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

THE ROSE CONDOMINIUM

218 Middle Neck Road
Village of Great Neck Estates, Town of North Hempstead,
Nassau County, New York 11021

40 Homes	$	54,008,600.00
80 Parking Space Licenses	$	3,600,000.00
6 Storage Space Licenses	$	120,000.00
TOTAL OFFERING	**$**	**57,728,600.00**

SPONSOR

MCKINLEY ROSE LLC
445 Northern Boulevard, Suite 12
Great Neck, New York 11021

SELLING AGENT

FOXDALE REALTY NY LLC
655 Engineering Drive, Suite 208
Norcross, Georgia 30092

SPONSOR'S ATTORNEY

CERTILMAN BALIN ADLER & HYMAN, LLP
90 Merrick Avenue, 9th Floor
East Meadow, New York 11554

THE DATE OF ACCEPTANCE FOR FILING IS JANUARY 3, 2022. THE OFFERING PLAN MAY NOT BE USED AFTER JANUARY 2, 2023 UNLESS EXTENDED BY AMENDMENT.

BECAUSE THE SPONSOR HAS RETAINED THE UNCONDITIONAL RIGHT TO RENT THE HOMES RATHER THAN SELL THE HOMES AFTER THE OFFERING PLAN HAS BEEN CONSUMMATED THIS OFFERING PLAN MAY RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE HOMES ARE NOT OWNED BY OWNER OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS OF THE CONDOMINIUM UNDER THE TERMS OF THIS OFFERING PLAN. SEE THE SPECIAL RISK SECTION OF THE OFFERING PLAN.

THIS OFFERING PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE (iii).

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

TABLE OF CONTENTS
PART I

		Page
	SPECIAL RISKS	iii
I.	INTRODUCTION	1
II.	DEFINITIONS	14
III.	DESCRIPTION OF PROPERTY AND IMPROVEMENTS	19
IV.	LOCATION AND AREA INFORMATION	31
V.	SCHEDULE A	34
VI.	(A) SCHEDULE A-1	39
VI.	(B) SCHEDULE A-2	41
VII.	SCHEDULE B	42
VIII.	SCHEDULE C	51
IX.	COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-I	56
X.	PARKING SPACES/STORAGE SPACES	57
XI.	CHANGES IN PRICES OF HOMES	62
XII.	INTERIM LEASES	63
XIII.	PROCEDURE TO PURCHASE	64
XIV.	FINANCING FOR QUALIFIED PURCHASERS	73
XV.	EFFECTIVE DATE OF THE PLAN	74
XVI.	TERMS OF SALE	76
XVII.	CLOSING COSTS AND ADJUSTMENTS	80
XVIII.	RIGHTS AND OBLIGATIONS OF THE SPONSOR	85
XIX.	CONTROL BY THE SPONSOR	96
XX.	BOARD OF MANAGERS	99
XXI.	RIGHTS AND OBLIGATIONS OF HOMEOWNERS AND BOARD OF MANAGERS	118
XXII.	REAL ESTATE TAXES	136
XXIII.	INCOME TAX DEDUCTIONS TO HOMEOWNERS AND TAX STATUS OF THE CONDOMINIUM	149
XXIV.	OPINION OF COUNSEL	151
XXV.	RESERVE FUND	154
XXVI.	WORKING CAPITAL FUND	154
XXVII.	MANAGEMENT AGREEMENT, CONTRACTS AND LEASES	154
XXVIII.	IDENTITY OF PARTIES	156
XXIX.	REPORTS TO HOMEOWNERS	158
XXX.	DOCUMENTS ON FILE	159
XXXI.	GENERAL	159
XXXII.	SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION	160

PART II
SCHEDULES

SCHEDULE		Page
D.	PURCHASE AGREEMENT	162
D-1.	TENDER OF ESCROW FORM	193
D-2.	WAIVER OF NOTICE OF CLOSING	195
D-3.	FORM FOR THE RELEASE OF ESCROW FUNDS	197
D-4.	EXPRESS ASSUMPTION OF RISK	199
D-5.	PRE-TITLE INSPECTION STATEMENT	201
D-6.	LIMITED WARRANTY	203
D-7.	PARKING SPACE LICENSE AGREEMENT	314
D-8.	STORAGE SPACE LICENSE AGREEMENT	326
E.	POWER OF ATTORNEY	338
F.	FORM OF DEED	341
G.	DESCRIPTION OF PROPERTY (SPECIFICATIONS) AND BUILDING CONDITION)	345
	1. Site Plan	385
	2. Floor Plans/Elevation Plans	390
	3. Parking Plan	414
	4. Landscape Plan	416
	5. Area Map	418
	6. NCDOH Letters	420
H.	FEE TITLE DESCRIPTION	427
I.	DECLARATION OF CONDOMINIUM	429
J.	CONDOMINIUM BY-LAWS	462
K.	HOUSING MERCHANT IMPLIED WARRANTY LAW (Article 36-B of the General Business Law)	522
L	CERTIFICATIONS	
	1. Sponsor	529
	2. Sponsor’s Engineer and Architect	532
	3. Sponsor’s Expert Concerning Adequacy of Budget	535
M.	SECTION 339-KK OF THE REAL PROPERTY LAW	538

SPECIAL RISKS

THE PURCHASE OF A CONDOMINIUM HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES. MOST PURCHASERS OBTAIN ATTORNEYS TO ASSIST THEM WITH THE MAKING THIS TYPE OF LARGE INVESTMENT. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN INDEPENDENT ATTORNEY BEFORE SIGNING ANY AGREEMENTS.

The following is a summary of certain special risk considerations in connection with the Plan but is not intended to summarize all major features of the Plan. Prospective purchasers are urged to read the following special risk factors in conjunction with the Plan for a discussion of these and other important aspects of this Condominium offering.

1. Pursuant to existing regulation, the Sponsor may declare the Offering Plan effective by selling a minimum of fifteen (15%) percent of the Homes being offered for sale (40 x 15% = 6 Homes). Even if the Offering Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close Homes with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Home. Notwithstanding the fact that not all purchasers used for purposes of declaring the Plan effective may actually close, Sponsor must re-declare the Plan effective in order to consummate the Offering Plan in accordance with 13 NYCRR §20.1(c)(6). If all purchase agreements are either rescinded or terminated prior to the date of the first Home closing, regardless of whether the Condominium Declaration has been recorded, Sponsor must re-declare the Offering Plan effective. See Section XV of the Offering Plan.

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 Homes in a building or group of buildings 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 has not sold a substantial percentage of the Homes 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 a group of buildings where an investor other than the original Sponsor has an ownership interest of 10% or more. It may also be difficult for a Purchaser to resell a Home if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

Even after Homes are closed, Lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell if prospective buyers are unable to obtain a loan due to such minimum sales requirements. See Section XIII of the Offering Plan.

2. The Sponsor has the right to designate the Board Members of the Condominium until all the Homes in the Condominium have been sold or transferred to Homeowners other than the Sponsor, its Principals, successors, assignees and/or designees (the "Sponsor Control Period"). There is no limit on how long it may take Sponsor to convey all the Homes in the Condominium and as a result the Sponsor may control the Board of Managers indefinitely and the Sponsor will have voting control of the Board of Managers during this period. As a result, Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this Offering Plan. Purchasers individually, or as a group, may take legal or administrative action to enforce the Sponsor's obligations to the Condominium. However, they will be unable to do so in the name of the Condominium. In addition, the funds utilized for such actions will either need to be obtained by a Special Assessment of all Homeowners excluding the Sponsor or obtained through independent funds of the Homeowners. The Sponsor will also, during this indeterminate period, have control of maintenance, facilities and services to be provided to the Condominium and will determine the Common Expenses to be paid by all Homeowners, including the Sponsor and will also be responsible for the enforcement of the Sponsor's obligations through the Board of Managers. Notwithstanding, the Board of Managers has a fiduciary duty to act in the best interest of the Condominium, even during the Sponsor Control Period. Control of maintenance, facilities and services is subject to the provisions in Schedule B and the footnotes thereto. Notwithstanding the above Sponsor has the right to voluntarily relinquish control of the Board of Managers before the last Home is closed. When the Sponsor no longer owns any Homes in the Condominium Sponsor will not be entitled to designate any Board Members. See Sections XVII and XVIII of the Offering Plan entitled Control By The Sponsor and Board of Managers respectively.

3. Sponsor will endeavor in good faith to sell the Homes in the Condominium. However, Sponsor is retaining the unconditional right to rent rather than sell the Homes after the Offering Plan has been consummated, as defined herein. Because Sponsor is retaining the unconditional right to rent rather than sell the Homes after the Offering Plan has been consummated, this Offering Plan may result in the creation of a Condominium in which a majority of the Homes are not owner occupied or owned by investors who are unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell the Homes, after the Offering Plan has been consummated there is no commitment to sell more Homes than the fifteen (15%) percent necessary to declare the Offering Plan effective (15% X 40 Homes = 6 Homes) and owner-occupants may never gain effective control and management of the Condominium. Sponsor shall not rent a Home in the Condominium prior to Consummation of the Offering Plan as defined in Title 13 NYCRR § 20.1(c)(6). See Section XIII of the Offering Plan.

4. In addition to the right of Sponsor to retain control of the Board of Managers as provided above, the Sponsor also has the right to retain control over certain expenditures and fiscal actions of the Board of Managers of the Condominium for a period ending not more than five (5) years after the Closing of the first Home or whenever the unsold Homes constitute less than twenty-five (25%) percent of the

Common Interest, whichever is sooner. During this period the Sponsor controlled Board will have control of maintenance, facilities and services to be provided and will determine the Common Charges to be paid by all Homeowners. 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, the hiring and termination of employees of the Condominium, the placing of easements on the property and making improvements to Common Elements. At such time as the Sponsor no longer owns any Home in the Condominium Sponsor will not be entitled to designate any Members to the Board of Managers. At no time may Sponsor exercise veto power over expenses described in Schedule B or over expenses required to (i) comply with applicable laws or regulations, or (ii) to remedy any notice of violation, (iii) to remedy any work order by an insurer, or (iv) necessary for the preservation or safety of the Condominium or for the safety of occupants of the Condominium or required to avoid the suspension of any necessary service to the Condominium. In addition, the funds utilized for such actions will either have to be obtained by a Special Assessment of all Homeowners excluding the Sponsor or obtained through independent funds of the Homeowners. See Section XIX of the Offering Plan and Schedule B.

5. Purchasers will be obligated to pay the New York State Real Estate Transfer Tax, which by law is the primary obligation of the Sponsor but has been transferred to a Purchaser under the terms of the Purchase Agreement. The New York State Real Estate Transfer Taxes are at the rate of $2.00 per $500 of consideration. Pursuant to Section 1404(a) of the Tax Law, effective July 1, 2021, where New York State Real Estate Transfer Tax is paid by the Purchaser pursuant to contractual agreement, such tax will be excluded from the total calculation of consideration.

In addition, pursuant to Section 1402-a of the Tax Law of the State of New York, a Purchaser will be required to pay an Additional Tax equal to one (1%) percent of the total consideration paid by the Purchaser for a Home where the consideration is $1,000,000. Pursuant to the provisions of the Tax Law, the obligation to pay the Mansion Tax is upon the Purchasers.

See Section XV of the Offering Plan as to how the above taxes are calculated. See the Purchase Agreement set forth as Schedule D.

6. This Development is 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. This law is applicable to all Homes offered for sale under this Offering Plan. Pursuant to Section 777-b of said statute the Sponsor is permitted to provide its own Limited Warranty ("Limited Warranty") and as such, the Sponsor is providing its own Limited Warranty to Purchasers of Homes in the Condominium. As a result, Sponsor excludes the warranty provisions set forth in Article 36-B of the General Business Law and all other warranties except the Limited Warranty offered by the Sponsor. The Limited Warranty provides for a Limited Warranty to Purchasers on certain items. Certain of the limitations contained in the Limited Warranty are noted as follows: the Limited Warranty provides coverage for the first Home Buyer only; Sponsor's liability is limited to fifty thousand ($50,000) dollars, less any insurance

proceeds received by Purchaser; incidental, special, indirect consequential or other similar damages are excluded; and detailed procedures must be followed for giving notice of a warranty claim to Sponsor as well as detailed procedures for commencing a lawsuit against Sponsor. See the complete terms of the Limited Warranty contained in the Rider to the Purchase Agreement set forth in Schedule D-6. NOTWITHSTANDING ANYTHING STATED ABOVE, SPONSOR HAS AN ABSOLUTE DUTY, REGARDLESS OF ANY LIMITATIONS IN THE WARRANTY OR IN THIS OFFERING PLAN, TO CONSTRUCT THE PREMISES IN ACCORDANCE WITH ALL APPLICABLE CODES AND FILED PLANS AND SPECIFICATIONS SUBJECT TO FIELD CHANGES THAT MEET APPLICABLE CODE. ANY CONFLICT BETWEEN THE DISCLAIMERS AND THE 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. For details see Section XVIII of the Offering Plan and the full text of the law set forth in Schedule K of the Offering Plan.

7. Sponsor has not been required to post a completion bond with the Town of North Hempstead or Village of Great Neck Estates covering the Common Elements. In addition, no bond has been posted to secure Sponsor's obligations under the Offering Plan. Sponsor has the financial resources to fulfill its unsecured obligations under the Offering Plan. See Section XVI.

8. Purchasers should note that pursuant to the terms of the Purchase Agreement, Purchaser represents that no broker other than Sponsor's broker, Foxdale Realty NY LLC (the "Broker"), brought about the sale of their Home. Purchaser shall indemnify and shall hold Sponsor harmless from and against any claim brought by any broker for any brokerage commission other than the Broker based upon Purchaser's acts. In the event Purchaser is represented or has consulted with an outside broker, Purchaser shall be responsible for all costs, expenses and commissions associated therewith and Sponsor shall not be responsible for any broker or co-broker commission. See Paragraph 28 of the Purchase Agreement in Part II of this Offering Plan.

9. Purchasers should note that, pursuant to the terms of the Purchase Agreement, Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to the Purchase Agreement or the Plan (except that claims under the Limited Warranty set forth in Schedule D-6 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 Nassau County 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 Home, 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 the Purchase Agreement, the Home, any other agreements, communications or dealings involving Purchaser, or the construction or condition of the Home, 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. The arbitrator must be an independent third party unrelated to any party in the dispute. 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 McKinley Rose LLC, 445 Northern Boulevard, Suite 12, Great Neck, New York 11021). The arbitration hearing shall be held in Nassau County. 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 Home which is the subject of the 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. See Section XIII of the Offering Plan Paragraph 35 of the Purchase Agreement in Part II of this Offering Plan.

10. Although all funds received by Sponsor from Purchaser for upgrades, options, extras, special work or custom work (“Extras”) not included in the base price of a Home will initially be placed in the Escrow Account, such funds may be released from the Escrow Account without the requirements disclosed in Section XI of the Offering Plan, as long as the Sponsor uses the funds for such Extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor for Extras which have been installed by Sponsor, paid for but not installed by Sponsor or which have been ordered but not installed by Sponsor and for which Sponsor is obligated to pay for such Extras, unless the Offering Plan has been abandoned. In the event the Offering Plan is abandoned the Purchaser shall be entitled to receive a refund of all funds paid to the Sponsor for such Extras. See Section XIII of the Offering Plan.

11. The First Annual Meeting of the Homeowners will be held within two (2) years of the Closing of Title to the first Home in the Condominium. When all Homes in the Condominium have been sold and closed, the then Sponsor-controlled Board will call a meeting of the Homeowners to elect a new Board. Notwithstanding said fact, Sponsor has the right to voluntarily relinquish a majority of the Members of the Board of Managers before the last Home is closed.

Notwithstanding the Sponsor Control Period, the Board of Managers has a fiduciary duty to the Homeowners to enforce Sponsor's obligations. Sponsor's intentional refusal to allow the Board of Managers to pursue litigation against the Sponsor may constitute a breach of fiduciary duty to the Board of Managers. In addition, the Homeowners may commence a lawsuit in the nature of a derivative action. Any provisions that give the Sponsor control of the enforcement of the Sponsor's obligations are not lawful. If there are non-Sponsor Members of the Board, and there is a vote on whether to sue the Sponsor, the Sponsor's Board representatives cannot lawfully vote on that issue. In the event a Sponsor controlled Board does not undertake the enforcement of the Sponsor's obligations, the Homeowners may have to independently raise funds to pursue such enforcement and any other causes of action against the Sponsor. Notwithstanding said fact, Sponsor has the right to voluntarily relinquish a majority of the Members of the Board of Managers before the last Home is closed. If Sponsor relinquishes control of the Members of the Board of Managers, there is no provision in the By-Laws that requires that a majority of the Members of the Board of Managers be owner occupants who are unrelated to the Sponsor or its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed as a result of their different reasons for purchasing, i.e., purchasing as a Home to live in as opposed to purchasing as an investment. See Section XIX of the Offering Plan entitled Rights and Obligations of Homeowners and Board of Managers.

12. No Homeowner shall make any addition, alteration or improvement (of either a temporary or permanent nature) of a structural nature in or to the Homeowner's Home, or any Limited Common Element, without the prior written approval of the Board of Managers. Said provision requiring the written consent of the Board of Managers does not apply to the Sponsor. See Section XXI of the Offering Plan and Article VIII of the By-Laws.

13. A Purchaser may not interfere with Sponsor's ability to construct the Home or other unit(s) or facilities, including, without limitation, interference with work performed on the Property by Sponsor's staff, contractors and/or sub-contractors in connection with the construction of the Home or any other Home(s), attempts to hire any of Sponsor's staff, contractors or subcontractors, and/or attempts to bring contractors, materialman, sub-contractors or workers onto the Property for work on the Home prior to Closing, unless otherwise agreed to by Sponsor in writing. Sponsor shall have the right to remove or replace (and discard) any unauthorized installations, constructions and/or other materials installed or situated in or on any Home or any portion of the Property by or at the direction of any Purchaser prior to Closing without Sponsor's prior written consent. See Section XIV of the Offering Plan.

14. 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 the Sponsor be obligated to return a Purchaser's Deposit solely 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 a Home as a result of Purchaser's inability to obtain a mortgage Sponsor will have the right to retain the Deposit plus the cost of any Extras paid by Purchasers as liquidated damages which Extras have been installed by Sponsor, paid for but not installed by Sponsor or which have been ordered but not installed by Sponsor and for which Sponsor is obligated to pay. Notwithstanding, in the event the Offering Plan is abandoned a Purchaser will be entitled to a return of all funds paid for Extras. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose their deposit if they are unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing. See Section XIII of the Offering Plan.

15. Sponsor anticipates that the first Closing of a Home will occur by January 1, 2023. Purchasers will be offered a right of rescission if: (i) the actual date of Closing of Title to the first Home; or (ii) the projected date of Closing of Title to the first Home occurs later than December 31, 2023, twelve (12) months after the projected date for the first Closing contained in this Offering Plan. If the Offering Plan is amended to provide for a later projected date for the first Home Closing, Purchasers will be entitled to an offer of rescission if the first Closing occurs more than twelve (12) months beyond that amended, later date. However, if the first Home Closing occurs before December 31, 2023, the Sponsor may schedule the Closings of Title to other Homes significantly later than such date. Unless a Purchaser's Purchase Agreement contains an outside Closing Date, the Sponsor is not obligated to schedule a Closing within any specified time frame or to ensure that Closing of Title to the Home will occur by any date certain. Purchasers should note that even if the Closing of Title to the first Home occurs on or before January 1, 2023 (or such other date projected as the date of commencement of operation at the time the Purchase Agreement was entered into) or within the twelve (12) month period thereafter, the Closing of subsequent Homes may be substantially delayed beyond such dates if a temporary or final Certificate of Occupancy has not been issued for such Homes or for the floor on which such Homes are located. In such case, provided that Sponsor is diligently pursuing completion of construction and the issuance of a temporary or final Certificate of Occupancy and is otherwise in compliance with its obligations under the Offering Plan, Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the Home. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS AND THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A HOME. See Section XI of the Offering Plan.

In addition to the above, in the event Sponsor is unable to convey title to a Purchaser's Home twelve (12) months after the anticipated date of delivery set forth in the Purchase Agreement a Purchaser shall have the option to cancel the Purchase

Agreement and have the Deposit advanced by Purchaser returned to Purchaser. Purchaser shall be obligated to notify the Sponsor in writing of its intent to exercise said option no later than thirty (30) days after the twelve (12) month period of the proposed date of delivery set forth in the Purchase Agreement. Purchaser's failure to so notify Sponsor of Purchaser's intent to cancel the Purchaser's Purchase Agreement due to Sponsor being unable to convey title to the Purchaser 's Home within the twelve (12) month period shall be deemed a waiver of said provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. See Paragraph 5 of the Purchase Agreement in Part II of the Offering Plan.

16. All Deposits received from Purchasers will initially be deposited into an escrow account of Certilman Balin Adler & Hyman, LLP (the "Escrow Agent") in M&T Bank, located at 845 Franklin Avenue, Garden City, New York 11530, as described in Section XI of the Offering Plan. The Escrow Account is an Interest-on-Lawyer Account ("IOLA") account consistent with Section 487 of the Judiciary Law of the State of New York. Pursuant to said law, all interest earned on the IOLA account will be paid to the State of New York. The maximum deposit insurance amount will be $250,000. If an individual makes a Deposit in excess of said amount for the purchase of a Home, it is a special risk of this offer that such Deposit will not be federally insured in excess of said amount. Purchasers should note that if the Purchaser has any accounts in the Bank, the funds in those accounts will count towards the $250,000 FDIC insurance limit. See Section XI of the Offering Plan.

17. Common Charges are generally levied in proportion to each Home's Percentage of Common Interest in the Common Elements. However, as provided for in Section 339-m of The Real Property Law of the State of New York, the Board of Managers may also make allocations and assessments of Common Charges to the General Common Elements and any individual Home's Limited Common Element that is the Condominium's obligation to repair and maintain, in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are based on intensive, special or exclusive use or availability or exclusive control of particular Homes or Common Elements by particular Homeowners. See Section III of the Offering Plan.

18. The projections for the first year of operation of the Condominium contained in the budget are only estimates. Actual expenses may vary from the amounts shown. Purchasers should further note that premiums for insurance have been extremely volatile and have increased substantially in recent years. Sponsor cannot predict whether or not the insurance rates will continue to increase or stabilize. Sponsor makes no representation that the premium costs for the insurance reflected in the proposed first year budget will be applicable at the time of the first Closing of a Home in the Condominium. See Schedule B, the proposed first year budget and the footnotes following immediately thereafter, set forth as Section VII of the Offering Plan.

19. No representation is made that the reserve fund line item will be adequate for future expenses including repairs or replacements of Common Elements during the

first five (5) years of the Condominium. If additional funds are required over and above said funds, it may be necessary to increase the Common Charges payable by the Homeowners, collect a Special Assessment from each Homeowner or borrow money for such repairs or replacements. See Schedule B, the proposed first year budget and the footnotes following immediately thereafter.

20. It shall be the responsibility of each Purchaser to pay the following additional Closing Costs: (a) an initial non-reimbursable capital contribution to the working capital fund equal to two (2) months of Common Charges to the Condominium; (b) reimbursement to the Sponsor based on each Home's Percentage of Common Interest for Sponsor's advancement for the cost of the Condominium's insurance and (c) $3,000.00 to Sponsor's attorney for the preparation of the Closing documents. Purchaser shall also pay, or reimburse to Sponsor, if Sponsor has already made payment and applicable, the following charges: (a) inspections, (b) appraisals, (c) surveying services, (d) water and sewer tap and connection fees, water meter deposit, water vault, water meter reading equipment and water and sewer test fees and (e) advance sewer use payments, if any. See Section XV of the Offering Plan.

21. If through no fault of Sponsor, Purchaser fails for any reason to Close Title after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the 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 .0438% per day (which equals an annual rate of 16%, the current maximum rate in New York State) of the purchase price for the Home 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. The rate of interest will not exceed NYS maximum rates of interest. See Section XIII and Section XVII of the Offering Plan.

22. It is anticipated that construction of the Condominium will be complete by December 31, 2022, subject to circumstances beyond Sponsor's control such as weather conditions, labor strikes, material shortages, acts of God and sales conditions. Purchasers should be aware that they may be living in an active construction site after they close on their Home. During this period of construction there may be dirt and debris and construction material on site, construction vehicular traffic, construction noises, unfinished areas of the Condominium and other inconveniences which are normal in a community undergoing construction. See Section XXX of the Offering Plan.

23. Each Home has been measured from the exterior face of the exterior frame wall (no brick) to the center line of the unit separations to the corridor side face of the corridor separation wall. As such, the areas are not based upon measurements from interior surfaces of interior walls and the actual living area comprising the Home may be

significantly less than the area listed in Schedule A. A decrease in a Home's area of five (5%) percent or less will not affect a purchaser's obligations uncles such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by five (5%) percent or less is not material. See Schedule A and the Footnotes to Schedule A, set forth as Section V of the Offering Plan.

24. Sponsor must either return a fully executed Purchase Agreement within fifteen (15) days to the Purchaser or reject the Purchase Agreement and refund the deposit monies. In the event the Sponsor does not act within said fifteen (15) day period the Purchase Agreement will be deemed rejected by the Sponsor. See Section XI of the Offering Plan.

25. If Purchaser fails to appear and Close Title in accordance with the 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 the 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. **Time is of the essence** for Purchaser to cure such default within such thirty (30) day period. See Section XIII of the Offering Plan and the Purchase Agreement contained in Part II of the Plan.

26. Purchasers should note that pursuant to the terms of the Offering Plan as long as the Sponsor retains control of the Board of Managers, the Board of Managers retains the right to delay the commencement of the collection of Common Charges. During any such delay period, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments. Upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in the governing regulations. In the event Sponsor elects to delay collection of Condominium Common Charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Homeowners in writing of the expiration of the delay period at least thirty (30) days prior to commencing collection of Common Charges and will disclose such fact in the following Amendment to the Offering Plan. See Section I of the Offering Plan.

27. Purchasers should note that the Homeowners shall indemnify and hold harmless each of the Members of the Board of Managers and Officers of the Condominium against all contractual liability to others arising out of contracts made by the Board 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 and Officers of the Condominium shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Homeowners). It is understood and permissible for the

initial Board of Managers, who may be affiliated with or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing. It is also intended that the liability of any Homeowner arising out of any contract made by the Board or by the Officers of the Condominium or out of the aforesaid indemnity in favor of the Members of the Board of Managers or Officers of the Condominium shall be limited to such proportion of the total liability thereunder as the Homeowner's interest in the Common Elements bears to the interest of all the Homeowners in the Common Elements. Every agreement made by the Board, or Officer, or by the managing agent or by a Member on behalf of the Condominium, shall provide that the Members of the Board of Managers, or the Officer, or the managing agent, or the Member, as the case may be, are acting only as agent for the Homeowners and shall have no personal liability thereunder (except as Homeowners). Notwithstanding the above, the Board of Managers shall have a fiduciary duty to the Homeowners to act in the best interest of the Condominium and not engage in self-dealing. In addition, nothing contained herein relieves the Sponsor and its principals from any obligations it may have pursuant to Article 23-A of the General Business Law ("the Martin Act"). See Section XX of the Offering Plan and Article III, Section 14 of the By-Laws of the Condominium.

28. Purchasers should note that no representation or warranty is made that the actual assessed valuation will be as projected in Schedule A, 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 Offering Plan, nor will any Purchaser have the right to rescind the Purchaser's Purchase Agreement, in the event the actual taxes differ from those projected. Any changes to the actual assessed valuation and/or projected tax rate shall be disclosed in an amendment to the Offering Plan. See Footnote No. 5 of the Footnotes to Schedule A, set forth as Section V of the Plan.

29. The Sponsor does not wish to sell Homes to Purchasers who intend to purchase the Home as a short-term resale investment. As such the Purchase Agreement provides that if a Home is sold within twelve (12) months from the Closing of Title to the Home, the Purchaser shall upon the sale of the Home pay Seller, at or before the resale Closing, an amount equal to ten (10%) percent of any profits defined as the Gross Sales Price without deductions for Closing or other transaction costs less the original purchase price however such amount shall not be greater than the net proceeds of the sale of the Home, which would be the gross sales price, less amounts owed on a mortgage and all Closing Costs. This provision only applies to the initial Purchaser of a Home from Sponsor and not to subsequent re-sales and does not apply if the Homeowner or spouse dies within the twelve (12) month period or if all the Homes have been titled by Sponsor before the twelve (12) month period. In addition, it does not apply to any mortgagee who forecloses or accepts a deed in lieu of foreclosure for a default under a first mortgage. This provision will not apply if there is an involuntary loss of employment by the Seller when selling the Home during this period. See Section I of the Offering Plan.

30. Although the Sponsor anticipates obtaining a final Certificate of Occupancy ("FCO") for either a Home or the Building in which the Home is located prior to the date of Closing of the first Home, Purchasers are advised that in New York, newly constructed and newly renovated homes and buildings are sometimes offered as condominium projects without a ("FCO") covering the home or building in which the Home is located but with only a temporary Certificate of Occupancy ("TCO"), and sometimes with several successive TCO's. Certificates of Occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local buildings codes and rules. Both TCOs and FCOs may be issued by the Building Department of the Village of Great Neck Estates. A TCO is intended to indicate that the property is safe for occupancy but means that not all the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the Building Department. All TCOs have an expiration date. A TCO typically expires ninety (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 Homes. In New York, it is common for sponsors to commence Home Closings when some or all Homes are covered by a TCO rather than an FCO. Although, as indicated, Sponsor anticipates obtaining a FCO prior to the date of Closing of the first Home this scenario may not 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 Home or Building in which the Home is located within two (2) years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that the Building Department will issue the FCO within such two (2) year period. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE HOME AND THE BUILDING IN WHICH THE HOME IS LOCATED AND SHALL EXERCISE ITS BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO (2) YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Homeowners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing the Sponsor in these undertakings.

31. Homeowners will not be permitted to make any changes, additions or alterations to their Home prior to the issuance of a final Certificate of Occupancy for the Home and/or Building. Homeowners are responsible for obtaining all necessary permits from the Building Department of the Village of Great Neck Estates and any other required municipal agencies for any changes the Homeowner makes to their Home subsequent to the Closing of Title with the Sponsor. Sponsor will not be liable for nor responsible to a Homeowner in the event an inspection by the Building Department of the Village of Great Neck Estates prevents the issuance of a renewal and/or extension of a Temporary Certificate of Occupancy or final Certificate of Occupancy as a result of changes made to the Home by a Homeowner. See Section III and Section XVI of the Offering Plan.

32. At each Closing the Sponsor will collect the equivalent of two (2) months Common Charges from each Purchaser to be paid to the Condominium as initial Working Capital. While Sponsor is in control of the Board of Managers of the

Condominium the Working Capital funds may be used to reduce the Common Charges. The Working Capital fund may also be utilized to reimburse Sponsor for prepaid expenses of the Condominium. The only budgetary item that might require a substantial credit to the Sponsor would be the insurance disclosed in the first-year budget contained in Schedule B. At such time as the Sponsor relinquishes control of the Board of Managers any remaining balance of the Working Capital fund will be turned over to the Board of Managers. See Section XXIV of the Offering Plan.

33. Purchasers should note that, pursuant to the Federal Tax Cuts and Jobs Act of 2017 (the "Tax Act"), which went into effect on January 1, 2018, the maximum mortgage in which an individual can deduct the interest on is $750,000. In addition, the Act placed a maximum of $10,000 on the amount an individual can deduct for the combined amount of real estate taxes and State income taxes. The Tax Cuts and Jobs Act of 2017 is scheduled to expire on December 31, 2025. Purchasers are advised to seek the advice of their tax consultant to ascertain the income tax ramifications to the Purchaser pursuant to the Tax Cuts and Jobs Act of 2017. See Section XXII of the Offering Plan.

34. Purchasers should be aware that, pursuant to the Purchase Agreement, any failure by Sponsor to insist upon strict performance by Purchaser of any of Purchaser's obligations under the 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 the Purchase Agreement irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. As used in this Offering Plan and the Purchase Agreement, the term "strict performance" means literal, precise and complete performance of the applicable party's contractual obligations, with no deviation from the contract terms. For the avoidance of doubt, substantial performance by Purchaser of Purchaser's obligations is inadequate, and Sponsor is entitled to insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser at any time. See Section XIII of the Offering Plan and Paragraph 35 of the Purchase Agreement in Part II of the Offering Plan.

35. Purchasers should note that any dispute as to the allocation of the Common Charges to Homeowners and/or the allocation or amount of the license fees payable for a parking space and/or cellar storage space would require arbitration pursuant to the terms of the Offering Plan. See Section XI of the Offering Plan.

36. The Board of Managers shall have the right to require that a Homeowner utilize a contractor or sub-contractor of the Board of Manager's choosing for any repairs, maintenance and/or replacement of an individual Home's Limited Common Element that is a Homeowner's obligation at the Homeowner's sole cost and expense. See Section I of the Offering Plan.

37. Regarding the Common Elements of the Condominium not covered by any Limited Warranty, the Sponsor will correct any defects in the renovation of the

Common Elements, or in the installation or operation of any mechanical equipment therein, due to improper workmanship or material substantially at variance with this Offering Plan as may be changed by Sponsor from time to time provided and on condition that Sponsor is notified of or becomes aware of such defect(s) within twelve (12) months from the issuance of a temporary or permanent Certificate of Occupancy, whichever is then applicable upon the Closing of Title to the first Home. In no event will Sponsor be liable for consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations under the Offering Plan will be to repair or, at Sponsor's option, replace (or cause to be repaired or replaced) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and Specifications), subject to the terms and conditions (and within the time limits) set forth in this paragraph. The quality of renovation shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications. The provisions of this paragraph shall in no way act to abrogate Sponsor's obligation to build and complete the Condominium in accordance with the plans and specifications identified in this Offering Plan and Purchaser's rights and remedies stemming therefrom. See Section XVI of the Offering Plan.

38. The at-grade parking areas of the Condominium contain forty (40) parking spaces, two (2) of which at-grade outdoor parking spaces will be handicapped accessible spaces, and the below-grade parking area of the Condominium contains forty (40) parking spaces, two (2) of which below-grade indoor parking spaces will be handicapped accessible spaces. The Sponsor is offering all parking spaces located at the Condominium for license by Homeowners pursuant to a license agreement (the "Parking Space License Agreement") at an initial license fee payable to the Sponsor in the amount of $40,000 per above-grade parking space and $50,000 per below-grade parking space, all as reflected in Schedule A-1 of the Offering Plan. Parking spaces may be used only for an automobile or other authorized vehicle. All provisions for safety shall be the sole responsibility of the Homeowner who is the licensee of such parking space, and the Homeowner(s) should have his/her/their own insurance covering the applicable parking space and vehicle(s) utilizing such parking space. If a Purchaser of a Home elects to enter into a License Agreement for one or more of the parking spaces, the price of his/her/their purchase of the Home will be increased to include the price of such parking space(s). Purchasers should also note that they will be responsible to pay to the Condominium a monthly license fee in such initial monthly amount as is reflected in Schedule A-1 of the Offering Plan. Thereafter, the Board of Managers will determine applicable monthly license fees for the parking spaces at its discretion. A copy of the Parking Space License Agreement is contained in Schedule D-7 in Part II of the Offering Plan. All income generated by the parking space monthly license fees will be applied to reduce and defray the Common Expenses of the Condominium. In the event any parking space at the Condominium has not been licensed to a Homeowner pursuant to a Parking Space License Agreement after the Sponsor has conveyed all of the Homes to bona fide Purchasers, during the Sponsor Control Period, the Sponsor shall have the right, but not the obligation, to enter into a Parking Space License Agreement for use of a parking space by a licensee who is not a Homeowner, in which

event the acquisition fee for such parking space shall be paid to the Sponsor and the non-Homeowner licensee shall thereafter pay applicable monthly parking license fees to the Board of Managers. In addition, the Sponsor shall have the right but not the obligation to turn over the remaining parking spaces to the Board of Managers of the Condominium. In such an event, all rights and obligations thereafter will belong to the Condominium. The Board of Managers shall have the same rights of collection and enforcement of monthly parking license fees as it has for Common Charges and Special Assessments. Once Sponsor no longer owns any Homes in the Condominium, Sponsor will have the right but not the obligation to turn over any or all remaining unlicensed parking spaces to the Condominium/Board of Managers without receiving any initial license or acquisition fee from the Condominium/Board of Managers therefor, or, in the alternative, Sponsor will have the right to retain any or all remaining unlicensed parking spaces until such time as the Sponsor secures a Parking Space License Agreement for each of the unlicensed spaces. In such event, the applicable Parking Space License Agreement(s) will be entered into by and between the licensee and the Board of Managers and the Sponsor shall receive and retain the initial acquisition fee(s) therefor. Additionally, in such event, upon Sponsor's receipt of the applicable initial acquisition fee(s) for such remaining unlicensed space(s), the Sponsor will thereafter have no further rights or obligations respecting such parking space(s) or the associated Parking Space License Agreement(s), except as otherwise expressly provided in this Offering Plan, and the licensee(s) will thereafter pay monthly parking license fees to the Board of Managers and discharge all other obligations under the applicable Parking Space License Agreement(s) in favor of the Board of Managers. The Sponsor's receipt of an initial acquisition fee for each licensed space at the Condominium is an intended economic benefit of the Sponsor's offering, which intended benefit is the justification for Sponsor's retention of the right to receive acquisition fee(s) irrespective of whether the Sponsor owns any Homes in the Condominium. Notwithstanding the foregoing, in no event will the Sponsor's continuing right to secure a Parking Space License Agreement for any unlicensed space and to receive and retain initial acquisition fee in connection therewith be construed as entitling the Sponsor to expand, extend or maintain its representation on, or control of, the Board of Managers. For the avoidance of doubt, the Sponsor will not be entitled to expand, extend or maintain its representation on the Board of Managers merely on account of its right to receive and retain initial acquisition fee in connection with the licensing of unlicensed spaces at the Condominium. The two (2) handicapped accessible at-grade parking spaces and the two (2) handicapped accessible below-grade parking spaces will be the last parking spaces assigned by Sponsor, if any or all of such accessible spaces have not previously been assigned to Purchasers who themselves or a member of their family has a vehicle with handicapped license plates or a permanent handicapped permit. In the event a present or future Homeowner in the Condominium or a member of the Homeowner's family residing in the Homeowner's Home becomes handicapped and thereafter acquires handicapped plates for his or her vehicle, and a different Homeowner's Home has been assigned a handicapped accessible parking space, and said Homeowner does not have a handicapped license plate or permanent handicapped permit, the Homeowner who acquires handicapped plates for his or her vehicle has the right to demand that the Homeowner of the Home to which a handicapped accessible parking space is assigned

trade or swap the a handicapped accessible parking space for which their Home is the then assignee for the non-handicapped parking space then assigned to the Homeowner who requires the a handicapped accessible parking space. The Homeowner of the Home which is the assignee of the handicapped accessible parking space must comply with the aforementioned demand upon thirty (30) days' written notice. See Section X of the Offering Plan.

