an instrument signed by Members and their

mortgagees entitled to cast eighty percent (80%) of the eligible votes has been recorded agreeing to such dedication, transfer, purpose or condition and unless written notice of the action is sent to every Member at least ninety (90) days in advance of any action taken;

19. To grant and reserve easements and rights-of-way, in, through, under, over, upon and across the property owned by the Corporation (the "Association Property"), for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, gas and other utilities; and the right of Phase I Developer (defined below) and/or Phase II Developer defined below to grant and reserve easements and rights-of-way, in, through, under, over, upon and across the Association Property for the completion of the work of Phase I Developer and/or Phase II Developer, as the case may be;

20. To promulgate rules and regulations regarding the property owned by the Corporation;

The Corporation may do any act or thing incidental to or connected with the foregoing purposes and/or in advancement thereof, but not for the pecuniary profit or financial gain of its members, directors or officers, except as permitted under Article 5 of the New York Not-For-Profit Corporation Law. The property and business of the Corporation shall be managed by its board of directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute, or by the Corporation's by-laws directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to the foregoing.

The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to include at least one (1) director which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Directors in the management of the business affairs of the Condominiums and may share power to sign all papers which may be required, provided the said resolution 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 Directors. Committees established by resolution of the Board of Directors shall keep regular minutes of their proceedings and shall report the same to the Board, as required.

Nothing herein contained shall authorize the Corporation, directly or indirectly, to engage in or include among its purposes any of the activities mentioned in Section 404 of the New York Not-For-Profit Corporation Law or Section 460-a of the New York Social Services Law.

Nothing herein contained shall authorize or empower the Corporation, directly or indirectly, to engage in or include among its purposes any activity prohibited by Section 340 of the New York General Business Law or any other New York anti-monopoly law, and the Corporation is not authorized so to engage.

FOURTH: The Corporation shall be a Type A corporation pursuant to Section 201 of the New York Not-for-Profit Corporation Law.

FIFTH: Midtown North Hills LLC, following the execution and recording of the Declaration and in order to effect the phased development of "The Ritz Carlton Residences" on its property at 85-95 Long Island Expressway, North Hills, New York, shall transfer of its right, title and interest in said property: (a) to RXR North Hills Phase I Owner LLC with respect to a portion of its property known as the "Phase I Property"; (b) to RXR North Hills Phase II Owner LLC with respect to a portion of its property known as the "Phase II Property"; and (c) to the Corporation with respect to the balance of said property (the "Association Property").

SIXTH: The Corporation shall have two (2) classes of Members, Class 1 which shall exclusively be Phase I Developer and Phase II Developer and Class 2 which shall be the owner of a Condominium Unit, other than Phase I Developer and Phase II Developer. "Phase I Developer" shall mean RXR North Hills Phase I Owner, a Delaware Limited Liability Company and its successors and assigns, including, without limitation, any Permitted Mortgagee which has foreclosed or acquired by other means the interest of Phase I Developer, and any person that acquires Phase I Developer's interest in a foreclosure sale instituted by a Permitted Mortgagee (with the meaning ascribed to such term in the Corporation's By-Laws, as same shall be amended from time to time) or from the Permitted Mortgagee. "Phase II Developer" shall mean RXR North Hills Phase I Owner, a Delaware Limited Liability Company and its successors and assigns, including, without limitation, any Permitted Mortgagee which has foreclosed or acquired by other means the interest of Phase II Developer, and any person that acquires Phase II Developer's interest in a foreclosure sale instituted by a Permitted Mortgagee (with the meaning ascribed to such term in the Corporation's By-Laws, as same shall be amended from time to time) or from the Permitted Mortgagee. Owners of Condominium Units, other than Phase I Developer and Phase II Developer shall be referred to as "Unit Owner Members" herein.

Class 1 Members:

Phase I Developer and Phase II Developer shall be Class 1 members and there shall be no other members of Class 1 other than Phase I Developer and Phase II Developer. Phase I Developer and Phase II Developer shall hold all voting rights and membership interests in Class 1 until the end of the Initial Control Period. Class 1 shall have six (6) members on the Board of Directors of the Corporation, three (3) of which shall be designated by Phase I Developer and

three (3) of which shall be designated by Phase II Developer, and/or their respective successors and/or assigns. Phase I Developer and Phase II Developer shall collaterally assign its Class 1 membership interests as follows: (A) Phase I Developer shall collaterally assign three (3) of its Class 1 membership interests to Phase I Lender, for so long as Phase I Lender holds a mortgage on the Phase I Property and (B) Phase II Developer shall collaterally assign three (3) of its Class 1 membership interests to Phase II Lender, its successors and/or assigns, for so long as Phase II Lender, its successors and/or assigns holds a mortgage on the Phase II Property.

Class 2 Members:

Following the end of the Initial Control Period, there shall be a total of up to six (6) directors elected by Class 2 Members on the Board of Directors of the Corporation. Each purchaser of a Condominium Unit in The Phase I Condominium and The Phase II Condominium shall be a Class 2 Member.

SEVENTH: Unit Owner Members shall automatically become Class 2 members upon acquisition of a fee simple title to their respective condominium unit. The Class 2 membership of a Unit Owner shall automatically terminate upon conveyance or other divestment of title to his/her Unit, except that nothing herein contained shall be construed as terminating the membership of any member who may own two or more Units so long as such member owns at least one Unit.

The board of directors of the Corporation (the "Board of Directors" shall consist initially of six (6) members designated by the Class 1 Member. Initially, so long as Phase I Lender holds a mortgage on the Phase I Property, three (3) of the members may be designated by Phase I Lender, and so long as Phase II Lender, its successors and/or assigns holds a mortgage on the Phase II Property, three (3) of the members may be designated by Phase II Lender.

The interest of a Class 2 Member in the funds and assets of the Corporation may not be assigned, hypothecated, or transferred in any manner, except as an appurtenance to the Condominium Unit which is a basis of his/her membership in the Corporation.

The Secretary of the Corporation shall maintain a list of the members of the Corporation.

SEVENTH: All income and earnings of such Corporation shall be used exclusively for its corporate purposes.

EIGHTH: No part of the income of the Corporation shall inure to the benefit or profit, nor shall any distribution of its property or assets be made to, any member, or private person, corporate or individual, or any private interest (except for the repayment of loans and contributions, other than dues, and reasonable compensation may be paid for services rendered to or for the

Corporation affecting one or more of its purposes). Notwithstanding any other provisions of this document, the Corporation shall not carry on any activities not permitted to be carried on by an organization exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code, or corresponding section of any future federal tax code.

NINTH: The Corporation shall have perpetual existence, but, in the event of dissolution, all of the remaining funds, assets and property of the Corporation shall, after payment of all debts and liabilities of the Corporation of whatsoever kind and nature, be paid and/or distributed to its members in accordance with a plan of dissolution and distribution of assets adopted by the Board of Directors and, during the Initial Control Period, approved solely by the Class 1 Member, or, if no members, to those persons whom the Corporation holds itself out as benefiting and serving, subject to an order of a Justice of the Supreme Court of the State of New York pursuant to Section 1008 of the New York Not-For-Profit Corporation Law.

TENTH: No part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

ELEVENTH: The office of the Corporation shall be located in the County of Nassau, State of New York.

TWELFTH: The names and addresses of the initial directors until the first annual meeting, each of whom is at least eighteen (18) years of age, are as follows:

Name	Address
Scott Rechler	625 RXR Plaza, Uniondale, New York 11556
Jason Barnett	625 RXR Plaza, Uniondale, New York 11556
Michael Maturo	625 RXR Plaza, Uniondale, New York 11556

THIRTEENTH: The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The address with or without this State to which the Secretary of State shall mail a copy of any process accepted on behalf of the Corporation is: The Residences, North Hills Homeowners Association, Inc., c/o RXR Realty LLC, 625 RXR Plaza, Uniondale, New York 11556.

FOURTEENTH: During the Initial Control Period, the Class 1 Members shall have full power and authority to amend the Certificate of Incorporation or the By-Laws of the Corporation, without a vote of the Class 2 Members, provided that the number of directors to be elected by Class 2 Members and the voting rights of the Class 2 Members shall not be reduced without the vote of a majority of the Class 2 Members in attendance, in person or by proxy, at a duly called meeting of the Class 2 Members.

FIFTEENTH: This Certificate of Incorporation is intended to conform as closely as practicable to the provisions of the Declaration and the By-Laws or the Corporation. The provisions of the Declaration and said By-Laws shall control in the event of any inconsistency or conflict between the provisions thereof and the provisions of this Certificate of Incorporation.

IN WITNESS WHEREOF, this certificate has been subscribed by the undersigned on this 17th day of December, 2013, and the statements made herein are affirmed as true under penalties of perjury.

John Racanelli
Incorporator
Farrell Fritz, P.C.
1320 RXR Plaza
Uniondale, New York 11556-1320
Phone: (516) 227-0705

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IWG-14

DRAWDOWN

CERTIFICATE OF INCORPORATION

OF

THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

Section 402 of the Not-for-Profit Corporation Law

LG

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED DEC 18 2013
TAX $_____
BY: _____

RECEIVED
2013 DEC 18 AM 11:03

Filed by:

Farrell Fritz, P.C.
1320 RXR Plaza
Uniondale, New York 11556-1320

FILED
2013 DEC 18 PM 2:50

407

Declaration Creating Easement to benefit the Greater New York Corporation of Seventh Day Adventists

DECLARATION CREATING EASEMENT

THIS DECLARATION CREATING EASEMENT, is made this 15th day of May, 2006 by MIDTOWN NORTH HILLS LLC, with offices at c/o Midtown Equities, LLC, 417 Fifth Avenue, 9th Floor, New York, New York 10016 ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain premises known and designated as Section 8, Block A, Lot 302 on the Land and Tax Map of Nassau County, more particularly described in Schedule A attached hereto and made a part hereof (the "Land"); and

WHEREAS, Declarant has agreed to create and maintain in perpetuity, a publicly accessible park-like area of approximately 2,216 square feet on a portion of the Land, more particularly described in Schedule B attached hereto (the "Premises").

NOW THEREFORE, in consideration of one dollar and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant, for itself, its successors and assigns, covenants as follows:

Declarant, for itself, its successors and assigns and for all future owners of the Land (collectively, the "Owners"), hereby grants, conveys, releases and creates a publicly accessible non-exclusive easement over the Premises for the benefit of Greater New York Corporation of Seventh Day Adventists ("Seventh Day"), together with the right to use the existing twenty (20') foot right-of-way located adjacent to the eastern boundary line of the Land running south from the LIE South Service Road for approximately 166 feet, as described in a certain indenture dated August 30, 1948 and recorded on August 31, 1948 in liber 3661, cp325 in the office of the Nassau County Clerk for access to the Premises.

Within one (1) year from the date hereof, Declarant shall create a park like area on the Premises which shall consist of four (4) park benches, landscaping, parking spaces for three (3) motor vehicles, and a monument with a brass memorial plaque memorializing that the site was the headquarters of the Seventh Day Adventists, in words to be provided by Seventh Day. Said park like area shall be similar to the Veterans of Foreign Wars Memorial Park, located at the southwest corner of Shelter Rock Road and Northern Boulevard, Manhasset, New York ("Memorial Park"). Construction materials, landscaping, benches, paving and walkway materials and the like shall be equal to or of higher quality than as presently exist at Memorial Park.

Owners shall, at all times, maintain the Premises and all components thereof in good order and condition and in compliance with all applicable laws, ordinances, governmental rules and regulations, at their sole cost and expense, and shall keep same free from debris and obstructions and shall when appropriate plow snow and sand ice.

The obligations, rights and privileges created hereby shall at all times be a continuing covenant running with the land.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed as of the date and year first above written.

MIDTOWN NORTH HILLS LLC

By: /s/

STATE OF NEW YORK)
) ss.:
COUNTY OF Nassau)

On the 24 day of May, in the year 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared David Adler, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.

Notary Public

STEPHEN ALBRIGHT
Notary Public, State of New York
No. 02AL6127173
Qualified in Suffolk County
Commission Expires May 23, 2009

1800416-1

SCHEDULE A

Perimeter Description of Conveyance Parcels.

ALL that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of the Long Island Expressway South Service Road formerly Little Neck-Old Westbury Road (Old Powerhouse Road) where the same is intersected by the westerly boundary line of land conveyed by William R Grace and his wife to John G. Milburn by deed recorded March 23rd, 1916 in the Office of the Clerk of the County of Nassau in Liber 431 co 85 of conveyances;

RUNNING THENCE along the southerly side of the Long Island Expressway South Service Road North 63 degrees 6 minutes 50 seconds East 561.41 feet to the westerly boundary line of the premises heretofore conveyed to Jacques C. Nordeman and wife;

THENCE along the same South 0 degrees 31 minutes 0 seconds East 621.48 feet to lands formerly of Robert Rose, Jr.;

THENCE North 89 degrees 29 minutes East partially along the land now or formerly of center and land now or formerly of Nordeman 313.96 feet to land now or formerly of Colby;

THENCE South 8 degrees 24 minutes 00 seconds West and partially along the land now or formerly of Colby 589 feet more or less (588.80 feet survey) to the northerly side of I.U. Willets Road;

THENCE along the northerly side of I.U. Willets Road North 76 degrees 47 minutes 50 seconds West 15.62 feet (survey 15.65 feet);

THENCE still along said northerly side of I.U. Willets Road North 83 degrees 42 minutes West 10.30 feet to land now or formerly of Auchincloss;

THENCE along said land now or formerly of Auchinloss the following courses and distances: North 0 degrees 58 minutes East 56.15 feet; North 6 degrees 29 minutes East 66.05 feet; North 5 degrees 54 minutes East 53.40 feet; North 10 degrees 43 minutes East 63.16 feet to a point which is the northeasterly corner of land now or formerly of Auchincloss;

THENCE along the north side of land North 83 degrees 45 minutes 25 seconds West 449.06 feet to the northwesterly corner of land formerly of Auchincloss;

THENCE South 1 degree 55 minutes 15 seconds West along said land formerly of Auchinloss 217.98 feet to the northerly side of I.U. Willets Road;

THENCE westerly along the northerly side of I.U. Willets Road the following courses and distances: north 80 degrees 59 minutes 00 seconds West, 49.46 feet; South 89 degrees 59 minutes 00 seconds (survey South 88 degrees 59 minutes) West, 157.16 feet; South 87 degrees 17 minutes 00 seconds West 1.90 feet to the westerly boundary line of land conveyed by Greater New York Corporation to X-Coll Realty Associates LLC by deed recorded on 5/29/2002 in Liber 11478 cp 899;

THENCE along said boundary line the following courses and distances: North 3 degrees 57 minutes 49 seconds (survey 00 degrees 31 minutes) West, a distance of 739.21 feet to a point of reverse angle; and North 30 degrees 19 minutes 59 seconds (survey 26 degrees 53 minutes 10 seconds) West, 146.34 feet to the southerly side of the Long Island Expressway South Service Road at the point or place of BEGINNING.

Said above described parcel being on the Land and Tax Map of the County of Nassau as Lots 882, 702-A, 702-B & 302 in Section 8, Block A

SCHEDULE B

Legal Description
for
Memorial

All that certain plot, piece or parcel of land situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

BEGINNING at a Point 1144 47 feet easterly from the intersection of the Southerly side of the Long Island Expressway South Service Road formerly Little Neck-Old Westbury Road (Old Powerhouse Road) where the same is intersected by the New Easterly side of New Hyde Park Road. Thence South 00 degrees 31 minutes 00 seconds East 135.00 feet to the POINT OF BEGINNING;

THENCE running South 00° 31' 00" East, 26.89 feet;

THENCE South 47° 38' 15" West, 15.13 feet;

THENCE South 53° 58' 51" West, 18.00 feet;

THENCE North 36° 01' 09" West, 27.00 feet;

THENCE North 53° 58' 51" West, 12.91 feet;

THENCE North 43° 19' 15" West, 32.49 feet;

THENCE North 54° 01' 27" East, 39.51 feet;

THENCE South 32° 02' 58" East, 20.89 feet;

THENCE South 00° 44' 54" East, 14.50 feet;

THENCE North 70° 09' 41" East, 10.60 feet to the

POINT OF BEGINNING. Said parcel containing 2,213 square feet morer or less.

HENDERSON AND BODWELL, L.L.P.
Plainview, New York
May 19, 2006

NY736/Secretarial

Reciprocal Easement Agreement

X CELL III REALTY ASSOCIATES LLC

AND

MIDTOWN NORTH HILLS LLC

AND

THE BOARD OF COMMISSIONERS OF THE

MANHASSET LAKEVILLE WATER DISTRICT

RECIPROCAL EASEMENT AGREEMENT

The properties affected by said Reciprocal Easement Agreement lie in the Village of North Hills, County of Nassau, State of New York, and are designated on the Nassau County Land and Tax Map as follows:

Section 8

Block A

Lots 880, 881, 882, 785, 302, 702A, 702B, 502 and 51

RECORD AND RETURN TO:

Richard L. O'Rourke, Esq.
Keane & Beane, P.C.
445 Hamilton Avenue
White Plains, NY 10601

RECIPROCAL EASEMENT AGREEMENT

THIS RECIPROCAL EASEMENT AGREEMENT (this "Agreement") is made as of this 25th day of September, 2006 by X-CELL III REALTY ASSOCIATES LLC, a New York limited liability company, having an address at 1615 Northern Boulevard, Manhasset, New York 11030 ("X-Cell"), MIDTOWN NORTH HILLS LLC, a New York limited liability company, having an address at 417 Fifth Avenue, 9th Floor, New York, New York 10016 ("Midtown North"), and the BOARD OF COMMISSIONERS OF THE MANHASSET LAKEVILLE WATER DISTRICT, a Special Improvement District of the Town of North Hempstead, having an address at 170 E. Shore Road, Great Neck, New York 11023 (the "Water District")

WITNESSETH

WHEREAS, X-Cell is the owner in fee simple of certain real property located on New Hyde Park Road in North Hills, New York designated on the Nassau County Land and Tax Map as Section 8, Block A, Lots 880 ("Lot 880") and 881 ("Lot 881") and being more particularly described on Schedule A annexed hereto and made a part hereof (Lot 880 and Lot 881 are collectively referred to as the "X-Cell Property"); and

WHEREAS, Midtown North is the owner in fee simple of certain real property located adjacent to the X-Cell Property and the Water District Property (as hereinafter defined) in North Hills, New York designated on the Nassau County Land and Tax Map as Section 8, Block A, Lots 302, 882, 702A and 702B, 502 and 51 and being more particularly described on Schedule B annexed hereto and made a part hereof (the "Midtown North Property"), with access to New Hyde Park Road by way of a preexisting access easement more particularly described in Schedule C annexed hereto and made a part hereof (the "Preexisting Access Easement"); and