39. The Sponsor is offering each of the six (6) storage spaces located in the cellar of the Building for acquisition by Homeowners pursuant to a license agreement (the "Storage Space License Agreement") at a license acquisition fee payable to the Sponsor in the amount of $20,000 per cellar storage space, and monthly license fees payable to the Board in the initial amount as reflected in Schedule A-2. The cellar storage spaces may be used only for storage of normal household items. Nothing shall be stored in a cellar storage space that will result in the cancellation or increase of insurance on the Building, or the contents thereof, or that would be in violation of any law. No inflammable, combustible, or explosive fluid, material, chemical, or substance shall be stored in any cellar storage space. Purchasers should further note that the cellar space may not be used for sleeping or dining space and has less light and air than ordinary living space and is more susceptible to dampness. All provisions for safety shall be the sole responsibility of the Homeowner who is the licensee of such cellar storage space, and the Homeowner(s) should have his/her/their own insurance covering the applicable storage space and all contents stored therein. If a Purchaser of a Home elects to enter into a Storage Space License Agreement for one or more of the cellar storage spaces, the price of their purchase of the Home will be increased to include the price of the applicable storage space(s). Purchasers should also note that they will be responsible to pay to the Condominium a monthly license fee in such initial monthly amount as is reflected in Schedule A-2 of the Offering Plan. All income generated by the storage space monthly license fees will be applied to reduce and defray the Common Expenses of the Condominium. A copy of the Storage Space License Agreement is contained in Schedule D-8 in Part II of the Offering Plan. In the event any cellar storage space at the Condominium has not been licensed to a Homeowner pursuant to a Storage Space License Agreement after the Sponsor has conveyed all of the Homes to bona fide Purchasers, during the Sponsor Control Period, the Sponsor shall have the right, but not the obligation, to enter into a Storage Space License Agreement for use of a cellar storage space by a licensee who is not a Homeowner, in which event the acquisition fee for such storage space shall be paid to the Sponsor and the non-Homeowner licensee shall thereafter pay applicable monthly storage space license fees to the Board of Managers. In addition, the Sponsor shall have the right but not the obligation to turn over the remaining storage spaces to the Board of Managers of the Condominium. In such an event, all rights and obligations thereafter will belong to the Condominium. The Board of Managers shall have the same rights of collection and enforcement of monthly storage space license fees as it has for Common Charges and Special Assessments. Once Sponsor no longer owns any Homes in the Condominium, Sponsor will have the right but not the obligation to turn over any or all remaining unlicensed storage spaces to the Condominium/Board of Managers without receiving any initial license or acquisition fee from the Condominium/Board of Managers therefor,

or, in the alternative, Sponsor will have the right to retain any or all remaining unlicensed storage spaces until such time as the Sponsor secures a Storage Space License Agreement for each of the unlicensed spaces. In such event, the applicable Storage Space License Agreement(s) will be entered into by and between the licensee and the Board of Managers and the Sponsor shall receive and retain the initial acquisition fee(s) therefor. Additionally, in such event, upon Sponsor's receipt of the applicable initial acquisition fee(s) for such remaining unlicensed space(s), the Sponsor will thereafter have no further rights or obligations respecting such storage space(s) or the associated Storage Space License Agreement(s), except as otherwise expressly provided in this Offering Plan, and the licensee(s) will thereafter pay monthly storage license fees to the Board of Managers and discharge all other obligations under the applicable Storage Space License Agreement(s) in favor of the Board of Managers. The Sponsor's receipt of an initial acquisition fee for each licensed space at the Condominium is an intended economic benefit of the Sponsor's offering, which intended benefit is the justification for Sponsor's retention of the right to receive acquisition fee(s) irrespective of whether the Sponsor owns any Homes in the Condominium. Notwithstanding the foregoing, in no event will the Sponsor's continuing right to secure a Storage Space License Agreement for any unlicensed space and to receive and retain initial acquisition fee in connection therewith be construed as entitling the Sponsor to expand, extend or maintain its representation on, or control of, the Board of Managers. For the avoidance of doubt, the Sponsor will not be entitled to expand, extend or maintain its representation on the Board of Managers merely on account of its right to receive and retain initial acquisition fee in connection with the licensing of unlicensed spaces at the Condominium. Once Sponsor no longer owns any Homes in the Condominium, Sponsor will have the right but not the obligation to turn over all remaining unlicensed storage spaces to the Condominium/Board of Managers. The cellar space has less light and air than ordinary living space and it is more susceptible to dampness. See Section X of the Offering Plan.

40. There will be a common roof terrace which will consist of precast roof pavers and wood plank pavers. The roof terrace will have a raised decking system on adjustable pedestal feet over protection board and decking tiles will be pre-cast concrete and wood plank. The common roof terrace will be available for the common use of the Homeowners. The roof level will also contain a vestibule outside of the elevator landing and a restroom for the shared use of the Homeowners and their guests. The maintenance and repair of the roof terrace and adjacent vestibule and restroom and all expenses related to said maintenance and repair will be the responsibility of the Condominium. It is anticipated that construction of the roof terrace and adjacent vestibule and restroom will be substantially completed prior to the first Home closing. See Section III of the Offering Plan.

41. Sponsor has obtained a commitment for financing to construct the Condominium (the "Loan") from Investors Bank, with an address at 2300 Route 33, Robbinsville, New Jersey 08691 (the "Lender"). The Lender's commitment does not provide for a minimum number or percentage of Homes to be in contract before the Offering Plan can be declared effective. The terms of the Loan permit the Sponsor to

rent or lease the Homes rather than sell them, provided the Sponsor maintains a loan-to value ratio of 70% and a projected debt service coverage ratio of not less than 1.0 to 1.0, inclusive of any real estate tax abatements applicable and in effect for the Property. The Loan provides that each Home will be released from the lien of the Loan at each Closing, upon the payment to the Lender of a release price. See Section I of the Plan.

42. Purchasers should be aware that they may be living in an active construction site after they close on their Home. During this period of construction there may be dirt and debris and construction material on site, construction vehicular traffic, construction noises, unfinished areas of the Condominium and other inconveniences which are normal in a Condominium undergoing construction. It is anticipated that construction of the Condominium will be complete by December 31, 2022, subject to circumstances beyond Sponsor's control such as weather conditions, labor strikes, material shortages, acts of God and sales conditions. See Section I of the Plan.

43. Included in the purchase price for each Home, each Home will include a refrigerator, range, dishwasher, garbage disposal, microwave, and front load stacked clothes washer and dryer as described in the Description of Property Report contained in Part II of the Offering Plan. The Sponsor reserves the right to substitute the described appliances with appliances that are Equal or Better Quality. The Sponsor also reserves the right to offer Purchasers of a Home upgraded appliances or fixtures at additional cost. Installation and the cost of any Extras, upgraded appliances, upgraded fixtures or appliances or fixtures not provided by the Sponsor will be the sole responsibility of each Homeowner. See Section III of the Offering Plan.

44. The Sponsor will not enter into interim leases with Purchasers for Homes prior to Closing. See Section XII of the Offering Plan.

45. No animals or reptiles of any kind shall be raised, bred, or kept in any Home or in the Common Elements or Limited Common Elements, except that dogs, cats or other common household pets may be kept in Homes, subject to the Rules and Regulations adopted by the Board of Managers, 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 fifteen (15) days written notice from the Board of Managers. All Homeowners shall advise the Board of Managers of any household pet intended to be kept in their Home prior to the household pet residing therein. The Board of Managers shall have the right to limit the number, size and type of pet permitted to be kept in a Home. All dogs, cats, and other pets must be leashed and shall not be permitted to run loose outside the Homes. In no event shall any animal be permitted in any common areas of the Condominium unless carried or on leash and in compliance with the local and municipal rules and regulations regarding pets. All Homeowners shall be responsible for picking up and disposing of their pets' waste and for any damage caused by their pets to any Common Elements of the Condominium. In addition, all pets are subject to any and all local municipality rules, regulations and ordinances regarding dogs, cats or other animals. See Section XXI of the Offering Plan.

46. Paragraph 30 of the Purchase Agreement provides that:

> **"**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 Seller, 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 Seller may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given:
>
> (a) upon personal delivery actually being made, and
>
> (b) upon receipt or first refusal of delivery or when returned as undeliverable if delivered by (i) the United States Post Office with proper postage prepaid, if sent by regular mail, registered or certified mail, return receipt requested; or (ii) overnight courier service.
>
> Notice given by an attorney for a party shall be deemed effective notice as if given by such party."

A delay in the actual delivery of the notice to a Purchaser may affect the time period allotted to the Purchaser to respond in instances in which the Purchaser is required to respond within a specified time period. See the Purchase Agreement set forth as Schedule D in Part II of the Offering Plan.

47. Purchasers should be aware that the Property was previously used for commercial purposes, including as an auto service business from 1950 to 1987. Contaminated groundwater was identified on the adjacent fueling station to the south of the Property. As described in the Phase I Environmental Site Assessment (February 13, 2020) and Phase II Site Investigation (July 7, 2020), the areas of concern included an isolated area of shallow soil containing lead levels greater than New York State Department of Environmental Conservation ("NYSDEC") restricted-residential soil standards, and a former 500-gallon fuel oil underground storage tank (the "UST"). The UST was confirmed to have no historical releases to soil or groundwater. The UST was removed from the Property on March 29, 2021, as approved by the Nassau County Department of Health ("NCDOH") on May 7, 2021. The lead-impacted soil was removed on July 29, 2021, as approved by the NCDOH on August 19, 2021. No remaining contamination was identified at levels greater than NYSDEC restricted-residential standards.

Except as described above, the Property does not have an (E) designation, and no State project ID, Remedial Action Plan (RAP), Remedial Action Work Plan (RAWP),

Completion of remediation, Certificate of completion, or other approvals/designations applicable to the NYSDEC and/or NCDOH have been required. There are no limitations of the use of the Property in connection with environmental conditions. The Board of Managers and its contractors will have a right of access to all Common Elements of the Condominium, irrespective of their location, for the operation, maintenance, repair, inspection, improvement and/or replacement of facilities servicing the Condominium, including, without limitation, the sub-slab depressurization system ("SSDS").

Although AEI Consultants has determined that no vapor intrusion concerns exist at the Property relative to the Guidance for Evaluating Soil Vapor Intrusion in the State of New York (2006), per the direction of the NCDOH, a SSDS will be incorporated with the foundation of the Building. The SSDS will include a 20-mil vapor barrier beneath the concrete building slab, and 4-inch diameter slotted PVC vent pipes embedded in a clean ¾-inch stone layer beneath the foundation slab. The SSDS vent pipes will be manifolded to seven (7) solid-wall PVC vents extending above the roof line. In-line, 110 VAC RadonAway® RP260 Pro (or equivalent) blowers will be connected to each vent. RadonAway® air flow alarm will be installed on each vent pipe to verify positive air flow. The SSDS blowers are warrantied by the manufacturer for 90 days after professional installation, which warranty covers blower replacement for conditions attributable to defects in materials or workmanship. After the SSDS is installed, a pressure field extension test (communication test) must be conducted to confirm the effectiveness and proper installation of the system in accordance with the New York State Department of Health Guidance for Evaluating Soil Vapor Intrusion in the State of New York, dated October 2006. A professional engineer will be required to inspect the installation and operation of the SSDS and submit a certification to the NCDOH, stating that the SSDS was installed in accordance with the approved Map and the New York State Department of Health Guidance for Evaluating Soil Vapor Intrusion in the State of New York dated October 2006, as updated, prior to the issuance of a Certificate of Occupancy for any Home in the Condominium. Other details regarding installation, operation, and maintenance of the SSDS are provided on the drawing entitled Sub Slab Depressurization Plan and Details, dated June 22, 2021, prepared by AEI Consultants, and approved by the NCDOH on September 2, 2021. Other than as described herein, no agency has required any work or imposed any requirements beyond completion of construction.

The SSDS is intended to remain in operation indefinitely and there is no process to end its operation. On an annual basis, the Board of Managers will be required to submit to the NHDOC a certification prepared by a professional engineer that is licensed in the State of New York, affirming that the SSDS is functioning properly. A service contract for construction control inspections, operation and maintenance plans, pressure field testing and as-built certification of the SSDS has been provided by AEI Consultants, and the costs therein for certified annual inspection and maintenance reporting to the NCDOH are included within the line item for service contracts in the budget projection contained in Schedule B. The Board of Managers will be responsible for the operation, monitoring, maintenance, repair and/or replacement of the SSDS, and all costs thereof will be a Common Expense of the Condominium.

THE ROSE CONDOMINIUM

PLAN OF CONDOMINIUM OWNERSHIP

I. INTRODUCTION

This is an Offering Plan (the "Plan") for the sale of forty (40) residential units ("Homes") to Homeowners ("Homeowners") in a 3-story Condominium Building with a cellar to be known as The Rose Condominium located at 218 Middle Neck Road, Great Neck, New York 11021. The Condominium contains six (6) storage spaces, forty (40) above-grade parking spaces and forty (40) below-grade parking spaces, which storage and parking spaces the Sponsor is offering for acquisition by Homeowners pursuant to a licensing structure.

The at-grade parking areas of the Condominium contain forty (40) parking spaces, two (2) of which at-grade outdoor parking spaces will be handicapped accessible spaces, and the below-grade parking area of the Condominium contains forty (40) parking spaces, two (2) of which below-grade indoor parking spaces will be handicapped accessible spaces. The Sponsor is offering all parking spaces located at the Condominium for acquisition by Homeowners pursuant to a license agreement (the "Parking Space License Agreement") at an initial license fee payable to the Sponsor in the amount of $40,000 per above-grade parking space and $50,000 per below-grade parking space, all as reflected in Schedule A-1 of the Offering Plan. Parking spaces may be used only for an automobile or other authorized vehicle. All provisions for safety shall be the sole responsibility of the Homeowner who is the licensee of such parking space, and the Homeowner(s) should have his/her/their own insurance covering the applicable parking space and vehicle(s) utilizing such parking space. If a Purchaser of a Home elects to enter into a License Agreement for one or more of the parking spaces, the price of his/her/their purchase of the Home will be increased to include the price of such parking space(s). Purchasers should also note that they will be responsible to pay to the Condominium a monthly license fee in such initial monthly amount as is reflected in Schedule A-1 of the Offering Plan. Thereafter, the Board of Managers will determine applicable monthly license fees for the parking spaces at its discretion. A copy of the Parking Space License Agreement is contained in Schedule D-7 in Part II of the Offering Plan. The Board of Managers shall have the same rights of collection and enforcement of monthly parking license fees as it has for Common Charges and Special Assessments. Once Sponsor no longer owns any Homes in the Condominium, Sponsor will have the right but not the obligation to turn over any or all remaining unlicensed parking spaces to the Condominium/Board of Managers without receiving any initial license or acquisition fee from the Condominium/Board of Managers therefor, or, in the alternative, Sponsor will have the right to retain any or all remaining unlicensed parking spaces until such time as the Sponsor secures a Parking Space License Agreement for each of the unlicensed spaces. In such event, the applicable Parking Space License Agreement(s) will be entered into by and between the licensee and the Board of Managers and the Sponsor shall receive and retain the initial acquisition fee(s) therefor. Additionally, in such event, upon Sponsor's receipt of the applicable initial acquisition

fee(s) for such remaining unlicensed space(s), the Sponsor will thereafter have no further rights or obligations respecting such parking space(s) or the associated Parking Space License Agreement(s), except as otherwise expressly provided in this Offering Plan, and the licensee(s) will thereafter pay monthly parking license fees to the Board of Managers and discharge all other obligations under the applicable Parking Space License Agreement(s) in favor of the Board of Managers. The Sponsor's receipt of an initial acquisition fee for each licensed space at the Condominium is an intended economic benefit of the Sponsor's offering, which intended benefit is the justification for Sponsor's retention of the right to receive acquisition fee(s) irrespective of whether the Sponsor owns any Homes in the Condominium. Notwithstanding the foregoing, in no event will the Sponsor's continuing right to secure a Parking Space License Agreement for any unlicensed space and to receive and retain initial acquisition fee in connection therewith be construed as entitling the Sponsor to expand, extend or maintain its representation on, or control of, the Board of Managers. For the avoidance of doubt, the Sponsor will not be entitled to expand, extend or maintain its representation on the Board of Managers merely on account of its right to receive and retain initial acquisition fee in connection with the licensing of unlicensed spaces at the Condominium. All income generated by the parking space monthly license fees will be applied to reduce and defray the Common Expenses of the Condominium. In the event any parking space at the Condominium has not been licensed to a Homeowner pursuant to a Parking Space License Agreement after the Sponsor has conveyed all of the Homes to bona fide Purchasers, during the Sponsor Control Period, the Sponsor shall have the right, but not the obligation, to enter into a Parking Space License Agreement for use of a parking space by a licensee who is not a Homeowner, in which event the acquisition fee for such parking space shall be paid to the Sponsor and the non-Homeowner licensee shall thereafter pay applicable monthly parking license fees to the Board of Managers. In addition, the Sponsor shall have the right but not the obligation to turn over the remaining parking spaces to the Board of Managers of the Condominium. In such an event, all rights and obligations thereafter will belong to the Condominium.

The two (2) handicapped accessible at-grade parking spaces and the two (2) handicapped accessible below-grade parking spaces will be the last parking spaces assigned by Sponsor, if any or all of such accessible spaces have not previously been assigned to Purchasers who themselves or a member of their family has a vehicle with handicapped license plates or a permanent handicapped permit. In the event a present or future Homeowner in the Condominium or a member of the Homeowner's family residing in the Homeowner's Home becomes handicapped and thereafter acquires handicapped plates for his or her vehicle, and a different Homeowner's Home has been assigned a handicapped accessible parking space, and said Homeowner does not have a handicapped license plate or permanent handicapped permit, the Homeowner who acquires handicapped plates for his or her vehicle has the right to demand that the Homeowner of the Home to which a handicapped accessible parking space is assigned trade or swap the a handicapped accessible parking space for which their Home is the then assignee for the non-handicapped parking space then assigned to the Homeowner who requires the a handicapped accessible parking space. The Homeowner of the

Home which is the assignee of the handicapped accessible parking space must comply with the aforementioned demand upon thirty (30) days' written notice.

The Sponsor is offering each of the six (6) storage spaces located in the cellar of the Building for acquisition by Homeowners pursuant to a license agreement (the "Storage Space License Agreement") at a license acquisition fee payable to the Sponsor in the amount of $20,000 per cellar storage space, and monthly license fees payable to the Board in the initial amount as reflected in Schedule A-2. The cellar storage spaces may be used only for storage of normal household items. Nothing shall be stored in a cellar storage space that will result in the cancellation or increase of insurance on the Building, or the contents thereof, or that would be in violation of any law. No inflammable, combustible, or explosive fluid, material, chemical, or substance shall be stored in any cellar storage space. Purchasers should further note that the cellar space may not be used for sleeping or dining space and has less light and air than ordinary living space and is more susceptible to dampness. All provisions for safety shall be the sole responsibility of the Homeowner who is the licensee of such cellar storage space, and the Homeowner(s) should have his/her/their own insurance covering the applicable storage space and all contents stored therein. If a Purchaser of a Home elects to enter into a Storage Space License Agreement for one or more of the cellar Storage Spaces, the price of their purchase of the Home will be increased to include the price of the applicable storage space(s). Purchasers should also note that they will be responsible to pay to the Condominium a monthly license fee in such initial monthly amount as is reflected in Schedule A-2 of the Offering Plan. All income generated by the storage space monthly license fees will be applied to reduce and defray the Common Expenses of the Condominium. The Board of Managers shall have the same rights of collection and enforcement of monthly parking license fees as it has for Common Charges and Special Assessments. Once Sponsor no longer owns any Homes in the Condominium, Sponsor will have the right but not the obligation to turn over any or all remaining unlicensed storage spaces to the Condominium/Board of Managers without receiving any initial license or acquisition fee from the Condominium/Board of Managers therefor, or, in the alternative, Sponsor will have the right to retain any or all remaining unlicensed storage spaces until such time as the Sponsor secures a Storage Space License Agreement for each of the unlicensed spaces. In such event, the applicable Storage Space License Agreement(s) will be entered into by and between the licensee and the Board of Managers and the Sponsor shall receive and retain the initial acquisition fee(s) therefor. Additionally, in such event, upon Sponsor's receipt of the applicable initial acquisition fee(s) for such remaining unlicensed space(s), the Sponsor will thereafter have no further rights or obligations respecting such storage space(s) or the associated Storage Space License Agreement(s), except as otherwise expressly provided in this Offering Plan, and the licensee(s) will thereafter pay monthly storage license fees to the Board of Managers and discharge all other obligations under the applicable Storage Space License Agreement(s) in favor of the Board of Managers. The Sponsor's receipt of an initial acquisition fee for each licensed space at the Condominium is an intended economic benefit of the Sponsor's offering, which intended benefit is the justification for Sponsor's retention of the right to receive acquisition fee(s) irrespective of whether the Sponsor

owns any Homes in the Condominium. Notwithstanding the foregoing, in no event will the Sponsor's continuing right to secure a Storage Space License Agreement for any unlicensed space and to receive and retain initial acquisition fee in connection therewith be construed as entitling the Sponsor to expand, extend or maintain its representation on, or control of, the Board of Managers. For the avoidance of doubt, the Sponsor will not be entitled to expand, extend or maintain its representation on the Board of Managers merely on account of its right to receive and retain initial acquisition fee in connection with the licensing of unlicensed spaces at the Condominium. A copy of the Storage Space License Agreement is contained in Schedule D-8 in Part II of the Offering Plan. In the event any cellar storage space at the Condominium has not been licensed to a Homeowner pursuant to a Storage Space License Agreement after the Sponsor has conveyed all of the Homes to bona fide Purchasers, during the Sponsor Control Period, the Sponsor shall have the right, but not the obligation, to enter into a Storage Space License Agreement for use of a cellar storage space by a licensee who is not a Homeowner, in which event the acquisition fee for such storage space shall be paid to the Sponsor and the non-Homeowner licensee shall thereafter pay applicable monthly storage space license fees to the Board of Managers. In addition, the Sponsor shall have the right but not the obligation to turn over the remaining storage spaces to the Board of Managers of the Condominium. In such an event, all rights and obligations thereafter will belong to the Condominium.

There will be a common roof terrace which will consist of precast roof pavers and wood plank pavers. The roof terrace will have a raised decking system on adjustable pedestal feet over protection board and decking tiles will be pre-cast concrete and wood plank. The common roof terrace will be available for the common use of the Homeowners. The roof level will also contain a vestibule outside of the elevator landing and a restroom for the shared use of the Homeowners and their guests. The maintenance and repair of the roof terrace and adjacent vestibule and restroom and all expenses related to said maintenance and repair will be the responsibility of the Condominium. It is anticipated that construction of the roof terrace and adjacent vestibule and restroom will be substantially completed prior to the first Home closing.

Included in the purchase price for each Home, each Home will include a refrigerator, range, dishwasher, garbage disposal, microwave, and front load stacked clothes washer and dryer as described in the Description of Property Report contained in Part II of the Offering Plan. The Sponsor reserves the right to substitute the described appliances with appliances that are Equal or Better Quality. The Sponsor also reserves the right to offer Purchasers of a Home upgraded appliances or fixtures at additional cost. Installation and the cost of any Extras, upgraded appliances, upgraded fixtures or appliances or fixtures not provided by the Sponsor will be the sole responsibility of each Homeowner.

The purpose of the Plan is to set forth all material terms of the offer for the benefit of prospective purchasers. The Plan may be amended at any time and from time to time provided that the amendment is duly filed with the Department of Law of the State of New York and is served on Purchasers and Homeowners.

The property will be subject to the Condominium Act. A Declaration submitting the property to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") and By-Laws will be recorded prior to conveyance of title to the first Home by the Sponsor. The Declaration and By-Laws will be substantially similar to those set forth in this Offering Plan and will not be changed so as to adversely affect the Purchaser. This Offering Plan and the accompanying documentation should be carefully studied by Prospective Purchasers and their attorneys prior to the purchase of a Home.

The Sponsor of the Offering Plan is McKinley Rose LLC, a New York limited liability company. Sponsor acquired the property on November 8, 2019 by deed. The property was previously used as a retail and office building.

Sponsor will endeavor in good faith to market and sell the Homes in the Condominium. However, Sponsor is retaining the unconditional right to rent rather than sell the Homes after the Offering Plan has been consummated. Because Sponsor is retaining the unconditional right to rent rather than sell the Homes, after the Offering Plan has been consummated, this Plan may result in the creation of a Condominium in which a majority of the Homes are not owner occupied or owned by investors unrelated to the Sponsor.

Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell the Homes, after the Offering Plan has been consummated, there is no commitment to sell more Homes than the fifteen (15%) percent necessary to declare the Plan effective (15% X 40 = 6 Homes) and owner occupants may never gain effective control and management of the Condominium. In the event Sponsor makes a bulk sale of all or some of its unsold Homes, the transferee successor Sponsor will be bound by Sponsor's representations regarding its commitment to sell Homes. A bulk sale consists of the transfer of ten (10) more Homes or twenty (20%) percent or more of the total number of Homes in the Condominium, whichever is less.

The Condominium as proposed will consist of a three (3) story building containing forty (40) Homes and appurtenant Common Elements.

The purpose of the Plan is to set forth all the terms of the offer for the benefit of Prospective Purchasers.

All portions of the Condominium, excluding the Homes, are Common Elements of the Condominium. The Common Elements of the Condominium are described as follows:

A. General Common Elements - General Common Elements are those shared by all Homeowners and include all portions of the Condominium except for the individual Homes and the Limited Common Elements (irrevocably restricted in use to specified Homes or Homeowners) and include without limitation the following:

1. The land on which the Condominium is erected and all other land

within the boundaries of the Property;

2. The lobby;

3. All portions of the roof, including shingles, roof trusses, gutters and leaders, bulkheads, flashing, roof drains, as applicable, and the rooftop facilities, equipment, hatches, and vestibule with unisex toilet and janitorial closet, all intended for the common use and service of the Building;

4. Those portions of the exterior walls, excluding windows, beyond the outside face of the interior sheetrock; those portions of the walls and partitions dividing Homes located between the unexposed faces of the sheetrock walls enclosing the Homes; those portions of the ceilings of the highest floor above the upper face of the sheetrock, the enclosing walls, floors and ceilings, other than the coverings, floorings and other finishes thereon, which would be part of the private ownership of the Homes;

5. All foundations, footings, columns, girders, beams, supports, floor slabs and ceilings that are not part of a Home and any interior load bearing walls that are not part of a Home and are for the common use and service of the Building;

6. All interior and exterior stairs, stairways, common hallways which are not located wholly within or for the exclusive use of a Home and entrances and exits to and from the Condominium other than entrances to the individual Homes which are intended for the common use and service of the Building;

7. All improved and unimproved areas of the Condominium located outside the boundaries of the Homes intended for the common use and service of the Condominium;

8. All landscaping, shrubs, trees, plants, lawns and shrub beds located on the Common Elements;

9. Any irrigation system located in the common landscaped areas including irrigation pipes, automatic valves, automatic controller and pop up sprinkler heads;

10. All central and appurtenant installations in the Common Elements for services, as applicable, such as the sanitary and domestic water system, fire alarm system, standpipes, power, light, telephone, television, gas, air duct riser, hot and cold water and heat (including all boilers, pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements that service more than one (1) Home) and all other mechanical equipment

spaces intended for the common use and service of the Condominium;

11. All drainage, stormwater and/or sewer systems, sewers and/or drainage pipes, drywells, catch basins, area drains, manholes, leaching pools, leaching gulleys, swales, on-site sewage pump station, sewage force mains, detention tanks or facilities intended for the common use and service of the Condominium;

12. All mechanical equipment, washing machines and dryers, laundry rooms, dumpsters, refuse rooms, utility meters, and storage areas that are intended for the service of the Condominium and for common use, subject to the Board's right to restrict access to mechanical, utility and/or storage areas;

13. The elevators, elevator cabs, elevator mechanical room and all mechanical or other equipment servicing the elevators intended for the common use and service of the entire Condominium;

14. Any heating, cooling or other mechanical system located in the Common Elements and intended for the common use and service of the Condominium;

15. Any telephone and cable rooms, meter rooms, equipment rooms and any other mechanical rooms or areas located in the Common Elements and intended for the common use and service of the Condominium;

16. Any tanks, pumps, motors, fans, compressors and control equipment located in the Common Elements and intended for the common use and service of the Condominium;

17. Any sprinkler system, alarm check valve and sprinkler system located in the Common Elements of the Building and intended for the common use and service of the Condominium;

18. All internal roads, entranceways, sidewalks, curbs, ramps and aprons located on the Condominium Property;

19. Any recreational facilities, if applicable, including all utilities, lighting and mechanical facilities therein, intended for the common use of the residents of the Condominium;

20. All outside lighting located on the Condominium Property;

21. Any fences located on the Condominium Property;

22. Any mailbox kiosks located in the Common Elements;

23. The roof terrace;

24. The at-grade parking areas of the Condominium, containing forty (40) parking spaces, subject to the rights of the Board of Managers to enter into a Parking Space License Agreement for a Homeowner's exclusive use of one or more above-grade parking space(s);

25. The below-grade parking areas of the Condominium containing forty (40) below-grade parking spaces, subject to the rights of the Board of Managers to enter into a Parking Space License Agreement for a Homeowner's exclusive use of one or more below-grade parking space(s);

26. The six (6) storage spaces located in the cellar of the Building, subject to the rights of the Board of Managers to enter into a Storage Space License Agreement for a Homeowner's exclusive use of one or more cellar storage space(s); and

27. All other parts of the Condominium and all apparatus and installations existing in the Building or Property for common use or necessary or convenient to the existence, maintenance or safety of the entire Condominium.

B. Irrevocably Restricted Areas/Limited Common Elements - Certain portions of the Common Elements are irrevocably restricted in use to specified Homes or Homeowners, subject to the right of the Board of Managers of the Condominium to enter upon any restricted area for maintenance, repair or improvement of a Home or the Common Elements, and subject to the Rules and Regulations of the Board of Managers (see By-Laws, Article VIII). Said irrevocably restricted Common Elements are sometimes referred to, respectively, as a Limited Common Element. Any portion of the Common Elements which is not restricted in use may be used by any Homeowner. Following are descriptions of the irrevocable restricted Limited Common Elements:

1. Any hot water tank, boiler, air conditioning condenser and any other heating, cooling or other mechanical system servicing an individual Home that is located in or on the Common Elements;

2. Any portion of a hot water flue exclusively servicing an individual Home that is located in the Common Elements shall be a Limited Common Element of said Home; and

3. All apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which serve or benefit one (1) Home exclusively.

C. Provisions Applicable to All Common Elements -

1. The Common Elements shall remain undivided and no Homeowner shall bring any action for partition or division unless otherwise provided by law or expressly provided in the By-Laws.

2. The Common Elements are not subject to partition nor are they severable from the Homes except in accordance with the Real Property Law.

3. The percentage of the undivided interest in the Common Elements established herein shall not be changed except with the consent of all of the Homeowners affected expressed in a duly recorded amendment to the Declaration.

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

The Common Expenses associated with the Condominium, General Common Elements and Limited Common Elements that are the obligation of the Condominium to maintain, repair and/or replace as provided for in the Declaration and/or the By-Laws and other costs designated as a Condominium obligation or expense shall be paid for by all Homeowners based upon their Percentage of Common Interest in the Condominium as reflected in Schedule A of the Offering Plan.

The individual costs associated with a Home's Limited Common Elements shall be borne exclusively by the respective Homeowner, except as otherwise provided in the Declaration and By-Laws.

The Sponsor with this Offering Plan is offering for sale the forty (40) Condominium Homes (the "Homes"). There are multiple model types of Homes. A Purchaser should refer to Schedule G for a detailed description of the models and Schedule G-4 for copies of the floor plans. Sponsor reserves the right to change the model mix of the Homes without consent of any Homeowner as long as the Percentage of Common Interest for the Homes is not affected, there is no Purchase Agreement in effect for said Home, the Sponsor does not change the total number of Homes being offered for sale, nor the total number of Buildings in the Condominium. Purchasers should refer to Schedule A as to the price and monthly costs associated with each Home. The land and all improvements to be erected thereon are hereinafter referred to as the "Condominium."

The Sponsor did not obtain financing to acquire the Property. Sponsor has obtained a commitment for financing to construct the Condominium (the "Loan") from Investors Bank, with an address at 2300 Route 33, Robbinsville, New Jersey 08691 (the "Lender"). The Lender's commitment does not provide for a minimum number or percentage of Homes to be in contract before the Offering Plan can be declared effective. The terms of the Loan permit the Sponsor to rent or lease the Homes rather than sell them, provided the Sponsor maintains a loan-to value ratio of 70% and a projected debt service coverage ratio of not less than 1.0 to 1.0, inclusive of any real estate tax abatements applicable and in effect for the Property. The Loan provides that each Home will be released from the lien of the Loan at each Closing, upon the payment to the Lender of a release price. As in the ownership of a private one (1) family Home, the Purchaser of a Home in a Condominium (the "Homeowner") owns their Home in fee simple absolute and is entitled to exclusive possession of their Home. Each Purchaser of a Home will also own an undivided interest in and right to use the General Common Elements and a right to use the Limited Common Elements that pertain to an individual Home. A full description of the General and applicable Limited Common Elements is described above.

The approximate physical dimensions of each Home consists of the area measured horizontally from the outside face of exterior walls to the center line of interior demising walls and vertically from the lower surface of the concrete slab or sub-floor forming the floor of the Home up to the exterior surface of the sheetrock or other material forming the ceiling of the Home.

A Homeowner is required to pay monthly Common Charges assessed by the Board of Managers for the operation and maintenance of the Condominium pursuant to Sections 339(i) and (m) of the New York Condominium Act. Monthly Common Charges may commence with the Closing of the first Home which is expected to be in June of 2021, however, see Section XIX as to the right of the First Board of Managers to commence the collection of Common Charges at a subsequent date. Purchasers should note that pursuant to the terms of the Offering Plan as long as the Sponsor retains control of the Board of Managers, the Board of Managers retains the right to delay the commencement of the collection of Common Charges. During any such delay period, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments. Upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in the governing regulations. In the event Sponsor elects to delay collection of Condominium Common Charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Homeowners in writing of the expiration of the delay period at least thirty (30) days prior to commencing collection of Common Charges and will disclose such fact in the following Amendment to the Offering Plan.

At such time as the Board of Managers commences the collection of Common Charges and until title to a Home has passed to a Purchaser, the Sponsor will pay such Common Charges and Special Assessments as are assessed by the Board of Managers on the Homes to which title has not passed. Once title has passed to a Purchaser, the Purchaser will be responsible for all costs, including all Common Charges and individual expenses associated with the Home, as well as any costs associated with the Limited Common Elements that pertain to the Purchasers' Home.

A Homeowner, upon acquiring title to their Home, will be obligated to comply with the Declaration of Condominium, Condominium By-Laws and its Rules and Regulations and any other requirements of the Board of Managers of the Condominium.

A Homeowner may mortgage their Home at any time after they acquire title to the Home in whatever amount and under whatever terms they can obtain. Any Homeowner may also, upon the resale of their Home, grant a purchase money mortgage to a Purchaser of their Home. A Homeowner may mortgage their Home only if all arrears for Common Charges and/or Special Assessments, if any, are provided for at the closing of the mortgage.

Primary responsibility for operating the Condominium rests with the Board of Managers who are elected by the Homeowners. See Schedule J, Article III of the By-Laws in Part II of the Plan. For information concerning Sponsor's Control Period, see Section XVII of the Offering Plan.

Each Homeowner, upon obtaining title, will automatically have one (1) vote at all meetings of Homeowners for each of the Homes owned by such Homeowner.

Each Home will be taxed separately for real estate tax purposes and each Home may be separately mortgaged. Therefore, no Homeowner is liable for the payment of real estate taxes or mortgage payments on any other Home. Pursuant to the Federal Tax Cuts and Jobs Act of 2017 (the "Tax Act"), which went into effect on January 1, 2018, the maximum mortgage in which an individual can deduct the interest on is $750,000. In addition, the Act placed a maximum of $10,000 on the amount an individual can deduct for the combined amount of real estate taxes and State income taxes. The Tax Cuts and Jobs Act of 2017 is scheduled to expire on December 31, 2025. Purchasers are advised to seek the advice of their tax consultant to ascertain the income tax ramifications to the Purchaser pursuant to the Tax Cuts and Jobs Act of 2017. See Section XXII of the Offering Plan.

Fire and liability insurance covering the General Common Elements included with other items as part of Common Charges, but fire and liability insurance for the Purchaser's personal effects, the interior of the Home and the Limited Common Elements for an individual Homeowner's exclusive use should be carried by the individual Purchaser. Common Charges are levied in proportion to the interest in the "Common Elements" appurtenant to each Home. However, Purchasers should note that as provided for in Section 339-m of The Real Property Law of the State of New York,

the Board of Managers may also make allocations and assessments of Common Charges to the General Common Elements in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are based on special or exclusive use or availability or exclusive control of particular Homes or common areas by particular Homeowners. For possible increases in Common Charges upon default in payment by a Homeowner see Section XIX of the Offering Plan. Each Homeowner is responsible for the cost of their own interior repairs and decoration in their Home after Closing.

The price of the Homes will include only the appliances and fixtures detailed in the Description of Property Report contained in Part II of the Plan. Installation and the cost of any extras, upgraded appliances, upgraded fixtures or appliances or fixtures not provided is the sole responsibility of each Homeowner.

Any Purchaser who enters into a Parking Space License Agreement and/or a Storage Space License Agreement will be responsible to pay to the Sponsor such initial acquisition fee(s), and to the Condominium such monthly license fees, as are reflected in Schedules A-1 and A-2. The Board of Managers shall have the same rights of collection and enforcement of monthly license fees as it has for Common Charges and Special Assessments. All income generated by the parking and storage space monthly license fees will be applied to reduce and defray the Common Expenses of the Condominium.

The prices for the Homes are set forth in Schedule A. THESE PRICES HAVE BEEN SET BY THE SPONSOR ALONE AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

The Sponsor does not wish to sell Homes to Purchasers who intend to purchase the Home as a short-term resale investment. As such the Purchase Agreement provides that if a Home is sold within twelve (12) months from the Closing of Title to the Home, the Purchaser shall upon the sale of the Home pay Seller, at or before the resale Closing, an amount equal to ten (10%) percent of any profits defined as the Gross Sales Price without deductions for Closing or other transaction costs less the original purchase price however such amount shall not be greater than the net proceeds of the sale of the Home, which would be the gross sales price, less amounts owed on a mortgage and all Closing Costs. This provision only applies to the initial Purchaser of a Home from Sponsor and not to subsequent re-sales and does not apply if the Homeowner or spouse dies within the twelve (12) month period or if all the Homes have been titled by Sponsor before the twelve (12) month period. In addition, it does not apply to any mortgagee who forecloses or accepts a deed in lieu of foreclosure for a default under a first mortgage. This provision will not apply if there is an involuntary loss of employment by the Seller when selling the Home during this period.

Purchasers should be aware that they may be living in an active construction site after they close on their Home. During this period of construction there may be dirt and debris and construction material on site, construction vehicular traffic, construction

noises, unfinished areas of the Condominium and other inconveniences which are normal in a Condominium undergoing construction. It is anticipated that construction of the Condominium will be complete by December 31, 2022, subject to circumstances beyond Sponsor's control such as weather conditions, labor strikes, material shortages, acts of God and sales conditions.

This Offering Plan contains all of the material terms of this transaction. Parts I and II along with Parts A, B, C and D of the Schedules submitted along with the Offering Plan together constitute the entire Offering Plan. Copies of the Plan will be available for inspection by Prospective Purchasers and their attorneys without charge and for copying at a reasonable charge at the Condominium site whenever the on-site sales office is open, at the office of the Sponsor or any Selling Agent engaged by Sponsor and at the New York State Department of Law, 28 Liberty Street, 21st Floor, New York, New York 10005.

There are no restrictions on who may purchase or occupy a Home in the Condominium except occupancy of a Home may only be for residential purposes. Each Homeowner can sell the Homeowner's Home to whomever the Homeowner desires, subject to said restrictions.

THE PURCHASE OF A CONDOMINIUM HOME 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.

II. DEFINITIONS

The following words as hereinafter referred to shall be defined as follows:

1. "Amendment" – An amendment to the Offering Plan.

2. "Annual Meeting" – The meeting of the Homeowners of the Condominium held on a yearly basis or such other convenient date as the Board of Managers may designate subsequent to the First Annual Meeting.

3. "Board of Managers" or "Board" - The governing body of the Condominium responsible for its affairs.

4. "Board Member" or "Member" – Each individual representative elected, designated or appointed to the Board of Managers.

5. "Building" – The one (1) building, including the forty (40) Homes and the Common Elements, of the Condominium.

6. "By-Laws" - The document governing the operation of the Condominium.

7. "Certificate of Occupancy"- A document issued by a local government to a developer which permits a structure to be occupied.

8. "Closing" or "Closing of Title" – The consummation of the sale of the Home transferring title via a deed from the Sponsor to the Purchaser.

9. "Closing Costs" – Fees and expenses over and above the price of the Home, incurred by the Purchaser and/or Sponsor at the Closing.

10. "Closing Date" or "Date of Closing" – The date of Closing of Title.

11. "Common Charges" - Each Home's proportionate share of the General Common Expenses of the Condominium in accordance with its common interest in the Condominium.