WHEREAS, the Water District is the owner in fee simple of that certain real property located adjacent to the X-Cell Property and the Midtown North Property, as hereinafter defined, in North Hills, New York designated on the Nassau County Land and Tax Map as Section 8, Block A, Lot 785 and being more particularly described on Schedule D annexed hereto and made a part hereof (the "Water District Property"), with access to New Hyde Park Road by way of the Preexisting Access Easement; and

WHEREAS, the Water District intends to convey a portion of the Water District Property to Midtown North, retaining the remaining portion of its property which will include a 100 foot radius from a proposed well site, as shown on that Map of Residences at North Hills, prepared by Henderson and Bodwell, LLP, dated June 20, 2005, and last revised on June 14, 2006, a copy of which is annexed hereto and made a part hereof as Exhibit 1 (the "Midtown North Site Plan"), and

WHEREAS, on May 24, 2006, the Incorporated Village of North Hills (the "Village") conditionally approved an Incentive Zoning Permit for the Midtown North Property allowing for

the development of 244 luxury residential condominium units (the "Midtown North Project"); and

WHEREAS, Midtown North has a pending application before the Village for subdivision and site plan approval for the Midtown North Project and desires to acquire an easement providing access to the Midtown North Property from New Hyde Park Road across from Hollow Lane where there is an existing traffic light, and

WHEREAS, X-Cell has received site plan approval (the "Existing X-Cell Site Plan Approval") from the Village for the development of an office building on Lot 880; and

WHEREAS, X-Cell has a pending application before the Planning Board for the Village of North Hills for approval (the "New X-Cell Approval") of an amended site plan in accordance with the Spector Site Plan (as hereinafter defined); and

WHEREAS, X-Cell and the Water District are willing to grant an easement to Midtown North and to each other to use a portion of their respective properties to provide access from New Hyde Park Road (at a point which is across from Hollow Lane) through a portion of the X-Cell Property and a portion of the Water District Property back to the Midtown North Property, provided that: (1) use of such access easement for the benefit of Midtown North Property is strictly limited to uses associated with the Midtown North Project or other similar luxury residential project of high-end quality thereon, (2) the location of the access easement is ultimately subject to X-Cell's approval in accordance with the terms of this Agreement if not over the Preferred Access Easement Area (as hereinafter defined), (3) the Water District grants a permanent easement to X-Cell to use that part of the access easement which crosses over part of the Water District Property, (4) Midtown North grants a permanent easement to X-Cell over part of Lot 882 on the Midtown North Property ("Lot 882") for parking and landscaping to be configured in the manner reflected on the Site Plan prepared by the Spector Group dated April 26, 2006 (the "Spector Site Plan"), a copy of which is annexed hereto and made a part hereof as Exhibit 2, or as ultimately approved by the Village in the New X-Cell Approval, (5) the Preexisting Access Easement is terminated once the new access road is built from New Hyde Park Road, (6) Midtown North grants to X-Cell and the Water District an easement so that all stormwater from the access road will be transported to stormwater management facilities on either the Midtown North Property or part of the Water District Property being conveyed to Midtown North by the Water District, and (7) Midtown North complies with the terms of this Agreement; and

WHEREAS, the Water District is willing to grant X-Cell and Midtown a permanent easement over part of the Water District Property if a new access road coming from New Hyde Park Road is built over part of the Water District Property and the Water District is willing to release any right to use the Preexisting Easement provided that access to the Water District Property will be over the new roadway from Hollow Lane as built by either Midtown North or X Cell in accordance with the terms of this Agreement; and

WHEREAS, Midtown North and the Water District have a pending joint application before the Village for waiver of subdivision approval for that aspect of the Midtown North Project that incorporates two portions of the Water District Property, while enabling the Water District to retain the center rectangular portion thereof to accommodate a well site.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, and for the further consideration paid by Midtown North to X-Cell in accordance with the separate agreement (the "Separate Agreement") entered into by the parties hereto simultaneously with the execution of this Agreement, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby mutually agree, grant, convey and declare as follows.

1. GRANT OF ACCESS EASEMENTS

A. X-Cell, as the owner of the X-Cell Property, for itself, its successors and assigns, does hereby grant a non-exclusive easement for the benefit of Midtown North, its successors, assigns, tenants, guests, invitees and all future owners of the Midtown North Property, and to the Water District, its successors, assigns, tenants, guests, invitees and all future owners of the Water District Property, on, over, under and across that certain area of land on the X-Cell Property which is shown on the Midtown North Site Plan, and is more specifically described on Schedule E annexed hereto and made a part hereof (the "X-Cell Easement Area") for the purposes of pedestrian and vehicular (but excluding commercial vehicles, such as trucks, vans and also excluding vehicles used for the construction of the Midtown North Project) ingress and egress as well as landscaping to and from the public roadway commonly known as New Hyde Park Road. Notwithstanding the foregoing, commercial vehicles, construction vehicles, trucks and vans may use the X-Cell Easement Area to access the Well Site (as hereinafter defined).

B. The Water District, as the owner of the Water District Property, for itself, its successors and assigns, does hereby grant a non-exclusive easement for the benefit of Midtown North, its successors, assigns, tenants, guests, invitees and all future owners of the Midtown North Property, and to X-Cell, its successors, assigns, tenants, guests, invitees and all future owners of the X-Cell Property, on, over, under and across that certain area of land on the Water District Property which is shown on the Midtown North Site Plan and is more specifically described on Schedule F annexed hereto and made a part hereof (the "Water District Easement Area") for the purposes of pedestrian and vehicular ingress and egress, as well as landscaping, to and from the X-Cell Property to the Easement Area Construction Cutoff Line, as depicted on the Midtown North Site Plan. (The X-Cell Easement Area and the Water District Easement Area shall be collectively referred to herein as the "Preferred Access Easement Area").

C. Notwithstanding the foregoing grants, the parties hereto recognize and agree that the access roadway to be built from Hollow Lane back towards the Midtown North Property is dependant upon municipal approvals received in connection with such roadway. If Midtown North builds the Midtown North Project prior to X-Cell improving X-Cell's property,

the roadway from New Hyde Park Road would be built by Midtown North along the Preferred Access Easement Area in accordance with the Midtown North Site Plan. If X-Cell improves X-Cell's property first in accordance with the New Approval, the road would be built by X Cell in the area of the Preferred Access Easement Area Plan or in the immediate vicinity thereof in accordance with the approvals ultimately received from the Village with the stormwater from the roadway discharged to that part of the Water District Property being conveyed to Midtown North by the Water District in accordance with the Stormwater Management Plan (as hereinafter defined)

2 CONSTRUCTION OF ACCESS ROAD

A. X-Cell, as the owner of the X-Cell Property, for itself, its successors and assigns, and the Water District, as the owner of the Water District Property, for itself, its successors and assigns do hereby grant to Midtown North, for the benefit of itself, its successors, and permitted assigns, a license to enter the Preferred Access Easement Area in accordance with certain Construction Rights, as hereinafter defined, with respect to constructing, at its sole cost and expense, a permanent entrance road from New Hyde Park Road to the Easement Area Construction Cutoff Line (such road, whether constructed by Midtown North or X-Cell is hereinafter referred to as the "Access Road"), including granite (or Belgium Block) curbs, drainage, lighting, landscape buffers and installation of base, blacktop over and across the Easement Area, in accordance with plans and specifications (the "Plans and Specifications"), which are subject to X-Cell's advance written approval, which approval shall not be unreasonably withheld, conditioned or delayed, subject to such modifications which are required by the Village and which meet with X-Cell's approval. The parties hereto agree that the term "Plans and Specifications" relate to both (1) the construction of the roadway itself (i.e., base, paving, curbs, drainage and lighting), and (2) all landscaping along the Preferred Access Easement Area. Midtown North shall use Ochme vanSweden & Associates, Inc. as landscape architects with respect to the landscaping reflected in the Plans and Specifications for the Preferred Access Easement Area.

B. The "Construction Rights" shall include, without limitation, the following:

i. The right to grade, install base, place blacktop on, stripe directional markers on the blacktop, add roadway lighting, landscape and place granite curbs on the Preferred Access Easement Area in strict accordance with the Plans and Specifications.

ii. The right to place appropriate temporary signage at the New Hyde Park Road entrance to the Access Road, provided, however, (a) that such signage is subject to X-Cell's prior written approval, which approval shall not be unreasonably withheld; (b) such signage shall comply with all applicable zoning and legal requirements imposed by the Village, (c) the exact location of such signage at the New Hyde Park Road entrance is within X-Cell's sole discretion, and (d) once the Office Project on the X-Cell Property is fifty (50%) percent

occupied, the temporary signage shall be removed either by Midtown North or by X-Cell, at the sole cost and expense of Midtown North, and shall be replaced with signage as shall be approved by X Cell, in X-Cell's sole discretion, but after consulting with Midtown North regarding the design thereof which will identify the Office Project and the Midtown Project and with the cost of such signage shared equally by X-Cell and Midtown North.