12. "Common Elements" – All portions of the Condominium other than the Homes. Common Elements are divided into General Common Elements which are Common Elements shared by all Homeowners and Limited Common Elements which are Common Elements that are irrevocably restricted for the exclusive use of an individual Homeowners.

13. "Common Expense" – (a) Expenses of operation of the Condominium, and (b) All sums designated common expenses by or pursuant to the provision of the Condominium Act, the Declaration or the By-Laws.

14. “Community” or “Development” - As used herein refers to The Rose Condominium.

15. “Condominium” – The Rose Condominium which is comprised of the Common Elements, Homes and Homeowners.

16. “Condominium Act” – Article 9-B of the Real Property Law of the State of New York.

17. “Declaration of Condominium” - The instrument by which the property is submitted to the provisions of the Condominium Act, and such instrument as from time to time is amended, consistent with the provisions of the Condominium Act and By-Laws.

18. “Deposit” – The amount deposited by a Purchaser towards the Purchase Price of the Home upon execution of the Purchase Agreement.

19. “Department of Law” – The New York State agency responsible for the review and enforcement of offering plans for the offer and sale to the general public of condominiums, cooperatives and homeowner associations.

20. “Description of Property Report” – The report contained as Schedule G in Part II of the Offering Plan.

21. “Equal or Better Quality” – Comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.

22. Escrow Account” – The attorney’s account where a Purchaser’s initial deposit will be held as provided for in Section XI of the Offering Plan.

23. “Escrow Agent” – The attorney or law firm overseeing the Escrow Account as provided for in Section XI of the Offering Plan.

24. “Extras” – All funds received by Sponsor from Purchaser for upgrades, options, extras, custom or special work that is not included in the base price of the Home.

25. “Federal Tax Cuts and Jobs Act” – The act passed by the federal government in 2017 that went into effect in January of 2018 revising the deductions available to a homeowner for real estate taxes and interest on a mortgage.

26. “First Annual Meeting” – The date of the first annual meeting of the Homeowners.

27. “First Board of Managers” – The initial Board Members of the Board of Managers appointed by the Sponsor.

28. “Home” – One of the forty (40) Homes in the Condominium, as designated in Schedule B annexed hereto, for residential use.

29. “Homeowner” – The owner of a Home in the Condominium.

30. “Institutional Mortgage” – 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 Sponsor, its successor, designee or assignee to a purchaser of a Home or in which the Sponsor, its successor, designee and/or assignee participates with one or all of the above.

31. “Irrevocably Restricted” or “Limited Common Elements” – The portions of the Common Elements in the Condominium that are irrevocably restricted in use to specified Homeowners.

32. “Lender” – Investors Bank, ISAOA, with an address at 2300 Route 33, Robbinsville, New Jersey 08691, which has issued a commitment to finance the Sponsor’s construction of the Condominium.

33. “Limited Warranty” – The limited warranty for the home provided for in Schedule D-6 in Part II of the Offering Plan.

34. “Managing Agent” – Black Diamond Realty, LLC, 401 Franklin Avenue, Suite 104, Garden City, NY 11530, the company engaged by the Sponsor to manage the Condominium.

35. “Martin Act” – Article 23-A of the General Business Law.

36. “Nassau County” – The county in which the Condominium will be located.

37. “Nassau County Clerk’s Office” – The county clerk’s office where the Declaration of Condominium will be recorded.

38. “Notice of Closing” – The notice required informing a purchaser of the date of closing of their home.

39. “Offering Plan” or “Plan” – The offering plan submitted and accepted for filing by the New York State Department of Law for the offer and sale of homes in this Condominium.

40. “Officer” – One of the officers of the Condominium chosen by the Board of Managers as provided for in Article IV of the By-Laws of the Condominium.

41. “Parking” – Parking shall include the at-grade parking spaces and the below-grade parking spaces, all of which will be individually licensed to Homeowners.

42. “Parking Space” – The parking spaces located in Condominium which are available pursuant to a parking space license agreement for a monthly license fee.

43. “Parking Space License Agreement” – The agreement entitling a licensee the exclusive right to use a parking space during the term of the agreement in exchange for an initial acquisition fee payable to the Sponsor and monthly license fees payable to the Condominium, which monthly license fees are in addition to the Common Charges and any Special Assessments due for the Home.

44. “Percentage of Common Interest” or “Common Interest” - The proportionate, undivided interest each Homeowner has in the Common Elements.

45. “Property” – The overall land area of the Condominium, containing the Homes and the Common Elements.

46. “Purchase Agreement” – The document to be executed by the Purchaser which will obligate the Purchaser to acquire the Home in the Condominium and which will obligate the Seller to sell the Purchaser the Home in the Condominium.

47. “Purchaser” – The person(s) who have entered into a Purchase Agreement to acquire a Home in the Condominium.

48. “Reserve Fund” – The fund to be held by the Condominium for capital improvements for the Condominium.

49. “Rules and Regulations” – The Rules and Regulations contained in Article VIII of the By-Laws as the same may be amended, altered, waived or added to by the Board of Managers.

50. “Sewer System” – The sewer pump and any pipes and/or conduits located in the Condominium.

51. “Special Assessment” – A Common Expense of the Condominium that is not included in the monthly Common Charges applicable to a Home.

52. “Special Meeting” – A meeting of the Homeowners held pursuant to Article II, Section 10 of the By-Laws.

53. “Sponsor” – McKinley Rose LLC, a New York limited liability company and its successors, assigns and designees.

54. “Sponsor Control Period” – The period of time the Sponsor has the right to retain control of the Board of Managers of the Condominium.

55. “Storage Space” – The storage spaces located in the cellar which are available pursuant to a storage space license agreement for a monthly license fee.

56. “Storage Space License Agreement” – The agreement entitling a licensee the exclusive right to use a cellar storage space during the term of the agreement in exchange for an initial acquisition fee payable to the Sponsor and monthly license fees payable to the Condominium, which monthly license fees are in addition to the Common Charges and any Special Assessments due for the Home.

57. “Subdivision Map” - The map filed or to be filed in the Nassau County Clerk’s Office that subdivides each of the units in the Condominium into separate tax lots.

58. “Town of North Hempstead” – The village in which the Condominium is located.

59. “Unsold or Untitled Home” - Any Home in which title is retained by the Sponsor and any successors or assigns until such time as the same has been sold and title conveyed to a third party. It shall not include a Home which is used for personal occupancy of the Sponsor, any of its principals or any of its successors or assigns or designees.

60. “Village of Great Neck Estates” – The village in which the Condominium is located. The Village of Great Neck Estates is located in the Town of North Hempstead.

61. “Working Capital”- The funds paid by each Purchaser at Closing to the Condominium to be used towards expenses of the Condominium and to reimburse Sponsor for prepaid expenses of the Condominium as described in Section XXIV of the Offering Plan.

III. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Location, Acreage and Zoning

The Condominium is located in the Village of Great Neck Estates, which is situated within the Town of North Hempstead. The address of the Condominium is 218 Middle Neck Road, Great Neck, New York 11021. The overall zoning lot size of the Condominium is approximately 1.2 acres.

Topographical Features

The site will consist of a new building over generally flat land.

Parking

At-grade and below-grade parking will be provided in the designated parking areas within the Development. The project contains forty (40) below-grade parking spaces and forty (40) spaces at-grade parking spaces, including six (6) accessible parking spaces. With respect to the handicapped parking spaces, said spaces may only be used by residents and guests whose vehicle displays a handicapped sticker. Purchasers should refer to the Site Plan contained in Schedule G-1 as to the location of the handicapped parking spaces. The Sponsor is offering all parking spaces located at the Condominium for acquisition by Homeowners pursuant to a license agreement (the "Parking Space License Agreement") at an initial license fee payable to the Sponsor in the amount of $40,000 per above-grade parking space and $50,000 per below-grade parking space, all as reflected in Schedule A-1 of the Offering Plan. Parking spaces may be used only for an automobile or other authorized vehicle. All provisions for safety shall be the sole responsibility of the Homeowner who is the licensee of such parking space, and the Homeowner(s) should have his/her/their own insurance covering the applicable parking space and vehicle(s) utilizing such parking space. If a Purchaser of a Home elects to enter into a License Agreement for one or more of the parking spaces, the price of his/her/their purchase of the Home will be increased to include the price of such parking space(s). Purchasers should also note that they will be responsible to pay to the Condominium a monthly license fee in such initial monthly amount as is reflected in Schedule A-1 of the Offering Plan. Thereafter, the Board of Managers will determine applicable monthly license fees for the parking spaces at its discretion. The Board of Managers shall have the same rights of collection and enforcement of monthly parking license fees as it has for Common Charges and Special Assessments. Once Sponsor no longer owns any Homes in the Condominium, Sponsor will have the right but not the obligation to turn over any or all remaining unlicensed parking spaces to the Condominium/Board of Managers without receiving any initial license or acquisition fee from the Condominium/Board of Managers therefor, or, in the alternative, Sponsor will have the right to retain any or all remaining unlicensed parking spaces until such time as the Sponsor secures a Parking Space License Agreement for each of the unlicensed spaces. In such event, the applicable Parking Space License Agreement(s) will be entered into by and between the licensee and the Board of Managers and the Sponsor shall receive and retain the initial acquisition fee(s) therefor. Additionally, in such event, upon Sponsor's receipt of the applicable initial acquisition fee(s) for such remaining

unlicensed space(s), the Sponsor will thereafter have no further rights or obligations respecting such parking space(s) or the associated Parking Space License Agreement(s), except as otherwise expressly provided in this Offering Plan, and the licensee(s) will thereafter pay monthly parking license fees to the Board of Managers and discharge all other obligations under the applicable Parking Space License Agreement(s) in favor of the Board of Managers. The Sponsor's receipt of an initial acquisition fee for each licensed space at the Condominium is an intended economic benefit of the Sponsor's offering, which intended benefit is the justification for Sponsor's retention of the right to receive acquisition fee(s) irrespective of whether the Sponsor owns any Homes in the Condominium. Notwithstanding the foregoing, in no event will the Sponsor's continuing right to secure a Parking Space License Agreement for any unlicensed space and to receive and retain initial acquisition fee in connection therewith be construed as entitling the Sponsor to expand, extend or maintain its representation on, or control of, the Board of Managers. For the avoidance of doubt, the Sponsor will not be entitled to expand, extend or maintain its representation on the Board of Managers merely on account of its right to receive and retain initial acquisition fee in connection with the licensing of unlicensed spaces at the Condominium. A copy of the Parking Space License Agreement is contained in Schedule D-7 in Part II of the Offering Plan. All income generated by the parking space monthly license fees will be applied to reduce and defray the Common Expenses of the Condominium. In the event any parking space at the Condominium has not been licensed to a Homeowner pursuant to a Parking Space License Agreement after the Sponsor has conveyed all of the Homes to bona fide Purchasers, during the Sponsor Control Period, the Sponsor shall have the right, but not the obligation, to enter into a Parking Space License Agreement for use of a parking space by a licensee who is not a Homeowner, in which event the acquisition fee for such parking space shall be paid to the Sponsor and the non-Homeowner licensee shall thereafter pay applicable monthly parking license fees to the Board of Managers. In addition, once Sponsor no longer owns any Homes in the Condominium, Sponsor will have the right but not the obligation to turn over all remaining unlicensed parking spaces to the Condominium/Board of Managers. In the event Sponsor turns over the remaining unlicensed parking spaces to the Condominium/Board of Managers, all rights and obligations thereafter will belong to the Condominium.

Improvements - General Description

The Condominium, as fully developed, will consist of forty (40) Homes located in one (1) Building as set forth in the Site Plan attached hereto in Part II of the Plan. There are multiple model types of Homes. The layouts of the Homes and a full description of the rooms of each respective model type are set forth in the Description of Property Report in Part II of the Plan. It is anticipated that the Closing of Title to the first Home will occur by January 1, 2023, subject to factors beyond Sponsor's control such as weather conditions, strikes, material shortages, acts of God and sales conditions.

The Condominium will include a common roof terrace which will consist of precast roof pavers and wood plank pavers. The roof terrace will have a raised decking system on adjustable pedestal feet over protection board and decking tiles will be pre-

cast concrete and wood plank. The common roof terrace will be available for the common use of the Homeowners. The roof level will also contain a vestibule outside of the elevator landing and a restroom for the shared use of the Homeowners and their guests. The maintenance and repair of the roof terrace and adjacent vestibule and restroom and all expenses related to said maintenance and repair will be the responsibility of the Condominium. It is anticipated that construction of the roof terrace and adjacent vestibule and restroom will be substantially completed prior to the first Home closing.

The Homes, the Building containing them, and all other improvements will comply with all applicable rules, regulations, laws, and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction, and the Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules and regulations and other governmental requirements pertaining thereto. Construction of the Condominium will comply with the Building Code of the Village of Great Neck Estates. Before the Closing of Title to a Home, a temporary or final Certificate of Occupancy will be issued for such Home or the Building in which it is located. At the time of the first Closing of Title to a Home, the construction of all Homes in the Building will have been partially or substantially completed.

Included in the purchase price for each Home, each Home will include a refrigerator, range, dishwasher, garbage disposal, microwave, and front load stacked clothes washer and dryer as described in the Description of Property Report contained in Part II of the Offering Plan. The Sponsor reserves the right to substitute the described appliances with appliances that are Equal or Better Quality. The Sponsor also reserves the right to offer Purchasers of a Home upgraded appliances or fixtures at additional cost. Installation and the cost of any Extras, upgraded appliances, upgraded fixtures or appliances or fixtures not provided by the Sponsor will be the sole responsibility of each Homeowner.

Construction Data for Homes, Common Elements and Limited Common Elements

The Building, the Homes and Common Elements will be constructed in the manner set forth in the Building Plans filed or to be filed with the Village of Great Neck Estates, which Plans will not be changed so as to adversely affect the Homeowners. For a detailed description of such data see the Description of Property Report in Part II of the Plan. Closing of Title to the first Home is expected to take place on January 1, 2023, barring any unforeseen delays beyond the control of the Sponsor such as weather conditions, strikes, material shortages, acts of God and sales conditions.

Although the Sponsor anticipates obtaining a final Certificate of Occupancy (“FCO”) for either a Home or the Building prior to the date of Closing of the first Home, Purchasers are advised that in New York, newly constructed and newly renovated homes and buildings are sometimes offered as condominium projects without a (“FCO”) covering the Home or Building in which the Home is located but with only a temporary Certificate of Occupancy (“TCO”), and sometimes with several successive TCO’s.

Certificates of Occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local buildings codes and rules. Both TCOs and FCOs may be issued by the Building Department of the Village of Great Neck Estates. A TCO is intended to indicate that the property is safe for occupancy but means that not all the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the Building Department. All TCOs have an expiration date. A TCO typically expires ninety (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 Homes. In New York, it is common for sponsors to commence Home Closings when some or all Homes are covered by a TCO rather than an FCO. Although, as indicated, Sponsor anticipates obtaining a FCO prior to the date of Closing of the First Home this scenario may not 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 Home or Building in which the Home is located within two (2) years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that the Building Department will issue the FCO within such two (2) year period. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the FCO for the Home and the Building in which the Home is located and shall exercise its best efforts to obtain the FCO within such two (2) year period while keeping the TCO current. Homeowners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing the Sponsor in these undertakings.

Homeowners will not be permitted to make any changes, additions or alterations to their Home prior to the issuance of a final Certificate of Occupancy for the Home and/or Building. Homeowners are responsible for obtaining all necessary permits from the Building Department of the Village of Great Neck Estates and any other required municipal agencies for any changes the Homeowner makes to their Home subsequent to the Closing of Title with the Sponsor. Sponsor will not be liable for nor responsible to a Homeowner in the event an inspection by the Building Department of Village of Great Neck Estates prevents the issuance of a renewal and/or extension of a temporary Certificate of Occupancy or final Certificate of Occupancy as a result of changes made to the Home by a Homeowner.

Environmental Information

The Property was previously used for commercial purposes, including as an auto service business from 1950 to 1987. Contaminated groundwater was identified on the adjacent fueling station to the south of the Property. As described in the Phase I Environmental Site Assessment (February 13, 2020) and Phase II Site Investigation (July 7, 2020), the areas of concern included an isolated area of shallow soil containing lead levels greater than New York State Department of Environmental Conservation ("NYSDEC") restricted-residential soil standards, and a former 500-gallon fuel oil underground storage tank (the "UST"). The UST was confirmed to have no historical releases to soil or groundwater. The UST was removed from the Property on March 29, 2021, as approved by the Nassau County Department of Health ("NCDOH") on May 7,

2021. The lead-impacted soil was removed on July 29, 2021, as approved by the NCDOH on August 19, 2021. No remaining contamination was identified at levels greater than NYSDEC restricted-residential standards.

Except as described above, the Property does not have an (E) designation, and no State project ID, Remedial Action Plan (RAP), Remedial Action Work Plan (RAWP), Completion of remediation, Certificate of completion, or other approvals/designations applicable to the NYSDEC and/or NCDOH have been required. There are no limitations of the use of the Property in connection with environmental conditions. The Board of Managers and its contractors will have a right of access to all Common Elements of the Condominium, irrespective of their location, for the operation, maintenance, repair, inspection, improvement and/or replacement of facilities servicing the Condominium, including, without limitation, the sub-slab depressurization system ("SSDS").

Although AEI Consultants has determined that no vapor intrusion concerns exist at the Property relative to the Guidance for Evaluating Soil Vapor Intrusion in the State of New York (2006), per the direction of the NCDOH, a SSDS will be incorporated with the foundation of the Building. The SSDS will include a 20-mil vapor barrier beneath the concrete building slab, and 4-inch diameter slotted PVC vent pipes embedded in a clean ¾-inch stone layer beneath the foundation slab. The SSDS vent pipes will be manifolded to seven (7) solid-wall PVC vents extending above the roof line. In-line, 110 VAC RadonAway® RP260 Pro (or equivalent) blowers will be connected to each vent. RadonAway® air flow alarm will be installed on each vent pipe to verify positive air flow. The SSDS blowers are warrantied by the manufacturer for 90 days after professional installation, which warranty covers blower replacement for conditions attributable to defects in materials or workmanship. After the SSDS is installed, a pressure field extension test (communication test) must be conducted to confirm the effectiveness and proper installation of the system in accordance with the New York State Department of Health Guidance for Evaluating Soil Vapor Intrusion in the State of New York, dated October 2006. A professional engineer will be required to inspect the installation and operation of the SSDS and submit a certification to the NCDOH, stating that the SSDS was installed in accordance with the approved Map and the New York State Department of Health Guidance for Evaluating Soil Vapor Intrusion in the State of New York dated October 2006, as updated, prior to the issuance of a Certificate of Occupancy for any Home in the Condominium. Other details regarding installation, operation, and maintenance of the SSDS are provided on the drawing entitled Sub Slab Depressurization Plan and Details, dated June 22, 2021, prepared by AEI Consultants, and approved by the NCDOH on September 2, 2021. Other than as described herein, no agency has required any work or imposed any requirements beyond completion of construction.

The SSDS is intended to remain in operation indefinitely and there is no process to end its operation. On an annual basis, the Board of Managers will be required to submit to the NHDOC a certification prepared by a professional engineer that is licensed in the State of New York, affirming that the SSDS is functioning properly. A service contract for construction control inspections, operation and maintenance plans,

pressure field testing and as-built certification of the SSDS has been provided by AEI Consultants, and the costs therein for certified annual inspection and maintenance reporting to the NCDOH are included within the budgetary line item for service contracts in the budget projection contained in Schedule B. Pursuant to the contract provided by AEI Consultants, if repair or replacement of any SSDS equipment is required, AEI Consultants will prepare a scope of work estimate to complete the necessary work and will provide the estimate for approval by the Board of Managers. The Board of Managers will be responsible for the operation, monitoring, maintenance, repair and/or replacement of the SSDS, and all costs thereof will be a Common Expense of the Condominium.

Easements

The Board of Managers and their agents, employees and contractors shall have an easement in, through and across the entire Property of the Condominium for access through all the Common Elements and the Homes for the purpose of testing, repairs, maintenance, replacements and/or improvements to any Common Elements, no matter how classified, contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any Home or any other Common Element no matter how classified, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of Condominium or for the health and safety of the Condominium or its residents. Except in the event of an emergency, the Board of Managers will provide no less than twenty-four (24) hours' notice to a Homeowner prior to accessing their Home. The right of access to a Home shall be exercised in such a manner as will not unreasonably interfere with the use of the Homes but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its Property, or the Homes, or for the health and safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

The Board of Managers and their agents, employees and/or contractors shall have an easement in, through and across the entire Property of the Condominium for access to and for testing, repair, maintenance replacement and/or improvement of any mechanical equipment, pipes, sewers and/or drainage lines and wires, conduits and public utility lines including any meters that measure said items that are located in the General Common Elements or in a Limited Common Element that services more than one (1) Home. All testing, repairs, maintenance, replacement and/or improvement thereto shall be the responsibility of the Condominium.

Every Homeowner shall have an easement in common with the owners of other Homes to maintain and use all mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits, and public utility lines located in other Homes and servicing such Homeowner's Home.

Each Home shall be subject to an easement in favor of the Homeowners of other Homes to maintain and use the mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits, and public utility lines servicing such other Homes located in such Home.

The Board of Managers, its agents, contractors and employees shall have an easement in, through, upon, over and under and a right of access to each Home for the testing, maintenance, repair, replacement or improvement to any mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits and public utility lines located in any Home that services any other Home or causes damage to any other Home or to the Common Elements (no matter how classified) or any mechanical equipment, pipe, sewer and/or drainage line, wires, conduits and public utility lines, no matter how designated that causes or is in imminent danger of causing damage to another Home or the Common Elements. The cost of such repairs, including the cost of any repairs to the Home to gain access to the any mechanical equipment, pipe, sewer and/or drainage line, wires, conduits and public utility lines, shall be a Common Expense. Notwithstanding the cost of any testing, maintenance, repairs and/or improvements necessitated because of the negligence, misuse or neglect of a Homeowner, occupant, tenant, guest or any other person residing in, visiting or doing work in the Home, or caused by any alteration of a Home shall be assessed to and paid by the applicable Homeowner as an additional Common Charge obligation to the Homeowner and shall be treated as such regarding late penalties and a lien upon the property as elsewhere provided in the Declaration of Condominium and By-Laws. Except in the event of an emergency, the Board of Managers will provide no less than twenty-four (24) hours' notice to a Homeowner prior to accessing their Home.

All pipes, sewers and/or drainage lines, mechanical equipment, wires, conduits, and public utility lines located within each Home that is for the exclusive use of the Home shall be maintained by such Homeowner and all maintenance and costs associated therewith shall be the sole obligation of each respective Homeowner.

Any utility and cable company requiring access to the Common Elements to test, repair, maintain, improve and/or replace any mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits and utility lines the company is responsible to test, repair, maintain, improve and/or replace shall have a right of access to the Common Elements and each Home for testing, maintenance, repair, improvement or replacement of such mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits, and public utility lines located in the Common Elements and any Home. Any utility or cable company and its employees and agents shall have the right of access to any Home 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 Home for its permitted uses by its owner, tenants or occupants.

The Board of Managers shall have the right to grant such additional electric, gas, water, sewer, drainage, cable 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 Home for its permitted purposes. Any utility company and its employees and agents shall have the right of access to any Home 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 Home for its permitted purposes by its owner, tenants or occupants.

The Board of Managers shall have an easement through the Homes for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, gas, heating, ventilating, water and other mechanical equipment, lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing any portion of the Condominium. Except in the event of an emergency, the Board of Managers will provide no less than twenty-four (24) hours' notice to a Homeowner prior to accessing their Home.

The Sponsor, its successors, assigns, and designees, reserve the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the entire Property of the Condominium (including the Homes) for the purpose of completing construction and the sale of Homes and facilities in the Condominium and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Condominium Property for installation, maintenance and inspection of lines and appurtenances for public or private electric, gas, water, sewer, drainage, cable television and other utilities and mechanical equipment and for any other materials or services necessary for the completion and sale of the Condominium. Except in the event of an emergency, the Sponsor will provide no less than twenty-four (24) hours' notice to a Homeowner prior to accessing their Home. The Sponsor, its successors, assigns, and designees, also reserve the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines and mechanical equipment which may from time to time be in or along the streets and roads or other areas of the Property of the Condominium. The Sponsor, its successors and assigns, and designees, shall have an easement to erect and maintain general sales, business or administration offices and/or model Homes, 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 of Homes, and for the purpose of showing the Property to prospective Purchasers of this Condominium as well as any other property the Sponsor or its designee is developing and for access to Homes and Common Elements consistent with the purposes of the Declaration of Condominium and By-Laws, as the same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation the right to develop, renovate, maintain, repair, refurbish, offer, and sell Homes, together with their interest in the Common Elements. The Sponsor, its successors, assigns and designees further reserve the right to continue to use the Common Elements and any facilities, sales offices, model Homes and signs located on the Common Elements, in its efforts to sell Homes constructed in the Condominium and to complete construction of the

Condominium. This paragraph shall not be amended without the consent of the Sponsor.

Sponsor shall have an easement over or through the Common Elements as may, at any time, be required without the necessity of the consent of the Board of Managers, or joinder therein, by the Homeowners or any mortgagee to erect and maintain signs and other promotional materials (including, without limitation, “For Sale” signs and “For Rent” signs, (if rentals are permitted), in connection with the promotion, sale, leasing (if rentals are permitted), management, or operation of this Condominium. Sponsor’s easement to use the Common Elements terminates when the Sponsor no longer owns any Homes in the Condominium. This includes erecting signs or antennae.

The Sponsor, its successor, assignee and/or designee shall have an easement of ingress and egress in, through and over the Property of the Condominium to access any area of the Condominium for as long as said Condominium is in existence as necessary to market other communities in which the Sponsor, its successor, assignee and/or designee is engaged in the sale and/or leasing of housing to prospective purchasers and/or lessees of such other communities.

Each Homeowner will grant a right of access to and through their Home to Sponsor or its successor, assignee and/or designee, and any contractors, subcontractors, agents, and employees of the foregoing for the purposes of the repair, replacement, inspection, maintenance and completion of any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed or to be performed by or on behalf of Sponsor with respect to the Common Elements and/or the Homes. Except in the event of an emergency, the Sponsor will provide no less than twenty-four (24) hours’ notice to a Homeowner prior to accessing their Home.

The Board of Managers will have and each Home will be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements and Limited Common Elements that are the responsibility of the Condominium to maintain, repair or replace located in, over, under, through or upon any Home, or any other Common Elements or elsewhere in the Condominium and (b) to maintain any encroachment on any Home or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the General Common Elements or Limited Common Elements. Except in the event of an emergency, the Board of Managers will provide no less than twenty-four (24) hours’ notice to a Homeowner prior to accessing their Home.

Each Home will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, foundations, slabs, and exterior walls) supporting or serving the Building and any replacement thereof and additions thereto and an easement of necessity, and each Home will be subject to an easement of support and necessity in favor of all other Homes and the Common Elements.

Each Home will have an easement for lateral and vertical support among all adjoining Homes and Common Elements.

Any easements granted to Sponsor, the Board of Managers, any Home or any Homeowner under the Declaration of Condominium and the By-Laws may be exercised by such Sponsor's, Board of Managers or Homeowner'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 Sponsor, the Homeowner or Board of Managers.

Each Homeowner will have a right and easement to use its Home and the Limited Common Elements appurtenant to such Home or Homes, and the General Common Elements, subject to and in accordance with the terms and conditions of the Declaration of Condominium and By-Laws.

All Homeowners, residents, guests, tenants and anyone else needing access to a Home shall have an easement of ingress and egress, in, through and over the Property of the Condominium, including the Common Elements regardless of how classified for access to their Home.

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 of the Condominium.

All emergency vehicles and personnel, including, but not limited to, police, fire and medical vehicles and personnel shall be granted an easement of ingress and egress over, upon and through the property. This Paragraph may not be amended by the Homeowners in the Condominium.

All easements reserved to Sponsor and to its successors, assigns and designees are paramount and take precedence and priority over the easements granted to the Board of Managers and Homeowners.

Allocation of Common Interest

The Common Interest of the Condominium establishes the Homeowners percentage of ownership in the Common Elements and percentage of liability for the payment of Common Charges subject to the provisions of 339-m of the Real Property Law of the State of New York. Each Homeowner has the Percentage of Common Interest in the Condominium set forth on Schedule A. Such allocation 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 Home, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Home.

Fitness and Recreation Facilities

The Condominium includes the fitness and recreation facilities as described in the Description of Property Report contained in Part II of the Offering Plan. There will be a common terrace on the roof of the Condominium Building, which will consist of precast roof pavers and wood plank pavers. The roof terrace will have a raised decking system on adjustable pedestal feet over protection board and decking tiles will be pre-cast concrete and wood plank. The common roof terrace will be available for the common use of the Homeowners. The roof level will also contain a vestibule outside of the elevator landing and a restroom for the shared use of the Homeowners and their guests. The maintenance and repair of the roof terrace and adjacent vestibule and restroom and all expenses related to said maintenance and repair will be the responsibility of the Condominium. It is anticipated that construction of the roof terrace and adjacent vestibule and restroom will be substantially completed prior to the first Home closing.

Sewer System

The Condominium will be connected to the Great Neck Water Pollution Control District, which is a public utility, and the associated expenses will be a Common Expense of the Condominium.

Storage Spaces

The Sponsor is offering each of the six (6) storage spaces located in the cellar of the Building for acquisition by Homeowners pursuant to a license agreement (the "Storage Space License Agreement") at a license acquisition fee payable to the Sponsor in the amount of $20,000 per cellar storage space, and monthly license fees payable to the Board in the initial amount as reflected in Schedule A-2. The cellar storage spaces may be used only for storage of normal household items. Nothing shall be stored in a cellar storage space that will result in the cancellation or increase of insurance on the Building, or the contents thereof, or that would be in violation of any law. No inflammable, combustible, or explosive fluid, material, chemical, or substance shall be stored in any cellar storage space. Purchasers should further note that the cellar space may not be used for sleeping or dining space and has less light and air than ordinary living space and is more susceptible to dampness. All provisions for safety shall be the sole responsibility of the Homeowner who is the licensee of such cellar storage space, and the Homeowner(s) should have his/her/their own insurance covering the applicable storage space and all contents stored therein. If a Purchaser of a Home elects to enter into a Storage Space License Agreement for one or more of the cellar storage spaces, the price of their purchase of the Home will be increased to include the price of the applicable storage space(s). Purchasers should also note that they will be responsible to pay to the Condominium a monthly license fee in such initial monthly amount as is reflected in Schedule A-2 of the Offering Plan. All income generated by the storage space monthly license fees will be applied to reduce and defray the Common Expenses of the Condominium. The Board of Managers shall have the same rights of collection and enforcement of monthly storage space license fees as it has for Common Charges and Special Assessments. Once Sponsor no longer owns any Homes in the Condominium, Sponsor will have the right but not the obligation to

turn over any or all remaining unlicensed storage spaces to the Condominium/Board of Managers without receiving any initial license or acquisition fee from the Condominium/Board of Managers therefor, or, in the alternative, Sponsor will have the right to retain any or all remaining unlicensed storage spaces until such time as the Sponsor secures a Storage Space License Agreement for each of the unlicensed spaces. In such event, the applicable Storage Space License Agreement(s) will be entered into by and between the licensee and the Board of Managers and the Sponsor shall receive and retain the initial acquisition fee(s) therefor. Additionally, in such event, upon Sponsor's receipt of the applicable initial acquisition fee(s) for such remaining unlicensed space(s), the Sponsor will thereafter have no further rights or obligations respecting such storage space(s) or the associated Storage Space License Agreement(s), except as otherwise expressly provided in this Offering Plan, and the licensee(s) will thereafter pay monthly storage license fees to the Board of Managers and discharge all other obligations under the applicable Storage Space License Agreement(s) in favor of the Board of Managers. The Sponsor's receipt of an initial acquisition fee for each licensed space at the Condominium is an intended economic benefit of the Sponsor's offering, which intended benefit is the justification for Sponsor's retention of the right to receive acquisition fee(s) irrespective of whether the Sponsor owns any Homes in the Condominium. Notwithstanding the foregoing, in no event will the Sponsor's continuing right to secure a Storage Space License Agreement for any unlicensed space and to receive and retain initial acquisition fee in connection therewith be construed as entitling the Sponsor to expand, extend or maintain its representation on, or control of, the Board of Managers. For the avoidance of doubt, the Sponsor will not be entitled to expand, extend or maintain its representation on the Board of Managers merely on account of its right to receive and retain initial acquisition fee in connection with the licensing of unlicensed spaces at the Condominium. A copy of the Storage Space License Agreement is contained in Schedule D-8 in Part II of the Offering Plan. In the event any cellar storage space at the Condominium has not been licensed to a Homeowner pursuant to a Storage Space License Agreement after the Sponsor has conveyed all of the Homes to bona fide Purchasers, during the Sponsor Control Period, the Sponsor shall have the right, but not the obligation, to enter into a Storage Space License Agreement for use of a cellar storage space by a licensee who is not a Homeowner, in which event the acquisition fee for such storage space shall be paid to the Sponsor and the non-Homeowner licensee shall thereafter pay applicable monthly storage space license fees to the Board of Managers. In addition, once Sponsor no longer owns any Homes in the Condominium, Sponsor will have the right but not the obligation to turn over all remaining unlicensed storage spaces to the Condominium/Board of Managers. In the event, Sponsor turns over the remaining unlicensed storage spaces to the Condominium/Board of Managers, all rights and obligations thereafter will belong to the Condominium.

IV. LOCATION AND AREA INFORMATION

Location and Area Information

The Condominium is located in the Village of Great Neck Estates, which is situated within the Town of North Hempstead. The address of the Condominium is 218 Middle Neck Road, Great Neck, New York.

Municipal Services (all distances are approximate)

The community will be serviced by the following municipal services:

Police

Nassau County Police Department, Sixth Precinct, 100 Community Drive, Manhasset, NY 11030, approximately 2.3 miles from the Condominium.

Fire

The Manhasset Lakeville Fire Department Company, 25 Prospect Street, Great Neck, NY 11021, approximately 1.4 miles from the Condominium.

Electric & Gas

Electric service will be provided by PSEG Long Island. Each Home will be separately metered and all costs associated with electric service to the Home will be the sole responsibility of the Homeowner. All common electricity will be a Common Charge of the Condominium.

Gas service will be provided by National Grid. Each Home will be separately metered and all costs associated with gas service to the Home will be the sole responsibility of the Homeowner. All common gas will be a Common Charge of the Condominium.

Telephone

Landline telephone service will be provided by Verizon. Each Home will be billed separately and the cost of telephone service to the Home will be the sole responsibility of each Homeowner.

Television Reception

Cable television will be provided through Altice and billed individually to each Home. All costs associated with cable television to each Home will be the sole responsibility of each Homeowner. Antennas will not be permitted on the Homes.

Shopping

There are various markets, restaurants and shopping centers on Great Neck Road. North Shore Mart Shopping Center is located approximately .8 miles from the Community.

Public Transportation

The Great Neck train station is on the MTA LIRR Port Washington branch, located on Middle Neck Road approximately 0.8 miles from the Condominium.

Medical, Educational and Religious Facilities (All distances are approximate)

Hospitals

Hospitals servicing the area include the following: North Shore University Hospital, 300 Community Drive, Manhasset, NY 11030 approximately 2.5 miles from the Condominium; and St. Francis Hospital, 100 Port Washington Boulevard, Roslyn, NY 11576 approximately 4.7 miles from the Condominium.

Schools

The Condominium is located in the Great Neck North School District. Schools servicing the Condominium include the following:

Saddle Rock School
10 Hawthorne Lane
Great Neck, NY 11023
(Approximately 0.7 miles from the Condominium)

Great Neck North Middle School
77 Polo Road
Great Neck, NY 11023
(Approximately 0.7 miles from the Condominium)

Great Neck North High School
35 Polo Road
Great Neck, NY 11023
(Approximately 0.4 miles from the Condominium)

Although the public schools referred to above will probably be the schools that the children of the Condominium will attend, the Sponsor is unable to make any representation as to whether such schools will, in fact be the actual schools to which the children will attend, nor whether the children will walk to these schools or have school bus service provided

There are also numerous private schools, colleges and universities in the vicinity of the Community.

Refuse

One trash compactor will be located in the cellar level of the Condominium. Compacted refuse will be stored at the cellar level in a designated storage room prior to pick-up.

Sewer

The Condominium has been authorized by the Great Neck Water Pollution Control District to connect to the public sewer system to discharge sanitary waste, and all costs thereof will be a Common Expense.

Parks

The Condominium is located in the vicinity of numerous marinas, country clubs, and parks, including Allenwood Park, Allenwood Road, Great Neck, NY 11023, 0.7 miles from the Condominium; and Saddle Rock Park, Grist Mill Lane, Great Neck, NY 11023, 1.2 miles from the Condominium.

Houses of Worship

There are houses of worship of most major denominations in the vicinity of the Condominium.

Zoning

The Condominium is located in a Business D Incentive District for purposes of zoning, which permits multi-family residential uses.

No representation is made as to the ultimate use or zoning of any parcel surrounding the Development.

Neither Sponsor nor any of its Principals have an option or right to acquire any of the adjoining areas. Any change in this information that occurs while sales are continuing must be disclosed in an amendment within thirty (30) days after the information becomes known to Sponsor.

V. SCHEDULE A

The Rose Condominium
218 Middle Neck Road
Great Neck, New York 11021
For the First Year of Operation
January 1, 2023 through December 31, 2023

Unit Number	Type	(2) No. of Beds/Bath	(2) Home Square Footage	(1) Total Offering Price	(3) Percentage of Common Interest	(4) Common Charges		(5) Estimated Real Estate Taxes*		(6) Total Carrying Charges	
						Monthly	Annual	Monthly	Annual	Monthly	Annual
101	B	2/2	1,173	$1,243,000	2.41%	$ 1,703.58	$20,442.95	$874.69	$10,496.30	$ 2,578.27	$30,939.25
102	BR	2/2	1,172	$1,226,500	2.41%	$ 1,703.58	$20,442.95	$851.12	$10,213.47	$ 2,554.70	$30,656.42
103	D	2/2	1,403	$1,515,800	2.88%	$ 2,035.81	$24,429.74	$1,297.61	$15,571.33	$ 3,333.42	$40,001.07
104	A	2/2	1,273	$1,397,000	2.61%	$ 1,844.96	$22,139.46	$1,108.82	$13,305.79	$ 2,953.78	$35,445.25
105	B	2/2	1,133	$1,226,500	2.33%	$ 1,647.03	$19,764.34	$845.46	$10,145.56	$ 2,492.49	$29,909.90
106	BR	2/2	1,117	$1,226,500	2.29%	$ 1,618.75	$19,425.04	$842.63	$10,111.61	$ 2,461.38	$29,536.65
107	BR	2/2	1,117	$1,233,100	2.29%	$ 1,618.75	$19,425.04	$852.06	$10,224.74	$ 2,470.81	$29,649.78
108	B	2/2	1,117	$1,259,500	2.29%	$ 1,618.75	$19,425.04	$889.77	$10,677.26	$ 2,508.52	$30,102.30
109	BR	2/2	1,126	$1,271,600	2.31%	$ 1,632.89	$19,594.69	$908.47	$10,901.64	$ 2,541.36	$30,496.33
110	C	2/2	1,327	$1,674,200	2.72%	$ 1,922.71	$23,072.54	$1,512.55	$18,150.65	$ 3,435.26	$41,223.19
111	F	3/2	1,663	$1,791,900	3.42%	$ 2,417.53	$29,010.32	$1,730.20	$20,762.35	$ 4,147.73	$49,772.67
112	B	2/2	1,169	$1,258,400	2.40%	$ 1,696.51	$20,358.12	$895.98	$10,751.78	$ 2,592.49	$31,109.90
113	BR	2/2	1,189	$1,260,600	2.44%	$ 1,724.79	$20,697.42	$901.95	$10,823.45	$ 2,626.74	$31,520.87
201	B	2/2	1,173	$1,253,000	2.41%	$ 1,703.58	$20,442.95	$888.98	$10,667.71	$ 2,592.56	$31,110.66
202	BR	2/2	1,172	$1,236,500	2.41%	$ 1,703.58	$20,442.95	$865.41	$10,384.88	$ 2,568.99	$30,827.83
203	D	2/2	1,403	$1,525,800	2.88%	$ 2,035.81	$24,429.74	$1,311.90	$15,742.74	$ 3,347.71	$40,172.48
204	A	2/2	1,273	$1,407,000	2.61%	$ 1,844.96	$22,139.46	$1,123.10	$13,477.20	$ 2,968.06	$35,616.66
205	B	2/2	1,133	$1,236,500	2.33%	$ 1,647.03	$19,764.34	$859.75	$10,316.97	$ 2,506.78	$30,081.31
206	BR	2/2	1,117	$1,236,500	2.29%	$ 1,618.75	$19,425.04	$856.92	$10,283.02	$ 2,475.67	$29,708.06
207	BR	2/2	1,117	$1,243,100	2.29%	$ 1,618.75	$19,425.04	$866.35	$10,396.15	$ 2,485.10	$29,821.19
208	B	2/2	1,117	$1,269,500	2.29%	$ 1,618.75	$19,425.04	$904.06	$10,848.67	$ 2,522.81	$30,273.71
209	BR	2/2	1,126	$1,281,600	2.31%	$ 1,632.89	$19,594.69	$922.75	$11,073.05	$ 2,555.64	$30,667.74
210	C	2/2	1,327	$1,684,200	2.72%	$ 1,922.71	$23,072.54	$1,526.84	$18,322.06	$ 3,449.55	$41,394.60
211	F	3/2	1,663	$1,801,900	3.41%	$ 2,410.46	$28,925.50	$1,743.77	$20,925.27	$ 4,154.23	$49,850.77
212	B	2/2	1,169	$1,268,400	2.40%	$ 1,696.51	$20,358.12	$910.27	$10,923.19	$ 2,606.78	$31,281.31
213	BR	2/2	1,189	$1,270,600	2.44%	$ 1,724.79	$20,697.42	$916.24	$10,994.86	$ 2,641.03	$31,692.28
301	B	2/2	1,173	$1,263,000	2.41%	$ 1,703.58	$20,442.95	$903.26	$10,839.12	$ 2,606.84	$31,282.07
302	BR	2/2	1,172	$1,246,500	2.41%	$ 1,703.58	$20,442.95	$879.69	$10,556.29	$ 2,583.27	$30,999.24
303	D	2/2	1,403	$1,535,800	2.88%	$ 2,035.81	$24,429.74	$1,326.18	$15,914.15	$ 3,361.99	$40,343.89
304	A	2/2	1,273	$1,417,000	2.61%	$ 1,844.96	$22,139.46	$1,137.38	$13,648.61	$ 2,982.34	$35,788.07
305	B	2/2	1,133	$1,246,500	2.33%	$ 1,647.03	$19,764.34	$874.03	$10,488.38	$ 2,521.06	$30,252.72
306	BR	2/2	1,117	$1,246,500	2.29%	$ 1,618.75	$19,425.04	$871.20	$10,454.43	$ 2,489.95	$29,879.47
307	BR	2/2	1,117	$1,253,100	2.29%	$ 1,618.75	$19,425.04	$880.63	$10,567.56	$ 2,499.38	$29,992.60
308	B	2/2	1,117	$1,279,500	2.29%	$ 1,618.75	$19,425.04	$918.34	$11,020.08	$ 2,537.09	$30,445.12
309	BR	2/2	1,126	$1,291,600	2.31%	$ 1,632.89	$19,594.69	$937.04	$11,244.46	$ 2,569.93	$30,839.15
310	C	2/2	1,327	$1,694,200	2.72%	$ 1,922.71	$23,072.54	$1,541.12	$18,493.47	$ 3,463.83	$41,566.01
311	F	3/2	1,663	$1,811,900	3.42%	$ 2,417.53	$29,010.32	$1,758.76	$21,105.17	$ 4,176.29	$50,115.49
312	B	2/2	1,169	$1,278,400	2.40%	$ 1,696.51	$20,358.12	$924.55	$11,094.60	$ 2,621.06	$31,452.72
313	BR	2/2	1,189	$1,280,600	2.44%	$ 1,724.79	$20,697.42	$930.52	$11,166.27	$ 2,655.31	$31,863.69
314	E	1/1	783	$864,800	1.61%	$ 1,138.08	$13,656.91	$277.87	$3,334.48	$ 1,415.95	$16,991.39
			48,720	**$54,008,600**	**100.00%**	**$ 70,687.93**	**$848,255.00**	**$41,368.22**	**$496,418.77**	**$112,056.15**	**$1,344,673.81**

*Projected real estate taxes are for the first year of projected Condominium operation. Taxes may significantly increase in subsequent years and when construction of the Building is complete and the property is fully assessed.

FOOTNOTES TO SCHEDULE A

1. No change in the sales prices will be made other than pursuant to a duly filed amendment, except that the 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 Home purchase. See Section IX of the Offering Plan as to other terms of the offering which are negotiable. See Section XV of the Offering Plan for estimated Closing Costs and Adjustments, which costs are in addition to the sale prices set forth herein.

2. Purchasers should refer to the floor plans in Schedule G of Part II of the Plan for details of each type of Home. The approximate physical dimensions of each Home consist of the area measured from the exterior face of the exterior frame wall (no brick) to the center line of the unit separations to the corridor side face of the corridor separation wall. As such, the areas are not based upon measurements from interior surfaces of interior walls and the actual living area comprising the Home may be significantly less than the area listed in Schedule A. A decrease in a Home's area of five (5%) percent or less will not affect a purchaser's obligations uncles such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by five (5%) percent or less is not material.

3. The Common Interest of each Home 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 Home, the availability of Common Elements for exclusive or shared use, and the overall dimensions of Common Elements for exclusive or shared use, and the overall dimensions of the particular Home. This percentage determines the amount each of said Homeowners will pay for their Common Charges except as may be permitted pursuant to Section 339-m of the Real Property Law of the State of New York. The Percentage of Common Interest as reflected in Schedule A determines the amount a Homeowner will pay for Common Charges.

4. Common Charges have been estimated by the Sponsor and include fire and liability insurance for the Homes and Common Elements and maintenance and operation of the General Common Elements and Limited Common Elements that are the obligation of the Condominium to maintain, repair and/or replace as provided for in the Declaration and/or the By-Laws. Common Charges exclude repair and decoration to the inside of a Home, utilities for each Home and insurance for personal belongings. See Schedule C for estimated heating and electrical costs for the Homes.

5. Real estate tax estimates are based upon information received from Certilman Balin Adler & Hyman, LLP, with offices located at 90 Merrick Avenue, East Meadow, New York 11554. Counsel has advised that the property will be

separately assessed by both the County of Nassau and the Village of Great Neck Estates. The final assessed valuation of the property for Town and School purposes has been estimated on a market approach by taking the proposed selling prices of each Home model and applying Nassau County's 2021/22 Class 1 Residential Ratio of 1%. The projected assessed valuation after completion of construction is $54,008,600. Construction of the Condominium is expected to be completed by January 1, 2023 and Nassau County reassesses property each year on January 2 (the "Taxable Status Date"). Accordingly, the Homes are expected to be fully assessed for the 2023/24 tax year. The projected real estates taxes in Schedule A are for the first year of projected Condominium operation and the taxes may significantly increase in subsequent years and when construction of the Building is complete and the property is fully assessed.

Section 421-f of New York's Real Property Tax Law ("RPTL") has been amended to provide for an eight (8) year phase-in of the first $750,000 worth of increases in value to new construction for residential property where the first year of increase in assessment due to new construction is between the 2020/21 and 2024/25 tax years (taxable status dates Jan. 2, 2019 - Jan 2, 2023). Therefore, on residential properties valued greater than $750,000, the exemption applies to the fist $750,000 in value, and the remainder is immediately and fully taxable. This amended legislation will become effective as of the 2021/22 assessment roll. As all Homes in the Condominium are expected to be constructed by January 1, 2023 for the 2024/25 tax year, the amended legislation should apply to this property as is reflected in the schedules of tax estimates attached to counsel's opinion letter. See Section XXII of the Offering Plan. The schedule attached to counsel's opinion letter assumes a 25% decrease in the current tax rates, and then a 3% annual increase in the School and General tax rates beginning with the 2025/26 tax year. Counsel's tax opinion letter should not be viewed as a guarantee regarding the rates to be in effect at the applicable times.

In accordance with RPTL § 339(y), the Village of Great Neck Estates will assess the Condominium on an income approach to value. Counsel's tax estimate is calculated by taking the estimated rental value of the Homes less expenses capitalized to a market value and applying the Village of Great Neck Estates' 2021/22 equalization rate of 100%. These assessments are then multiplied by the Village of Great Neck Estates' 2021/22 tax rate of .5889/100 of assessed value, as adjusted by 2% increase per year.

The New York State Tax Relief Program ("STAR") provides an exemption from school property taxes for owner-occupied primary residences whose owners meet the income threshold of total household income of less than $500,000. This state-financed exemption is authorized by § 425 of the RPTL. Therefore, if the Condominium is the primary residence of a Homeowner who meets the income threshold, he or she may apply for the "STAR" exemption. A taxpayer who is eligible for the Basic STAR exemption will receive a partial rebate of exempt from school district taxes. The Basic STAR exemption of properties

within the Great Neck School District for Class 1 properties is currently a maximum of $786.

Primary-residence Homeowners who meet additional requirements are eligible to receive the “Enhanced” STAR exemption. To be eligible, all Homeowners of the applicable Home must be 65 years of age or older, with Federal Adjusted Gross Income less any taxable IRA distributions that does not exceed $90,550 for 2021 benefits. The Office of Real Property Services promulgates the eligible income limit for each tax roll year. The current maximum amount of the enhanced exemption for the North Shore School District, Class 2 is $1,615.

All estimates are based on the current New York State Law and the facts as provided. 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. There is no guarantee that the STAR exemption will continue in future years. Schedule A reflects the real estate taxes without the STAR exemption in place.

The assessed value of each model has been determined based on the type of Home and not on the allocation of Common Interest of each model.

Although in the Sponsor's opinion the above method of calculation, assessed valuation and real estate taxes applicable to each Home are reasonable there can be no assurance that the assessed valuation, real estate taxes or the method of calculation of real estate taxes applicable to each Home will be the method of calculation, final assessed valuation or real estate taxes utilized, issued or assessed by the applicable taxing authorities for each Home. If for any reason a different method of calculation is used or a different assessment is placed upon any of the Homes by such authorities or a different tax rate is in effect real estate taxes may increase or decrease depending upon the final decision of such taxing authorities and/or the then applicable tax rate.

No representation or warranty is made that the actual assessed valuation will be as projected in Schedule A, 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 the Purchaser’s Purchase Agreement, in the event the actual taxes differ from those projected. The Offering Plan will be amended to disclose any material change in the assessed valuation of the Homes or the tax rates.

After the Condominium is divided into individual tax lots, each Home will be taxed as a separate tax lot for real estate tax purposes and the Homeowner will not be responsible for the payment of, nor will the Home be subject to, any lien arising from the non-payment of taxes on other Homes. In the opinion of counsel, under present law a Purchaser of a Home who itemizes their income tax returns may

be entitled to a deduction for Federal and New York State income tax purposes for the real estate taxes paid by each Homeowner covering their Home and, provided the Home is used as the Homeowners primary residence or one (l) other residence that the Homeowner selects pursuant to Section 163(h) of the Internal Revenue code of 1986, for any interest paid by the Homeowner on any mortgage covering the Homeowner's Home. Pursuant to the Federal Tax Cuts and Jobs Act of 2017, which went into effect on January 1, 2018, the maximum mortgage in which an individual can deduct the interest is $750,000. In addition, the Act placed a maximum of $10,000 on the amount an individual can deduct for the combined amount of real estate taxes and State income taxes. Projected tax deductions (where applicable) may vary in future years due to changes in the interest rate on the Homeowner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal on Homeowner's mortgage (if any), or due to changes in real property taxes resulting from changes in the assessed value, the tax rate or the method of assessing real property. The Tax Cuts and Jobs Act of 2017 is scheduled to expire on December 31, 2025. Sponsor does not guarantee the income tax deduction a Purchaser may be entitled to and each Purchaser should consult with their income tax advisor regarding their individual circumstances. See Section XXII of the Offering Plan.

6. The Sponsor is not offering and has not procured mortgage financing for individual purchasers. As a result, the projected monthly carrying charges for financing have not been included in Schedule A. In the event a Purchaser obtains a mortgage, a 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 the Purchaser will be obligated to pay the lending institution.

   In the event a Purchaser of a Home obtains a mortgage, the interest payable on the mortgage will be deductible for income tax purposes provided the Home will be the Purchaser's principal residence or one (1) other residence selected pursuant to the Internal Revenue Code to the extent permitted under then current law.

VI. (A) SCHEDULE A-1

The Rose Condominium			
Schedule A-1: Acquisition and Monthly License Fees for the Parking Spaces for the First Year of Condominium Operation (1/1/23-12/31/23)			
Parking Space No.	Acquisition Fee Payable to Sponsor	License Fee Per Month	License Fee Per Year
1	$40,000	$100	$1,200
2	$40,000	$100	$1,200
3	$40,000	$100	$1,200
4	$40,000	$100	$1,200
5	$40,000	$100	$1,200
6	$40,000	$100	$1,200
7	$40,000	$100	$1,200
8	$40,000	$100	$1,200
9	$40,000	$100	$1,200
10	$40,000	$100	$1,200
11	$40,000	$100	$1,200
12	$40,000	$100	$1,200
13	$40,000	$100	$1,200
14	$40,000	$100	$1,200
15	$40,000	$100	$1,200
16	$40,000	$100	$1,200
17	$40,000	$100	$1,200
18	$40,000	$100	$1,200
19	$40,000	$100	$1,200
20	$40,000	$100	$1,200
21	$40,000	$100	$1,200
22	$40,000	$100	$1,200
23	$40,000	$100	$1,200
24	$40,000	$100	$1,200
25	$40,000	$100	$1,200
26	$40,000	$100	$1,200
27	$40,000	$100	$1,200
28	$40,000	$100	$1,200
29	$40,000	$100	$1,200
30	$40,000	$100	$1,200
31	$40,000	$100	$1,200
32	$40,000	$100	$1,200
33	$40,000	$100	$1,200
34	$40,000	$100	$1,200
35	$40,000	$100	$1,200
36	$40,000	$100	$1,200
37	$40,000	$100	$1,200
38	$40,000	$100	$1,200

39	$40,000	$100	$1,200
40	$40,000	$100	$1,200
41	$50,000	$100	$1,200
42	$50,000	$100	$1,200
43	$50,000	$100	$1,200
44	$50,000	$100	$1,200
45	$50,000	$100	$1,200
46	$50,000	$100	$1,200
47	$50,000	$100	$1,200
48	$50,000	$100	$1,200
49	$50,000	$100	$1,200
50	$50,000	$100	$1,200
51	$50,000	$100	$1,200
52	$50,000	$100	$1,200
53	$50,000	$100	$1,200
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62	$50,000	$100	$1,200
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65	$50,000	$100	$1,200
66	$50,000	$100	$1,200
67	$50,000	$100	$1,200
68	$50,000	$100	$1,200
69	$50,000	$100	$1,200
70	$50,000	$100	$1,200
71	$50,000	$100	$1,200
72	$50,000	$100	$1,200
73	$50,000	$100	$1,200
74	$50,000	$100	$1,200
75	$50,000	$100	$1,200
76	$50,000	$100	$1,200
77	$50,000	$100	$1,200
78	$50,000	$100	$1,200
79	$50,000	$100	$1,200
80	$50,000	$100	$1,200
TOTAL	**$3,600,000**	**$8,000**	**$96,000**

VI. (B) SCHEDULE A-2

The Rose Condominium			
Schedule A-2: Acquisition and Monthly License Fees for the Cellar Storage Spaces for the First Year of Condominium Operation (1/1/23-12/31/23)			
Storage Space No.	Acquisition Fee Payable to Sponsor	License Fee Per Month	License Fee Per Year
1	$20,000	$75	$900
2	$20,000	$75	$900
3	$20,000	$75	$900
4	$20,000	$75	$900
5	$20,000	$75	$900
6	$20,000	$75	$900
TOTAL	**$120,000**	**$450**	**$5,400**

Storage Spaces are uninhabitable and shall not be used for sleeping or dining.

VII. SCHEDULE B

RESIDENCES AT THE ROSE CONDOMINIUM
PROJECTED BUDGET FOR FIRST YEAR OF OPERATION
Beginning January 1, 2023 through December 31, 2023

INCOME		
1	Common Charges,	$ 848,255.00
	Parking Space License Fees,	$ 96,000.00
	& Cellar Storage Space License Fees	$ 5,400.00
	Total Income	**$ 949,655.00**
EXPENSES		
2	Payroll & Related	$ 70,000.00
3	Porter Services	$ 40,400.00
4	Concierge/Security	$ 227,000.00
5	Gas Consumption	$ 58,855.00
6	Electric Consumption	$ 196,285.00
7	Water and Sewer Consumption	$ 23,160.00
8	Insurance - Property & Liability	$ 33,740.00
9	Insurance - Health	$ 9,000.00
10	Landscape Maintenance	$ 22,465.00
11	Snow Removal	$ 6,200.00
12	Repairs, Maintenance and Supplies	$ 37,000.00
13	Service Contracts	$ 64,265.00
14	Refuse Removal	$ 11,405.00
15	Telephone, Cable TV, Internet Service	$ 5,960.00
16	Administrative	$ 8,320.00
17	Management Fee	$ 27,000.00
18	Accounting	$ 10,000.00
19	Legal	$ 4,000.00
20	Franchise Tax	$ 500.00
21	Contingency	$ 7,800.00
22	Reserves	$ 86,300.00
	Total Expenses	**$ 946,655.00**

*In the event the actual first year budget differs from the actual commencement of the budget year by six (6) months or more, Sponsor will amend the Plan to include a revised budget. See explanatory footnotes. If the amended budget exceeds this budget by twenty-five (25%) percent or more, the Sponsor will offer all Purchasers the right to rescind their Purchase Agreement and have their deposits returned, with interest, if any within a reasonable period of time that is not less than fifteen (15) days. In addition, in the event the estimated commencement date of the first year of operation of the Condominium is delayed by twelve (12) months or more, Purchasers will be offered a right of rescission unless Purchaser enters into a Purchase Agreement subsequent to an amendment disclosing a revised estimated date of the first Closing. In such an event the Purchaser will be offered a right of rescission by an amendment to the Offering Plan if the estimated date of the Closing of the first Home is delayed by twelve (12) months or more from the estimated date disclosed in the amendment. The Sponsor may not declare the Offering Plan effective if there are any material changes to the budget if the changes have not been disclosed by a duly filed Amendment.

FOOTNOTES TO PROJECTED BUDGET

1. **INCOME**

The estimate of the Annual Common Charges to be collected during the first year of Condominium operation is based upon a projection of the total amount of Common Charges that will be levied against the Homes. Pursuant to the terms of the Offering Plan, as long as the Sponsor retains control of the Board of Managers, the Board of Managers retains the right to delay the commencement of the collection of Common Charges. During any such delay period, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments. Upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in the governing regulations. In the event Sponsor elects to delay collection of Condominium Common Charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Homeowners in writing of the expiration of the delay period at least thirty (30) days prior to commencing collection of Common Charges and will disclose such fact in the following Amendment to the Plan.

2. **PAYROLL & RELATED**

Salaries and wage cost for the first year of Condominium operation are based upon staffing of a full-time superintendent, as listed below, for non-union personnel. The projected salary for the superintendent meets or exceeds that required by New York State minimum wage laws and the level of staffing complies with all applicable housing and labor laws. The budgeted amount reflects current wage rates and reasonably anticipated increases.

Position	# of Employees	Projected Salary
Superintendent	1	$60,000

Plus $10,000 for benefits for federal state and local laws, including without limitation, workers' compensation, disability insurance, unemployment insurance and payroll taxes, for a total estimated cost of $70,000.

3. **PORTER SERVICES**

The budgeted figure is based on an estimate provided by Empire Cleaning Services, 740 Hyman Avenue, West Islip, New York 11795 for porter services to supplement the superintendent. Staffing is projected for eight (8) hours per day,

three (3) days per week, excluding holidays. The porter will be responsible for cleaning the common areas, fitness center, policing the grounds and taking out the trash.

4. **CONCIERGE/SECURITY**

The budgeted figure is based on an estimate provided by Security USA, Inc., 336 West 37th Street, Suite 450, New York 10018 for staffing of the concierge/security station 24 hours a day, 7 days a week. The estimate includes provision for holiday overtime rates.

5. **GAS CONSUMPTION**

This line item reflects the estimated cost of natural gas consumption for heating the common area and units, garage make up air heating, hot water for the units and gas consumption for unit stoves and dryers. The budgeted amount includes the projected cost of all gas consumption at the Condominium, including, without limitation, the individual units. The Building will have a single (1) common meter to monitor all gas consumed by the Condominium, and the aggregate cost of all gas consumption will be a Common Expense of the Condominium.

The projected cost of gas consumption is based on an estimate provided by Kam Chiu Consulting Engineer, P.C., 54 Howard Street, New York, NY 10013. Kam Chiu Consulting Engineer estimates 14,088 therms will be consumed per year at an anticipated cost of $2.10 per therm. The engineer has added 10% to the estimated cost to cover inflation and consumption and price variation. The estimate provided by Kam Chiu Consulting Engineer, P.C. includes a projection of estimated gas consumption and costs attributable to each unit for illustrative purposes only. Individual units will not be separately metered for gas consumption and the aggregate cost of all gas consumption will be a Common Expense of the Condominium.

It is not possible to predict whether the budget estimate will reflect the actual cost to be incurred during the period covered by Schedule B, which cost will vary with the level of consumption and the rates charged for such consumption. Consumption will be affected by the severity of the weather and by conservation measures (such as staggering hours of heating, lowering the temperature of hot water, etc.), if any, adopted by the Condominium Board. It is likely that the price of gas will increase, although it is not possible to forecast with certainty the actual amount of such increase. It is believed that the projected figures should be sufficient to cover any reasonable increase in the price of gas resulting from the foregoing during the period covered by Schedule B.

6. **ELECTRIC CONSUMPTION**

This item includes the estimated cost of electricity used in the Common Elements for common lighting and mechanical equipment and includes the cost of air condition for the residential units.

The projected cost is based on an estimate provided by Kam Chiu Consulting Engineer, P.C., 54 Howard Street, New York, NY 10013. Kam Chiu Consulting Engineer estimates Kw usage of 49,567 per month and projected the cost at a rate of $0.30/kw-hr. The engineer has added 10% to the estimated cost to cover sales tax and for consumption and price variation.

Although the Sponsor is under the obligation to provide accurate information to prospective Purchasers, factors beyond its control may substantially affect the cost of common electricity.

The projection does not include the cost of electricity for lighting and appliances for each Home which will be individually metered and billed directly to each Unit Owner. Purchasers should refer to Schedule C as for the estimated individual electrical costs for the Homes.

7. **WATER AND SEWER CONSUMPTION**

This line item includes the estimated cost of common domestic water and sewer services for the Condominium. The budgeted amount is projected to cover the costs of common water/sewer usage in General Common Elements of the Condominium and does not include costs for water and sewer usage by the individual Homes.

The projected amount for water/sewer consumption costs for the General Common Elements is based on an estimate provided by Kam Chiu Consulting Engineer, P.C., 54 Howard Street, New York, NY 10013. Kam Chiu Consulting Engineer estimates common area consumption by the residential units of 6,080,900 gallons of water will be used per year at an anticipated cost of $1.59 per 1,000 gallons. The engineer has added 10% to the estimated cost to cover inflation and consumption and price variation.

The estimate provided by Kam Chiu Consulting Engineer, P.C. at Schedule C includes a projection of water and sewer costs for the individual Homes. Each Home will be individually metered for water and sewer usage, and all water and sewer costs attributable to each Home will be the responsibility of the applicable Homeowner.

The water and sewer costs projected by Kam Chiu Consulting Engineer, P.C. is

an estimate only. It is not possible to predict whether the budgeted figure will reflect the actual cost to be incurred during the first year of Condominium operation, which will vary with the level of consumption and the cost of water. It can be expected that the cost of water will increase over time.

8. **INSURANCE – Property & Liability**

The budgeted figure for insurance is based upon an estimate provided by Curran Cooney Penny Agency, 11 Powerhouse Road, Roslyn Heights, NY 11577.

Blanket All Risk Insurance Policy $25,000,000, with a wind deductible of 2%
Fidelity Bond: $100,000 limit
Directors and Officers: $1,000,000 limit
General Liability: $1,000,000 per occurrence
Umbrella Liability: $5,000,000 limit
Non-Owned and Hired Car: $1,000,000 single limit

The Condominium Board of Managers should review the above amounts annually**.** The coverage amount limits stated above for casualty insurance is based on full replacement value and should be sufficient to avoid the effects of co-insurance. The insurance policies will provide that (i) each Homeowner is an additional insured; (ii) there will be no cancellation without notice to the Condominium Board and/or their legal representatives; (iii) the right to subrogation against Homeowners is waived; (iv) the defense of invalidity because of acts of defense of pro-rata reduction in liability if Homeowners obtain additional coverage is waived; and (v) policy will follow perimeters set forth by Declaration and By Laws of Condominium. The insurance coverage meets the requirements of any mortgage lender procured by the Sponsor.

The above coverage will be in place prior to or simultaneously with the closing of the first Home in the Condominium.

No coverage is provided for fire and casualty losses to the contents of each individual Home, nor does the coverage take into account any future replacements or additions to either the Homes or the fixtures and improvements contained therein. In addition, no liability coverage for an individual Homeowner is included in the coverage provided above for occurrences not within the Common Areas. Prospective Purchasers should consult their attorney or insurance agent to determine the advisability of obtaining insurance for their own risk of liability and fire and casualty losses.

IN RECENT YEARS, PREMIUMS FOR INSURANCE (ESPECIALLY FIRE AND LIABILITY INSURANCE) HAVE INCREASED SUBSTANTIALLY. 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 CLOSING. PURCHASERS ARE ADVISED TO PROCURE THEIR OWN FIRE AND LIABILITY COVERAGE FOR THE INTERIOR OF THEIR UNIT AND THE PURCHASER'S PERSONAL AFFECTS.

9. **INSURANCE – HEALTH**

The budgeted figure for insurance is based upon information provided by Curran Cooney Penny Agency, 11 Powerhouse Road, Roslyn Heights, NY 11577. The budgeted figure is based on coverage for one employee (the Superintendent) who will be reimbursed $750.00 per month for a policy to be selected at the employees choosing.

10. **LANDSCAPE MAINTENANCE**

The budgeted figure is based on an estimate provided by Dom's Landscaping, Inc., 141 Herricks Road, Garden City Park, New York 11040 for the maintenance of shrubbery and lawn installations in the Common Area and spring and fall general clean up.

11. **SNOW REMOVAL**

The budgeted figure is based on an estimate provided by Dom's Landscaping, Inc., 141 Herricks Road, Garden City Park, New York 11040 for snow removal of five (5) snow falls of depths from 1 – 12 inches and two (2) applications for light accumulation when de-icing may be necessary. The areas to have snow removal services are the sidewalks and asphalt parking areas. Each snow removal will include an application of calcium chloride on sidewalks and a sand/salt chloride mixture in the parking areas. In the event of there is snow fall in excess of the projection stated herein, the cost of snow removal will increase.

12. **REPAIRS, MAINTENANCE AND SUPPLIES**

The budgeted figure is based on an estimate provided by Black Diamond Realty, 401 Franklin Avenue, Garden City, NY 11530. The estimate is based on prior experience managing similar properties.

As the Condominium is newly constructed, it is estimated that the amount budgeted should be sufficient to provide for general repairs and maintenance to the Common Areas for the first year of operation of the Condominium. Inasmuch as the community is new construction, no major interior or exterior repairs are anticipated. The estimate includes the cost of various general supplies (such as cleaning supplies and materials, bulbs, and hardware supplies). The budgeted

figure does not include improvements and repairs to, maintenance of, or supplies for individual Homes. Each individual Homeowner is responsible for improvements and repairs to, maintenance of, and supplies for their Home restricted to their use.

13. **SERVICE CONTRACTS**

The budgeted figure is based on estimate provided by Black Diamond Realty, 401 Franklin Avenue, Garden City, NY 11530. The estimate is based on prior experience managing similar properties.

The budgeted figure for this line item includes the cost of various service contracts for the sub-slab depressurization system ($5,950), HVAC system service ($25,000), lighting system ($800), elevator ($5,350), extermination ($1,200), fire sprinklers ($2,500), compactor chute cleaning ($1,000), garage gate ($950), fitness equipment ($500), smoke alarm monitoring ($500), and smoke alarm system ($20,000).

No service contracts have been entered into as of the date of the Plan. However, the Sponsor has reserved the right, prior to the first closing, to enter into contracts which will be binding on the Condominium Board, provided that such contracts do not materially increase the estimated Common Charges for the first year Condominium operation.

14. **REFUSE REMOVAL**

The budgeted figure is based on an estimate provided by Winter Bros. of Long Island, 120 Nancy Street, West Babylon, NY 11704. Services to include dumpster pick up two times per week. Recyclables will be picked up simultaneous with the trash and sorted at a transfer station.

15. **TELEPHONE, CABLE TV AND INTERNET SERVICES**

The budgeted figure is based on information provided by Cablevision/Optimum, 1111 Stewart Avenue, Bethpage, New York 11714 for the monthly cost of cable TV service for the fitness center, internet service, and a telephone line for the concierge station.

16. **ADMINISTRATIVE EXPENSES**

The budgeted figure is based on estimate provided by Black Diamond Realty, 401 Franklin Avenue, Garden City, New York 11530. The estimate reflects the cost of postage for mailing of common charge bills and regular correspondence, payroll processing and other administrative costs. The estimate is based on prior

experience managing similar properties.

17. **MANAGEMENT**

On or before the closing date of the first Home, the initial Board of Managers of the Condominium, on behalf of the Condominium will enter into an agreement with Black Diamond Realty, 401 Franklin Avenue, Garden City, New York 11530 to act as the managing agent of the property. The budgeted item reflects the anticipated fee to be paid during the first year of Condominium operations. Management services will include billing and collection of common charges, bookkeeping services, record keeping, negotiation of basic contracts, and general administrative duties of a managing agent. The fee for services provided by the Managing Agent is commensurate with the prevailing rates for similar services in the area.

18. **ACCOUNTING**

The budgeted figure is based on an estimate provided by KWM CPAs LLP, 100 Jericho Quadrangle, Suite 220, Jericho, NY 11753 for the preparation of annual audited financial statements and New York State and Federal tax returns.

19. **LEGAL FEES**

The budgeted figure is based on an estimate provided by Certilman Balin Adler & Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554 for costs to be incurred by the Board of Managers when consulting with an attorney to review contracts and collect delinquent Common Charges. The cost of litigation, if any, would be additional.

20. **FRANCHISE AND CORPORATE TAXES**

The budgeted figure provides for an estimate taxes to be paid in the event the Condominium is required to pay a state franchise and corporate tax.

21. **CONTINGENCY**

This item is to provide funds for possible expenses that are not included in the budget or possible increases in one (1) or more items of operating expense above the amounts projected. The budget may be modified, from time to time, prior to the commencement of, or during, Condominium operation to add new items of expense or increase one (1) or more items of operating expense. The funds for such modifications may be provided by decreasing the contingency or by decreasing one (1) or more items of expense, or both. The contingency does not include a reserve for capital replacements or repairs. In view of the fact that

this Condominium is newly constructed, although Sponsor cannot make any guarantees, it is unlikely there will be major capital improvements during the first five (5) years of Condominium operation.

22. **RESERVES**

This figure represents an estimate by the Sponsor for the establishment of a Reserve Fund for future replacements to some of the condominium Common Elements. These common elements include the roof, siding, sidewalks and asphalt. The reserve fund is to be used for capital improvements, repairs, and replacements only. No representation is made that the reserve fund line item will be adequate for future expenses including repairs or replacements of Common Elements during the first five (5) years of the Condominium. If additional funds are required over and above said funds, it may be necessary to increase the Common Charges payable by the Homeowners, collect a Special Assessment from each Homeowner or borrow money for such repairs or replacements.

Although the Sponsor cannot make any guarantees, as this Condominium is a new construction development, it is unlikely that there will be any major capital improvements during the first five (5) years of Condominium operation.

IN THE OPINION OF BLACK DIAMOND REALTY, 401 FRANKLIN AVENUE, SUITE 104, GARDEN CITY, NY 11530, (SET FORTH IN "CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET," IN PART II OF THIS PLAN), THE PROJECTED RECEIPTS APPEAR REASONABLE AND ADEQUATE BASED ON PRESENT PRICES (ADJUSTED TO REFLECT CONTINUED INFLATION AND PRESENT LEVELS OF CONSUMPTION FOR COMPARABLE HOMES SIMILARLY SITUATED) TO MEET THE ESTIMATED EXPENSES FOR THEIR FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE YEAR COMMENCING JANUARY 1, 2023. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A WARRANTY THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM BOARD WILL BE AS SET FORTH IN SAID BUDGET.

IT IS LIKELY THAT THE ACTUAL COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

VIII. SCHEDULE C

ESTIMATED HEATING AND ELECTRIC COSTS

The projected gas and electric costs for a typical Home are based on information provided by Kam Chiu Consulting Engineer, P.C., 54 Howard Street, New York, New York 10013, as per the attached estimate. Kam Chiu Consulting Engineer, P.C. estimates Kw usage of 49,567 per month and projected the cost at a rate of $0.30/kw-hr based upon their expertise as engineers and in comparison with similar types of construction. The engineer has added 10% to the estimated cost to cover sales tax and for consumption and price variation.

Actual costs may vary depending upon the hours of use, thermostat settings and proper maintenance. These cost figures are estimates and are not intended as guarantees.

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 the 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.

Although the 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 Home or in subsequent years. Sponsor represents however, that it has 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. Further, that it has not been induced to select the appliances etc., described herein on the basis of any financial inducement other than the cooperative advertising and price of the system made to it by the manufacturer or distributor of the system or by the supplier of energy to be used in connection therewith or by any of their agents or employees.

Kam Chiu Consulting Engineer, P.C.

54 Howard street- 5th floor, New York, NY 10013 Tel: 917-743-3267 Email:kchiupe@gmail.com

February 10, 2021

The Rose Building
212-230 Middle Neck Road
Great Neck, N.Y. 11021
Tax Block: 6 and Tax Lot: 254

Energy Budget Estimates for "The Rose Building at Great Neck" for common meter

The following are the **estimated** annual electric and fuel usage and cost for the above referenced premise address.

PARAMETERS, CALCULATIONS AND COSTS

Gas usage heating Cost for apartments and corridor make up air:

Outside air temperature 12 deg. F., Indoor design temperature 70 deg F., number of heating degree-days = 4900.

1. Estimated cost

- 4404 therms/yr * $2.1/therm = $9,250.00/yr.

Gas usage heating Cost for garage make up air at low speed:

Outside air temperature 12 deg. F., Indoor design temperature 60 deg F., number of heating degree-days = 4900.

1. Estimated cost

- 632 therms/yr * $2.1/therm = $1,328.00/yr.

Gas usage hot water cost for apartments and common area:

1. Hot water heaters = 800,000 Btu/hr for domestic water,
   Average usage = 3 hrs / day.

2. Estimated cost

- 8 therms * 3 hrs/day * 365 days/year * $2.1/therm = $18,396.00/yr.

Gas usage for stove and dryer:

1. Stove = 0.4 therm * 1 hr/day * 365 d/yr

2. Dryer = 0.4 therm * 1 hr/day * 365 d/yr

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Kam Chiu Consulting Engineer, P.C.
54 Howard street- 5th floor, New York, NY 10013 Tel: 917-743-3267 Email:kchiupe@gmail.com

3. Estimated cost

- 292 therms/yr * $2.1/therm * 40 apartments = $24,528.00/yr.

Estimated Annual Gas usage:

Total gas usage for hot water with 10% inflation: $58,853.00/yr

Building Water Consumption for apartments and common space:

Estimated water consumption is estimated at 140 gallons/day/person for 39 apartments with 3 persons per apartment and 1 studio apartment with 2 persons for 365 days/yr.

1. Estimated annual water consumption is 6,080,900 gallons/yr.

2. Estimated cost

- 6,080,900 gallons/yr. * 1/7.48 cu. ft./gallons * $1/100 cu. ft. = **$8,129.00/yr**

Building Sewage Usage for apartments and common space:

1. Sewer charges are metered at 159% of water charges.

2. Estimated cost

- $8,129 * 1.59 = **$12,925.00/yr**

Estimated Annual water and sewage cost (see break down above):

Total water consumption and sewage usage with 10% inflation: $23,159.00/yr.

Electrical Cost for Common area:

1. Lighting (3516 watts, operates 24 hrs/day)
   3,516 watts * 24 hr = 84,384 watt-hr/day * 30 days/month = 2,532 kwh/month

2. Exhaust fans (16,348 watts, operates 12 hrs/day)
   16,348 watts * 12 hr = 196,176 watt-hr/day * 30 days/month = 374 kwh/month

3. (2) Elevator (15 hp each, operates 2 hrs/day)
   16,600 watts * 2 hrs *2 = 66,400 watt-hr/day * 30 days/month = 1,992 kwh/month

4. Duplex ejector pumps (2,700 watts, operates 1 hrs/day)
   2,700 watts * 1 hrs = 2,700 watt-hr/day * 30 days/month = 81 kwh/month

5. Recirculating hot water pump (250 watts, operates 6 hrs/day)
250 watts * 6 hrs = 1,500 watt-hr/day * 30 days/month = 45 kwh/month

6. (2) Cabinet heaters (360 watts, operates 24 hrs/day for 6 months, 50% cycle)
360 watts * 24 hr * 50% cycle = 4,320 watt-hr/day * 30 days/month = 130 kwh/month
Average of = 65 kwh/month

7. (6) Unit heaters (1,500 watts, operates 24 hrs/day for 3 months, 50% cycle)
1,500 watts * 24 hrs * 50% cycle = 18,000 watt-hr/day * 30 days/month = 540 kwh/month
Average of = 135 kwh/month

8.. Fan coil units for heating and cooling for Lobby, Fitness room, cellar office/corridor, and 3rd floor Foyer (1509 watts, operates 12 hrs/day for 8 months)
1509 watts * 12 hrs * 250 days/yr = 4,507 kwh/yr
Average of = 377 kwh/month

9. Make up air system for apartments and corridors heating fan (7,640 watts, operates 24 hrs/day for 7 months)
7,640 watts * 24 hr = 183,360 watt-hr/day * 30 days/month = 5,500 kwh/month
Average of = 3,208 kwh/month

10. Make up air system for apartments and corridors cooling mode (7,640 watts, operates 24 hrs/day for 5 months, with compressor cycle 50%)
7,640 watts * 24 hr = 183,360 watt-hr/day * 30 days/month = 5,500 kwh/month
35,208 watts * 24 hr * 0.5 = 422,496 watt-hr/day * 30 days/month = 12,675 kwh/month
Average of = 7,573 kwh/month

11. Central condensing unit system (138,270 watts, operates 24 hrs/day for 8 months, 50% cycle)
138,270 watts * 24 hr * 0.5 = 1,659,240 watt-hr/day * 30 days/month = 49,777 k wh/month
Average of = 33,185 kwh/month

12. Estimated cost

Total use per month = 49,567 kwh/month
49,567 kwh/month * $0.30/kwh = $14,870.00
Total = $14,870.00/month

- **Annual estimate cost with 10% inflation = $196,285.00/yr (average)**

Actual costs may vary depending upon the hours of use, outdoor temperature, thermostat setting and proper maintenance. The cost figures are estimate and are not intended as guarantees.

In view of the fact that these estimates include the use of energy by persons of varying needs with different standards of comfort, or with families of different sizes, the amount of energy used by a purchaser may vary substantially from the estimates herein provided. In addition, the

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effect of inflation, fuel adjustment charges and other factors may raise the costs of electrical and gas substantially higher than the current or projected rated.

Although the sponsor is under the obligation to provide accurate information to prospective purchasers, factors beyond its control may substantially affect the cost of heating and cooling after the purchase of a unit or in subsequent years. The sponsor represents, however, that it will follow the plans and specifications provided by the manufacturer of the appliances together with the recommendations of the experts to enable these items of equipment to operation at optimum efficiency at the lower cost.