C. The Construction Rights granted to Midtown North herein shall be subject to Midtown North using best efforts (at Midtown North's sole cost and expense) to secure the approval of a left turn lane (the "Left Turn Lane") into the X-Cell Property from New Hyde Park Road and Midtown North's paying for the construction of the Left Turn Lane and any additional traffic signals associated with the Left Turn Lane. The Construction Rights granted to Midtown North herein shall be further subject to the following limitations:

i. Midtown North shall perform all work so as to minimize any interference with the use by X-Cell of the X-Cell Property and with the use by the Water District of the Water District Property.

ii. Midtown North shall repair any damage it causes to the Preferred Access Easement Area, as well as the area surrounding the Preferred Access Easement Area, in connection with its construction on the Preferred Access Easement Area.

iii. Midtown North shall indemnify and hold X-Cell and the Water District harmless from any loss, cost or expense incurred by X-Cell or the Water District in connection with the construction performed by Midtown North on the Preferred Access Easement Area, including, but not limited to, environmental remediation costs attributable to Hazardous Substances (as hereinafter defined) found in the Preferred Access Easement Area which costs have been increased by Midtown North's construction in the Preferred Access Easement Area and Midtown North's violation of any Environmental Laws (as hereinafter defined) in connection with the exercise of the Construction Rights. "Hazardous Substances" means any pollutants, hazardous or toxic materials, substances or wastes, including but not limited to: petroleum and petroleum products and derivatives, asbestos, radon, polychlorinated biphenyls (PCB's), radioactive materials, and any chemicals, materials or substances designated or regulated as hazardous or as toxic substances materials or wastes under any applicable federal or New York State environmental law. The term "Environmental Laws" shall mean any federal, state, county, municipal, local or other statute, ordinance, rule, regulation, permit, judgment, order, writ, decree, award or injunction which relates to or deals with the protection of the environment or wildlife and/or human health and safety, including all regulations promulgated by a regulatory body pursuant to any such statute, ordinance, or regulation, including, the Comprehensive Environmental Response and Liability Act of 1980 ("CERCLA"), as amended, 42 U.S.C. §9601 et seq., the Resource Conservation and Recovery Act ("RCRA"),

as amended, 42 U.S.C. §6901, et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. §1251 et seq., and the Clean Air Act, as amended, 42 U.S.C. §7401 et. seq. X-Cell has no knowledge of Hazardous Substances in the X-Cell Easement Area.

iv. Midtown North's construction contractor must be approved by X-Cell in advance of the work performed by such construction contractor, which approval shall not be unreasonably withheld, conditioned or delayed. The Leon D. DeMatteis Construction Corporation, or one of its wholly owned subsidiaries, shall be considered an approved construction contractor.

v. If a mechanic's lien is filed against either the Water District Property or the X-Cell Property on account of work performed by or on behalf of Midtown North, Midtown North shall within forty-five days of the date that it receives actual notice of such mechanic's lien, either cause such mechanic's lien to be released or bond such mechanic's lien.

vi. Midtown North shall obtain any applicable municipal approvals that may be required in connection with its construction on the Preferred Access Easement Area, as well as post any security required by the Village before the commencement of such construction.

vii. Midtown North shall deliver to X-Cell prior to Midtown North exercising any of the Construction Rights, an estimate prepared by Midtown North's construction contractor with respect to the reasonably estimated cost of construction of the new roadway improvements, on, over, across and under the Preferred Access Easement Area, including, but not limited to, the cost of installation of all utilities, lighting and landscaping placed in the Preferred Access Easement Area. The estimate shall be used to establish an escrow for construction related to such improvements which escrow is be held by X-Cell's attorneys in accordance with the Separate Agreement and Midtown North may not exercise the Construction Rights without making the escrow deposit required under the Separate Agreement.

viii. Midtown North shall comply with the insurance requirements set forth in this Agreement.

ix. Midtown North shall have posted all security required by the Village to start construction on the Midtown North Project.

D. Notwithstanding the foregoing Construction Rights granted to Midtown North, in the event that the X-Cell Property is developed prior to the development of the Midtown North Project on the Midtown North Property, it is expressly understood and agreed that X-Cell may construct the Access Road over the Preferred Access Easement Area to the

Easement Area Construction Cutoff Line. In such event, Midtown North shall pay all costs associated with the design and construction of the Access Road which construction costs shall include, but not be limited to, granite (or Belgium Block) curb, drainage, lighting, landscape buffers and blacktop from New Hyde Park Road over the Preferred Access Easement Area to the Easement Area Construction Cutoff Line, together with all municipal permitting costs and the design costs of the surveyors, site planners and landscape architects, with 50% of what X-Cell reasonably estimates to be such design, construction and permitting costs paid to X-Cell within thirty (30) days of X-Cell having received a permit to start construction of the Access Road and the balance paid to X-Cell as X-Cell directs for work in place after construction has started on the Access Road. If X-Cell undertakes to construct the Access Road, the costs associated with such work shall be reasonably competitive with the cost of of similar construction projects and it is expressly understood and agreed that an arms length construction agreement between X-Cell and its selected general contractor shall be considered acceptable. If Midtown North fails to make any payment required to be made hereunder, Midtown North's successors, assigns, tenants, guests, invitees and all future owners of the Midtown North Property shall have no right to use the Access Road until all amounts due and owing have been paid to X-Cell with interest thereon at sixteen (16%) percent per annum from the date payment should have been made and X-Cell may bring an action in a court of competent jurisdiction seeking legal and/or equitable remedies, including, without limitation, enforcement of the terms of this Agreement enjoining the use of the Access Road and X-Cell shall be entitled to recover from the owner of the Midtown North Property, all reasonable costs incurred in enforcing the terms of this Agreement, including, without limitation, costs and expenses of suit and reasonable attorneys fees. If the Access Road is constructed by X-Cell, such construction shall be subject to

i. X-Cell shall perform all work related to the Access Road so as to minimize any interference with the use by the Water District of the Water District Property or the use of the Midtown North Property by Midtown North.

ii. X-Cell shall repair any damage it causes to the Preferred Access Easement Area, as well as the area surrounding the Preferred Access Easement Area, in connection with its construction related to the Access Road on the Preferred Access Easement Area.

iii. X-Cell shall indemnify and hold the Water District harmless from any loss, cost or expense incurred by the Water District in connection with the construction performed by X-Cell related to the Access Road on the Preferred Access Easement Area, including, but not limited to, environmental remediation costs attributable to Hazardous Substances found in the Preferred Access Easement Area which costs have been increased by X-Cell's construction in the Preferred Access Easement Area and X-Cell's violation of any Environmental Laws. If any part of the Preferred Access Easement Area is owned by Midtown North at the time X-Cell undertakes construction, X-Cell shall indemnify and hold the Midtown North harmless from any loss, cost or expense incurred by Midtown North in connection with the construction performed by X-Cell related to the

Storage Bin License

STORAGE BIN LICENSE

AGREEMENT made as of this ____ day of _____ 201_ ("Agreement") by and between RXR North Hills Phase I Owner LLC, having an office at 625 RXR Plaza, Uniondale, New York 11556 ("Sponsor"), and The Board of Managers of The Residences, North Hills Phase I Condominium, having an address at 1000 and 2000 Royal Court, North Hills, New York 11040 ("Board") (Sponsor and the Board are sometimes collectively referred to as the ("Licensor") and _____ having an address at 1000 and 2000 Royal Court, North Hills, New York 11040 ("Licensee");

WHEREAS, The Residences North Hills Phase I Condominium ("Condominium") is governed by a certain Declaration of Condominium dated _____, 201__, recorded in the Nassau County Clerk in Liber _____, Page _____, be amended from time to time (the "Declaration"), the By-Laws of the Condominium, as the same has been or may be amended from time to time (the "By-Laws") and the Residential Rules and Regulations of the Condominium, as the same has been or may be amended from time to time (the "Residential Rules and Regulations") (the "Declaration", the "By-Laws" and the "Residential Rules and Regulations" are collectively, referred to as the "Condominium Documents"); and

WHEREAS, in a portion of common elements of the Condominium there are rooms in which Storage Bins ("Licensed Area") have been installed for use by permitted Unit Owners and

WHEREAS, Licensee, owns or simultaneously herewith is acquiring a Unit _____ in the Condominium; and

WHEREAS, Licensee desires the right to the exclusive use of Storage Bin # _____ for so long as Licensee owns a Unit in the Condominium;

NOW THEREFORE, in consideration of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

(a) Licensor hereby grants to Licensee, its successors and assigns, a license for the exclusive use of Storage Bin #____ ("Designated Storage Bin") ("License") and Licensee hereby accepts such License from Licensor for a term commencing on the date hereof.

(b) A Storage Bin may only be used for the storage of personal effects of the Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item, be stored in a Storage Bin.

(c) Licensee shall not (a) store any property in the Licensed Area outside of the

designated Storage Bin; or (b) allow any other person to use the License except in accordance with the terms hereof.

(d) This License may be assigned by Licensee at any time provided the assignee (i) is a Unit Owner at the Condominium, (ii) assumes the obligations hereunder in the form annexed hereto, (iii) notification of the assignment is delivered in writing to the Board in compliance with its requirements as the same may be modified from time to time, and (iv) no outstanding monies are owed to the Condominium by the Licensee and/or the assignee. This License shall automatically terminate at such time as the Licensee no longer owns a Unit in the Condominium unless this License is assigned to and assumed by another Unit Owner.