Thank you for the opportunity to serve your company and should you have any questions or wish to discuss this Project further please feel to contact me.

Very truly yours,
Kam Chiu Consulting Engineer, P.C.

Kam Chiu, Leed AP, P.E.

CERTILMAN BALIN ATTORNEYS

90 MERRICK AVENUE, 9TH FLOOR
EAST MEADOW, NY 11554
PHONE: 516.296.7000 • FAX: 516.296.7111
www.certilmanbalin.com

IX. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

December 29, 2021

State of New York
Department of Law
28 Liberty Street, 21st Floor
New York, New York 10005

Re: **The Rose Condominium**

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property has retained this office to review the Percentage of Common Interest applied to the Homes contained in Schedule A of the Offering Plan.

Our experience includes the preparation of hundreds of Condominium Offering Plans and legal representation of numerous Condominium Boards of Managers in the State of New York for over thirty (30) years.

In reviewing said Schedule A, the Percentage of Common Interest for each Home as contained therein has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act, based on floor space, subject the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Home, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Home.

I hereby authorize inclusion of this opinion in the Offering Plan for this Condominium to be filed with the Department of Law.

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP

By:_____
Richard Herzbach, Partner

X. PARKING SPACES/STORAGE SPACES

A. PARKING SPACES

The Sponsor is offering, pursuant to a Parking Space License Agreement, forty (40) at-grade parking spaces and forty (40) below-grade parking spaces to Purchasers of Homes in the Condominium at the acquisition prices payable to Sponsor reflected in Schedule A-1.

Each of the parking spaces at the Condominium will be subject to a Parking Space License Agreement between a Homeowner as the licensee and the Board of Managers as the licensor. The Board of Mangers shall be required to keep a list of all parking spaces and the Homes that are subject to a Parking Space License Agreement. All Homeowners shall be required to advise the Board of Managers of the Condominium of any assignment or rental of any parking space pursuant to a Parking Space License Agreement within ten (10) days of such assignment or rental.

Parking spaces at the Condominium may only be utilized for the parking of automobiles and similar type vehicles and pursuant to the provisions of the Declaration of Condominium and By-Laws of the Condominium and any Rules and Regulations regarding the parking areas of the Condominium and/or the parking spaces.

All repairs and maintenance of the parking areas of the Condominium, including, without limitation, the above- and below-grade parking spaces, shall be the responsibility of the Condominium as a Common Expense, subject to the parking-related provisions of the Declaration and By-Laws. Each Homeowner who has entered into a Parking Space License Agreement for use of a parking space will be required to pay monthly license fees to the Condominium to cover the associated maintenance and other costs, in such amounts as are determined by the Board of Managers. All income generated by the parking space monthly license fees will be applied to reduce and defray the Common Expenses of the Condominium. The Board of Managers shall have the right to increase or decrease said amounts as necessary or appropriate to cover the cost of such services. License fees due under any Parking Space License Agreement shall be in addition to the Common Charges and any Special Assessments charged to a Homeowner. The fee payable to the Sponsor to secure an above-grade parking space is $40,000 per space. The fee payable to the Sponsor to secure a below-grade parking space is $50,000 per space. Parking space should refer to Schedule A-1 regarding the initial monthly license fee amount payable to the Board of Managers. Any dispute regarding the allocation or amount of the license fees for a parking space shall be decided by Arbitration pursuant to the terms of Article XIV of the By-Laws of the Condominium. The Board of Managers shall have the same rights of collection and enforcement of monthly parking license fees as it has for Common Charges and Special Assessments, as provided for in this Article or elsewhere in the Declaration or By-Laws.

Once Sponsor no longer owns any Homes in the Condominium, Sponsor will have the right but not the obligation to turn over any or all remaining unlicensed parking spaces to the Condominium/Board of Managers without receiving any initial license or

acquisition fee from the Condominium/Board of Managers therefor, or, in the alternative, Sponsor will have the right to retain any or all remaining unlicensed parking spaces until such time as the Sponsor secures a Parking Space License Agreement for each of the unlicensed spaces. In such event, the applicable Parking Space License Agreement(s) will be entered into by and between the licensee and the Board of Managers and the Sponsor shall receive and retain the initial acquisition fee(s) therefor. Additionally, in such event, upon Sponsor's receipt of the applicable initial acquisition fee(s) for such remaining unlicensed space(s), the Sponsor will thereafter have no further rights or obligations respecting such storage space(s) or the associated Parking Space License Agreement(s), except as otherwise expressly provided in this Offering Plan, and the licensee(s) will thereafter pay monthly parking license fees to the Board of Managers and discharge all other obligations under the applicable Parking Space License Agreement(s) in favor of the Board of Managers. The Sponsor's receipt of an initial acquisition fee for each licensed space at the Condominium is an intended economic benefit of the Sponsor's offering, which intended benefit is the justification for Sponsor's retention of the right to receive acquisition fee(s) irrespective of whether the Sponsor owns any Homes in the Condominium. Notwithstanding the foregoing, in no event will the Sponsor's continuing right to secure a Parking Space License Agreement for any unlicensed space and to receive and retain initial acquisition fee in connection therewith be construed as entitling the Sponsor to expand, extend or maintain its representation on, or control of, the Board of Managers. For the avoidance of doubt, the Sponsor will not be entitled to expand, extend or maintain its representation on the Board of Managers merely on account of its right to receive and retain initial acquisition fee in connection with the licensing of unlicensed spaces at the Condominium.

The Sponsor shall be authorized to execute all initial Parking Space License Agreements entered into with Homeowners and to receive all proceeds of the initial acquisition fees. A designated member of the Board of the Managers of the Condominium shall be authorized and required to execute the Parking Space License Agreement on behalf of the Condominium as the licensor under the Parking Space License Agreement.

Except as otherwise applicable to Sponsor's rights hereunder, each parking space at the Condominium and the Parking Space License Agreement associated therewith may only be assigned and/or rented to another Homeowner in the Condominium. The Board of Managers of the Condominium shall have the right to promulgate rules and regulations regarding the assignment or rental of the Condominium parking spaces. In no event shall the Board of Managers have the right to prohibit the right of a Homeowner or the Sponsor to assign or rent a parking space to a purchaser of the Homeowner or another Homeowner in the Condominium. The Board of Managers shall have the right to approve the instrument effectuating such assignment and/or rental or to promulgate a standard form for use by all Homeowners for such purposes. Notwithstanding the foregoing, for so long as the Sponsor retains an Unsold Home in the Condominium, the Sponsor shall have the right to utilize the Parking Space License Agreement or any other form of instrument or agreement for such purposes without interference with the Board of Managers.

Homeowners must comply with all applicable laws regarding the Parking Space License Agreement and the associated parking space, which may be subject to periodic inspection by police and fire departments and/or other governmental agencies having jurisdiction thereover.

In the event any parking space at the Condominium has not been licensed to a Homeowner pursuant to a Parking Space License Agreement after the Sponsor has conveyed all of the Homes to bona fide Purchasers, the Sponsor shall have the right, but not the obligation, to enter into a Parking Space License Agreement for use of any such parking space by a licensee who is not a Homeowner during the Sponsor Control Period, in which event the acquisition fee for such parking space shall be paid to the Sponsor and the non-Homeowner licensee shall thereafter pay applicable monthly parking license fees to the Board of Managers. In addition, once Sponsor no longer owns any Homes in the Condominium, Sponsor will have the right but not the obligation to turn over all remaining unlicensed parking spaces to the Condominium/Board of Managers. In the event Sponsor turns over the remaining unlicensed parking spaces to the Condominium/Board of Managers, all rights and obligations thereafter will belong to the Condominium.

The two (2) handicapped accessible at-grade parking spaces and the two (2) handicapped accessible below-grade parking spaces in the Condominium will be the last parking spaces assigned by Sponsor, if any or all of such accessible spaces have not previously been assigned to Purchasers who themselves or a member of their family has a vehicle with handicapped license plates or a permanent handicapped permit. In the event a present or future Homeowner in the Condominium or a member of the Homeowner's family residing in the Homeowner's Home becomes handicapped and thereafter acquires handicapped plates for his or her vehicle, and a different Homeowner's Home has been assigned a handicapped accessible parking space, and said Homeowner does not have a handicapped license plate or permanent handicapped permit, the Homeowner who acquires handicapped plates for his or her vehicle has the right to demand that the Homeowner of the Home to which a handicapped accessible parking space is assigned trade or swap the a handicapped accessible parking space for which their Home is the then assignee for the non-handicapped parking space then assigned to the Homeowner who requires the a handicapped accessible parking space. The Homeowner of the Home which is the assignee of the handicapped accessible parking space must comply with the aforementioned demand upon thirty (30) days' written notice.

B. STORAGE SPACES

The Sponsor is offering six (6) storage spaces located in the cellar of the Building to Purchasers of Homes in the Condominium at the acquisition price reflected in Schedule A-2. Each cellar storage space will be subject to a Storage Space License Agreement between a Homeowner as the licensee and the Board of Managers as the licensor. Pursuant to the Storage Space License Agreement, the applicable licensee will be required to pay monthly license fees to the Board, initially in the amount reflected in Schedule A-2. The Board of Mangers shall be required to keep a list of all cellar storage

spaces and the Homes that are subject to a Storage Space License Agreement. All Homeowners shall be required to advise the Board of Managers of the Condominium of any assignment or rental of any cellar storage space pursuant to a Storage Space License Agreement within ten (10) days of such assignment or rental.

Cellar storage spaces may only be utilized pursuant to the provisions of the Storage Space License Agreement, Declaration of Condominium and By-Laws of the Condominium, and any Rules and Regulations regarding storage spaces.

All repairs and maintenance of the cellar storage spaces shall be the responsibility of the Condominium, subject to the provisions of the By-Laws. Each Homeowner who has entered into a Storage Space License Agreement will be required to pay monthly license fees to the Condominium to cover the associated maintenance and other costs, in such amounts as are determined by the Board of Managers. The Board of Managers shall have the right to increase or decrease said amounts as necessary or appropriate to cover the cost of such services. The Board of Managers shall have the same rights of collection and enforcement of monthly storage space license fees as it has for Common Charges and Special Assessments, as provided for in this Article or elsewhere in the Declaration or By-Laws. License fees due under any Storage Space License Agreement shall be in addition to the Common Charges and any Special Assessments charged to a Homeowner. The fee payable to the Sponsor to secure a cellar storage space is $20,000 per storage space.

Licensees of a cellar storage space should refer to Schedule A-2 regarding the initial monthly license fee amount payable to the Board of Managers. Any dispute regarding the allocation or amount of the license fees for a cellar storage space shall be decided by Arbitration pursuant to the terms of Article XIV of the By-Laws of the Condominium. The Board of Managers shall have the same rights of collection and enforcement of monthly storage space license fees as it has for Common Charges and Special Assessments, as provided for in this Article or elsewhere in the Declaration or By-Laws.

Once Sponsor no longer owns any Homes in the Condominium, Sponsor will have the right but not the obligation to turn over any or all remaining unlicensed storage spaces to the Condominium/Board of Managers without receiving any initial license or acquisition fee from the Condominium/Board of Managers therefor, or, in the alternative, Sponsor will have the right to retain any or all remaining unlicensed storage spaces until such time as the Sponsor secures a Storage Space License Agreement for each of the unlicensed spaces. In such event, the applicable Storage Space License Agreement(s) will be entered into by and between the licensee and the Board of Managers and the Sponsor shall receive and retain the initial acquisition fee(s) therefor. Additionally, in such event, upon Sponsor’s receipt of the applicable initial acquisition fee(s) for such remaining unlicensed space(s), the Sponsor will thereafter have no further rights or obligations respecting such storage space(s) or the associated Storage Space License Agreement(s), except as otherwise expressly provided in this Offering Plan, and the licensee(s) will thereafter pay monthly storage license fees to the Board of Managers

and discharge all other obligations under the applicable Storage Space License Agreement(s) in favor of the Board of Managers. The Sponsor's receipt of an initial acquisition fee for each licensed space at the Condominium is an intended economic benefit of the Sponsor's offering, which intended benefit is the justification for Sponsor's retention of the right to receive acquisition fee(s) irrespective of whether the Sponsor owns any Homes in the Condominium. Notwithstanding the foregoing, in no event will the Sponsor's continuing right to secure a Storage Space License Agreement for any unlicensed space and to receive and retain initial acquisition fee in connection therewith be construed as entitling the Sponsor to expand, extend or maintain its representation on, or control of, the Board of Managers. For the avoidance of doubt, the Sponsor will not be entitled to expand, extend or maintain its representation on the Board of Managers merely on account of its right to receive and retain initial acquisition fee in connection with the licensing of unlicensed spaces at the Condominium.

The Sponsor shall be authorized to execute all initial Storage Space License Agreements entered into with Homeowners and to receive all proceeds of the initial acquisition fee in the amount of $20,000 per storage space. A designated member of the Board of the Managers of the Condominium shall be authorized and required to execute the Storage Space License Agreement on behalf of the Condominium as the licensor under the Storage Space License Agreement.

Except as otherwise applicable to Sponsor's rights hereunder, each Storage Space License Agreement and the associated cellar storage space may only be assigned and/or rented to another Homeowner in the Condominium. The Board of Managers of the Condominium shall have the right to promulgate rules and regulations regarding the assignment or rental of the cellar storage spaces. In no event shall the Board of Managers have the right to prohibit the right of a Homeowner or the Sponsor to assign or rent a cellar storage space to a purchaser of the Homeowner or another Homeowner in the Condominium. The Board of Managers shall have the right to approve the instrument effectuating such assignment and/or rental or to promulgate a standard form for use by all Homeowners for such purposes. Notwithstanding the foregoing, for so long as the Sponsor retains an Unsold Home in the Condominium, the Sponsor shall have the right to utilize the Storage Space License Agreement or any other form of instrument or agreement for such purposes without interference with the Board of Managers.

Homeowners must comply with all applicable laws regarding the Storage Space License Agreement and the associated cellar storage space, which may be subject to periodic inspection by police and fire departments and/or other governmental agencies having jurisdiction thereover.

In the event any cellar storage space at the Condominium has not been licensed to a Homeowner pursuant to a Storage Space License Agreement after the Sponsor has conveyed all of the Homes to bona fide Purchasers, during the Sponsor Control Period, the Sponsor shall have the right, but not the obligation, to enter into a Storage Space License Agreement for use of a cellar storage space by a licensee who is not a Homeowner, in which event the acquisition fee for such storage space shall be paid to

the Sponsor and the non-Homeowner licensee shall thereafter pay applicable monthly storage space license fees to the Board of Managers. In addition, once Sponsor no longer owns any Homes in the Condominium, Sponsor will have the right but not the obligation to turn over all remaining unlicensed storage spaces to the Condominium/Board of Managers. In the event Sponsor turns over the remaining unlicensed storage spaces to the Condominium/Board of Managers, all rights and obligations thereafter will belong to the Condominium.

In the event the Sponsor exercises its right to turn over the remaining parking or storage spaces, all repairs and maintenance of such spaces shall thereafter be the responsibility of the Condominium as a Common Expense, until such time as each space is licensed by the Board of Managers.

XI. CHANGES IN PRICES OF HOMES

The prices for these condominium interests may be changed from those set forth in this Offering Plan so that Purchasers may pay different prices for similar interests. No such change will be made other than pursuant to a duly filed amendment, except that the 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 prices does not constitute a general offering but is rather the result of an individually negotiated Home purchase. All changes in prices which are an across the board increase or decrease affecting one (1) or more lines of Homes or models, or is to be advertised or is a price increase for an individual Purchaser will be done by a duly filed amendment to the Offering Plan.

The Sponsor further reserves the right, but not the obligation, to negotiate with a Purchaser on an individual basis in connection with all aspects of the purchase price, including but not limited to: upgrades to the Home or the fixtures or equipment contained therein or credits or allowances therefor; treatment of reduced and/or split down payment; financing contingency; extension of period to secure financing; payment of all or part of a Purchaser's acquisition or financing costs such as, but not limited to: origination fees and commitment fees; any and all other costs relating to the cost of acquiring title to the Home; maintenance subsidies, rebates or other costs associated with maintaining a Home as a credit against the purchase price or payable on a periodic basis or any other manner as is negotiated between the parties; promotional gifts on purchase of a Home and application of rent toward the purchase price. As a result, a Purchaser may receive different terms as other Purchasers for a similar Home. Furthermore, the Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms or at its sole option to expand the applicability of such negotiable terms to some or all Purchasers pursuant to Section 352-e of the General Business Law.

Sponsor will not make any changes in the size or number of Homes and/or their respective Percentage of Common Interest and no material change will be made in the size or quality of Common Elements, except by amendment to the Plan and to the

Declaration of Condominium (if the Declaration was filed prior to such change). Sponsor reserves the right to change the model mix of the Homes as long as the Percentage of Common Interest for the Homes is not affected, there is no Purchase Agreement in effect for said Home, as long as the Sponsor does not change the total number of Homes being offered for sale or the total number of Buildings in the Condominium.

Unless an affected Purchaser consents, no material change will be made in Home size, layout, or Percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Home and the Purchaser is not in default. A decrease in a Home's area of five (5%) percent or less will not affect a purchaser's obligations uncles such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by five (5%) percent or less is not material.

Unless all Purchasers consent, no material change will be made in the size and quality of the Common Elements.

XII. INTERIM LEASES

The Sponsor will not enter into interim leases with Purchasers for Homes prior to Closing. In no event shall Purchaser take possession of the Home prior to the time of the delivery of the deed, nor shall Purchaser enter the Home or have the Homeowner's contractors or agents enter the Home to perform work prior to Closing without the written authorization of the Sponsor. Should the Purchaser violate this provision, Sponsor will have the right to remove Purchaser from the Home as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default of the Purchase Agreement and Sponsor may retain the funds being held in escrow as liquidated damages to a maximum of ten (10%) percent of the sales price plus the cost of Extras paid for by Purchaser which Extras have been installed by Sponsor, paid for but not installed by Sponsor or which have been ordered but not installed by Sponsor and for which Sponsor is obligated to pay for such Extras unless the Offering Plan has been abandoned. In the event the Offering Plan is abandoned the Purchaser shall be entitled to receive a refund of all funds paid to the Sponsor for such Extras.

Sponsor will endeavor in good faith to sell Homes in the Condominium however; Sponsor is retaining the unconditional right to rent rather than sell Homes after the Offering Plan has been consummated. Because Sponsor is retaining the unconditional right to rent rather than sell Homes after the Offering Plan has been consummated, this Plan may not result in the creation of a condominium in which a majority of the Homes are owned by owner-occupants or investors unrelated to Sponsor.

XIII. PROCEDURE TO PURCHASE

The Sponsor hereby offers for sale the Homes under construction in the Condominium for residential occupancy in accordance with applicable municipal zoning regulations.

The sales prices at which the Homes are being offered for sale are shown in detail in Schedule A. The Sponsor reserves the right to lower the sales prices and to negotiate other terms on an individual basis. All changes in prices which are an across the board increase or decrease affecting one or more lines of Homes or models, or are to be advertised or is a price increase for an individual Purchaser will be done by a duly filed amendment to the Offering Plan. See Section IX of the Offering Plan. Any such change will not affect the Percentage of Common Interest of the Home; however, some Purchasers may pay less or more for the same model Home or receive different terms.

Although all funds received by Sponsor from Purchaser for upgrades, options, extras, special work or custom work ("Extras") not included in the base price of a Home will initially be placed in the Escrow Account, such funds may be released from the Escrow Account without the requirements disclosed in Section XI of the Offering Plan, as long as the Sponsor uses the funds for such Extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor for Extras which have been installed by Sponsor, paid for but not installed by Sponsor or which have been ordered but not installed by Sponsor and for which Sponsor is obligated to pay for such Extras, unless the Offering Plan has been abandoned. In the event the Offering Plan is abandoned the Purchaser shall be entitled to receive a refund of all funds paid to the Sponsor for such Extras.

Any person may accept Sponsor's offer to sell a Home by entering into a Purchase Agreement with the Sponsor. The Agreement provides that the Purchaser will purchase from the Sponsor a designated Home in the Condominium as described in the Declaration creating such Condominium. A Purchaser will be afforded the alternative of either (i) reviewing the Offering Plan and all filed amendments for a minimum of three (3) business days prior to executing a Purchase Agreement and delivering the required Deposit or (ii) Purchaser will have seven (7) days after delivering an executed Purchase Agreement together with the required Deposit to Sponsor to rescind the Purchase Agreement and receive a refund of the Deposit**.** Any conflict between the Offering Plan and the Purchase Agreement shall be resolved in favor of the Offering Plan.

Purchaser and Sponsor shall execute four (4) originals of the Purchase Agreement. Upon signing the Purchase Agreement, the Purchaser shall make a Deposit of a maximum of 10% of the purchase price of a Home plus the cost of any Extras ordered by the Purchaser. Upon full payment of the balance of the purchase price and the balance of the cost of any Extras ordered at the Closing, in cash or by mortgage proceeds, Purchaser will receive a bargain and sale deed with covenant against grantor's acts and containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey good and marketable title to the ownership of fee ownership

in the Home and such Percentage of Common Interest in the Common Elements as is set forth on Schedule A, free and clear of all liens and encumbrances other than those set forth in Section XIV of the Offering Plan. The Purchase Agreement may be modified with the consent of Purchaser and Sponsor in a manner not inconsistent with law, subject to the terms of this Offering Plan. After Purchaser delivers a fully executed Purchase Agreement with the required Deposit Sponsor must either return a fully executed Purchase Agreement within fifteen (15) days to the Purchaser or reject the Purchase Agreement and refund the deposit monies. In the event the Sponsor does not act within said fifteen (15) day period the Purchase Agreement will be deemed accepted by the Sponsor.

The Power of Attorney attached to the Purchase Agreement must be executed by Purchaser at the Closing of Title. Failure to execute the Power of Attorney will result in a default under the Purchase Agreement.

The Sponsor anticipates that Closing of the first Home will occur by January 1, 2023. Purchasers will be offered a right of rescission if: (i) the actual date of Closing of Title to the first Home; or (ii) the projected date of Closing of Title to the first Home occurs later than December 31, 2023 twelve (12) months after the projected date for the first Closing. If the Plan is amended to provide for a later projected date for the first Closing, Purchasers will be entitled to an offer of rescission if the first Closing occurs more than twelve (12) months beyond that amended, later date. Purchasers must advise the Sponsor no later than the date provided in an Amendment to the Offering Plan disclosing the later date but not less than fifteen (15) days from the date of the notice. However, if the first Home Closing occurs before December 31, 2023 the Sponsor may schedule the Closings of Title to other Homes significantly later than such date. Unless a Purchaser's Purchase Agreement contains an outside Closing Date, as provided below, the Sponsor is not obligated to schedule a Closing within any specified time frame or to ensure that Closing of Title to a Home will occur by any date certain. Purchasers should note that even if the Closing of Title to the first Home occurs on or before December 31, 2023 (or such other date projected as the date of commencement of operation at the time the Purchase Agreement was entered into) or within the twelve (12) month period thereafter, the Closing of subsequent Homes may be substantially delayed beyond such dates if a temporary or final Certificate of Occupancy has not been issued for such Homes or for the floor on which such Homes are located. In such case, provided that Sponsor is diligently pursuing completion of construction and the issuance of a temporary or final Certificate of Occupancy and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the Home. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS AND THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A HOME.

In addition to the above paragraph each Purchase Agreement provides that in the event Sponsor is unable to convey title to a Purchaser's Home twelve (12) months

after the proposed date of delivery set forth in the Purchase Agreement a Purchaser shall have the option to cancel the Purchase Agreement and have the Deposit advanced by Purchaser returned to Purchaser. Purchaser shall be obligated to notify the Sponsor in writing of its intent to exercise said option no later than thirty (30) days after the twelve (12) month period of the proposed date of delivery set forth in the Purchase Agreement. Purchaser's failure to so notify Sponsor of Purchaser's intent to cancel Purchaser's Purchase Agreement due to Sponsor being unable to convey title to the Purchaser's Home within the twelve (12) month period shall be deemed a waiver of said provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement.

If through no fault of Sponsor, Purchaser fails for any reason to Close Title after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the 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 .0438% per day (which equals an annual rate of 16%, the current maximum rate in New York State) of the purchase price for the Home 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. The rate of interest will not exceed NYS maximum rates of interest.

After the Offering Plan is declared effective, the Sponsor will give each Purchaser who enters or has entered into a Purchase Agreement not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to the Home unless a Purchaser waives such thirty (30) day notice. A form for such waiver is contained as Schedule D-2 to the Offering Plan.

The Purchase Agreement may not be assigned by Purchaser without the written consent of Sponsor.

The risk of loss or damage to the Home by fire or any other cause until the delivery of the deed or purchaser takes actual possession of the Home pursuant to written agreement is assumed by the Sponsor.

A Purchaser will inspect Purchaser's Home with a representative of the Sponsor during normal business hours prior to the Closing Date and will sign and deliver to Seller on or before the Closing Date a Pre-Title Inspection Statement supplied by Sponsor, acknowledging the condition in which Purchaser has received Purchaser's Home. A copy of the Pre-Title Inspection Statement is contained in Schedule D-5. Sponsor shall agree to complete any open items within six (6) months after Closing, weather and circumstances permitting.

The Purchase Agreement may not contain, or be modified to contain, a provision waiving Purchaser's rights or abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law. Any conflict between the Purchase Agreement and the Plan will be resolved in favor of the Plan. The Purchase Agreement and Plan comply with Section 71.a(3) of the New York Lien Law. Said statute provides that the initial advance of the Purchase Agreement be deposited in an escrow account in a bank, trust company, savings bank, state or federal savings and loan association, located in New York State. The escrow and trust fund provisions disclosed below complies with said statute.

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 the Sponsor be obligated to return a Purchaser's Deposit 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 Home as a result of their inability to obtain a mortgage, the Deposit plus the cost of any Extras, will be retained by Sponsor as liquidated damages as per the provisions of Special Risk No. 12. As a result, any prospective Purchaser who executes a Purchase Agreement and does not obtain financing may lose their Deposit if the Purchaser is unable to otherwise raise the monies for the balance of the purchase price. Prospective Purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing.

If Purchaser fails to appear and Close Title in accordance with the 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 the 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. Time is of the essence for Purchaser to cure such default within such thirty (30) day period.

Purchasers should note that pursuant to Paragraph 35 of the Purchase Agreement any failure by either party to insist upon strict performance by the other of any of Purchaser's or Sponsor's obligations, as the case may be, under the Purchase Agreement shall not be deemed a waiver of such obligations; Sponsor may at any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under the Purchase Agreement irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. If any part of the Purchase Agreement or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of the 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. In addition, pursuant to said Paragraph 35, Purchaser waives all rights to trial by judge or jury in any action, proceeding or counterclaim in any way arising out of or relating to the Purchase Agreement or the Plan

(except that claims under the Limited Warranty set forth in Schedule D-6 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 Nassau County 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 Home, including minor children (collectively defined as "Purchaser" for all purposes in this paragraph), 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 the Purchase Agreement, the Home, any other agreements, communications or dealings involving Purchaser, or the construction or condition of the Home, 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. The arbitrator must be an independent third party unrelated to any party in the dispute. 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 McKinley Rose LLC, 445 Northern Boulevard, Suite 12, Great Neck, New York 11021). The arbitration hearing shall be held in Nassau County. 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 Home which is the subject of the 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 survive Closing.

Prior to release of the Deposit and other deposits, Escrow Agent's fees and disbursements shall neither be paid by Seller from the Deposit or other deposits nor deducted from the Deposit or other deposits by any financial institution under any circumstance.

Pursuant to the terms of the Purchase Agreement, Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against any and all costs, claims, expenses, demands, causes of action, liability, judgments and damages incurred in connection with or arising out of Escrow Agent's responsibilities in connection with the

Purchase Agreement or the performance or non-performance of Escrow Agent's duties under the 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.

A complete copy of the Purchase Agreement is contained in Part II of the Plan.

ESCROW AND TRUST FUND PROVISIONS

The Sponsor will comply with the escrow and trust fund requirements of General Business Law ("GBL") Sections 352-e(2-b) and 352-(h) and the Attorney General's regulations promulgated pursuant thereto as amended on November 14, 2012 as follows:

The Escrow Agent:

Certilman Balin Adler & Hyman, LLP, with an address at 90 Merrick Avenue, 9th Floor, East Meadow, NY 11554, telephone number (516) 296-7000, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. The signatories on the account are members of the firm. The signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor its authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account:

The Escrow Agent has established the escrow account at M&T Bank ("Bank"), located at 845 Franklin Avenue, Garden City, New York 11530, a bank authorized to do business in the State of New York. The escrow account is entitled "The Rose Condominium / Certilman Balin Adler & Hyman, LLP Attorney IOLA Escrow Account." The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit (the "Deposit"). Any deposit in excess of $250,000 will not be insured. Purchasers should note that if the Purchaser has any accounts in the Bank, the funds in those accounts will count towards the $250,000 FDIC insurance limit. It is a Special Risk of this Offering Plan, that if an individual makes a Deposit in excess of said amount for the purchase of a Home, the excess amount will not be federal insured.

All Deposits received by Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Certilman Balin Adler & Hyman, LLP, as Escrow Agent.

Any Deposits made for Extras shall be initially deposited into the Escrow Account and released in accordance with the terms of a written agreement between Purchaser and Sponsor as provided for in Paragraph 13 of the Purchase Agreement.

The Escrow Account is an Interest-on-Lawyer Account ("IOLA") account consistent with Section 487 of the Judiciary Law of the State of New York. Pursuant to said law, all interest earned on the IOLA account will be paid to the State of New York.

No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

The Purchase Agreement:

The Purchase Agreement is attached hereto as Schedule D in Part II of the Plan. The relevant escrow trust fund provisions are included in Paragraph 29 of the Purchase Agreement, which must be executed by the Escrow Agent.

Notification to Purchaser:

Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Purchaser shall be required to complete the Tender of Escrow Agreement contained as Schedule D-1 in Part II of the Offering Plan upon execution of the Purchase Agreement. Within ten (10) business days of the placing the Deposit in the Escrow Account, the Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number of the account. Any Deposits made for Extras shall initially be deposited into the Escrow Account and released in accordance to the terms of a written agreement between Purchaser and Sponsor as provided in Paragraph 12 of the Purchase Agreement.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such Deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to the 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, 28 Liberty Street, 21st Floor, New York, N.Y. 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

Release of Funds:

All Deposits, except for advances made for Extras received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan ("Consummation of the Plan") as defined in Section 20.1 (c) (6) of the Department of Law regulations which defines Consummation of the Plan as the filing of the Declaration of Condominium and the first transfer of title to a Home to at least one Purchaser under the Offering Plan following a declaration of effectiveness by the Sponsor and acceptance of the amendment of the declaration of effectiveness by the Attorney General's Office. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§352-e(2-b) and 352-h.

The Escrow Agent shall release the Deposit Funds in escrow if so directed:

(a) pursuant to terms and conditions set forth in the Purchase Agreement upon Closing of Title to the Home; 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 Deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit 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 Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Home is located and shall give written notice to both parties of such deposit.

The Sponsor will not object to the release of the Deposit to:

(a) a Purchaser who timely rescinds in accordance with an offer or rescission contained in the Plan or an Amendment to the Plan; and

(b) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

Prior to release of the Deposit and other deposits, Escrow Agent's fees and disbursements shall neither be paid by Seller from the Deposit or other deposits nor deducted from the Deposit or other deposits by any financial institution under any circumstance.

Pursuant to the terms of the Purchase Agreement, Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against any and all costs, claims, expenses, demands, causes of action, liability, judgments and damages incurred in

connection with or arising out of Escrow Agent's responsibilities in connection with the Purchase Agreement or the performance or non-performance of Escrow Agent's duties under the 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.

Purchasers should note that it shall be an express condition of Closing of Title that the Purchaser sign the form contained in Part II as Schedule D-3 which will enable the Escrow Agent to release the escrow funds, if not previously released as provided above.

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 of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit 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 provision in the Purchase Agreement, Offering Plan or any amendments.

General:

Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to GBL § 352-h to hold in trust all deposits, 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 § 352-h. Funds from any Escrow Account remain the property of the Purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the Sponsor or the Escrow Agent upon any bankruptcy, incapacity or death.

The Escrow Agent shall maintain all records concerning their Escrow Account for seven (7) years after release of the funds.

Upon the dissolution of the law firm which was the Escrow Agents, the former partners or members of the firm shall make appropriate arrangements for the maintenance of the Escrow Account records by one of them or by the successor firm and shall notify the Department of Law of such transfer.

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.

XIV. 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 HOMES.

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. The 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 the Sponsor be obligated to return a Purchaser's Deposit in the event a Purchaser is unable to obtain a mortgage if the Offering Plan is consummated. 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 Home as a result of their inability to obtain a mortgage, the Purchaser shall be deemed in default of the Purchase Agreement and Sponsor may retain the funds being held in escrow as liquidated damages to a maximum of ten (10%) percent of the sales price plus the cost of Extras paid for by Purchaser which Extras have been installed by Sponsor, paid for but not installed by Sponsor or which have been ordered but not installed by Sponsor and for which Sponsor is obligated to pay for such Extras unless the Offering Plan has been abandoned. In the event the Offering Plan is abandoned the Purchaser shall be entitled to receive a refund of all funds paid to the Sponsor for such Extras. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose their deposit if they are unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing.

NO REPRESENTATION IS MADE BY THE SPONSOR AS TO WHETHER ANY PURCHASER WILL QUALIFY FOR FINANCING OR AS TO THE TERMS, COST OR AVAILABILITY OF SUCH FINANCING. THE SPONSOR SHALL HAVE NO LIABILITY

OR RESPONSIBILITY TO ANY APPLICANT IF THEIR APPLICATION FOR FINANCING IS NOT ACCEPTED.

The Closing of Title to a Home where the Purchaser has obtained financing will take place simultaneously with the Closing of the mortgage loan and the proceeds will be applied towards the then balance of the purchase price.

XV. EFFECTIVE DATE OF THE PLAN

Sponsor's offer to sell the Homes is contingent upon the Plan being declared effective and no Closing to a Home will be held until the Plan is declared effective. This Offering Plan will not become effective until bona fide Purchasers, including investors, have executed Purchase Agreements which have been accepted by Sponsor for at least fifteen (15%) percent in number of the Homes offered for sale under the Plan (15% x 40 Homes = 6 Homes). The Sponsor will declare the Plan effective by personal service of notice on every Purchaser or commencement of service by mail stating that the plan has been declared effective. Sponsor will, within five (5) business days of said notice, submit for filing an amendment to the Plan disclosing the Plan's effectiveness and will file an affidavit of service of the notice on all Purchasers. Sponsor will not close title to the first Home until the amendment disclosing the effectiveness of the Condominium has been accepted for filing by the Attorney General. The 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) based on Purchase Agreements where the Purchaser has not had either (i) at least three (3) business days to review the Offering Plan and all filed amendments or (ii) Purchaser has seven (7) days after delivering an executed Purchase Agreement together with the required Deposit to Sponsor to rescind the Purchase Agreement and receive a refund of the Deposit; or

(iii) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is a Principal of the Sponsor, the Selling Agent or the Managing Agent or is related to the Sponsor, the Selling Agent or the Managing Agent or to any Principal of the Sponsor or the Selling Agent or the Managing Agent 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 the Sponsor or a Principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

Prior to declaring the Plan effective, the Sponsor has the option not to Close Title to the Homes and to abandon the Plan at any time, if less than eighty (80%) percent in

number of the Homes offered hereby are sold and title to any Home has not been conveyed (80% x 40 Homes = 32 Homes). In the event Sponsor exercises such option, it shall forthwith return to the Purchaser all monies paid with interest, if any, within ten (10) days of the abandonment of the Plan. The Plan must be declared effective when Purchase Agreements have been accepted by the Sponsor for eighty (80%) percent or more of the Homes offered under the Plan (80% x 40 Homes = 32 Homes).

Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close Homes with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Home. In the event all Purchase Agreements counted towards effectiveness are either rescinded or terminated prior to the date of first closing of a Home, regardless of whether the Declaration of Condominium has been recorded, Sponsor will be required to re-declare the Offering Plan effective. In the event no Purchasers close after the Plan has been declared effective, the Sponsor may have to redeclare the Plan effective.

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 Homes in a building or group of buildings 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 has not sold a substantial percentage of the Homes 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 a group of buildings where an investor other than the original Sponsor has an ownership interest of 10% or more. It may also be difficult for a Purchaser to resell a Home if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

Even after Homes are closed, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

Once the Plan has been declared effective, it may not be abandoned except for (i) a defect in title which cannot be cured for less than ½% of the total amount of the offering or (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than ½% of the total offering, or (iii) the taking of any material portion of the property by condemnation or eminent domain. Any stated dollar amount relied upon as basis for abandonment after effectiveness will exclude all attorneys' fees as well as 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 the Sponsor or are a matter of public record. In addition, said amount will exclude any judgments and liens against the property resulting from acts of the Sponsor or any of its Principals which are known to the Sponsor on the acceptance date of the Plan. In the event Sponsor abandons the Plan, it shall do so by means of a filed

amendment to the Plan. All monies advanced by Purchasers will be returned to them within five (5) days after an amendment abandoning the Offering Plan has been accepted for filing. If Sponsor decides to abandon the Plan before declaring the Plan effective, Sponsor will file an amendment disclosing such abandonment and file a RS-3 Form with the Department of Law.

XVI. TERMS OF SALE

After the Plan has been declared effective the Sponsor will fix a date for the Closing of Title to all Homes 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 will be sent to all Purchasers who have executed and delivered Purchase Agreements to the 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, addressed to the Purchasers at the last known residence of such Purchaser or, if the Purchaser has provided written information of an alternative address for notices, addressed to the 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 Homes for those Purchasers who entered into a Purchase Agreement before the Plan was declared effective. Sponsor may permit Purchasers to waive the thirty (30) day provision by a written waiver. Any Purchaser who enters into a Purchase Agreement after the Plan is declared effective will also receive not less than thirty (30) days written notice of the date, time and place for the Closing of Title to the Purchaser's Home unless Purchaser gives a written waiver of such thirty (30) day notice. A form for such waiver of the thirty (30) day notice is contained as Schedule D-2 to the Offering Plan.

On the Closing Date, fee title to the Home will be conveyed to the Purchaser together with the Home's undivided interest in the Common Elements. The Closing of Title to the first Home is expected to commence by approximately January 1, 2023. Such Closing, however, will only take place after or simultaneously with the happening of the following events:

1. The delivery to the Homeowner of a Bargain and Sale Deed with covenants against grantor's acts. A copy of the Deed is set forth as Schedule F in Part II of the Plan.

2. The Sponsor's repair of any damage from a casualty or other cause that occurs before the Closing of Purchaser's Home.

3. The issuance of a temporary or final Certificate of Occupancy to the

Home or Building in which the Home is located and any other necessary permits.

4. Title to each Home 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 Home Deed. Purchasers have the right to retain title insurance from any title company of their choice that is authorized to do business in the State of New York.

5. If so requested by the Purchaser, Advantage Title, 201 Old Country Road, Suite 200, Melville, New York 11747, as agent for a title company authorized to do business in the State of New York, shall agree to insure that such Purchaser has good and marketable fee title in the Home, free and clear of all liens, encumbrances and title exceptions, except those set forth below, the Deed, and subject to the provisions of the Declaration and By-Laws and any mortgage executed by the Purchaser and that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law. Purchasers have the right to obtain title insurance from any title company of their choice authorized to do business in the State of New York. Purchasers are free to choose any title insurance without incurring additional costs or penalties from the Sponsor. The insurance rates are uniform and will be the same regardless of the title or abstract company utilized.

6. All personal property located within the Home on the date the Purchase Agreement is signed or located within the Common Elements on the date the Declaration of Condominium is filed, that is owned by the Sponsor or the owner of the property, is included in the conveyance unless specifically accepted in the Offering Plan.

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

8. The Home and its undivided interest in the Common Elements shall not be subject to the lien of any mortgage at the time of Closing except any mortgage requested by the Purchaser at the time of Closing representing a purchase money mortgage or mortgages taken by the Purchaser.

9. The Sponsor will give each Purchaser who enters into a Purchase Agreement not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to the Purchaser's Home a Purchaser waives such thirty (30) days' notice. A form for

such waiver of the thirty (30) day notice is contained as Schedule D-2 to the Plan.

10. The filing of an amendment to the Offering Plan disclosing that the Plan has been declared effective and that the terms of this Section XIV will be met, that the Homes to be closed have been constructed in accordance with the plans and specifications filed with the Building Department of the Village of Great Neck Estates and that the Sponsor has complied with the requirements of this Section.

11. Purchaser shall receive any manufacturers' warranty certificates with respect to equipment and appliances installed in the Home and Sponsor shall assign any warranties with respect to equipment and appliances installed in Common Elements to the Board of Managers.

12. The Purchaser shall execute an instrument in the form annexed to the Purchase Agreement designating the Board of Managers as the Purchaser's attorneys-in-fact, coupled with an interest for the sole purpose of managing, selling, mortgaging, leasing, subleasing, voting or otherwise dealing with any Homes acquired by the Board of Managers in accordance with any of the provisions of the By-Laws and designating the Sponsor as their attorney-in-fact to file an amendment to the Declaration of Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration of Condominium 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 Homes as built or amending such Declaration of Condominium to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Tenth, Section C of the Declaration of Condominium.

Title to the Home will be subject to the following:

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

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

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

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

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

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

   (c) Easements in favor of those Homes having restricted use to portions of the Common Elements.

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

5. The following Covenants, Restrictions and Easements:

   (a) Declaration of Covenants and Restrictions in Liber 13204, Page 11;
   (b) Electric Easement in Liber 3153, Page 373; and
   (c) The Declaration of Condominium.

6. Purchaser's title company's standard exceptions from coverage.

7. 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 the Home as a one (1) family dwelling.

If any existing mortgages or construction loans will not be satisfied at or prior to the Closing of the first Home, then at the time of conveyance of the first Home each mortgagee will either:

(i) Consent to the formation of a condominium and acknowledge that its lien will be limited to unsold Condominium Homes;

(ii) Subordinate the lien of its mortgage to the Declaration of Condominium; or

(iii) Release its lien on the Condominium Home being conveyed and its interest in the Common Elements.

The Sponsor has been advised by its attorney that in the attorney's opinion, none of the exceptions to title herein above set forth are contrary to the terms of the Purchase Agreement nor will they interfere with the quiet use or enjoyment of the Purchaser's Home.

XVII. CLOSING COSTS AND ADJUSTMENTS

The estimated Closing Costs and expenses to be borne by each Purchaser are as follows:

1. Fee title insurance is available through Advantage Title, 201 Old Country Road, Suite 200, Melville, New York 11747, as agent for a title company authorized to do business in the State of New York. The estimated rate of fee title insurance is $10.06 per thousand for the first $50,000 of fee title insurance, approximately $5.43 for each additional $1,000 of insurance up to $100,000, approximately $4.36 per thousand for each additional $1,000 up to $500,000 and approximately $3.98 per thousand for each additional $1,000 up to $1,000,000. Each Purchaser has the right to obtain title insurance from any title insurance company of their choosing. Title insurance rates are uniform and will be same regardless of the title of abstract company utilized.

2. Mortgage title insurance at the estimated rates of $8.56 per thousand for the first $50,000 of mortgage title insurance, approximately $4.54 for each additional $1,000 of mortgage title insurance up to $100,000, $3.64 per

thousand for each additional $1,000 up to $500,000 and approximately $3.31 per thousand for each additional $1,000 up to $1,000,000.

3. In the event a Purchaser obtains both mortgage and fee title insurance at Closing, the mortgage policy shall be issued at a reduced rate known as the simultaneous mortgage rate. The fee title insurance policy will be based on the full fee rate and the simultaneous mortgage policy is based on thirty (30%) percent of the applicable mortgage rate up to the amount of the mortgage policy. Any excess is based on the full mortgage rates.

4. Purchasers should anticipate additional miscellaneous fees for endorsements to the Homeowner and mortgage title insurance, as applicable, and fees for municipal and other searches. These fees can be estimated at approximately $930.47.

5. Purchasers are free to choose any title insurance without incurring additional costs or penalties from the Sponsor. In addition, insurance rates are uniform and will be the same regardless of the title or abstract company utilized. Sponsor is required to convey marketable title and cure defects regardless of the title company utilized by Purchaser.

6. Fees for the recording of the mortgage, deed, power of attorney and any affidavit required in connection with the mortgage tax credit available under RPL §339-ee which total approximately $725.

7. In the event the Purchaser shall obtain a purchase money first mortgage, Purchaser shall pay recording fees for the mortgage of approximately $100. For first mortgages in an amount less than $500,000, Purchaser shall be required to pay a mortgage tax of 2.05% of the amount of the mortgage less $25 and for first mortgages in an amount in excess of $500,000, Purchaser shall pay mortgage tax of 2.175% of the amount of the mortgage less $25. In addition, the Purchaser will be required to pay the lending institution's attorney's fees, any mortgage origination fees, bank credit and appraisal fees and other expenses that the lending institution may charge incident to the making of the permanent loan. If applicable, a portion of the mortgage recording tax set forth above will be computed in accordance with Section 339-ee subsection 2, of the New York Condominium Act, and shall be paid to the Sponsor in reimbursement of mortgage recording taxes which the Sponsor may have previously paid in connection with existing mortgage on the Condominium. There will be no mortgage closing costs pursuant to this paragraph 7 on Homes which are not covered by mortgages.

8. As of July 1, 2019, the New York State Transfer Tax will be $2.00 per $500 of the purchase price. Pursuant to Section 1404(a) of the Tax Law, effective July 1, 2021, where New York State Real Estate Transfer Tax is paid by the Purchaser pursuant to contractual agreement, such tax will be

excluded from the total calculation of consideration. To compute the tax, multiply the purchase price by the State Tax Rate to compute the tax.

EXAMPLE: Purchase Price = $1,811,900

(1) $1,811,900 x .004 = $7,248 = amount due for State Transfer Tax

9. As of July 1, 2019 any Homes where the total consideration is $1,000,000 or more are also subject to the provisions of Section 1402-a of the Tax Law of the State of New York (Mansion Tax) which requires a New York State Tax of one (1%) percent of the total consideration. Pursuant to the provisions of the statute the obligation to pay the tax is the Purchasers.

10. Each Purchaser shall pay $3,000.00 to Sponsor's counsel, representing a fee for services in connection with preparing the Home Deed, the Homeowner's Power of Attorney and for coordinating and attending the Closing. Such fee shall be payable at or prior to the Closing by Purchaser's unendorsed, personal check made payable directly to the order of Sponsor's attorney.

11. Working capital equal to two (2) months' Common Charges to be paid to the Condominium. While Sponsor is in control of the Board of Managers, the working capital fund may be used to reduce the Common Charges of the Condominium.

12. Any mortgage tax credit received pursuant to Section 339-ee of the Real Property Law will inure to the benefit of Sponsor.

13. A pro-rata portion of the estimated first year's Condominium insurance based on the Percentage of Common Interest of the Home being purchased regardless of whether or not the First Board of Managers has commenced the collection of Common Charges. After the first year the insurance for the Condominium shall be an item of adjustment.

As an example, a Purchaser of a Home with a Percentage of Common Interest of 3.42% in which the purchase price is $1,811,900 and who procures a first mortgage in the amount of $1,449,520 will pay the following approximated Closing Costs based on obtaining simultaneous mortgage and fee insurance policies:

Owners Policy and Endorsements:		
Fee Title Insurance	$	7,107.00
Market Value Rider	$	711.00
Loan Policy and Endorsements:		
Mortgage Insurance	$	1,461.00
Residential Mortgage	$	50.00

TIRSA-8.1 Environmental Lien	$	50.00
Waiver of Arbitration	$	50.00
TIRSA-4 Condominium	$	50.00
Miscellaneous Charges:		
Municipals	$	425.00
Bankruptcy Search	$	100.00
Patriot Search	$	100.00
Escrow Service Fee	$	50.00
Estimated Sales Tax	$	55.47
State and Local Taxes:		
Mortgage Tax	$	11,566.00
New York State Transfer Tax	$	7,248.00
Mansion Tax	$	18,191.00
Recording Fees:		
Mortgage Recording (up to 25 pgs + $5 per Additional page)	$	875.00
Deed Recording Fee (up to 3 pgs + $5 per Additional page)	$	920.00
Condominium Power of Attorney Recording Fee	$	430.00
Additional Expenses		
Nassau County TM Verification Fee	$	355.00
Two Months of Condominium Common Charges for Working Capital:	$	4,835.06
Pro-Rata Insurance	$	1,153.90
Sewer Tap Fee	$	1,000.00
Water Tap Fee	$	1,000.00
Surveying Fee	$	1,000.00
Any Lender's Mortgage Questionnaire	$	500.00
Sponsor Attorney Fees for Preparation of Deed, Power of Attorney and other Closing	$	3,000.00
TOTAL:	**$**	**62,283.43**

In addition, if a Closing takes place, at the request of Purchaser, at any location other than at the offices of Certilman Balin Adler & Hyman, LLP, Purchaser shall pay to Sponsor's attorney a travel fee in the sum of $750.

In the event a 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 to Sponsor's attorney an adjournment fee in the sum of $750.

If through no fault of Sponsor, Purchaser fails for any reason to Close Title after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the 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 .0438% per day (which equals an annual rate of 16%, the current maximum rate in New York State) of the purchase price for the Home 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. The rate of interest will not exceed NYS maximum rates of interest.

In the event the Homes have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Home, 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 Homes in the Condominium for the six (6) month period following the first Closing. Thereafter, at each Closing during said period, each Purchaser will reimburse the Sponsor for the pro-rata amount paid on behalf of said Home. Alternatively, the Sponsor may place in escrow, in the name of Board of Managers, an amount equal to the real estate taxes attributable to the unsold Homes for such six (6) month period and may collect at each Closing the estimated amount of taxes attributable to such Home 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. After the Homes are separately assessed, the funder of the escrow account or the Homeowner will be reimbursed for any overpayment of taxes or assessed for any underpayment.

Purchaser shall also pay, or reimburse to Sponsor, if Sponsor has already made payment, the following charges: (a) inspections and (b) appraisals.

If through no fault of Sponsor, Purchaser fails for any reason to Close Title after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the 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 .0438% per day (which equals an annual rate of 16%, the current maximum rate in New York State) of the purchase price for the Home 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. The rate of interest will not exceed NYS maximum rates of interest.

The fee title policy premiums and the recording charges set forth above are estimates based on the rates in effect as of the date of this Offering Plan. If said

premiums, charges or rates are subsequently revised by the title company, the State, or Municipality, each Purchaser shall be required to pay the title policy premiums, recording charges and Closing Costs in effect as of the date of the Closing of Title to their Home.

The Sponsor anticipates that the only items which will be apportioned at the Closing of Title to the Homes will be real estate taxes and sewer charges, if any, and Common Charges, if they have been declared by the Board of Managers. The adjustments will be made as of 11:59 P.M. on the day preceding the Closing Date. In the event there are any other items which are to be apportioned at closing, said items will be adjusted at the Closing. The Sponsor will advise the Purchaser of the Closing Date by giving Purchaser written notice at least thirty (30) days prior to the Closing Date.

XVIII. RIGHTS AND OBLIGATIONS OF THE SPONSOR

All obligations pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Homeowners and not by the individual Homeowners. During the time the principals of the Sponsor control the Board, it is within their sole power to enforce the obligations of the Sponsor pertaining to the Common Elements. The following shall pertain to the Sponsor:

1. Sponsor will endeavor in good faith to market and sell the Homes in the Condominium. Notwithstanding, Sponsor retains the unconditional right to rent rather than sell the Homes after the Offering Plan has been consummated. Because Sponsor is retaining the unconditional right to rent rather than sell the Homes, after the Offering Plan has been consummated, this Offering Plan may result in the creation of a Condominium in which a majority of the Homes are not owned by owner-occupants unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell the Homes after the Offering Plan has been consummated, there is no commitment to sell more Homes than the fifteen (15%) percent necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium (15% x 40 Homes = 6 Homes).

2. The Sponsor is obligated to defend any suits or proceedings arising out of Sponsor’s acts or omissions and to indemnify the Board of Managers or Homeowners for any damages resulting from such act.

3. 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.

4. Disclaimers or limitations of liability on the part of the Sponsor or its principals for failure to perform any obligation imposed by applicable statute or regulation may not be included. The Plan may not include any financial limitation on Sponsor's liability for failure to perform its obligations under the Offering Plan.

5. Until title to a Home is passed to a Purchaser, the Sponsor will pay such Common Charges, Special Assessments assessed by the Board of Managers and real estate taxes applicable to the Home assessed by the local municipalities on the Homes to which title has not passed. Once title is passed to a Purchaser the Purchaser shall be solely responsible for all Common Charges, Special Assessments, real estate taxes and all other costs applicable to the Home, as are assessed by the Board of Managers of the Condominium and the local municipalities. No bond or other security has been posted to secure such obligations. Sponsor will fund its financial obligations to the Condominium from the income derived from the sale of the Homes and Sponsor's assets. Sponsor currently has the resources necessary to meet its obligations under the Offering Plan.

6. As long as the Sponsor retains control of the Board of Managers, the Board of Managers retains the right to delay the commencement of the collection of Common Charges. During any such delay period, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments. Upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget of the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in the governing regulations. In the event Sponsor elects to delay collection of Condominium Common Charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Homeowners in writing of the expiration of the delay period at least thirty (30) days prior to commencing collection of Common Charges and will disclose such fact in the following amendment to the Offering Plan.

7. The Sponsor is obligated to repair any damage from a casualty or other cause that occurs before the Closing of a Purchaser's Home.

8. Sponsor will initially procure fire and casualty insurance for the Condominium on the terms set forth in the budget pursuant to an agreed amount replacement value policy or in an amount sufficient to void co-insurance, as reflected in Schedule B. Each Purchaser will be required to pay a pro-rata portion of the first year's Condominium insurance based on each Home's Percentage of Common Interest. In the event a Purchaser closes title to their Home after the first year of operation of the

Condominium, the Condominium insurance will be an item of adjustment at the Closing. In addition, in the event there are insufficient funds in the Condominium to pay for such insurance, Sponsor may lend the Condominium such funds and Sponsor will be repaid out of subsequent Common Charges collected or utilize the Working Capital Fund to pay for such insurance. No Board or Homeowner approval is required to make such loan.

9. In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more Homes or twenty (20%) percent or more of the total number of Homes in the Condominium, whichever is less, the Principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all the obligations of the Sponsor for those Homes under the Offering Plan, applicable laws or regulations.

10. The Sponsor did not obtain financing to acquire the Property. Sponsor has obtained a commitment for financing to construct the Condominium (the "Loan") from Investors Bank, with an address at 2300 Route 33, Robbinsville, New Jersey 08691 (the "Lender"). The Lender's commitment does not provide for a minimum number or percentage of Homes to be in contract before the Offering Plan can be declared effective. The terms of the Loan permit the Sponsor to rent or lease the Homes rather4 than selling them, provided the Sponsor maintains a loan-to value ratio of 70% and a projected debt service coverage ratio of not less than 1.0 to 1.0, inclusive of any real estate tax abatements applicable and in effect for the Property. The Loan provides that each Home will be released from the lien of the Loan at each Closing, upon the payment to the Lender of a release price.

11. The Sponsor will diligently, expeditiously and at its own cost, complete construction of the Condominium 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 of Condominium or any amendment thereto and in addition will provide the Board of Managers with a full set of building plans filed with the Village of Great Neck Estates together with any "field changes" made during the course of construction. Although the Sponsor intends to use the materials, fixtures, appliances and equipment described herein and in the building plans, the Sponsor reserves the right to substitute materials, fixtures, appliances and equipment of Equal or Better Quality for any of those set forth. White utilizing Sponsor's right to substitute equipment or materials and make modifications of layout or design, the Sponsor may not change the size, location of buildings or Homes, other improvements, or common elements if such changes affect the Percentage of Common Interest or adversely affect the value of any Home to which title has closed or for which a Purchase Agreement has been

executed and is in effect unless all affected Homeowners and contract vendees consent in writing to such change(s). Sponsor further reserves the right to determine the ultimate Home type mix to be constructed at the Building; determine the location of electric, gas and water meters, electric transformers, air conditioning compressors, speed bumps, mailboxes; and make any other changes required by the Village of Great Neck Estates or other governmental municipality or agency.

12. Although Sponsor anticipates obtaining a final Certificate of Occupancy for each Home or the Building in which the Home is located at or prior to the Closing of Title to each Home Sponsor reserves the right to obtain a temporary Certificate of Occupancy if permitted by the Village of Great Neck Estates. Purchasers are advised that in New York, newly constructed and newly renovated homes and buildings are sometimes offered as condominium projects without a ("FCO") covering the home or building in which the Home is located but with only a temporary Certificate of Occupancy ("TCO"), and sometimes with several successive TCO's. Certificates of Occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local buildings codes and rules. Both TCOs and FCOs may be issued by the Building Department of the Village of Great Neck Estates. A TCO is intended to indicate that the property is safe for occupancy but means that not all the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the Building Department. All TCOs have an expiration date. A TCO typically expires ninety (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 Homes. In New York, it is common for sponsors to commence Home Closings when some or all Homes are covered by a TCO rather than an FCO. Although, as indicated, Sponsor anticipates obtaining a FCO prior to the date of Closing of the first Home this scenario may not 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 Home or Building in which the Home is located within two (2) years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that the Building Department will issue the FCO within such two (2) year period. Sponsor will obtain the final Certificate of Occupancy prior to the expiration of any temporary Certificate of Occupancy, unless the temporary Certificate of Occupancy is extended. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE HOME AND THE BUILDING IN WHICH THE HOME IS LOCATED AND SHALL EXERCISE ITS BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO (2) YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Homeowners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing the Sponsor in these undertakings.

In the event a final Certificate of Occupancy for an individual Home or building in which the Home is located has not been issued as of the Date of Closing for said Home, the Sponsor will continue to hold all deposits and funds in the special escrow account required pursuant to Section 352-e (2-b) and 352-h as described in Section XI 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 final Certificate of Occupancy. Any sum of money exceeding the amount certified by the Sponsor's engineer or architect will be released to the Sponsor. Upon the issuance of the final 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 post a surety bond 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.

Homeowners will not be permitted to make any changes, additions or alterations to their Home prior to the issuance of a final Certificate of Occupancy for the Home and/or Building. Homeowners are responsible for obtaining all necessary permits from the Village of Great Neck Estates and any other required municipal agencies for any changes the Homeowner makes to their Home subsequent to the Closing of Title with the Sponsor. Sponsor will not be liable for nor responsible to a Home Owner in the event an inspection by the applicable agency of the Village of Great Neck Estates prevents the issuance of a renewal and/or extension of a Temporary Certificate of Occupancy or final Certificate of Occupancy as a result of changes made to the Home by a Home Owner.

13. At the Closing of Title, the Sponsor will deliver the certificates and warranties delivered to it and transferable to Purchaser. Sponsor's liability pursuant to any manufacturers' warranties covering heating, appliances, electricity, plumbing and roofing are limited solely to the extent that such warranties are delivered to Sponsor, transferable to the Purchaser or to the Condominium Board of Managers and then only as against such manufacturer.

14. The acceptance of a deed by a Purchaser will be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those which may be expressly stated in the Plan, in the Purchase Agreement, in 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of this Plan), and in General Business Law Section 352-e to survive delivery of the deed. The Purchaser of a Home will inspect such Home prior to the Closing Date and will execute at such time an inspection

statement acknowledging Purchaser's acceptance of the Home in good condition and in accordance with the terms of the Plan, provided that if Purchaser finds that Sponsor's improvements have not been completed as described in the Plan then Sponsor and the Purchaser in question will agree to include on the inspection statement a list of incomplete work of a material nature to be completed in the Home by Sponsor as provided in the Purchase Agreement. Sponsor will have no obligation to complete any work which is not specifically designated by the Purchaser on the inspection statement. A Purchaser will receive prior notice that a Home is available for inspection pursuant to this Paragraph, as more particularly set forth in the Purchase Agreement in Part II of the Plan. A Purchaser who fails to inspect such Home will be deemed to have accepted the Home in good condition and in accordance with the terms of the Plan. Notwithstanding the foregoing, Purchaser will retain the right to pursue any remedy available under their individual Limited Warranty. After Closing of Title to each Home the Homeowner will then be required to comply with the procedures established by the Managing Agent or the Board of Managers regarding such Purchaser's move into and out of the Home. This may include "move in" or "move out" fees which will be refunded to the Purchaser unless the Purchaser or the Purchaser's agents cause damage to the Building during the move in or move out. In such an event the move in or move out, fees will be used to repair said damage. In the event the move in or move out fees are less than any damage caused, the Purchaser will be responsible for the additional amount. In the event the move in or move out fees are greater than the damage caused, the Purchaser will be refunded the excess amount.

15. This Development is subject to the New York State Housing Merchant Implied Warranty Law, Article 36-B of the General Business Law, which pertains to warranties on the sale of certain new Homes. This law is applicable to all Homes offered for sale under this Plan. Pursuant to the terms of this law, the Sponsor is giving a Limited Warranty to Purchasers which provides for a Limited Warranty on certain items. The limitations contained in the Limited Warranty are noted as follows: the Limited Warranty provides coverage for the first Home Buyer only; Sponsor's liability is limited to fifty thousand ($50,000) dollars exclusive of options and less any insurance proceeds received by Purchaser; incidental, special, indirect consequential or other similar damages are excluded; and detailed procedures must be followed for giving notice of a warranty claim to Sponsor, and for commencing a lawsuit against Sponsor. The Limited Warranty provides the following coverages for the Homes:

FIRST YEAR BASIC COVERAGE: for one year from the Effective Date of the Warranty (as shown on page 1 thereon), the Home will be free from latent defects that constitute:

(a) defective workmanship by the Sponsor, or an agent, employee or

subcontractor of the Sponsor;

(b) defective materials furnished by the Sponsor, or an agent, employee or subcontractor of the Sponsor;

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Sponsor; or

(d) defective installation of appliances sold as part of the Home by the Sponsor or an agent, employee or subcontractor of the Sponsor.

TWO YEAR MAJOR SYSTEM COVERAGE: for two years from the Effective Date of the Warranty, the plumbing, electrical, heating, cooling and ventilation systems of the Home which have been installed by the Sponsor are warranted to be free from latent defects resulting from defective installation by the Sponsor.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six (6) years from the Effective Date of the Warranty, the Home will be free from latent major structural Defects that result from:

(a) defective workmanship by the Sponsor, or an agent, employee or subcontractor of the Sponsor;

(b) defective materials furnished by the Sponsor, or an agent, employee or subcontractor of the Sponsor; or

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Sponsor.

As permitted in Article 36-B of the General Business Law, the Sponsor excludes the specific warranties set forth in Article 36-B of the General Business Law, and all other warranties, express or implied, and instead is providing each Purchaser with the Limited Warranty. See the complete terms of the Limited Warranty contained in the Rider to the Purchase Agreement set forth in Schedule D-6 and Article 36-B of the General Business Law set forth in Schedule K.

To the extent any coverage under this warranty applies to Common Elements of the Condominium, such coverage shall be deemed given to the Board of Managers of the Condominium.

Regarding the Common Elements of the Condominium the Sponsor will correct any defects in the construction of the Common Elements, or in the installation or operation of any mechanical equipment therein, due to improper workmanship or materially at variance with this Offering Plan as may be changed by Sponsor from time to time 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 alleged defective Common Element. Substantial completion shall mean that the Common Element is functional for its intended use. 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 will Sponsor be liable for consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations under the Plan will be to repair or, at Sponsor's option, replace (or cause to be repaired or replaced) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and Specifications), subject to the terms and conditions (and within the time limits) set forth in this paragraph. 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 will Sponsor be responsible for any immaterial condition in the Home or the Common Elements resulting from (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) defects of an insubstantial nature, such as, without limitation, partial or total loss of any trees, shrubs, bushes or other landscape improvements that may abut the Building, nail pops, protruding dry wall fastenings, ridging on gypsum board, lumber shrinkage, door or window sticking, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, scratches in plastic laminate, vitreous china, natural stone, wood, stainless steel or porcelain surfaces; bathroom finish grouting; adjustment of doors; walls not square; electrical plates not straight; discoloration or shrinkage; slight separation between base and floors; (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast, or concrete cracks which do not reduce the structural integrity of the Building; (iv) deviations in the level of ceilings, and imperfections in ceiling finishes; (v) imperfections in painting finishes; (vi) deviations in the level of a floor or failure of finished floors and walls to be straight or on plane or at less than 90º from each other; (vii) alignment of bathroom finishes and variation in grouting thickness; (viii) air infiltration and water infiltration from windows in accordance with customary practice and professional standards; (ix) noise from normal plumbing and the HVAC system; (x) normal floor noises and creaking; (xi) carpet or floor discoloring or stretching; (xii) scratches and imperfections or variations in width, length, thickness, finish or color range of wood floor strips or other flooring or floor finishes, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood; (xiii) repair of chips, scratches, mars, breaks, dents, cracks or other defects in: exterior stone; windows, window glass, frames and hardware; insulation attached to the curtain wall; sliding glass doors, frames, door glass and hardware; louvers;

shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins, water closets; kitchen cabinets, back splashes and countertops; vanity tops and cabinets; all tile or natural stone floors and walls; saddles; all appliances; woodwork, millwork and doors; mirrors and after the Home Closing, paint touch-ups, repair of dented appliances, or replacement of light bulbs; (xiv) cracks or variations in tone or color of natural stone or variations in tone or color of vanity tops or variations in veining of any natural stone surfaces; (xv) leaching or color variation in color mortar and colored brick, and dimensional variations in brick joints, and mortar droppings on bricks; (xvi) ponding and/or controlled drainage on the roof surface; (xvii) cracks in pressure-treated lumber used or intended for use outside the Building; (xviii) cracks or discoloration in concrete and/or paving; (xix) discoloration to hardware and plumbing finishes; (xx) stains, runs, lumps, shags or imperfections in weave in fabric panels; (xxi) scratched, dirty or cracked lenses in light fixtures; or (xxii) tiles not laid flat, or color variation in tiles or mortar, or stained tiles; (xxiii) subsequent to the Home Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts, or (xxiv) salting or color variation in exterior colored mortar and deep colored brick; (xxv) remove mold from the Building or any Home therein, or (xxvi) or normal water penetration in frameless shower doors. Sponsor will be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair will be made by filling the stone or formica or refinishing the porcelain, but Sponsor will not be obligated to replace such stone, formica or porcelain surfaces. THE ITEMS AND CONDITIONS DESCRIBED IN THIS PARAGRAPH ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING OR HOME. PURCHASERS WHO PURCHASE A HOME IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR HOME, THE COMMON ELEMENTS OR ELSEWHERE IN THE BUILDING OR HOME. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF THESE ITEMS AND CONDITIONS AND WILL NOT BE LIABLE TO ANY PURCHASER OR THE BOARD OF MANAGERS THEREOF. IF PURCHASERS OR ANY BOARD OF MANAGERS DESIRES TO CORRECT OR REPAIR ANY OF THESE ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THEY WILL HAVE TO PROCEED AT THEIR SOLE COST AND EXPENSE BY THEMSELVES AND/OR UNDER ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO THEM BY SPONSOR.

The Sponsor has no obligation to make any repair to the Common Elements except as expressly set forth in the Offering Plan.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of (i) any immaterial variations from the Plans and Specifications or the description of any portion of the Building or a Home

set forth in the Plan or (ii) variations from the Plans and Specifications or the description of any portion of the Building or a Home set forth in the Plan which are neither in violation of applicable building codes, nor require the approval of any governmental authority having jurisdiction, provided such variations are of Equal or Better Quality than as set forth in the Plans and Specifications or description in this Plan as solely determined by Sponsor's architect. Any such variation affecting the Property which is material will be disclosed in a duly filed amendment to the Plan. Sponsor's obligation, regardless of any limitations in the warranty or in this Offering Plan, is to construct the premises in accordance with all applicable codes and filed plans and specifications. Any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes an filed plans and specifications shall be resolved in favor of the latter.

All personal property located within the Home on the date the Purchase Agreement is executed or that is located within the Common Elements on the date the Declaration is filed, that is owned by the Sponsor or anyone else, will be included in the conveyance to Purchaser of their Home unless specifically accepted in the Plan or Purchase Agreement.

16. Sponsor agrees to deliver a set of "as-built" plans to the Board of Managers.

17. The Sponsor will deliver to the Purchaser and/or the Board of Managers upon the recording of the Declaration of Condominium, all manufacturers' and sub-contractors' heating, electrical, plumbing, roofing and appliance warranties and bonds relating to the Purchaser's Home or the Common Elements respectively, if any, to the extent made by such manufacturers and subcontractors and to the extent such warranties and bonds are assignable.

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

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

19. The 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 for the purpose of completing its construction and sale of Homes and facilities in the Condominium and, towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. 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 Common Elements. 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. The Sponsor further reserves the right to continue to use the Common Elements and any facilities, sales offices, model Homes and signs located on the Common Elements, in its efforts to market or lease the Homes in the Condominium. Finally, the Sponsor reserves the right to access any area of the Condominium for as long as said Condominium is in existence necessary to market other communities at which the Sponsor, its successor, assignee and/or designee is engaged in the sale and/or leasing of housing to prospective purchaser and/or lessees of such other communities. Sponsor will be obligated to repair any damage to the Common Elements and Homes caused as a result of its use of the easements, licenses, rights and privileges of a right-of-way to complete the construction of the Condominium. Upon reasonable notice to a Homeowner, Sponsor shall have a right of access to any Home for the purpose of carrying out any of the above easements, licenses, rights and privileges. Except in the event of an emergency, the Sponsor will provide no less than twenty-four (24) hours' notice to a Homeowner prior to accessing their Home. During the construction period some obstructions, detours, storage of materials and equipment will likely be necessary. Patience and understanding of these conditions will be required of Homeowners. Sponsor's easement to use the Common Elements terminates when the Sponsor no longer owns any Homes in the Condominium. This includes erecting signs or antenna.

20. 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 of Condominium 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 of Condominium and By-Laws of the Condominium; public liability, fire and casualty policy, and Schedules submitted to the

Department of Law in conjunction with this Plan. A copy of the form of Homeowner's Purchase Agreement is submitted with this Offering Plan as Schedule D in Part II of the Offering Plan.

21. 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 of Condominium 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.

22. The Condominium By-Laws provide that the Board of Managers has the right to act as an agent for one (1) or more Homeowners to file a single complaint and bring a special proceeding on behalf of Homeowners who wish to contest the real estate tax assessments of their Home pursuant to Section 339-y(4) of the New York Property Law. In such event, the Board of Managers on behalf of the Condominium could retain counsel on behalf of such Homeowners and charge each Homeowner 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 Home. The Board of Managers on behalf of the Condominium is not obligated to perform such services and it is necessary to obtain the written authorization of the Homeowners.

XIX. CONTROL BY THE SPONSOR

Prior to the First Annual Meeting the initial Board of Managers will consist of three (3) Sponsor appointed Board Members who shall hold office and exercise all powers of the Board of Managers until the First Annual Meeting of the Homeowners. At the First Annual Meeting of the Homeowners called pursuant to Section 9 of Article II of the By-Laws and thereafter, the Board of Managers shall consist of a total of five (5) elected and/or Sponsor designated Board Members. The Sponsor will be entitled to designate all Board Members of the Condominium until all of the Homes in the Condominium have been sold and closed ("Sponsor Control Period"). The First Annual Meeting will be held within two (2) years of the Closing of Title to the first Home in the Condominium. There is no limit on the period of time it may take Sponsor to convey all the Homes in the Condominium and as a result the Sponsor may control the Board of Managers indefinitely. A meeting will be held to elect the new Board Members unrelated to Sponsor within thirty (30) days of the expiration of the Sponsor Control Period to relinquish control and elect a new Board of Managers with no representatives of Sponsor. Notwithstanding, the Sponsor shall have the right but not the obligation to voluntarily relinquish control of the Board of Managers prior to the expiration of the Sponsor Control Period.

The Sponsor will have voting control of the Board of Managers during the Sponsor Control Period. As a result, Purchasers for their own occupancy may never

gain control of the Board of Managers under the terms of this Offering Plan. Purchasers individually, or as a group, may take legal or administrative action to enforce the Sponsor's obligations to the Condominium. However, they will be unable to do so in the name of the Condominium. In addition, the funds utilized for such actions will either need to be obtained by a Special Assessment of all Homeowners excluding the Sponsor or obtained through independent funds of the Homeowners. The Sponsor will also, during this indeterminate period, have control of maintenance, facilities and services to be provided to the Condominium and will determine the Common Expenses to be paid by all Homeowners, including the Sponsor and will also be responsible for the enforcement of the Sponsor's obligations through the Board of Managers. Notwithstanding, the Board of Managers has a fiduciary duty to act in the best interest of the Condominium, even during the Sponsor Control Period. Control of maintenance, facilities and services is subject to the provisions in Schedule B and the footnotes thereto.

Purchasers should further note that the By-Laws do not contain any provision that provides that after the Sponsor relinquishes control of the Board a majority of the Members of the Board of Managers must be owner occupants who are unrelated to the Sponsor or its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed as a result of their different reasons for purchasing, i.e., purchasing as a Home to live in as opposed to purchasing as an investment.

The initial Board Members of the Condominium will consist of Amber Jenkins, John Jones, and Shirley Yang. Ms. Jenkins, Mr. Jones and Ms. Yang are employees of McKinley Homes US LLC, an entity affiliated with the Sponsor, but are not principals of the Sponsor. The Sponsor shall retain the right to substitute other persons in the place of the above-named individuals until the resignation of the first Board Member as set forth below. Thereafter the Sponsor shall have the right to substitute Board Members it has appointed as Sponsor so determines. The First Board of Managers will call for the First Annual Meeting of the Homeowners to elect and designate a new Board of Managers within two (2) years of the Closing of Title to the first Home in the Condominium. At said time the Board will consist of five (5) Board Members. Until such time as the Sponsor relinquishes control of the Board of Managers as provided herein, the Sponsor shall have the right to appoint the Board Members.

Upon the election and designation of a new Board of Managers at the First Annual Meeting, the Board Members of the First Board of Managers will resign. Board Members shall not be compensated for their services. Board Members, including Sponsor designees, may be removed for cause by an affirmative vote of 66⅔rds of the Homeowners. Officers of the Condominium may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers.

Until the Closing of Title to the last Home, the Board of Managers may not, without the Sponsor's prior written consent prior to the transfer of title to the last Home (i) make any additions, alterations or improvements to the Common Elements or to any

Home costing cumulatively more than $25,000, 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 of Title to a Home; 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 the 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 the Sponsor for the purpose of commencing a lawsuit against the Sponsor or any of its principals.

As noted above, the Sponsor has the right to retain control over certain expenditures and fiscal actions of the Board of Managers. Notwithstanding said fact, Sponsor may not exercise veto power over expenses described in Schedule B (the proposed first year budget), or over 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; or

(iv) necessary for the preservation or safety of the Condominium or for the safety of occupants of the Condominium or required to avoid the suspension of any necessary service to the Condominium.

Sponsor may exercise veto power over expenses described herein, other than those described in the preceding paragraph, for a period ending not more than five (5) years after the Closing of the first Home or whenever the unsold Homes constitute less than twenty-five (25%) percent of the common interest, whichever is sooner.

The above provisions provide that during said period, significant financial decisions of the Board of Managers will be decided by the Sponsor. Examples of such decisions are, in part, the ability to borrow money, as provided in The Condominium Act (Article 9-B of the Real Property Law, §339-jj), for capital improvements.

The detailed provisions for the management of the Condominium are set forth in the By-Laws attached. The By-Laws contain provisions, among others, dealing with the election of the Board of Managers, and Condominium officers, powers of the Board of Managers, voting rights of Homeowners, assessment of Common Charges, foreclosure of liens for non-payment of Common Charges, management of the Condominium and the use of the Homes. Pursuant to Article II, Section 2 of the By-Laws, each

Homeowner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Home), shall be entitled to cast one (1) vote at all Homeowners' meetings for each Home owned by such Homeowner subject to the restrictions contained in the By-Laws, including the provisions regarding the election of Members to the Board of Managers as provided in Article III, Section 1 of these By-Laws. 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 Managing Agent to carry out such function.

XX. BOARD OF MANAGERS

The form of the By-Laws and the Declaration of Condominium referred to in the Plan appear in Part II as Schedules I and J.

The following is a summary of certain provisions of the By-Laws and Declaration.

Board of Managers

The affairs of the Condominium shall be governed by a Board of Managers. The First Board of Managers shall consist of three (3) Board Members (hereinafter "Board Members") designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the First Annual Meeting of the Homeowners. Until succeeded by the Board Members elected at the First Annual Meeting of Homeowners, Board Members need not be Homeowners; thereafter, all Board Members shall be Homeowners, other than designees or nominees of the Sponsor. The Board Members shall be elected by the Homeowners and/or designated by the Sponsor at the Annual Meeting of the Homeowners. Unless called for sooner by the First Board of Managers, the First Annual Meeting shall occur within two (2) years of the Closing of Title to the first Home in the Condominium.

At the First Annual Meeting of Homeowners called pursuant to Section 9 of Article II, a total of five (5) Board Members shall be elected or designated the Board of Managers. All Board Members, other than the Sponsor designated representatives, shall be nominated and elected by the Homeowners at the First Annual Meeting. After the First Annual Meeting, the Board of Managers may request nominations for the Board Members prior to the Annual Meeting in addition to nominations from Homeowners at the Annual Meeting. Sponsor representatives of the Board of Managers shall be appointed by the Sponsor. As long as the Sponsor retains at least one (1) Home in the Condominium the number of Board Members may not be increased without the consent of the Sponsor.

At the First Annual Meeting, subject to the provisions regarding the Sponsor Control Period as provided in this Section, the term of office of two (2) of the Board Members shall be fixed for three (3) years, the term of office of two (2) of the Board Members shall be fixed for two (2) years and the term of office of one (1) of the Board

Members shall be fixed at one (1) year. The two (2) Homeowners receiving the highest number of votes shall be elected to the three (3) year term, the two (2) Homeowner receiving the next highest number of votes shall be elected to the two (2) year term and the one (1) Homeowner receiving the next highest number of votes shall be elected to a one (1) year term. Each Homeowner shall be entitled to cast one vote for each Board Member to be elected. At the expiration of the initial term of office of each respective Board Member, their successor shall be elected to serve a term of three (3) years. The Board Members shall hold office until their successors have been elected and hold their first meeting.

Any Homeowner in default of the payment of Common Charges, Special Assessments, late fees, interest and/or penalties shall be ineligible to be elected to the Board of Managers and/or vote at any general, Annual or Special Meeting.

The Sponsor shall have the right to designate the Board Members until all the Homes in the Condominium have been sold and closed. This Section may not be amended without the written consent of Sponsor.

In addition to the Board Members designated by the Sponsor, as long as Sponsor retains an unsold Home in the Condominium, Sponsor may vote as Sponsor so determines for any other Board Members, so long as the Board Members are not on Sponsor's slate of Board Members, Sponsor's payroll or as long as they did not receive other financial backing from the Sponsor other than a mortgage held by the Sponsor or affiliated entity of the Sponsor, if applicable.

Sponsor is entitled to designate all the Board Members until all of the Homes in the Condominium have been sold and closed (the "Sponsor Control Period"). Sponsor Board Members shall be appointed for a one (1) year term. At the expiration of the Sponsor Board Member terms, if Sponsor is still entitled to nominate Board Members, the Sponsor Board Members shall thereafter continue to be appointed as Board Members for one (1) year terms until the Sponsor is required to relinquish the position or Sponsor voluntarily resigns the position. Unless called for sooner by the First Board of Managers, the First Annual Meeting shall occur within two (2) years of the Closing of Title to the first Home in the Condominium. A meeting will be held to elect the new Board Members unrelated to Sponsor within thirty (30) days of the expiration of the Sponsor Control Period to relinquish control and elect a new Board of Managers with no representatives of Sponsor. Notwithstanding, the Sponsor shall have the right but not the obligation to voluntarily relinquish control of the Board of Managers prior to the expiration of the Sponsor Control Period. In such an event the Board of Managers will either (a) call for a Special Meeting of the Homeowners pursuant to the provisions of Article II, Section 10 of the By-Laws to elect a Homeowner for the balance of the Sponsor Board Member term or (b) the remaining Board Members will appoint a Homeowner to the Board of Managers for the balance of the Sponsor Board Member term. At the expiration of the term the Homeowners shall have a meeting to elect a Homeowner to a three (3) year term. Notwithstanding the aforementioned, in the event the Sponsor voluntarily relinquishes a position on the Board of Managers before the

Sponsor is obligated to do so, upon notice from the Sponsor to the Board of Managers that the Sponsor desires to reclaim said position the Board Member appointed or elected to said position shall resign and the Sponsor shall reappoint a Board Member. At such time as the Sponsor no longer owns any Home in the Condominium the Sponsor Board Members shall resign and the Sponsor will not be able to designate any Board Members.