(e) Licensee represents that it has made a thorough inspection of the Licensed Area and agrees to take same in its "as is" condition as of the date of this Agreement. Licensee shall throughout the term of this Agreement, take good care of and maintain the Designated Storage Bin. All repairs and replacements to the Designated Storage Bin as well as the Licensed Area shall be performed by the Board and the cost thereof shall be a Common Expense, unless such repair or replacement is necessitated by the negligence, misuse, or abuse of a Licensee, then the entire cost and expense of such repair or replacement shall be borne by such Licensee, and shall constitute additional Common Charges.

(f) Licensor nor their respective agents or employees shall be liable for any theft or damage to any property stored in the Licensed Area and/or the Designated Storage Bin.

(g) The terms of this Agreement are subject to the terms of the Condominium Documents. Nothing contained herein shall be construed as limiting the rights and obligations of the parties under the Condominium Documents. Any conflict between the provisions of this Agreement and the Condominium Documents shall be resolved in favor of the Condominium Documents as they relate to.

(h) If Licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Designated Storage Bin until Licensee cures such default or (ii) terminate this Agreement upon written notice to Licensee.

(i) The Condominium Board or its agents shall have the right, but not the obligation, to open the Designated Storage Bin in an emergency at any time, and, at other reasonable times upon prior notice to Licensee, to inspect and examine the Designated Storage Bin and to make such repairs, replacements and improvements as the Condominium Board shall deem necessary.

(j) This Agreement shall constitute a License only and shall not be construed under any circumstances to be a sale of the Designated Storage Bin or conveyance of

title thereto. In no event shall a landlord/tenant relationship exist between the Licensor and the Licensee with respect to this agreement.

(k) Licensee shall indemnify and hold the Licensor and the Condominium and their respective officers, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family, servants, employees, agents, guests and invitees in connection with this License.

(l) Licensee shall be obligated to reimburse the Licensor and the Condominium for any legal fees and disbursements incurred by the Licensor in defending the rights of the Licensor under this Agreement or, in the event Licensee defaults under this agreement beyond any applicable grace period, enforcing Licensee's obligations hereunder.

(m) Neither this agreement nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

(n) It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this agreement, which alone fully and completely express their agreement and that this agreement supersedes any and all such understandings and agreements with respect to the subject matter hereof.

(o) If any provision of this agreement is invalid or unenforceable as against any party or under, certain circumstances, the remainder of this agreement and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this agreement, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

(p) Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for-herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(q) Any failure by the Licensor to insist upon strict performance by Licensee of any of the provisions of this agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this agreement to be performed by Licensee.

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

LICENSEE:

_____ _____ _____

Licensee's (Purchaser) Signature Date

RXR NORTH HILLS PHASE I OWNER LLC

By: _____ _____

Sponsor's Authorized Agent Date

The Board of Managers of The Residences, North Hills Phase I Condominium

By: _____ _____

Sponsor's Authorized Agent Date

Exhibit "1" - Property description of Association Common Areas

H2M architects + engineers

538 Broad Hollow Road, 4th Floor East
Melville, NY 11747

tel 631.756.8000
fax 631.694.4122

Revised HOA

Nassau County Tax Lots Section 8, Block A
Lots 889, 900 and Part of 892, 893, 897C & 897B

All that certain plot, piece or parcel of land, with the buildings thereon erected, situate, lying and being in the Incorporated Village of North Hills, Town of North Hempstead, County of Nassau and State of New York, bounded and described as follows:

Beginning at a concrete monument on the southerly side of the Long Island Expressway, I-495, South Service Road formerly Little Neck- Old Westbury Road (Old Powerhouse Road), 583.06 feet east of the intersection of the southerly side of the Long Island Expressway South Service Road with the new easterly side of New Hyde Park Road.

Thence along the southerly side of the Long island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 561.41 feet to land now or formerly of Realm, LLC.

Thence along land now or formerly of Realm, LLC the following two (2) courses:

1. South 00 degrees 31 minutes 00 seconds east, 621.48 feet.
2. North 89 degrees 29 minutes 00 seconds east, 313.96 feet to land now or formerly of North Hills Associates, LLC.

Thence southerly along lands now or formerly of North Hills Associates, LLC. South 08 degrees 24 minutes 00 seconds west, 613.64 feet to the land of New York State Park Commission.

Thence westerly the following seven (7) courses along the former centerline of I.U. Willets Road and partly along llands of New York State Park Commission:

1. North 76 degrees 47 minutes 50 seconds west, 16.24 feet.
2. North 83 degrees 42 minutes 00 seconds west, 9.42 feet.
3. North 80 degrees 59 minutes 00 seconds west, 104.95 feet.
4. South 76 degrees, 53 minutes, 38 seconds west, 174.25 feet.
5. Along the arc of a curve bearing to the left having a radius of 5,829.65 feet with an arc length of 219.36 feet.
   With a chord bearing of South 75 degrees, 48 minutes, 57.3 seconds west, 219.35 feet.
6. South 88 degrees, 04 minutes, 03 seconds west, 546.12 feet.
7. North 61 degrees, 02 minutes, 37 seconds west, 76.53 feet to the easterly side of New Hyde Park Road.

Thence Northerly along the easterly side of New Hyde Park Road, North 13 degrees, 30 minutes, 07 seconds west, 97.72 feet to the former centerline of I.U. Willets Road.

Thence easterly along the former centerline of I.U. Willets Road the following two (2) courses:

1. North 77 degrees, 58 minutes, 02 seconds east, 77.19 feet.
2. North 87 degrees, 17 minutes, 00 seconds east, 414.18 feet to the easterly side of land now or formerly of X Cell Realty Associates.

Thence northerly along the easterly side of land now or formerly of X Cell Realty Associates the following two (2) courses:

1. North 00 degrees, 31 minutes, 00 seconds west, 763.99 feet to a concrete monument.

2. North 26 degrees, 53 minutes, 10 seconds west, 146.34 feet to a concrete monument and the point or place of beginning.

Excepting the following five described areas:

Area 1

Manhasset Lakeville Water District. Designated as Tax Lot 890 as shown on the Nassau County Land and Tax Maps. Beginning at the north east corner of Area 1, said point being further described as the following four (4) courses from the intersection of the easterly side of New Hyde Park Road with the southerly side of the Long Island Expressway, I-495, Service Road (Power House Road).

1. Easterly along the southerly side of the Long Island Expressway Service Road 583.06 feet to a concrete monument.
2. South 26 degrees, 53 minutes, 10 seconds east, 146.34 feet to a concrete monument.
3. South 00 degrees, 31 minutes, 00 seconds east, 763.99 feet to the former centerline of I.U. Willets Road.
4. Westerly along the former centerline of I.U. Willets Road, South 87 degrees, 17 minutes, 00 seconds west, 109.11 feet to the point or place of beginning of property of Manhasset Lakeville Water District.

Thence the following four (4) courses around property of The Manhasset Lakeville Water District:

1. South 01 degrees, 55 minutes, 57 seconds east, 152.74 feet.
2. South 88 degrees, 04 minutes, 03 seconds west, 200.00 feet.
3. North 01 degrees, 55 minutes, 57 seconds west, 150.00 feet.
4. North 87 degrees, 17 minutes, 00 seconds east, 200.02 feet to the point or place of beginning of the Manhasset Lakeville Water District.

Area 2

Beginning at the northwest corner of Area 2, said point being further described as the following two (2) courses from the intersection of the easterly road line of New Hyde Park Road with the southerly road line of Power House Road (Long Island Expressway South Service Road);

1. Easterly along the southerly line of Power House Road, 583.06 feet,
2. South 59° 35' 33" east, 88.20 feet to the point or place of beginning;

Thence the following thirteen (13) courses:

1. North 78° 53' 03" east, 131.64 feet;
2. South 30° 41' 44" east, 34.39 feet;
3. South 11° 06' 57" east, 57.43 feet;
4. South 78° 53' 03" west, 29.76 feet;
5. South 11° 06' 57" east 38.15 feet;
6. South 03° 56' 01" west, 45.59 feet;
7. South 78° 53' 03" west, 10.46 feet;
8. South 11° 06' 57" east, 38.35 feet;
9. North 78° 53' 03" east, 10.53 feet;
10. South 25° 13' 04" east, 39.64 feet;
11. South 11° 06' 57" east, 136.49 feet;
12. South 78° 53' 03" west, 111.29 feet;
13. North 11° 06' 57" west, 385.29 feet to the point or place of beginning.

Area 3

Beginning at the northwest corner of Area 3, said point being further described as the following four (4) courses from the intersection of the easterly road line of New Hyde Park Road with the southerly road line of Power House Road (Long Island Expressway South Service Road);

1. Easterly along the southerly line of Power House Road, 583.06 feet;
2. South 26° 53' 10" east, 146.34 feet;
3. South 00° 31' 00" east, 302.39 feet to a tie line;
4. North 89° 29' 00" east, 28.35 feet to the point or place of beginning;

Thence the following fifteen (15) courses:

1. North 90° 00' 00" east, 110.33 feet;
2. South 00° 00' 00" east, 199.65 feet;
3. South 22° 21' 08" west, 4.34 feet;
4. North 90° 00' 00" west, 7.43 feet;
5. South 00° 00' 00" east, 45.85 feet;
6. North 90° 00' 00" east, 7.36 feet;
7. South 23° 03' 13" east, 4.40 feet;
8. South 00° 00' 00" east, 107.88 feet;
9. South 44° 55' 56" west, 72.10 feet;
10. North 90° 00' 00" west, 68.05 feet;
11. North 00° 00' 00" west, 48.44 feet;
12. North 90° 00' 00" east, 4.68 feet;
13. North 00° 00' 00" west, 127.70 feet;
14. South 90° 00' 00" east, 3.96 feet;
15. North 00° 00' 00" west, 236.35 feet to the point or place of beginning.

Area 4

Beginning at the southwest corner of Area 4, said point being further described as the following four (4) courses from the intersection of the easterly road line of New Hyde Park Road with the southerly road line of Power House Road (Long Island Expressway South Service Road);

1. Easterly along the southerly line of Power House Road, 583.06 feet;
2. South 26° 53' 10" east, 146.35 feet;
3. South 00° 31' 00" east, 763.99 feet.
4. Along the tie line, south 70° 03' 51" east, 116.12 feet to the point or place of beginning;

Thence the following seventeen (17) courses:

1. North 00° 00' 00" east, 63.61 feet;
2. North 44° 55' 56" east, 76.97 feet;
3. North 90° 00' 00" east, 167.24 feet;
4. South 70° 46' 27" east, 19.58 feet;
5. South 00° 00' 00" east, 6.61 feet;
6. North 90° 00' 00" east, 47.87 feet;
7. North 00° 00' 00" west, 6.59 feet;
8. North 70° 21' 07" east, 19.26 feet;
9. North 90° 00' 00" east, 107.86 feet;
10. North 00° 00' 00" west, 6.00 feet;
11. North 90° 00' 00" east, 35.67 feet;
12. North 00° 00' 00" east, 45.00 feet;

13. North 90° 00' 00" east, 63.67 feet;
14. South 00° 00' 00" west, 160.33 feet;
15. South 90° 00' 00" west, 417.29 feet;
16. South 00° 00' 00" east, 8.76 feet;
17. North 90° 00' 00" west, 96.00 feet to the point or place of beginning.

Area 5

Beginning at the northwest corner of Area 5, said point being further described as the following six (6) courses from the intersection of the easterly road line of New Hyde Park Road with the southerly road line of Power House Road (Long Island Expressway South Service Road);

1. Easterly along the southerly line of Power House Road, 583.06 feet;
2. Continuing along the southerly side of the Long Island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 561.41 feet.

3. South 00 degrees, 31 minutes, 00 seconds east 621.48 feet.
4. South 63 degrees, 33 minutes, 45 seconds west, 56.00 feet,
5. North 90 degrees, 00 minutes, 00 seconds east, 18.63 feet.
6. North 00 degrees, 00 minutes 00 seconds east, 4.31 feet to the point or place of beginning;

Thence the following seventeen (14) courses:

1. North 90 degrees, 00 minutes 00 seconds east, 192.83 feet.
2. South 00 degrees, 00 minutes, 00 seconds west, 50.75 feet.
3. North 90 degrees, 00 minutes, 00 seconds east, 12.17 feet.
4. South 00 degrees, 00 minutes, 00 seconds west, 26.75 feet.
5. North 90 degrees, 00 minutes, 00 seconds east, 17.42 feet.
6. South 00 degrees, 00 minutes, 00 seconds west, 33.83 feet.
7. South 90 degrees, 00 minutes, 00 seconds, west, 43.08 feet.
8. South 00 degrees, 00 minutes, 00 seconds west, 249.08 feet.
9. South 90 degrees, 00 minutes, 00 seconds, west, 130.17 feet.
10. North 00 degrees, 00 minutes, 00 seconds east, 207.68 feet.
11. North 45 degrees, 00 minutes, 00 seconds west, 20.51 feet.
12. North 00 degrees, 00 minutes, 00 seconds east, 8.07 feet.
13. South 90 degrees, 00 minutes, 00 seconds west, 120.83 feet.
14. North 00 degrees, 00 minutes, 00 seconds, east, 130.17 feet to the point of beginning.

Area 6

Beginning at the northwest corner of Area 6, said point being further described as the following five (5) courses from the intersection of the easterly road line of New Hyde Park Road with the southerly road line of Power House Road (Long Island Expressway South Service Road);

1. Easterly along the southerly line of Power House Road, 583.06 feet;
2. Continuing along the southerly side of the Long island Expressway South Service Road, North 63 degrees 06 minutes 50 seconds east, 242.05 feet;

3. South 26 degrees, 53 minutes, 10 seconds east, 128.72 feet;
4. North 78 degrees, 53 minutes, 03 seconds east, 9.86 feet;
5. North 11 degrees 06 minutes 58 seconds west, 19.78 feet to the point or place of beginning;

Thence the following eight (8) courses:

1. North 78 degrees 53 minutes 02 seconds east. 130.17 feet.
2. South 11 degrees, 06 minutes, 58 seconds east, 410.17 feet.
3. South 78 degrees, 53 minutes, 02 seconds west, 130.17 feet.
4. North 11 degrees, 06 minutes, 58 seconds west, 180.90 feet.
5. North 23 degrees, 53 minutes, 02 seconds, east, 18.31 feet.
6. North 11 degrees, 06 minutes, 58 seconds west, 18.37 feet.
7. North 46 degrees, 06 minutes, 58 seconds west, 18.31 feet.
8. North 11 degrees, 06 minutes, 58 seconds west, 180.90 feet to the point of beginning.

Said Overall Property (Excepting the six (6) described areas) containing 10.45 acres, or 455,142.28 square feet.

X:\RXRR (RXR Realty) - 45536\RXRR 1001 - The Residences @North Hills\CORRESPONDENCE\Revised HOA on Letterhead.doc

Exhibit "2" - Phase I property description

SCHEDULE "A"

RESIDENCES AT NORTH HILLS, CONDOMINIUM 3 (LOT 893)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 3 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM THREE LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 L.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 814, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/2008 AS MAP NO. CA244.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET;

THENCE SOUTH 00° 31' 00" EAST, 621.48 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, SOUTH 63° 33' 45" WEST, 56.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 90° 00' 00" EAST, 239.33 FEET;

THENCE SOUTH 00° 00' 00" WEST, 180.65 FEET;

THENCE SOUTH 90° 00' 00" EAST, 31.10 FEET;

THENCE SOUTH 00° 00' 00" WEST, 171.52 FEET;

THENCE NORTH 90° 00' 00" WEST, 57.33 FEET;

THENCE NORTH 00° 00' 00" EAST, 13.17 FEET;

THENCE NORTH 90° 00' 00" WEST, 53.85 FEET;

THENCE NORTH 00° 00' 00" EAST, 223.67 FEET;

Continued...

THENCE NORTH 90° 00' 00" WEST, 19.25 FEET;

THENCE NORTH 00° 00' 00" EAST, 6.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 126.00 FEET;

THENCE NORTH 00° 00' 00" WEST, 52.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 14.00 FEET

THENCE NORTH 00° 00' 00" WEST, 57.33 FEET TO THE POINT OR PLACE OF BEGINNING.

VANDERBILT AT THE RESIDENCES, NORTH HILLS (LOT 892 ONLY)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS VANDERBILT AT THE RESIDENCES, NORTH HILLS LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 1, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 246, AS AMENDED BY MAP NO. CA 246A FILED 8/23/2011.

TOGETHER WITH A TOTAL UNDIVIDED (SEE ATTACHED)% INTEREST IN THE COMMON ELEMENTS (AS SUCH TERM IS DEFINED IN THE DECLARATION).

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

DESCRIBED AS PARCEL 4 IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC RECORDED 1/13/2010 IN LIBER 12578 CP 139.

ALL THAT PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU, STATE OF NEW YORK, NASSAU LAND AND TAX PARCEL NUMBER SECTION 8, BLOCK A, LOT 892, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 242.05 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, SOUTH 26° 53' 10" EAST, 128.72 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;

THENCE SOUTH 11° 06' 58" EAST, 385.29 FEET;

Continued...

THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;

THENCE NORTH 11° 06' 57" WEST, 136.49 FEET;

THENCE NORTH 02° 59' 09" EAST, 39.64 FEET;

THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;

THENCE NORTH 11° 06' 57" WEST, 38.35 FEET;

THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;

THENCE NORTH 26° 09' 55" WEST, 45.59 FEET;

THENCE NORTH 11° 06' 57" WEST, 38.15 FEET;

THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;

THENCE NORTH 11° 06' 57" WEST, 57.43 FEET;

THENCE NORTH 08° 27' 49" EAST, 34.39 FEET TO THE TRUE POINT OR PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

Exhibit "3" - Phase II property description

SCHEDULE "A"

RESIDENCES AT NORTH HILLS, CONDOMINIUM 1 (LOT 895)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 1 RESIDENCES AT NORTH HILLS, (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 2/28/2008 RECORDED 3/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12379 CP 709, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 3/28/2008 AS MAP NO. CA238.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 302.39 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, NORTH 89° 29' 00" EAST, 28.35 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 90° 00' 00" EAST, 110.33 FEET;

THENCE SOUTH 00° 00' 00" EAST, 199.65 FEET;

THENCE SOUTH 22° 21' 08" WEST, 4.34 FEET;

THENCE NORTH 90° 00' 00" WEST, 7.43 FEET;

THENCE SOUTH 00° 00' 00" EAST, 45.85 FEET;

THENCE NORTH 90° 00' 00" EAST, 7.36 FEET;

THENCE SOUTH 23° 03' 13" EAST, 4.40 FEET;

THENCE SOUTH 00° 00' 00" EAST, 107.88 FEET;

THENCE SOUTH 44° 55' 56" WEST, 72.10 FEET;

THENCE NORTH 90° 00' 00" WEST, 68.05 FEET,

Continued...