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 to each Homeowner 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 Homeowners 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 Owners of the Condominium are present in person or by proxy. See Article II, Section 10 of the By-Laws of the Condominium.

Removal of Members of the Board of Managers

Board Members may be removed with or without cause by an affirmative vote of 66⅔rds in number of the Homeowners entitled to vote at a Special Meeting called pursuant to Article II, Section 10 of the By-Laws. No Board Member other than a Member designated by the Sponsor shall continue to serve on the Board of Managers if, during their term of office, they shall cease to be a Homeowner. Any Board Member in default of the payment of Common Charges, Special Assessments, late fees, penalties and/or interest shall be suspended from the Board of Managers until such time as all Common Charges, Special Assessments, late fees, penalties and/or interest are paid in full to the Condominium.

Powers and Duties of Board of Managers

(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 the By-Laws, directed or required to be exercised or done by the Homeowners personally. Notwithstanding, the Board of Managers has a fiduciary duty to act in the best interest of the Condominium, even during the Sponsor Control Period. 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, and to determine and levy monthly license fees applicable to the Condominium parking spaces and/or cellar

storage spaces. The Common Charges and license fees are payable in advance as determined by the Board of Managers. The Board of Managers may increase the monthly Common Charges or vote a Special Assessment in excess of the Common Charges, if required, to meet any additional necessary Common Expenses, but said increases can only be assessed among the Homeowners pro-rata according to their respective Percentage of Common Interest as reflected in Schedule B of the Declaration of Condominium or in such other manner as provided in Article VI, Section 9 of the By-Laws. The Board of Managers may adjust the monthly license fees applicable to the parking spaces and/or cellar storage spaces at its good faith discretion.

2. To determine and impose penalties, late fees and interest against Homeowners delinquent in the payment of their license fees, Common Charges and/or Special Assessments and to revise the amount of such fees as the Board of Managers so determines.

3. To determine and impose move in and move out fees and to revise said fees in its good faith discretion.

4. To determine the amount and require a purchaser of a Homeowner to pay a working capital fee to the Condominium.

5. To collect, use, and expend the Common Charges collected to maintain, care for and preserve the General Common Elements and any Limited Common Elements for which the Condominium is responsible to repair, replace and maintain and any other Common Expenses of the Condominium.

6. To make repairs, restore or alter any Home or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

7. To enter into and upon the Homes when necessary and at as little inconvenience to the Homeowners as possible in connection with the maintenance, care, and preservation of the Property, including any inspection or repairs necessitated by mold, vermin or insects. No prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Homes, or for the safety of Condominium residents or other persons or required to avoid the suspension of any necessary service to the Condominium. Any repairs required as the result of negligence of a Homeowner will be at the expense of the Homeowner.

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

9. To insure and keep insured the Common Elements and Homes in accordance with Article VII of the By-Laws.

10. To collect delinquent Common Charges, Special Assessments, late fees, penalties and/or interest by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Homeowners of the Condominium for violations of the Declaration, By-Laws or the Rules and Regulations of the Condominium.

11. To make reasonable Rules and Regulations applicable to the Homes and the Homeowners and to amend the same from time to time pursuant to Article VIII of the By-Laws. Such Rules and Regulations and amendments shall be binding upon the Homeowners when the Members of the Board of Managers have approved them in writing. A copy of such Rules and Regulations and all amendments thereto shall be delivered to each Homeowner. The Board of Managers shall not be able to pass or adopt any Rule or Regulation affecting the Sponsor without the written consent of the Sponsor.

12. 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 herein above set forth.

13. To bring and defend actions by or against one or more Homeowners that are pertinent to the operation of the Condominium and to levy Special Assessments to pay for the cost of such litigation, subject to the provisions regarding the Sponsor as contained in Article III, Section 7(c) of the By-Laws.

14. To acquire a Home in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Home so acquired and to vote as a Homeowner subject to any restrictions contained in the By-Laws, offer such Home for sale or lease or take any other steps regarding such Home as shall be deemed proper by the Board of Managers.

15. To make additions, alterations, or improvements to the General Common Elements and Limited Common Elements that have been delegated to the Condominium to maintain, repair and/or replace as provided in the Declaration of Condominium and/or the By-Laws.

16. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the General Common Elements, and Limited Common Elements that are the obligation of the Condominium to maintain, repair and/or replace as provided for in the Declaration and/or the By-Laws. Notwithstanding, no

lien to secure repayment of any sum borrowed may be created on any Home or its appurtenant Percentage of Common Interest in the Common Elements without the written consent of the Owners of said Home.

17. To act as an agent for one (1) or more Homeowners to file a single complaint and bring a special proceeding on behalf of Homeowners who wish to contest the real estate tax assessments of their Home pursuant to Section 339-y(4) of the New York Real Property Law. In such event, the Board of Managers could retain counsel on behalf of such Homeowners and charge each Homeowner for whom it is acting a pro-rata share of expenses, disbursements and legal fees, based upon the Home's Percentage of Common Interest as reflected in Schedule B of the Declaration of Condominium, the payment for which would be secured by a lien on each Home. The Board of Managers is not obligated to perform such services and it is necessary to obtain the written authorization of the Homeowners it will perform such service for.

18. To determine and impose penalties, late fees and interest against Homeowners delinquent in the payment of their Common Charges and/or Special Assessments and in violation of the Rules and Regulations. The Board of Managers shall have the right to revise the amount of such fees as the Board of Managers so determines.

19. To enter into revocable license agreements for the use of space within the General Common Elements, and to fix or modify applicable monthly license fees therefor, all so long as such license agreements do not hinder or encroach upon the rights of Homeowners to use the General Common Elements and/or Limited Common Elements.

20. To enter into contracts, settlement agreements and/or other matters on behalf of the Condominium.

21. 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 Homeowners without the necessity of the consent thereto, or joinder therein, by the Homeowners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Homeowners who have the right to use such Common Elements to the exclusion of any other Homeowner, the consent of all such affected Homeowners 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 of Managers, designate one or more committees, each of such committees to consist of at least one (1) Board Member, 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 they 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 of Managers as required.

(c) As long as the Sponsor, its successor, assignee and/or designee retains an Unsold Home, the Board of Managers may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the General Common Elements or Limited Common Elements that are the obligation of the Condominium to maintain, repair and/or replace as provided for in the Declaration of Condominium and /or the By-Laws, or to any Home, costing cumulatively more than $25,000, the foregoing not to include necessary repairs and maintenance work, (ii) assess any Common Charges and/or Special Assessment for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund in excess of the Reserve Fund or contingency fund contained in the Condominium budget for the first year of operation, (iii) hire any employee in addition to the employees referred to in the Budget for the first year of operation of the Condominium, (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first Closing, (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 operation, (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, (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 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 the Sponsor in order to commence a lawsuit against the Sponsor or any of its principals. The provisions of this paragraph may not be amended without the written consent of the Sponsor.

(d) Notwithstanding Article III, Section 7(c) of the By-Laws Sponsor may not exercise veto power over expenses described in the proposed first year budget, as described in the Offering Plan, or over 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; or

(iv) necessary for the preservation or safety of the Condominium or for the safety of occupants of the Condominium or required to avoid the suspension of any necessary service to the Condominium.

(e) In addition to the Sponsor control of the Board of Managers as described above, Sponsor may exercise veto power over expenses described herein, other than

those described in Article III, Section 7(d) of the By-Laws, for a period ending not more than five (5) years after the Closing of the first Home or whenever the unsold Homes constitute less than twenty-five (25%) percent of the common interest, whichever is sooner.

The provisions of this paragraph may not be amended without the written consent of Sponsor.

Liability and Indemnification of Board of Managers, Officers and Homeowners

No Member of the Board of Managers or Officer of the Condominium shall have any personal liability to the Condominium or to any Homeowner for damages for any breach of duty in the Member of the Board of Manager's or Officer's capacity as a Member of the Board of Managers or Officer of the Condominium, provided that this provision does not eliminate or limit the liability of a Member of the Board of Managers or Officer of the Condominium if a judgment or other final adjudication adverse to the Member or Officer establishes (a) that the Member's or Officer's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that the Member or Board Member personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Condominium, through the Homeowners, 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 of Managers or Officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that the Member's or Officer's testator or intestate, was a Member of the Board of Managers or Officer or 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 of Managers or Officer of the Condominium if a judgment establishes that the Member's or Officer's 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 the Member or Officer personally gained in fact a financial profit or the advantage to which he or she was not legally entitled.

The Homeowners shall indemnify and hold harmless each of the Members of the Board of Managers and Officers of the Condominium against all contractual liability to others arising out of contracts made by the Board of Managers or Officers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of the By-Laws. It is intended that the Members of the Board of Managers and Officers of the Condominium shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Homeowners). It is understood and permissible for the initial Board of Managers or Officers of the Condominium, who may be members of or be

employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing. It is also intended that the liability of any Homeowner arising out of any contract made by the Board of Managers or Officer of the Condominium or out of the aforesaid indemnity in favor of the Member of the Board of Managers or Officer of the Condominium shall be limited to such proportion of the total liability thereunder as the Homeowner's interest in the Common Elements bears to the interest of all the Homeowners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by a Member or Officer or on behalf of the Condominium shall provide that the Members of the Board of Managers, Officers of the Condominium, or the managing agent, or the Member or Officer, as the case may be, are acting only as agent for the Homeowners and the Condominium and shall have no personal liability thereunder (except as Homeowners).

Each Homeowner's liability pursuant to this Section shall be limited to such proportion of the total liability thereunder as the Homeowner's interest in the Common Elements bears to the interest of all Homeowners in the Common Elements.

Officers

The Officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other Officers as in their judgment may be necessary. All Officers must be Homeowners or Members of the Board of Managers except any assistant secretaries or assistant treasurers. In addition, the President must be both a Homeowner and a Member of the Board of Managers. Two (2) or more offices may be held by the same person, except the President, who can only hold the office of President. All Board Members and Officers of the Condominium 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 the duties of the President 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 in 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 Home which, among other things, shall contain the amount of each assessment of Common Charges against such Home, the date when due, the amounts paid thereon and the balance remaining unpaid.

Repairs, Alterations and Improvements to Common Elements

Except as hereinafter provided, all maintenance, painting, repairs and replacement of the General Common Elements shall be the responsibility of the Board of Managers on behalf of the Condominium and contracted for by the Board of Managers on behalf of the Condominium. The cost thereof shall be a Common Expense of the Condominium and paid for by all Homeowners based upon their Percentage of Common Interest as provided in Schedule B or in such often manner as may be provided in Article VI, Section 9 of the By-Laws. Notwithstanding, if such maintenance, painting, repair or replacement is necessitated because of the negligence, misuse or neglect of a Homeowner or the prior alteration of the Home by a Homeowner, in which event the cost thereof shall be assessed individually and paid by the applicable Homeowner.

All maintenance repairs and replacements to the interior portion of the Homes, other than to any General Common Elements and any Limited Common Elements contained therein that have been designated to be maintained by the Condominium, are the responsibility of the respective Homeowners at their sole expense. All structural changes shall comply with the provisions of Article VIII, Section 1(f) of the By-Laws.

All maintenance (including electrical repairs and plumbing stoppages and repairs in the Homes, cleaning of interior of windows and painting and decorating of the interior of the Homes), repairs and maintenance to the Homes and repairs, maintenance, replacement and cleaning to pipes, wires and conduits located in and servicing an individual Home, other than as set forth above shall be made by the respective Homeowner at their own expense. This would include but not be limited to all painting and decorating to the interior of the Homes, maintenance, repair and replacement of individual appliances and fixtures, individual heating and cooling systems for the Homes, the hot water flues, dryer vent and the interior side of all entrance doors.

All maintenance and repair to the interior portion of the window area and doors which open from a Home are the responsibility of the Homeowner. All maintenance, repair and any replacement to the external portion of the window area, the actual window and external portion of the doors (including painting) which open from a Home will be the responsibility of the Condominium, unless the maintenance, repair or replacement of the external portion of the window, the actual window and external portion of the doors which open from a Home are caused as a direct result of the negligence or act of a Homeowner, occupant, tenant, guest or any other person residing in, visiting or doing work in the Home. In such an event it shall be the Condominium's responsibility to repair or replace the external portion of the window, the window or the external portion of the doors which open from a Home and the cost of such repair or

replacement shall be charged to the Homeowner as an additional Common Charge.

All repairs, maintenance, cleaning and any replacement and all costs associated therewith of any hot water tank, gas boiler, air conditioning compressor and/or condenser, air handler or any other heating, cooling, hot water flue, dryer vent or other mechanical system servicing an individual Home that is located in the Home or is a Limited Common Element located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit exclusively a Home shall be the sole responsibility of the Homeowner for such equipment, services, etc.

All snow removal from the General Common Elements shall be contracted for by the Board of Managers on behalf of the Condominium and the cost thereof shall be a Common Expense of the Condominium payable by all Homeowners based upon their percentage of Common Interest as provided in Schedule A of the Declaration of Condominium, or in such often manner as may be provided in Article VI, Section 9 of the By-Laws.

All snow removal and cleaning of the Limited Common Elements appurtenant to an individual Home and/or any area for the exclusive use and/or benefit of a Home shall be the sole responsibility of such Homeowner.

The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the General Common Elements and the cost thereof shall be a Common Expense payable by all the Homeowners pursuant to the provisions of Article VI, Section 9 of the By-Laws. Notwithstanding the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Homeowner, occupant, tenant, guest or any other person residing in, visiting or doing work in the Home, or caused by any alteration of a Home shall be assessed to and paid by the applicable Homeowner as an additional Common Charge and the Board of Managers shall have all rights of collection of said additional Common Charge as provided for delinquent Common Charges contained in the Declaration and By-Laws.

The Board of Managers and their agents, employees and contractors shall have the right of access to any Home for the purpose of making any repairs or replacements to any Common Elements no matter how classified contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any other Home or any other Common Element no matter how classified, or which would violate the provisions of any mortgage covering another Home or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Homes but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Homes, or for the safety of Condominium residents or other persons or

required to avoid the suspension of any necessary service to the Condominium. The cost of any repairs to the Home necessitated as a result of the Board of Managers needing access to any Common Element pursuant to this provision shall be the obligation of the Condominium as a Common Expense.

All repairs, painting or maintenance, whether made by the Homeowner or the Board of Managers, to the doors, windows, or the exterior surface of the Building or to any generally visible portion of the General Common Elements or Limited Common Elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor, unless varied by the Board of Managers.

In the event that a Homeowner fails to maintain, repair or replace its Home or any Limited Common Element for the Homeowner's exclusive use, which maintenance, repair or replacement is necessary to protect any of the General Common Elements, Limited Common Elements, any other portions of the Building or any other Home, the Board of Managers shall have the right to make the necessary maintenance, repair or replacement (after the failure of said Homeowner to do so after reasonable time provided by written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge said Homeowner for the cost of all such repairs and/or maintenance and/or replacement. In the event that the Board of Managers charges a Homeowner for repairs, maintenance and/or replacement to their Home or for repairs to any Common Elements restricted in use to such Homeowner and the Homeowner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Homeowner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

The Board of Managers shall have the right to require that a Homeowner utilize a contractor or sub-contractor of the Board of Manager's choosing for any repairs, maintenance and/or replacement of a Limited Common Element that is a Homeowner's obligation at the Homeowner's sole cost and expense.

Insurance

The Board of Managers shall be required to obtain and maintain the following insurance, to the extent obtainable from generally acceptable insurance carriers permitted to do business in the State of New York, with a minimum AM Best Rating of A-VII or greater. The Board of Managers shall maintain the following forms of insurance: (A) Property insurance with "All-Risk" extended coverage including coverage for the building, the personal property of the Condominium, loss of rental income, coverage for the increased cost of construction, boiler and machinery, or equipment breakdown coverage; flood insurance (if the property is located in a Special Hazard Flood Area as defined by the Federal Emergency Management Agency is applicable); (B) Crime insurance/fidelity bond liability insurance; (C) General Liability Insurance; (D) Directors and Officers coverage including Employers Professional liability coverage; (E) New York State Disability Insurance including the New York Family Leave both as required by statute; and (F) Worker's Compensation.

The coverage shall include all of the Common Elements, Limited Common Elements and the Homes in the Building of the Condominium (except land, foundations, excavation and other items normally excluded from coverage) including fixtures, to the extent they are part of the Common Elements of the Condominium, building service equipment and supplies, and other common personal property belonging to the Condominium. In addition, any fixtures, equipment or other property within the Homes which are to be financed by a mortgage (regardless of whether or not such property is part of the Common Elements, but not including wall, ceiling or floor decoration, furniture, furnishings or other personal property supplied or installed by the Homeowners), contained therein, covering the interest of the Condominium, the Board of Managers and all Homeowners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building, exclusive of land, foundation, excavation and other items normally excluded from coverage. Each of such policies shall be in favor of the Condominium, and shall contain a New York standard mortgagee clause in favor of each mortgagee of a Home which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee as defined below, 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. Each Homeowner and each Homeowner's mortgagee, if any, shall be beneficiaries of the policy in the percentage of common ownership applicable to said Home.

The blanket property insurance as provided above will commence with the Closing of Title to the first Home. Until the first meeting of the Board of Managers following the first Homeowners meeting, such amount shall be at least in the sum as provided for in the estimated first year budget contained in the Offering Plan as it may be amended upon completion of the Building.

The building coverage will be in an amount equal to the full replacement cost value of all of the buildings (exclusive of foundations and footings) and it will cover the cost of repairing or replacing the damaged structures on a replacement cost basis with no deduction for depreciation. The building coverage shall be written on an "all-risk special form," and shall cover the perils typically covered by a condominium insurance policy such as fire, lightning, and wind.

The business personal property coverage shall be in an amount to replace the business property of the Condominium on a replacement cost basis, with no deduction for depreciation. The business personal property coverage shall be written on an "all-risk special form," and shall cover the perils typically covered by a condominium insurance policy such as fire and wind.

The business income, loss of rent coverage shall be in an amount to cover the income losses of the Condominium caused by partial, or complete cease of operations due to a loss covered under the building or business personal property coverages. The limit shall be in an amount equal to or greater than one year's annual income.

Boiler and Machinery or Equipment Breakdown coverage shall be in an amount equal to or greater than the building limit.

If at any time, any portion of any building is deemed to be in a special hazard flood area (SHFA) the Board of Managers will need to secure flood insurance through the National Flood Insurance Program in an amount required by the owners, and their lenders. If the maximum amount of flood insurance available from The Federal Emergency Management Agency (FEMA) is not sufficient, the Board of Managers shall secure additional flood insurance from the private marketplace.

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 Homeowners or of the invalidity arising from any acts of the insured or any Homeowners and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of a Home. 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 a Home at least ten (10) days prior to expiration of the 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 Building, including all of the Common Elements appurtenant thereto for the purpose of determining the amount of fire insurance to be affected pursuant to this Section.

All policies must also provide for the following: recognition of any, Insurance Trust Agreement; a waiver of the right of subrogation against Homeowners individually; that the insurance is not prejudiced by any act or neglect of individual Homeowners which is not in the control of such Homeowners collectively; and that the policy is primary in the event the Homeowner has other insurance covering the same loss. All policies shall include the standard form of a "Special Condominium Endorsement" or its equivalent. All policies shall include an "Agreed Amount Endorsement" and, if available, an "Inflation Guard Endorsement".

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering the Common Elements, each Member and Officer of the Board of Managers, the managing agent and each Homeowner. 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 Homeowners meeting, such public liability insurance shall be a minimum of $1,000,000 covering all claims for bodily injury, deaths and property damage arising out of one occurrence in connection with the operation, maintenance or use of the Common Elements, and legal

liability arising out of lawsuits related to employment contracts of the Condominium. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least 10 days' prior written notice to the Condominium and to each holder of a first mortgage on any Home in the Condominium which is listed as a scheduled holder of a first mortgage in the insurance policy. Such coverage may also include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and use, including, but not limited to, host liquor liability, employer's liability insurance, contractual and all-written contract insurance, and comprehensive automobile liability insurance. Such public liability insurance shall commence on the closing of title to the first Home.

In addition to the above, blanket fidelity bonds shall be required to be maintained by the Condominium for all officers, directors and employees of the Condominium and all other persons handling or responsible for, funds of or administered by the Condominium. In the event a management agent has the responsibility for handling or administering funds of the Condominium, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of the Condominium. Such fidelity bonds shall name the Condominium as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Condominium or the management agent, as the case may be, at any given time during the term of each bond. In no event may the aggregate amount of such bonds be less than a sum equal to 3 months aggregate assessments on all Homes plus reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Condominium as a Common Expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Condominium or Insurance Trustee. Such bonds shall also provide that, if applicable, the Federal National Mortgage Association, ("Fannie Mae") Servicers on behalf of Fannie Mae, also receive such notice of cancellation or modification.

Homeowner Insurance

Each Homeowner is required to carry insurance covering their contents, fixtures, personal property and improvements and betterments (collectively "Contents") and liability insurance covering their Home and extended to include the Board of Managers, the Condominium, any Managing Agent and other Homeowners as additional insured's. Such insurance is subject to the approval of the Board of Managers in advance of the purchase of a Home, in the Board of Manager's sole discretion. The policy shall be extended to include any additional insured including but not limited to the Board of Managers of the Condominium, Managing Agent, Sponsor, other Homeowners and any Mortgagees. All such insurance must be provided by a carrier that is recognized as a licensed admitted carrier in the State of New York with a rating equal to a Best Rating

Guide of AV or better. The Board of Managers reserves the right to alter or increase the coverage required hereunder at any time and from time to time. In addition to the foregoing, Homeowners are instructed to carry coverage for loss of rents (if rentals are permitted), water damage, sanitary and drain back up and such other coverage for their contents as they may determine to be in their best interests.

Restoration or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of any of the Building as a result of fire or other casualty (unless seventy-five [75%] percent or more of the Homes are destroyed or substantially damaged and seventy-five [75%] percent or more of the Homeowners 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 damaged Building (including any damaged Home, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Homeowners in the Homes), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Homeowners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Homes are destroyed or substantially damaged and seventy-five (75%) percent or more of the Homeowners 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 Homeowner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Homeowners in proportion to the irrespective common interests, after first paying out of the share of each Homeowner the amount of any unpaid liens on his or her Home, in the order of the priority of such liens.

Reports to Homeowners

All Homeowners will receive within four (4) months of the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement prepared by an independent public accountant, a statement regarding any taxable income attributable to the Homeowners, and a notice of the holding of the annual Homeowners meeting. During such time as the Sponsor retains a majority of the Board of Managers, the Board of Managers shall provide a certified annual statement at the cost of the Condominium.

Amendments to Declaration

The provisions of the Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of sixty-six and two-thirds (66⅔%) percent of the Homeowners in number held at a duly called meeting of the Homeowner, provided however, that:

1. No amendment altering a Homeowner's Percentage of Common Interest shall be made without the consent of all the Homeowners affected.

2. No amendment shall be passed which shall affect, impair or prejudice the validity, interest, rights and priorities of mortgagees.

3. No amendment, modification, addition or deletion of, to or from the Declaration of Condominium, the By-Laws or any Rules and Regulations shall be effective in any way against Sponsor or its successors, assigns or designees or against any Unsold Home, as long as the Sponsor, its successors, assigns, or designees owns an Unsold Home in the Condominium unless the Sponsor, its successors, assigns or designees has given its prior written consent thereto. This provision is not subject to amendment.

4. The Board of Managers and the Sponsor, as long as the Sponsor owns a Home in the Condominium, shall have the right to amend the Declaration without the vote or consent of the Homeowners or the holders of any Home mortgages and to execute and record in the Nassau County Clerk's Office such amendment as may be required to reflect (i) changes in the Declaration (including Schedule B), As-Built Floor Plans and Condominium, Subdivision or Unit Designation Map are corrective in nature or (ii) to resolve or clarify any inconsistency or which is patently a mistake or a scrivener's error, or (iii) technical corrections, or (iv) to comply with any federal, state, county or village or other municipal law or regulation that may affect the Condominium.

5. In addition, in the case of material changes, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Homes that are subject to first mortgages. A change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of Common Elements; responsibility for maintenance and repairs; reallocation of interests in the General or Limited Common Elements, or rights to their use; boundaries of any

Home; convertibility of Homes into Common Elements or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; revisions to the leasing provisions of Homes contained in Article XI of the By-Laws ; imposition of any restrictions on a Homeowner's right to sell or transfer the Homeowner's Home; a decision by the Condominium to establish self-management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors. An addition or amendment to the Declaration shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request by certified or registered mail, return receipt requested, to approve amendments who does not deliver to the Condominium a negative written response within sixty (60) days of the receipt of the request shall be deemed to have approved such amendment.

Amendments to By-Laws

The By-Laws may be altered, amended or added to at any duly called Homeowners meeting; provided: (a) that the notice of the meeting shall contain a full statement of the proposed amendment; (b) that the amendment shall be approved by sixty-six and two-thirds (66⅔%) percent of the Homeowners in number and common interest and (c) said amendment shall be set forth in a duly recorded amendment to the Declaration. In addition, the following shall apply to amendments to the By-Laws:

No amendment shall be passed which will affect or impair the validity of the Homeowner's interest in a Home.

1. 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 Sponsor or its designee, assignee or successor or any Unsold Home, as long as the Sponsor, its designee, assignee or successor owns an Unsold Home in the Condominium unless Sponsor, its designee, assignee or successor has given its prior written consent thereto. This provision is not subject to amendment.

2. The Board of Managers shall have the right to amend the By-Laws without the consent of the Homeowners to make corrections to the By-Laws that are patent errors, inconsistencies, scrivener's errors and technical errors

and to comply with any federal, state or local law regulation that may affect the Condominium.

3. No amendment to the By-Laws shall be passed which shall impair or prejudice the validity, interest, rights and priorities of a mortgagee.

4. The Sponsor shall have the right to amend the By-Laws without the consent of the Homeowners or the Board of Managers to (a) make corrections that are patent errors, inconsistencies, scrivener's errors or technical errors, to conform to other documents, or (b) to make changes or revisions to comply with the requests, guidelines and/or requirements of any major participant in the secondary market for mortgages, including but not limited to the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal Housing Association ("FHA") of the Housing and Urban Development ("HUD"), the Veterans Administration ("VA") and/or any State or Local Funding Agencies, or (c) to reduce the Sponsor control period of the Board of Managers, or (d) to comply with any federal, state or local law or regulation that may affect the Condominium.

5. In addition, in the case of material changes, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Homes that are subject to first mortgages. A change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of common elements; responsibility for maintenance and repairs; reallocation of interests in the general or limited common elements, or rights to their use; boundaries of any Home; convertibility of Homes into Common Elements or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; revisions to the leasing provisions of Homes contained in Article XI; imposition of any restrictions on a Homeowner's right to sell or transfer his or her Home; a decision by the Condominium to establish self-management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors. An addition or amendment to the By-Laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request by certified or registered mail, return receipt requested, to approve amendments who does not deliver to the Condominium a negative written response within sixty (60)

days of the receipt of the request shall be deemed to have approved such amendment.

Homes Acquired by the Board of Managers

All Homes 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 of Managers on behalf of all Homeowners. The Percentage of Common Interest acquired by the Board of Managers shall remain as originally designated in Schedule A of the Offering Plan and Schedule B of the Declaration of Condominium and the Board of Managers shall be responsible for paying all Common Charges appurtenant to said Home. The Board of Managers shall be entitled to cast all votes that are appurtenant to said Homes at any Homeowners meeting for all purposes except for the election of Members to the Board of Managers.

Arbitration

Pursuant to Article XII of the By-Laws, any dispute as to the allocation of the Common Charges to Homeowners shall be subject to arbitration.

Termination of Condominium

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

XXI. RIGHTS AND OBLIGATIONS OF HOMEOWNERS AND BOARD OF MANAGERS

Sale or Lease of Homes

Any Home may be conveyed or leased by its Homeowner subject to the leasing requirements contained in Article XI, Section 2 of the By-Laws. No Homeowner shall convey, mortgage, pledge, hypothecate or sell or lease their Home unless and until all unpaid Common Charges, Special Assessments and any other fees or charges owed the Condominium that have been assessed against the Homeowner's Home shall have

been paid to the Board of Managers of the Condominium. However, such unpaid Common Charges can be paid out of the proceeds of the sale of a Home, or by the Grantee. Notwithstanding the above, any Homeowner who wishes to enter into a lease for the Homeowner's Home shall be required to provide the Board of Managers of the Condominium with a copy of the lease at least thirty (30) days prior to its execution. All Homeowners who wish to enter into a new lease for the Homeowner's Home shall be required to submit all documentation required by the Board of Managers as set forth in Article XI, Section 2 of the By-Laws to the Managing Agent or the Board of Managers in the absence of a Managing Agent. All leases must comply with all the requirements in Article XI, Section 2 of the By-Laws. Failure to comply will be deemed an automatic violation of the By-Laws of the Condominium.

Any Homeowner may convey the Homeowner's Home and common interest appurtenant thereto, to the Board of Managers on behalf of all Homeowners free of any cost to the Board of Managers or the Homeowners and upon such conveyance such Homeowner shall not be liable for any Common Charges thereafter accruing against such Home.

The Condominium does not have any right of first refusal.

The Sponsor does not wish to sell Homes to Purchasers who intend to purchase the Home as a short-term resale investment. As such the Purchase Agreement provides that if a Home is sold within twelve (12) months from the Closing of Title to the Home, the Purchaser shall upon the sale of the Home pay Seller, at or before the resale Closing, an amount equal to ten (10%) percent of any profits defined as the Gross Sales Price without deductions for Closing or other transaction costs less the original purchase price however such amount shall not be greater than the net proceeds of the sale of the Home, which would be the gross sales price, less amounts owed on a mortgage and all Closing Costs. This provision only applies to the initial Purchaser of a Home from Sponsor and not to subsequent re-sales and does not apply if the Homeowner or spouse dies within the twelve (12) month period or if all the Homes have been titled by Sponsor before the twelve (12) month period. In addition, it does not apply to any mortgagee who forecloses or accepts a deed in lieu of foreclosure for a default under a first mortgage. This provision will not apply if there is an involuntary loss of employment by the Seller when selling the Home during this period.

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

Whenever the term "Home" is referred to in Article XI of the By-Laws, it shall include the Home, the Homeowners undivided interest in the Common Elements and the Homeowners interest in any Homes acquired by the Board of Managers.

Any sale or lease of any Home in violation of this section shall be voidable at the election of the Board of Managers.

Except as noted in Article XI, Sections 3, 4 and 5 of the By-Laws, every lease on every Home in the Condominium is subject to the following rules and regulations, regardless of whether stated in the lease:

(a) No later than thirty (30) days prior to execution of a lease, the Homeowner must provide the Board of Managers of the Condominium with a copy of the lease, name of the proposed tenant and terms of the lease;

(b) the lease must be in writing;

(c) the lease must be for the entire Home;

(d) the lease must be for a minimum term of twelve (12) months. Renewal terms shall also be for a minimum of twelve (12) months.

(e) the form of the lease and any renewal lease must contain a provision that the tenant has thoroughly read and agrees to be subject to the Declaration, the By-Laws and Rules and Regulations of the Condominium and agrees to accept the power of attorney of the Condominium to evict the tenant for any violation by the tenant of the Declaration, the By-Laws and the Rules and Regulations of the Condominium and agrees to be jointly and severally liable with the Homeowner for any and all fines and costs levied against the tenant for any violation of the provisions of the Rules and Regulations, By-Laws and/or Declaration of Condominium;

(f) the use of the premises is subject to the Declaration, the By-Laws and the Rules and Regulations of the entire Condominium;

(g) 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 executed lease, must be furnished to the Managing Agent or if no Managing Agent to a Member of the Board of Managers of the Condominium;

(h) within thirty (30) 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 Managing Agent or if no Managing Agent to the Board of Managers of the Condominium;

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

(j) no Homeowner, resident or tenant shall be permitted to place any signs for rent in or on the Home or the Common Elements of the Condominium;

(k) all leases and tenants are subject to all municipal requirements applicable to rentals, if any; and

(l) if any Homeowner (landlord) or tenant is in violation of any of the provisions of the 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 Homeowner, or both, to have the tenant evicted or to recover damages, or both.

The Board of Managers, in its sole discretion, may add or change any of the criteria in this Section 2 with respect to the requirements of leasing Homes with the exception of any requirements contained within any declaration, the Village of Great Neck Estates, Town of North Hempstead, Nassau County, or other Federal, State or local municipality or agency or as required by applicable zoning.

In order to carry out the provisions of this Article XI and pursuant to the provisions of Article Fourteenth of the Declaration of Condominium each Homeowner shall upon becoming a Homeowner grant an irrevocable power of attorney, to nominate, designate, constitute and appoint the Members of 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) that may be residing in a Homeowner's Condominium Home 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 the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium. The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies available to the Board of Managers of the Condominium. If permitted by present or future law, the Condominium may recover all of its costs, including court costs and reasonable attorney's fees, and these costs shall be a continuing lien on the Home that shall bind the Home in the hands of the then Homeowner and the Homeowner's successors and assigns. The Board of Managers of the Condominium shall give the tenant and the Homeowner written notice of the nature of the violation of the Rule and Regulation, and thirty (30) days from the mailing of the notice in which to cure the violation before the Board of Managers of the Condominium may file for eviction.

The Homeowners waive all of their voting rights concerning partition respecting any Home acquired by the Board of Managers in accordance with Article XI of the By-Laws.

Any Homeowner may convey or transfer their Home by gift during the Homeowner's lifetime or devise their Home by will or pass the same by intestacy subject to applicable zoning, requirements and/or restrictions.

By becoming a tenant, each tenant agrees to be bound by the Declaration, the By-Laws and the other Rules and Regulations of the Condominium and recognizes and accepts the right and the power of the Condominium to evict the tenant for any violation by the tenant of the Declaration, the By-Laws and the other Rules and Regulations of the Condominium.

To protect mortgagees of an Institutional Mortgage and to encourage mortgagees of Institutional Mortgages to make loans on Homes in the Condominium any mortgagee of an Institutional Mortgage who acquires a Home by foreclosure or deed in lieu of foreclosure shall have the right to lease the Home subject to the provisions contained in Article XI, Section 2 (a), (c), (f), (g), (h), (i), (j), (k) and (l) of the By-Laws. Any subsequent purchaser from the first mortgage lender is subject to all the terms of this Article XI. In addition, the provisions of Article Twelfth of the Declaration of Condominium regarding an Institutional Mortgage shall be applicable regarding unpaid Common Charges accrued before acquisition of title of a Home by the mortgagee.

The foregoing restrictions of Sections 1 and 2 of this Article XI regarding sales shall not apply to Sponsor-owned Homes. The Sponsor, its successors, assignees or designees shall have the right to freely sell or lease their Home without any interference or any restrictions by the Board of Managers as long as the Sponsor is in compliance with applicable zoning.

Real Property Law Section 339-kk

Purchasers should note that Section 339-kk of the Real Property Law of the State of New York provides that any non-occupying owner who rents any Home in the Condominium to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Home within sixty (60) days of the expiration of any grace period after they are due is subject to the following: Upon notice in accordance with the statute, all rental payments from the tenants shall thereafter be directly payable to the condominium association. A complete copy of Section 339-kk of the Real Property Law is contained in Part II of the Plan as Schedule M.

Restrictions on Use

The By-Laws of the Condominium contain the following use restrictions regarding the Homes: No immoral, improper, offensive or unlawful use shall be made of the Condominium nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Homeowners, their families, employees, guests and any permitted pets shall not use or permit the use of the Homes and Common Elements in any manner that would be illegal, disturbing or a nuisance to other Homeowners. No resident shall put any advertisement, poster, or signs, including for-sale signs of any kind in or on a Home or the Common Elements without the consent of the Board of Managers. It is prohibited to use any of the Common Elements for storage except as may be provided otherwise in the Condominium's

governing documents. No Homeowner shall paint the exterior surfaces of the windows, walls or doors opening out of their Home. All Homeowners must maintain their thermostat at a minimum of 60 degrees Fahrenheit to avoid pipes from freezing. Any Homeowner failing to adhere to this provision shall be responsible for any and all damage to the Condominium or any other Home as a result thereof. Any improvements beyond the interior walls of a Home will require the approval of the Board of Managers.

The Parking Spaces at the Condominium may only be utilized for the parking of automobiles and similar type vehicles and pursuant to the provisions of the Declaration of Condominium and By-Laws of the Condominium and any Rules and Regulations regarding the parking areas of the Condominium and/or the Parking Spaces.

Cellar Storage Spaces may only be utilized pursuant to the provisions of the Storage Space License Agreement, Declaration of Condominium and By-Laws of the Condominium, and any Rules and Regulations regarding Storage Spaces. The cellar and all below grade spaces in the Condominium are uninhabitable and may not be used for living, sleeping, or dining.

Maintenance

Each Homeowner shall maintain and keep their Home and its appurtenant Home's Limited Common Element in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

Every Homeowner must perform promptly all maintenance and repair work to their own Home and any Home's Limited Common Element for the Homeowner's exclusive use which is their sole responsibility and, which if not done would affect the Condominium in its entirety or in a part belonging to other Homeowners, or the Building of which the Home forms a part, the Homeowner being expressly responsible for the damages and liabilities that the failure to do so may engender.

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

Restrictions on Pets

No animals or reptiles of any kind shall be raised, bred, or kept in any Home or in the Common Elements or Limited Common Elements, except that dogs, cats or other common household pets may be kept in Homes, subject to the Rules and Regulations adopted by the Board of Managers, 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 fifteen (15) days written notice from the Board of Managers. All Homeowners shall advise the Board of Managers of any household pet intended to be kept in their Home prior to the household pet residing

therein. The Board of Managers shall have the right to limit the number, size and type of pet permitted to be kept in a Home. All dogs, cats, and other pets must be leashed and shall not be permitted to run loose outside the Homes. In no event shall any animal be permitted in any common areas of the Condominium unless carried or on leash and in compliance with the local and municipal rules and regulations regarding pets. All Homeowners shall be responsible for picking up and disposing of their pets' waste and for any damage caused by their pets to any Common Elements of the Condominium. In addition, all pets are subject to any and all local municipality rules, regulations and ordinances regarding dogs, cats or other animals.

Mortgage of Homes by Homeowners

A Homeowner may mortgage the Homeowner's Home at any time after the Homeowner acquires title to the Home in whatever amount and under whatever terms the Homeowner can obtain provided the Homeowner first notifies the Board of Managers. Any Homeowner may, upon the resale of their Home, grant a purchase money mortgage to a purchaser of their Home. A Homeowner may mortgage their Home only if all arrears for Common Charges, if any, are provided for at the closing of the mortgage.

Common Charges Assessment and Collection

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 Homeowner. The Board of Managers shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the General Common Elements, Limited Common Elements that are the obligation of the Condominium to maintain, repair and/or replace as provided for in the Declaration and/or the By-Laws, and other Common Expenses including but not limited to the Common Expenses provided in Article VI, Section 3 of the By-Laws, amounts sufficient to operate and maintain the parking and storage spaces, as well as charges to cover any deficits from prior years.

The total annual requirements shall be assessed as a single sum against all Homes and prorated against each of said Homes according to the provisions of Article VI, Section 9 of the By-Laws.

Said assessments shall be payable monthly or in such other manner as determined by the Board of Managers as provided pursuant to Article VI, Section 9 of the By-Laws, and shall be referred to as Common Charges.