Title No. 572147NY2
Schedule 'A' Continued

THENCE NORTH 00° 00' 00" WEST, 48.44 FEET;

THENCE NORTH 90° 00' 00" EAST, 4.68 FEET;

THENCE NORTH 00° 00' 00" WEST, 127.70 FEET;

THENCE SOUTH 90° 00' 00" EAST, 3.96 FEET;

THENCE NORTH 00° 00' 00" WEST, 236.35 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 2 (LOT 894)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 2 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM TWO) LOCATED AT 85 95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 905, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/008 AS MAP NO. CA243.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 763.99 FEET TO A TIE LINE;

THENCE ALONG THE TIE LINE, SOUTH 70° 03' 51" EAST, 116.12 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 00° 00' 00" EAST, 63.61 FEET;

THENCE NORTH 44° 55' 56" EAST, 76.97 FEET;

THENCE NORTH 90° 00' 00" EAST, 167.24 FEET;

THENCE SOUTH 70° 46' 27" EAST, 19.58 FEET;

THENCE SOUTH 00° 00' 00" EAST, 6.61 FEET;

Continued...

THENCE NORTH 90° 00' 00" EAST, 47.87 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.59 FEET;

THENCE NORTH 70° 21' 07" EAST, 19.26 FEET;

THENCE NORTH 90° 00' 00" EAST, 107.86 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 35.67 FEET;

THENCE NORTH 00° 00' 00" EAST, 45.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 63.67 FEET;

THENCE SOUTH 00° 00' 00" WEST, 160.33 FEET;

THENCE SOUTH 90° 00' 00" WEST, 417.29 FEET;

THENCE SOUTH 00° 00' 00" EAST, 8.76 FEET;

THENCE NORTH 90° 00' 00" WEST, 96.00 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 5 (LOT 896)

THE CONDOMINIUM UNITS (THE "UNITS") KNOWN AS UNIT NOS. (SEE ATTACHED) IN THE PREMISES KNOWN AS CONDOMINIUM 5 (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM FIVE)

LOCATED AT 85 95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNIT BEING DESIGNATED AND DESCRIBED AS UNIT NOS. (SEE ATTACHED) IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 83, AND ALSO DESIGNATED AS TAX LOTS (SEE ATTACHED) IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 247.

TOGETHER WITH A TOTAL UNDIVIDED (SEE ATTACHED) % INTEREST IN THE COMMON ELEMENTS (AS SUCH TERM IS DEFINED IN THE DECLARATION).

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

Continued...

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE ALONG A TIE LINE, SOUTH 59° 35' 33" EAST, 88.20 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;

THENCE SOUTH 30° 41' 44" EAST, 34.39 FEET;

THENCE SOUTH 11° 06' 57" EAST, 57.43 FEET;

THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;

THENCE SOUTH 11° 06' 57" EAST 38.15 FEET;

THENCE SOUTH 03° 56' 01" WEST, 45.59 FEET;

THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;

THENCE SOUTH 11° 06' 57" EAST, 38.35 FEET;

THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;

THENCE SOUTH 25° 13' 04" EAST, 39.64 FEET;

THENCE SOUTH 11° 06' 57" EAST, 136.49 FEET;

THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;

THENCE NORTH 11° 06' 57" WEST, 385.29 FEET TO THE POINT OR PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

Exhibit "4" – Entire Property Description (Phase I and Phase II including Association Common Areas)

REVISED OVERALL PROPERTY DESCRIPTION

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A CONCRETE MONUMENT ON THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY, I-495, SOUTH SERVICE ROAD FORMERLY LITTLE NECK-OLD WESTBURY ROAD (OLD POWERHOUSE ROAD), 583.06 FEET EAST OF THE INTERSECTION OF THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD WITH THE NEW EASTERLY SIDE OF NEW HYDE PARK ROAD:

THENCE ALONG THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET TO LAND NOW OR FORMERLY OF REALM, LLC.

THENCE ALONG LAND NOW OR FORMERLY OF REALM, LLC THE FOLLOWING THREE (3) COURSES;

1. SOUTH 00° 31' 00" EAST, 621.48 FEET.

2. NORTH 89° 29' 00" EAST, 313.96 FEET TO LAND NOW OR FORMERLY OF NORTH HILLS ASSOCIATES, LLC.

3. SOUTHERLY ALONG LANDS NOW OR FORMERLY OF NORTH HILLS ASSOCIATES, LLC SOUTH 08° 24' 00" WEST, 613.64 FEET TO THE LAND OF NEW YORK STATE PARK COMMISSION.

THENCE WESTERLY THE FOLLOWING SEVEN (7) COURSES ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD AND PARTLY ALONG LANDS OF NEW YORK STATE PARK COMMISSION:

1. NORTH 76° 47' 50" WEST, 16.24 FEET.

2. NORTH 83° 42' 00" WEST, 9.42 FEET.

3. NORTH 80° 59' 00" WEST, 104.95 FEET.

4. SOUTH 76° 53' 38" WEST, 174.25 FEET.

5. ALONG THE ARC OF A CURVE BEARING TO THE LEFT, HAVING A RADIUS OF 5829.65 FEET. WITH A CHORD BEARING OF SOUTH 75° 48' 57.3" WEST, 219.36 FEET.

6. SOUTH 88° 04' 03" WEST, 546.12 FEET.

7. NORTH 61° 02' 37" WEST, 76.53 FEET TO THE EASTERLY SIDE OF NEW HYDE PARK ROAD.

NORTHERLY ALONG THE EASTERLY SIDE OF NEW HYDE PARK ROAD, NORTH 13° 30' 07" WEST, 97.72 FEET TO THE FORMER CENTERLINE OF I.U. WILLETS ROAD.

THENCE EASTERLY ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD THE FOLLOWING TWO (2) COURSES:

1. NORTH 77° 58' 02" EAST, 77.19 FEET.

2. NORTH 87° 17' 00" EAST, 414.18 FEET TO THE EASTERLY SIDE OF LAND NOW OR FORMERLY OF X CELL REALTY ASSOCIATES.

THENCE NORTHERLY ALONG THE EASTERLY SIDE OF LAND NOW OR FORMERLY OF X CELL REALTY ASSOCIATES THE FOLLOWING TWO (2) COURSES.

1. NORTH 00° 31' 00" WEST, 763.99 FEET TO A CONCRETE MONUMENT.

2. NORTH 26° 53' 10" WEST, 146.34 FEET TO A CONCRETE MONUMENT AND THE POINT OR PLACE OF BEGINNING.

EXCEPTING THAT PROPERTY OF THE MANHASSET LAKEVILLE WATER DISTRICT. DESIGNATED AS TAX LOT 890 AS SHOWN ON THE NASSAU COUNTY LAND AND TAX MAPS. THE NORTHEAST CORNER OF SAID PROPERTY BEING FURTHER DESCRIBED AS THE FOLLOWING FOUR (4) COURSES FROM THE INTERSECTION OF THE EASTERLY SIDE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY, I-495, SERVICE ROAD (POWER HOUSE ROAD).

1. EASTERLY ALONG THE SOUTHERLY SIDE OF THE LONG ISLAND EXPRESSWAY SERVICE ROAD 583.06 FEET TO A CONCRETE MONUMENT.

2. SOUTH 26° 53' 10" EAST, 146.34 FEET TO A CONCRETE MONUMENT.

3. SOUTH 00° 31' 00" EAST, 763.99 FEET TO THE FORMER CENTERLINE OF I.U. WILLETS ROAD.

4. WESTERLY ALONG THE FORMER CENTERLINE OF I.U. WILLETS ROAD, SOUTH 87° 17' 00" WEST, 109.11 FEET TO THE POINT OR PLACE OF BEGINNING OF PROPERTY OF MANHASSET LAKEVILLE WATER DISTRICT.

THENCE THE FOLLOWING FOUR (4) COURSES AROUND PROPERTY OF THE MANHASSET LAKEVILLE WATER DISTRICT:

1. SOUTH 01° 55' 57" EAST, 152.74 FEET.

2. SOUTH 88° 04' 03" WEST, 200.00 FEET.

3. NORTH 01° 55' 57" WEST, 150.00 FEET.

4. NORTH 87° 17' 00" EAST, 200.02 FEET TO THE POINT OR PLACE OF BEGINNING OF THE MANHASSET LAKEVILLE WATER DISTRICT.

BEING THE SAME OVERALL PREMISES AS IS DESCRIBED IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC DATED 12/30/2009 RECORDED 1/13/2010 IN LIBER 12578 CP 139.

FURTHER EXCEPTING THEREFROM THE FOLLOWING FIVE (5) CONDOMINIUM PREMISES:

RESIDENCES AT NORTH HILLS, CONDOMINIUM 1 (LOT 895)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 1 RESIDENCES AT NORTH HILLS, (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM ONE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 2/28/2008 RECORDED 3/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12379 CP 709, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 3/28/2008 AS MAP NO. CA238.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 302.39 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, NORTH 89° 29' 00" EAST, 28.35 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 90° 00' 00" EAST, 110.33 FEET;

THENCE SOUTH 00° 00' 00" EAST, 199.65 FEET;

THENCE SOUTH 22° 21' 08" WEST, 4.34 FEET;

THENCE NORTH 90° 00' 00" WEST, 7.43 FEET;

THENCE SOUTH 00° 00' 00" EAST, 45.85 FEET;

THENCE NORTH 90° 00' 00" EAST, 7.36 FEET;

THENCE SOUTH 23° 03' 13" EAST, 4.40 FEET;

THENCE SOUTH 00° 00' 00" EAST, 107.88 FEET;

THENCE SOUTH 44° 55' 56" WEST, 72.10 FEET;

THENCE NORTH 90° 00' 00" WEST, 68.05 FEET;

THENCE NORTH 00° 00' 00" WEST, 48.44 FEET;

THENCE NORTH 90° 00' 00" EAST, 4.68 FEET;

THENCE NORTH 00° 00' 00" WEST, 127.70 FEET;

THENCE SOUTH 90° 00' 00" EAST, 3.96 FEET;

THENCE NORTH 00° 00' 00" WEST, 236.35 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 2 (LOT 894)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 2 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM TWO) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE

DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 905, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/008 AS MAP NO. CA243.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 26° 53' 10" EAST, 146.35 FEET;

THENCE SOUTH 00° 31' 00" EAST, 763.99 FEET TO A TIE LINE;

THENCE ALONG THE TIE LINE, SOUTH 70° 03' 51" EAST, 116.12 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 00° 00' 00" EAST, 63.61 FEET;

THENCE NORTH 44° 55' 56" EAST, 76.97 FEET;

THENCE NORTH 90° 00' 00" EAST, 167.24 FEET;

THENCE SOUTH 70° 46' 27" EAST, 19.58 FEET;

THENCE SOUTH 00° 00' 00" EAST, 6.61 FEET;

THENCE NORTH 90° 00' 00" EAST, 47.87 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.59 FEET;

THENCE NORTH 70° 21' 07" EAST, 19.26 FEET;

THENCE NORTH 90° 00' 00" EAST, 107.86 FEET;

THENCE NORTH 00° 00' 00" WEST, 6.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 35.67 FEET;

THENCE NORTH 00° 00' 00" EAST, 45.00 FEET;

THENCE NORTH 90° 00' 00" EAST, 63.67 FEET;

THENCE SOUTH 00° 00' 00" WEST, 160.33 FEET;

THENCE SOUTH 90° 00' 00" WEST, 417.29 FEET;

THENCE SOUTH 00° 00' 00" EAST, 8.76 FEET;

THENCE NORTH 90° 00' 00" WEST, 96.00 FEET TO THE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 3 (LOT 893)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 3 RESIDENCES AT NORTH HILLS (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM THREE LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 8/4/2008 RECORDED 8/27/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12427 CP 814, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S. ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 8/27/2008 AS MAP NO. CA244.

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 561.41 FEET;

THENCE SOUTH 00° 31' 00" EAST, 621.48 FEET TO A TIE LINE:

THENCE ALONG A TIE LINE, SOUTH 63° 33' 45" WEST, 56.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 90° 00' 00" EAST, 239.33 FEET:

THENCE SOUTH 00° 00' 00" WEST, 180.65 FEET;

THENCE SOUTH 90° 00' 00" EAST, 31.10 FEET:

THENCE SOUTH 00° 00' 00" WEST, 171.52 FEET;

THENCE NORTH 90° 00' 00" WEST, 57.33 FEET;

THENCE NORTH 00° 00' 00" EAST, 13.17 FEET;

THENCE NORTH 90° 00' 00" WEST, 53.85 FEET;

THENCE NORTH 00° 00' 00" EAST, 223.67 FEET;

THENCE NORTH 90° 00' 00" WEST, 19.25 FEET;

THENCE NORTH 00° 00' 00" EAST, 6.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 126.00 FEET;

THENCE NORTH 00° 00' 00" WEST, 52.00 FEET;

THENCE NORTH 90° 00' 00" WEST, 14.00 FEET

THENCE NORTH 00° 00' 00" WEST, 57.33 FEET TO THE POINT OR PLACE OF BEGINNING.

VANDERBILT AT THE RESIDENCES, NORTH HILLS (LOT 892 ONLY)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS VANDERBILT AT THE RESIDENCES, NORTH HILLS LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNITS BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF

NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 1, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 246, AS AMENDED BY MAP NO. CA 246A FILED 8/23/2011.

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

DESCRIBED AS PARCEL 4 IN DEED MADE BY MIDTOWN NORTH HILLS, LLC TO MIDTOWN NORTH HILLS, LLC RECORDED 1/13/2010 IN LIBER 12578 CP 139.

ALL THAT PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU, STATE OF NEW YORK, NASSAU LAND AND TAX PARCEL NUMBER SECTION 8, BLOCK A, LOT 892, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, NORTH 63° 06' 50" EAST, 242.05 FEET TO A TIE LINE;

THENCE ALONG A TIE LINE, SOUTH 26° 53' 10" EAST, 128.72 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;
THENCE SOUTH 11° 06' 58" EAST, 385.29 FEET;
THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;
THENCE NORTH 11° 06' 57" WEST, 136.49 FEET;
THENCE NORTH 02° 59' 09" EAST, 39.64 FEET;
THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;
THENCE NORTH 11° 06' 57" WEST, 38.35 FEET;
THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;
THENCE NORTH 26° 09' 55" WEST, 45.59 FEET;
THENCE NORTH 11° 06' 57" WEST, 38.15 FEET;
THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;
THENCE NORTH 11° 06' 57" WEST, 57.43 FEET;
THENCE NORTH 08° 27' 49" EAST, 34.39 FEET TO THE TRUE POINT OR PLACE OF BEGINNING.

RESIDENCES AT NORTH HILLS, CONDOMINIUM 5 (LOT 896)

THE CONDOMINIUM UNITS (THE "UNITS") IN THE PREMISES KNOWN AS CONDOMINIUM 5 (SOMETIMES REFERRED TO AS THE RESIDENCES, NORTH HILLS CONDOMINIUM FIVE) LOCATED AT 85-95 LONG ISLAND EXPRESSWAY AND 60 I.U. WILLETS ROAD, NORTH HILLS, NEW YORK, SAID UNIT BEING DESIGNATED AND DESCRIBED AS SET FORTH IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT") DATED 10/20/2008 RECORDED 10/28/2008 IN THE OFFICE OF THE CLERK OF NASSAU COUNTY IN LIBER 12448 CP 83, AND ALSO DESIGNATED AS THOSE CERTAIN TAX LOTS LOCATED IN BLOCK A IN THE COUNTY OF NASSAU AND ON THE PLANS OF SAID BUILDING CERTIFIED BY RUSSELL H. LEWIS, N.Y.L.S., ON 12/4/2002 AND FILED IN THE CLERK'S OFFICE ON 10/28/2008 AS MAP NO. CA 247.

THE PREMISES WITHIN WHICH THE UNITS ARE LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE INCORPORATED VILLAGE OF NORTH HILLS, TOWN OF NORTH HEMPSTEAD, COUNTY OF NASSAU AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY ROAD LINE OF NEW HYDE PARK ROAD WITH THE SOUTHERLY ROAD LINE OF POWER HOUSE ROAD (LONG ISLAND EXPRESSWAY SOUTH SERVICE ROAD);

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF POWER HOUSE ROAD, 583.06 FEET TO THE POINT OF BEGINNING;

THENCE ALONG A TIE LINE, SOUTH 59° 35' 33" EAST, 88.20 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 78° 53' 03" EAST, 131.64 FEET;

THENCE SOUTH 30° 41' 44" EAST, 34.39 FEET;

THENCE SOUTH 11° 06' 57" EAST, 57.43 FEET;

THENCE SOUTH 78° 53' 03" WEST, 29.76 FEET;

THENCE SOUTH 11° 06' 57" EAST 38.15 FEET;

THENCE SOUTH 03° 56' 01" WEST, 45.59 FEET;

THENCE SOUTH 78° 53' 03" WEST, 10.46 FEET;

THENCE SOUTH 11° 06' 57" EAST, 38.35 FEET;

THENCE NORTH 78° 53' 03" EAST, 10.53 FEET;

THENCE SOUTH 25° 13' 04" EAST, 39.64 FEET;

THENCE SOUTH 11° 06' 57" EAST, 136.49 FEET;

THENCE SOUTH 78° 53' 03" WEST, 111.29 FEET;

THENCE NORTH 11° 06' 57" WEST, 385.29 FEET TO THE POINT OR PLACE OF BEGINNING.

Exhibit "5" – Additional Services

Service Provided	Description	Rate
Housekeeping	Services tailored to individual needs. Request for service should be at least 48 hours in advance	$60/hr per person for a la carte services (minimums apply per apartment size) *see separate price/sign up sheet for details
Laundry/Dry Cleaning Service/Pressing	Drop off RC laundry bag and appropriate form to the Concierge. Same day service in by 9am, back by 5pm. One hour pressing available	Pricing available at the Concierge Desk. Surcharge applies if shorter than 8 hour turnaround is required.
Wake Up calls	Press Residences Concierge phone ext and provide time of call.	Complimentary
Call a Chef	Chef preparations in resident owners' kitchen or holiday dinner preparation for take out.	A la carte pricing, 72 hour notice
Security	Hire a security guard	Guard available for private security assistance at $60 per hour, 48 hour notice required, 4 hour minimum
Limousine/Town Car Services	Transportation is arranged through contract service provider and billed directly to house account.	Special Resident Pricing Contact concierge
Car Wash/Detailing	Valet arranges for resident cars to be washed/detailed	Arranged with Valet Parking – contact Concierge