The Board of Managers may also charge additional assessments in excess of the Common Charges for expenses not contemplated, foreseen or which exceed the amount budgeted. Said assessments shall be known as Special Assessments. The Board of Managers shall be entitled to charge a Special Assessment as a single sum or

over a period of time as it may determine. Homeowners shall pay their portion of any Special Assessments in the same manner as the Homeowner pays their Common Charges.

The Board of Managers shall, from time to time, fix and determine the monthly sum or sums necessary or appropriate to charge licensees for use of the parking and storage spaces at the Condominium, which amounts will be respectively apportioned amongst the applicable licensees on an equal pro rata basis. This proration of license fees shall remain constant regardless of the percentage of the building square footage included in each parking or storage space. Said license fees shall be payable monthly or such other manner as ordered by the Board of Managers. All income generated by the monthly license fees will be applied to reduce and defray the Common Expenses of the Condominium. The Board of Managers shall, in their sole discretion, have the right to increase or decrease license fee amounts.

The Homeowner agrees to pay promptly when due the monthly Common Charges, license fees and all Special Assessments assessed against or in connection with the Home. In the event any Homeowner fails to make payment of the Homeowner's Common Charge payment, the Homeowner who owns such Home shall be obligated to pay (a) a "late fee" of $.15 for each $1.00 of such amounts which remain unpaid for more than ten (10) 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) all expenses, including, without limitation, attorneys' fees paid or incurred by the Board of Managers or by any Managing Agent in any proceeding brought to collect such unpaid Common Charges or Special Assessments or in an action to foreclose the lien on such Homeowner's Home arising from said unpaid Common Charges or Special Assessments in the manner permitted by applicable law. All such "late fees," interest and expenses shall be cumulative and shall be added to and shall constitute Common Charges payable by such Homeowner.

In addition, in the event of a default in payment of Common Charges by any Homeowner, the Board of Managers, at its sole option, may declare the Common Charge assessment on said Homeowner's Home for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board of Managers shall send notice to the delinquent Homeowner and the mortgagee, if any, of such Home giving the Homeowner a five (5) day grace period in which to make the late payment.

The Board of Managers may place a lien and take action to collect any past due Common Charges and/or Special Assessments from any Homeowner which remains unpaid as provided in Article IX of the By-Laws from its due date.

No Homeowner shall be liable for any Common Charges, Special Assessments or other charges against a Home which accrue against the Homeowner's Home subsequent to a sale, transfer or other conveyance of the Home in accordance with the By-Laws and the Declaration of Condominium. A purchaser of a Home (other than a mortgagee of an institutional mortgage who forecloses on or acquires title to the Home

by a deed in lieu of foreclosure) shall be liable for the payment of all Common Charges and Special Assessments assessed against the Home subsequent to the date of conveyance of the Home to the purchaser, as well as unpaid Common Charges and/or Special Assessments assessed against the Home at the time of the purchase. A purchaser of a Home, any mortgagee who acquires the Home by foreclosure or deed in lieu of foreclosure and any entity or individual who acquires a Home by operation of law shall be responsible for all Common Charges and/or Special Assessments subsequent to the date of the acquisition, foreclosure, deed in lieu of foreclosure and/or transfer of the Home by operation of law.

Notwithstanding any other provision in the Declaration or the By-Laws any mortgagee of an Institutional Mortgage as defined in the Declaration of Condominium who obtains title to a Home pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Home's unpaid Common Charges accrued before acquisition of the title to the Home by the mortgagee unless otherwise required by law. If the Condominium's lien priority includes costs of collecting unpaid Common Charges and/or Special Assessments, the mortgagee of the Institutional Mortgage will be liable for any fees or costs related to the collection of unpaid Common Charges and/or Special Assessments. The unpaid balance of such Common Charges and/or Special Assessments that may be waived will be charged to all other Homeowners as a Common Expense. Upon acquisition of title the Institutional Mortgagee shall be responsible for all Common Charges, Special Assessments and/or any other costs and expenses of the Condominium thereafter due and payable.

The estimate of Condominium expenditures in Schedules A and B were made by the Sponsor and passed upon by Total Community Management Corp, 2375 Bellmore, New York. Although the Sponsor is of the opinion that such estimates are accurate and reasonable, they are not intended and cannot be construed as an assurance of the actual expenses and are merely based upon information available at this time. Actual costs may be lesser or greater than as set forth herein.

It is presently anticipated that the Common Charges are to be used primarily to pay for the expenses detailed in Schedule B of the Offering Plan. The Common Charges do not include maintenance, repairs or decoration of interior of the Homes or portions thereof, payments required pursuant to the terms of Homeowners' mortgages or real estate taxes covering the individual Homes.

The Common Charges which may be collected monthly by the Board of Managers and other costs of maintenance of the Homes are set forth on Schedule A. However, additional services which the Homeowners may desire or other factors can increase these charges. See Schedule C for estimated utility costs applicable to an individual Home.

As long as the Sponsor controls the Board of Managers, the Board of Managers retains the right to delay the commencement of the collection of Common Charges. During any such delay period, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund

payments. Upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in the governing regulations. In the event Sponsor elects to delay collection of Condominium Common Charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Homeowners in writing of the expiration of the delay period at least thirty (30) days prior to commencing collection of Common Charges and will disclose such fact in the following Amendment to the Offering Plan. See Section I of the Offering Plan. 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 Homeowners and the Sponsor as Owner of the unsold Homes in accordance with the Percentage of Common Interest set forth in Schedule A. The Common Charges will initially be placed in an account in the name of the Board of Managers in a bank doing business in the State of New York.

If the Sponsor has or intends to apply for the eligibility of the Condominium for FHA or other quasi-governmental financing, the delay in the collection of Common Charges will not affect such eligibility.

During the period of time the Sponsor is paying all expenses of the Condominium there should not be any impact under the Condominium's election during any taxable year to be treated as a condominium management association pursuant to Section 528 of the Internal Revenue Code in view of the fact the Sponsor is an owner of the unsold Homes, 90% or more of the expenditures for a taxable year will be expended for the management, maintenance and care of the Condominium and no part of the net earnings of the Condominium will inure to the benefit of any private shareholder or individual. Notwithstanding, Sponsor agrees to pay any taxes due under Section 528 of the Internal Revenue Service Code in the event there are any during the period the Sponsor is paying all expenses of the Condominium. Where a Home is damaged by casualty and the proceeds of insurance are not sufficient to cover the repair of the damage, the amount necessary to restore the Home over and above the proceeds from any fire insurance on the Homes will be a Common Charge to all Owners. In order to protect the Homeowner against the possibility of such Common Charges, the Board of Managers determines the amount of blanket casualty insurance covering all Homes (the cost of such insurance is part of the Common Charges) and reviews the amount of such coverage annually.

The Sponsor shall be liable for the Common Charges, Special Assessments, real estate taxes and individual utility costs of all Homes to which title has not been transferred to a Purchaser commencing when Common Charges are first collected by the Board of Managers. Once title has passed to a Purchaser, the Purchaser shall be solely responsible for all costs associated with the Home including but not limited to

Common Charges, any Special Assessments, real estate taxes and all individual utility costs.

Liens for the Non-Payment of Common Charges

Under Section 339-z of the Real Property Law of the State of New York, the Board of Managers shall have a lien against each Home for its unpaid Common Charges and legal interest thereon prior to all other liens except liens for the payment of taxes and all sums unpaid on a first mortgage of record. The lien shall continue in force even after resale of a Home except that the Board of Managers shall, in accordance with the Declaration of Condominium, release the lien and right to collect unpaid Common Charges against any purchaser of a Home where such purchase arises out of a foreclosure of a first institutional mortgage when the Board of Managers has been made a party to the foreclosure action.

The Board of Managers may foreclose the lien in the same manner as a mortgage on real property or bring a separate action to collect the unpaid Common Charges and Special Assessments and in doing so shall be entitled to recover all costs incurred including reasonable attorney's fees. The liability of each Homeowner for the payment of Common Charges and Special Assessments thereafter assessed against the Homeowner's Home shall terminate upon a sale, transfer or conveyance of such Home in accordance with the provisions of the Declaration of Condominium and By-Laws. Further, any Homeowner may convey their Home to the Board of Managers or its nominee, on behalf of all other Homeowners, without any compensation and in accordance with the Declaration of Condominium and By-Laws, and in such event the Homeowner shall be exempt from any Common Charges and Special Assessments thereafter assessed, but not relieved of their obligation to pay the Homeowner's mortgage. However, a Homeowner may not be exempt from liability for the Homeowner's Common Charges and Special Assessments by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Homeowner's Home.

Upon a resale, the Purchaser of a Home shall be liable for the payment of unpaid Common Charges and Special Assessments assessed against such Home prior to the acquisition of such Home by the Purchaser. Notwithstanding any other provision in the Declaration of Condominium or the By-Laws any mortgagee of an Institutional Mortgage who obtains title to a Home pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Home's unpaid Common Charges accrued before acquisition of the title to the Home by the mortgagee unless otherwise required by law. If the Condominium's lien priority includes costs of collecting unpaid Common Charges the mortgagee of the Institutional Mortgage will be liable for any fees or costs related to the collection of unpaid Common Charges. The unpaid balance of such Common Charges and/or Special Assessments that may be waived will be charged to all other Homeowners as a Common Expense. Upon acquisition of title the Institutional Mortgagee shall be responsible for all Common Charges, Special Assessments and/or any other costs and expenses of the Condominium thereafter due and payable.

During the period of time the Sponsor retains a majority of the seats of the Board of Managers, the Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Homes in which Sponsor is more than 30 days in arrears of Common Charges and Special Assessments.

Insurance

Sponsor will initially procure fire and casualty insurance for the Condominium on the terms set forth in the budget pursuant to an agreed amount replacement value policy or in an amount sufficient to void co-insurance, as reflected in Schedule B. Each Purchaser will be required to pay a pro-rata portion of the first year's Condominium insurance based on each Home's Percentage of Common Interest. In the event a Purchaser closes title to their Home after the first year of operation of the Condominium, the Condominium insurance will be an item of adjustment at the Closing. In addition, in the event there are insufficient funds in the Condominium to pay for such insurance, Sponsor may lend the Condominium such funds and Sponsor will be repaid out of subsequent Common Charges collected or utilize the Working Capital Fund to pay for such insurance. No Board or Homeowner approval is required to make such loan.

Any insurance policy procured on behalf of the Condominium shall be in favor of the Condominium, and shall contain a New York standard mortgagee clause in favor of each mortgagee of a Home which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee as defined below, 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. Each Homeowner and each Homeowner's mortgagee, if any, shall be beneficiaries of the policy in the percentage of common ownership applicable to said Home.

No coverage is provided for fire and casualty losses to the contents of each individual Home, nor does the coverage take into account any future replacements or additions to either the Homes or the fixtures and improvements contained therein. In addition, no liability coverage for an individual Homeowner is included in the coverage provided above for occurrences not within the Common Areas. Prospective Purchasers should consult their attorney or insurance agent to determine the advisability of obtaining insurance for their own risk of liability and fire and casualty losses.

Purchasers should refer to Section XVIII of the Offering Plan and the footnotes to the budget for a complete description of the insurance applicable to the Condominium.

THE CONDOMINIUM INSURANCE COVERAGE DOES NOT COVER FIRE AND LIABILITY INSURANCE FOR THE PURCHASER'S PERSONAL EFFECTS AND INTERIOR OF THE HOME. PURCHASERS ARE ADVISED TO SECURE SUCH COVERAGE.

Access by Board of Managers

The Board of Managers and its agents, employees and contractors shall have a right of access to any Home and to all portions of the Common Elements for the purpose of carrying out any of its obligations under the Declaration of Condominium and By-Laws. . Except in the event of an emergency, the Board of Managers will provide no less than twenty-four (24) hours' notice to a Homeowner prior to accessing their Home.

Compliance with terms of the Declaration of Condominium, By-Laws and Rules and Regulations

Ownership of a Home in the Condominium subjects the Homeowner to compliance with the provisions of the Declaration of Condominium and By-Laws as well as the Rules and Regulations contained in the Declaration of Condominium or By-Laws or established by the Condominium in accordance therewith. The Rules and Regulations set forth in the Declaration and By-Laws can be found in Part II of the Plan in Schedule J, Article VIII of the By-Laws. The Board of Managers can institute legal actions to enforce compliance with the provisions of the Declaration of Condominium and By-Laws as well as the Rules and Regulations established therewith.

The provisions of the By-Laws which requires Board Members to be Homeowners will not apply to the First Board of Managers or any Sponsor designees to the Board of Managers.

Structural Changes

No Homeowner shall make any addition, alteration or improvement (of either a temporary or permanent nature) of a structural nature in or to the Homeowner's Home, 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 Homeowner for approval of a proposed structural addition, alteration or improvement in such Homeowner's Home within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed structural addition, alteration or improvement. No Homeowner shall make any structural addition, alteration or improvement in or to any Home 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 of Managers 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 of Managers, its Members and Officers, and all Homeowners 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 Great Neck Estates, Town of North Hempstead, Nassau County or any other governmental agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect or engineer, the Homeowner shall pay the charges of such architect or engineer. The Homeowner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements.

Any application to any department of the Village of Great Neck Estates, Town of North Hempstead, Nassau County or any other governmental authority for a permit to make a structural addition, alteration or improvement in or to any Home or Limited Common Element for its exclusive use shall be completed by the Homeowner 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 materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

The Board of Managers of the Condominium shall not use the above provisions in any way that would violate any rights a Homeowner may have pursuant to the Federal Fair Housing Act or New York State Human Rights Law.

The provision requiring the written consent of the Board of Managers does not apply to the Sponsor. See Article VIII of the By-Laws.

Easements

The Board of Managers and their agents, employees and contractors shall have an easement in, through and across the entire Property of the Condominium for access through all the Common Elements and the Homes for the purpose of testing, repairs, maintenance, replacements and/or improvements to any Common Elements, no matter how classified, contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any Home or any other Common Element no matter how classified, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of Condominium or for the health and safety of the Condominium or its residents. The right of access to a Home shall be exercised in such a manner as will not unreasonably interfere with the use of the Homes but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its Property, or the Homes, or for the health and safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium. . Except in the event of an emergency, the Board of Managers will provide no less than twenty-four (24) hours' notice to a Homeowner prior to accessing their Home.

The Board of Managers and their agents, employees and/or contractors shall have an easement in, through and across the entire Property of the Condominium for access to and for testing, repair, maintenance replacement and/or improvement of any mechanical equipment, pipes, sewers and/or drainage lines and wires, conduits and public utility lines including any meters that measure said items that are located in the General Common Elements or in a Limited Common Element that services more than one (1) Home. All testing, repairs, maintenance, replacement and/or improvement thereto shall be the responsibility of the Condominium.

Every Homeowner shall have an easement in common with the owners of other Homes to maintain and use all mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits and public utility lines located in other Homes and servicing such Homeowner's Home.

Each Home shall be subject to an easement in favor of the Homeowners of other Homes to maintain and use the mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits and public utility lines servicing such other Homes located in such Home.

The Board of Managers, its agents, contractors and employees shall have an easement in, through, upon, over and under and a right of access to each Home for the testing, maintenance, repair, replacement or improvement to any mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits and public utility lines located in any Home that services any other Home or causes damage to any other Home or to the Common Elements (no matter how classified) or any mechanical equipment, pipe, sewer and/or drainage line, wires, conduits and public utility lines, no matter how designated that causes or is in imminent danger of causing damage to another Home or the Common Elements. The cost of such repairs, including the cost of any repairs to the Home to gain access to the any mechanical equipment, pipe, sewer and/or drainage line, wires, conduits and public utility lines, shall be a Common Expense. Notwithstanding the cost of any testing, maintenance, repairs and/or improvements necessitated because of the negligence, misuse or neglect of a Homeowner, occupant, tenant, guest or any other person residing in, visiting or doing work in the Home, or caused by any alteration of a Home shall be assessed to and paid by the applicable Homeowner as an additional Common Charge obligation to the Homeowner and shall be treated as such regarding late penalties and a lien upon the property as elsewhere provided in the Declaration of Condominium and By-Laws. . Except in the event of an emergency, the Board of Managers will provide no less than twenty-four (24) hours' notice to a Homeowner prior to accessing their Home.

All pipes, sewers and/or drainage lines, mechanical equipment, wires, conduits and public utility lines located within each Home that is for the exclusive use of the Home shall be maintained by such Homeowner and all maintenance and costs associated therewith shall be the sole obligation of each respective Homeowner.

Any utility and cable company requiring access to the Common Elements to test, repair, maintain, improve and/or replace any mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits and utility lines the company is responsible to test, repair, maintain, improve and/or replace shall have a right of access to the Common Elements and each Home for testing, maintenance, repair, improvement or replacement of such mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits and public utility lines located in the Common Elements and any Home. Any utility or cable company and its employees and agents shall have the right of access to any Home 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 Home for its permitted uses by its owner, tenants or occupants.

The Board of Managers shall have the right to grant such additional electric, gas, water, sewer, drainage, cable 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 Home for its permitted purposes. Any utility company and its employees and agents shall have the right of access to any Home 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 Home for its permitted purposes by its owner, tenants (if permitted) or occupants.

The Board of Managers shall have an easement through the Homes for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, gas, heating, ventilating, water and other mechanical equipment, lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing any portion of the Condominium. . Except in the event of an emergency, the Board of Managers will provide no less than twenty-four (24) hours' notice to a Homeowner prior to accessing their Home.

The Sponsor, its successors, assigns, and designees, reserve the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the entire Property of the Condominium (including the Homes) for the purpose of completing construction and the sale of Homes and facilities in the Condominium and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Condominium Property for installation, maintenance and inspection of lines and appurtenances for public or private electric, gas, water, sewer, drainage, cable television and other utilities and mechanical equipment and for any other materials or services necessary for the completion and sale of the Condominium. The Sponsor, its successors, assigns, and designees, also reserve the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines and mechanical equipment which may from time to time be in or along the streets and roads or other areas of the Property of the Condominium. The Sponsor, its successors and assigns, and designees, shall have an

easement to erect and maintain general sales, business or administration offices and/or model Homes, 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 of Homes, and for the purpose of showing the Property to prospective Purchasers of this Condominium as well as any other property the Sponsor or its designee is developing and for access to Homes and Common Elements consistent with the purposes of the Declaration of Condominium and By-Laws, as the same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation the right to develop, renovate, maintain, repair, refurbish, offer, and sell Homes, together with their interest in the Common Elements. The Sponsor, its successors, assigns and designees further reserve the right to continue to use the Common Elements and any facilities, sales offices, model Homes and signs located on the Common Elements, in its efforts to sell Homes constructed in the Condominium and to complete construction of the Condominium. This paragraph shall not be amended without the consent of the Sponsor.

Sponsor shall have an easement over or through the Common Elements as may, at any time, be required without the necessity of the consent of the Board of Managers, or joinder therein, by the Homeowners or any mortgagee to erect and maintain signs and other promotional materials (including, without limitation, "For Sale" signs and "For Rent" signs, (if rentals are permitted), in connection with the promotion, sale, leasing (if rentals are permitted), management, or operation of this Condominium.

The Sponsor, its successor, assignee and/or designee shall have an easement of ingress and egress in, through and over the Property of the Condominium to access any area of the Condominium for as long as said Condominium is in existence as necessary to market other communities in which the Sponsor, its successor, assignee and/or designee is engaged in the sale and/or leasing of housing to prospective purchasers and/or lessees of such other communities.

Each Homeowner hereby grants a right of access to and through their Home to Sponsor or its successor, assignee and/or designee, and any contractors, subcontractors, agents, and employees of the foregoing for the purposes of the repair, replacement, inspection, maintenance and completion of any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed or to be performed by or on behalf of Sponsor with respect to the Common Elements and/or the Homes. . Except in the event of an emergency, the Sponsor will provide no less than twenty-four (24) hours' notice to a Homeowner prior to accessing their Home.

The Board of Managers will have and each Home will be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements and Limited Common Elements that are the responsibility of the Condominium to maintain, repair or replace located in, over, under, through or upon any Home, or any other Common Elements or elsewhere in the Condominium and

(b) to maintain any encroachment on any Home or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the General Common Elements or Limited Common Elements. . Except in the event of an emergency, the Board of Managers will provide no less than twenty-four (24) hours' notice to a Homeowner prior to accessing their Home.

Each Home will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, foundations, slabs, and exterior walls) supporting or serving the Building and any replacement thereof and additions thereto and an easement of necessity, and each Home will be subject to an easement of support and necessity in favor of all other Homes and the Common Elements.

Each Home will have an easement for lateral and vertical support among all adjoining Homes and Common Elements.

Any easements granted to Sponsor, the Board of Managers, any Home or any Homeowner under the Declaration of Condominium and the By-Laws may be exercised by such Sponsor's, Board of Managers or Homeowner'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 Sponsor, the Homeowner or Board of Managers.

Each Homeowner will have a right and easement to use its Home and the Limited Common Elements appurtenant to such Home or Homes, and the General Common Elements, subject to and in accordance with the terms and conditions of the Declaration of Condominium and By-Laws.

All Homeowners, residents, guests, tenants and anyone else needing access to a Home shall have an easement of ingress and egress, in, through and over the Property of the Condominium, including the Common Elements regardless of how classified for access to their Home.

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 of the Condominium.

All emergency vehicles and personnel, including, but not limited to, police, fire and medical vehicles and personnel shall be granted an easement of ingress and egress over, upon and through the property. This Paragraph may not be amended by the Homeowners in the Condominium.

All easements reserved to Sponsor and to its successors, assigns and designees are paramount and take precedence and priority over the easements granted to the Board and Homeowners.

Allocation of Common Interest

The Percentage of Common Interest of the Condominium establishes the Homeowners Percentage of ownership in the Common Elements of the Condominium and percentage of liability for the payment of General Common Charges subject to the provisions under Section 339-m of the Real Property Law of the State of New York. Each Homeowner has the Percentage of Common Interest in the Condominium set forth on Schedule A. The Percentage of Common Interest of each of the Homes 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 Home, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Home.

The percentage of the undivided interest in the Common Elements shall not be changed except with the consent of all Homeowners affected expressed in a duly recorded amendment to the Declaration of Condominium. However, 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 Homes. In such event, the Common Interest appurtenant to each individual Home 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 Home be increased or decreased as a result of any of the foregoing a material amount.

Copies of both the Declaration and By-Laws are contained in Part II of the Offering Plan.

XXII. REAL ESTATE TAXES

In accordance with the New York State Condominium Act, real estate taxes applicable to each Home will be separately assessed and taxed as a separate taxable Lot and the Homeowner will not be responsible for payment of or subject to any lien arising from nonpayment of taxes for another Home. The estimated monthly costs and charges to be incurred by the owner of each Home in the first year in which the property will be fully subject to real estate taxes together with estimated Common Charges on each Home and other carrying costs are set forth on Schedule A. Real estate tax estimates are based upon information received from Certilman Balin Adler & Hyman, LLP, with offices located at 90 Merrick Avenue, East Meadow, New York 11554. Counsel has advised that the property will be separately assessed by both the County of Nassau and the Village of Great Neck Estates. The projected assessed valuation after completion of construction is $54,008,600. The final assessed valuation of the property for Town and School purposes has been estimated on a market approach by

taking the proposed selling prices of each Home model and applying Nassau County's 2021/22 Class 1 Residential Ratio of 1%.

Section 421-f of New York's Real Property Tax Law ("RPTL") has been amended to provide for an eight (8) year phase-in of the first $750,000 worth of increases in value to new construction for residential property where the first year of increase in assessment due to new construction is between the 2020/21 and 2024/25 tax years (taxable status dates Jan. 2, 2019 - Jan 2, 2023). Therefore, on residential properties valued greater than $750,000, the exemption applies to the fist $750,000 in value, and the remainder is immediately and fully taxable. This amended legislation will become effective as of the 2021/22 assessment roll. As all Homes in the Condominium are expected to be constructed by January 1, 2023 for the 2024/25 tax year, the amended legislation should apply to this property as is reflected in the schedules of tax estimates attached to counsel's opinion letter. See Section XXII of the Offering Plan. The schedule attached to counsel's opinion letter assumes a 25% decrease in the current tax rates, and then a 3% annual increase in the School and General tax rates beginning with the 2025/26 tax year. Counsel's tax opinion letter should not be viewed as a guarantee regarding the rates to be in effect at the applicable times.

In accordance with RPTL § 339(y), the Village of Great Neck Estates will assess the Condominium on an income approach to value. Counsel's tax estimate is calculated by taking the estimated rental value of the Homes less expenses capitalized to a market value and applying the Village of Great Neck Estates' 2021/22 equalization rate of 100%. These assessments are then multiplied by the Village of Great Neck Estates' 2021/22 tax rate of .5889/100 of assessed value, as adjusted by 2% increase per year.

The New York State Tax Relief Program ("STAR") provides an exemption from school property taxes for owner-occupied primary residences whose owners meet the income threshold of total household income of less than $500,000. This state-financed exemption is authorized by § 425 of the RPTL. Therefore, if the Condominium is the primary residence of a Homeowner who meets the income threshold, he or she may apply for the "STAR" exemption. A taxpayer who is eligible for the Basic STAR exemption will receive a partial rebate of exempt from school district taxes. The Basic STAR exemption of properties within the Great Neck School District for Class 1 properties is currently a maximum of $786.

Primary-residence Homeowners who meet additional requirements are eligible to receive the "Enhanced" STAR exemption. To be eligible, all Homeowners of the applicable Home must be 65 years of age or older, with Federal Adjusted Gross Income less any taxable IRA distributions that does not exceed $90,550 for 2021 benefits. The Office of Real Property Services promulgates the eligible income limit for each tax roll year. The current maximum amount of the enhanced exemption for the North Shore School District, Class 2 is $1,615.

All estimates are based on the current New York State Law and the facts as provided. 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. There is no guarantee that the STAR exemption will continue in future years. Schedule A reflects the real estate taxes without the STAR exemption in place.

The assessed value of each model has been determined based on the type of Home and not on the allocation of Common Interest of each model.

Although in the Sponsor's opinion the above method of calculation, assessed valuation and real estate taxes applicable to each Home are reasonable there can be no assurance that the assessed valuation, real estate taxes or the method of calculation of real estate taxes applicable to each Home will be the method of calculation, final assessed valuation or real estate taxes utilized, issued or assessed by the applicable taxing authorities for each Home. If for any reason a different method of calculation is used or a different assessment is placed upon any of the Homes by such authorities or a different tax rate is in effect real estate taxes may increase or decrease depending upon the final decision of such taxing authorities and/or the then applicable tax rate.

No representation or warranty is made that the actual assessed valuation will be as projected in Schedule A, 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 the Purchaser’s Purchase Agreement, in the event the actual taxes differ from those projected. The Offering Plan will be amended to disclose any material change in the assessed valuation of the Homes or the tax rates.

After the Condominium is divided into individual tax lots, each Home will be taxed as a separate tax lot for real estate tax purposes and the Homeowner will not be responsible for the payment of, nor will the Home be subject to, any lien arising from the non-payment of taxes on other Homes. In the opinion of counsel, under present law a Purchaser of a Home who itemizes their income tax returns may be entitled to a deduction for Federal and New York State income tax purposes for the real estate taxes paid by each Homeowner covering their Home and, provided the Home is used as the Homeowners primary residence or one (l) other residence that the Homeowner selects pursuant to Section 163(h) of the Internal Revenue code of 1986, for any interest paid by the Homeowner on any mortgage covering the Homeowner’s Home. Pursuant to the Federal Tax Cuts and Jobs Act of 2017, which went into effect on January 1, 2018, the maximum mortgage in which an individual can deduct the interest is $750,000. In addition, the Act placed a maximum of $10,000 on the amount an individual can deduct for the combined amount of real estate taxes and State income taxes. Projected tax deductions (where applicable) may vary in future years due to changes in the interest rate on the Homeowner’s mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal on Homeowner’s mortgage (if any), or

due to changes in real property taxes resulting from changes in the assessed value, the tax rate or the method of assessing real property. The Tax Cuts and Jobs Act of 2017 is scheduled to expire on December 31, 2025. Sponsor does not guarantee the income tax deduction a Purchaser may be entitled to and each Purchaser should consult with their income tax advisor regarding their individual circumstances. See Section XXII of the Offering Plan.

It is anticipated that the Closing to the first Home in the Condominium will occur by January 1, 2023, barring any unforeseen circumstances such as rate of sales, weather conditions, possible strikes, material shortages, acts of God, force majeure or other unforeseen delays beyond the control of the Sponsor.

In the event the Homes have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Home, 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 Home in the Condominium for the six (6) month period following the first Closing. Thereafter, at each Closing during said period, each Purchaser will reimburse the Sponsor for the pro-rata amount paid on behalf of said Home. 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 the Purchaser after the Closing to the extent of the actual assessment.

Alternatively, the Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to real estate taxes attributable to the unsold Homes for such six (6) month period and may collect at each Closing the estimated amount of taxes attributable to such Home 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. After the Homes are separately assessed, the funder of the escrow account will be reimbursed for any overpayment of taxes or assessed for an underpayment.

The Board of Managers retains the right to act as an agent for one (1) or more Homeowners to file a single complaint and bring a special proceeding on behalf of Homeowners who wish to contest the real estate tax assessments of their Home pursuant to Section 339-y(4) of the New York Real Property Law. In such event, the Board of Managers may retain counsel on behalf of such Homeowners and charge each Homeowner for whom it is acting a pro-rata share of expense, disbursements and legal fees, based upon the Home's Percentage of Common Interest as reflected in Schedule B of the Declaration of Condominium, the payment for which would be secured by a lien on each Home. Notwithstanding the above, the Board of Managers is not obligated to perform such services and it is necessary to obtain the written authorization of the Homeowners it will perform such service for.

Homeowners 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 Homes.

The 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 the Sponsor and cannot be construed as an assurance of the final tax costs but are merely estimates based upon information available to the Sponsor at this time. In no event will the Sponsor or Sponsor's Counsel be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind their Purchase Agreement, in the event the amount of the taxes differ from those projected.

There are no tax certiorari proceedings currently pending for the property. The By-Laws empower the Board of Managers to bring such proceedings on behalf of the Residential Unit Owners.

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September 21, 2021

McKinley Rose LLC
c/o Mr. Jinsong Yang
445 Northern Blvd., Suite 1
Great Neck, NY 11021

Re: The Rose Condominium
Section 2, Block 6, Lot 254

Dear Mr. Yang:

This is in response to your request for an opinion of the real estate assessments and taxes upon the completion of construction of the above referenced residential condominium project consisting of a 3-story building with a total of 40 condominium units located in Great Neck Estates, New York.

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. All prospective purchasers are advised that estimates herein are good faith estimates, however, such assessed valuations, when actually made, may be significantly more or less than as estimated herein.

The property is separately assessed by both the County of Nassau and the Village of Great Neck Estates and is presently improved with a one-story commercial, multi-occupant building. The 2020/21 County assessed value is 35,848 (23,828 taxable) with taxes of $87,072 (school) and $15,633 (general). The property is also assessed by the Village of Great Neck Estates. The current Village assessed value is $4,511,500, with 2021/22 taxes of $26,568.22.

Based on our familiarity of assessing practices in Nassau County, and the proposed schedule of units provided to us by you, the final assessed valuation of the property for Town, County, and School purposes has been estimated on a market approach by taking the proposed selling prices of each model, and applying the County's 2021/22 Class 1 Residential Ratio of 1%. Based on the proposed selling prices, the total market value of the property will be $54,008,600, with a total assessed value of $54,009 allocated per unit on the schedule attached.

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Newly adopted legislation has amended New York's RPTL Sec. 421-f to provide for an eight (8) year phase-in of the first $750,000 worth of increases in value to new construction for residential property where the first year of increase in assessment due to new construction is between the 2020/21 and 2024/25 tax years (taxable status dates Jan. 2, 2019 - Jan 2, 2023). To be clear, on residential properties valued greater than $750,000, the exemption applies to the fist $750,000 in value and the remainder is immediately fully taxable. The legislation will begin with the 2021/22 assessment roll.

As these units are expected to be completed for the 2023/24 tax year, this legislation will apply to this property and is reflected in the Schedules of tax estimates attached. In addition, the attached Schedule assumes a 20% decrease in the current tax rates and then a 3% annual increase in the School and General tax rates beginning with the 2024/25 tax year which is generally in line with historical averages. However, nothing herein should be viewed as a guarantee regarding the rates to be in effect at that time.

In accordance with New York's RPTL Sec. 339(y), The Village of Great Neck Estates must assess the property on an income approach to value. We have therefore estimated the rental value of the units less expenses capitalized to a market value of $13,916,000 and applying the Village's equalization rate of 100%. These assessments are then multiplied by the Village's 2021/22 tax rate of .5889/100, increased to .61/1000 to reflect a slight increase in the rate for the 2023/24 tax year.

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 Misc 1977)*. 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-y each unit is deemed a parcel subject to separate assessments. Accordingly, the value of the common areas should be reflected in the Condominium Unit Assessments.

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.

The New York State Tax Relief Program ("STAR") provides an exemption from school property taxes for owner-occupied primary residences whose owners meet the income threshold of total household income of less than $500,000. 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 who meets the income threshold, he or she may apply for the "STAR" exemption.

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A taxpayer who is eligible for the Basic STAR exemption will receive a partial rebate of exempt from school district taxes. The Basic STAR exemption of properties within the Great Neck School District for Class 1 properties is currently a maximum of $1,202.

Primary-residence owners who 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 Federal Adjusted Gross Income less any taxable IRA distributions that does not exceed $90,550 for 2021 benefits. The office of Real Property Services has revised and promulgates the eligible income limit for each tax roll year. The current maximum amount of the enhanced exemption for the Great Neck School District, Class 1 is $2,749.

As the projected selling prices, tax rates, ratios, and assessed values of this property may change by the time the property is completed and fully assessed, there can be no assurances that the Assessor will utilize the estimates used herein.

In such event, the real estate taxes applicable to the subject may be higher, or lower, than projected.

Very truly yours,

Dale Allinson

DA:cg
Enclosure

PETITIONER	SEC	BLO	LOT	UNIT	2023/24 Final AV	2023/24 Land AV	2023/24 Improvement Value	Cap	2023/24 Exempt Value	2023/24 Taxable Improvement AV	2023/24 County Taxable Total AV	2023/24 Estimated County tax rate (per 100)	2023/24 Estimated County taxes	Percentage of Common Interest	2023/24 Village AV	2023/24 Village Tax Rate (per 100)	2023/24 Village Taxes	2023/24 Estimated Total Taxes
The Rose Condo	2	6	254	101	1,243	20	1,223	750	750	473	493	1,714.099	$8,451	2.41%	33,538	6.10	$2,046	$10,496
The Rose Condo	2	6	254	102	1,227	20	1,207	750	750	457	477	1,714.099	$8,168	2.41%	33,538	6.10	$2,046	$10,213
The Rose Condo	2	6	254	103	1,516	20	1,496	750	750	746	766	1,714.099	$13,127	2.88%	40,078	6.10	$2,445	$15,571
The Rose Condo	2	6	254	104	1,397	20	1,377	750	750	627	647	1,714.099	$11,090	2.61%	36,321	6.10	$2,216	$13,306
The Rose Condo	2	6	254	105	1,227	20	1,207	750	750	457	477	1,714.099	$8,168	2.33%	32,424	6.10	$1,978	$10,146
The Rose Condo	2	6	254	106	1,227	20	1,207	750	750	457	477	1,714.099	$8,168	2.29%	31,868	6.10	$1,944	$10,112
The Rose Condo	2	6	254	107	1,233	20	1,213	750	750	463	483	1,714.099	$8,281	2.29%	31,868	6.10	$1,944	$10,225
The Rose Condo	2	6	254	108	1,260	20	1,240	750	750	490	510	1,714.099	$8,733	2.29%	31,868	6.10	$1,944	$10,677
The Rose Condo	2	6	254	109	1,272	20	1,252	750	750	502	522	1,714.099	$8,941	2.31%	32,146	6.10	$1,961	$10,902
The Rose Condo	2	6	254	110	1,674	20	1,654	750	750	904	924	1,714.099	$15,842	2.72%	37,852	6.10	$2,309	$18,151
The Rose Condo	2	6	254	111	1,792	20	1,772	750	750	1,022	1,042	1,714.099	$17,859	3.42%	47,593	6.10	$2,903	$20,762
The Rose Condo	2	6	254	112	1,258	20	1,238	750	750	488	508	1,714.099	$8,714	2.40%	33,398	6.10	$2,037	$10,752
The Rose Condo	2	6	254	113	1,261	20	1,241	750	750	491	511	1,714.099	$8,752	2.44%	33,955	6.10	$2,071	$10,823
The Rose Condo	2	6	254	201	1,253	20	1,233	750	750	483	503	1,714.099	$8,622	2.41%	33,538	6.10	$2,046	$10,668
The Rose Condo	2	6	254	202	1,237	20	1,217	750	750	467	487	1,714.099	$8,339	2.41%	33,538	6.10	$2,046	$10,385
The Rose Condo	2	6	254	203	1,526	20	1,506	750	750	756	776	1,714.099	$13,298	2.88%	40,078	6.10	$2,445	$15,743
The Rose Condo	2	6	254	204	1,407	20	1,387	750	750	637	657	1,714.099	$11,262	2.61%	36,321	6.10	$2,216	$13,477
The Rose Condo	2	6	254	205	1,237	20	1,217	750	750	467	487	1,714.099	$8,339	2.33%	32,424	6.10	$1,978	$10,317
The Rose Condo	2	6	254	206	1,237	20	1,217	750	750	467	487	1,714.099	$8,339	2.29%	31,868	6.10	$1,944	$10,283
The Rose Condo	2	6	254	207	1,243	20	1,223	750	750	473	493	1,714.099	$8,452	2.29%	31,868	6.10	$1,944	$10,396
The Rose Condo	2	6	254	208	1,270	20	1,250	750	750	500	520	1,714.099	$8,905	2.29%	31,868	6.10	$1,944	$10,849
The Rose Condo	2	6	254	209	1,282	20	1,262	750	750	512	532	1,714.099	$9,112	2.31%	32,146	6.10	$1,961	$11,073
The Rose Condo	2	6	254	210	1,684	20	1,664	750	750	914	934	1,714.099	$16,013	2.72%	37,852	6.10	$2,309	$18,322
The Rose Condo	2	6	254	211	1,802	20	1,782	750	750	1,032	1,052	1,714.099	$18,031	3.41%	47,454	6.10	$2,895	$20,925
The Rose Condo	2	6	254	212	1,268	20	1,248	750	750	498	518	1,714.099	$8,886	2.40%	33,398	6.10	$2,037	$10,923
The Rose Condo	2	6	254	213	1,271	20	1,251	750	750	501	521	1,714.099	$8,924	2.44%	33,955	6.10	$2,071	$10,995
The Rose Condo	2	6	254	301	1,263	20	1,243	750	750	493	513	1,714.099	$8,793	2.41%	33,538	6.10	$2,046	$10,839
The Rose Condo	2	6	254	302	1,247	20	1,227	750	750	477	497	1,714.099	$8,511	2.41%	33,538	6.10	$2,046	$10,556
The Rose Condo	2	6	254	303	1,536	20	1,516	750	750	766	786	1,714.099	$13,469	2.88%	40,078	6.10	$2,445	$15,914
The Rose Condo	2	6	254	304	1,417	20	1,397	750	750	647	667	1,714.099	$11,433	2.61%	36,321	6.10	$2,216	$13,649
The Rose Condo	2	6	254	305	1,247	20	1,227	750	750	477	497	1,714.099	$8,511	2.33%	32,424	6.10	$1,978	$10,488
The Rose Condo	2	6	254	306	1,247	20	1,227	750	750	477	497	1,714.099	$8,511	2.29%	31,868	6.10	$1,944	$10,454
The Rose Condo	2	6	254	307	1,253	20	1,233	750	750	483	503	1,714.099	$8,624	2.29%	31,868	6.10	$1,944	$10,568
The Rose Condo	2	6	254	308	1,280	20	1,260	750	750	510	530	1,714.099	$9,076	2.29%	31,868	6.10	$1,944	$11,020
The Rose Condo	2	6	254	309	1,292	20	1,272	750	750	522	542	1,714.099	$9,284	2.31%	32,146	6.10	$1,961	$11,244
The Rose Condo	2	6	254	310	1,694	20	1,674	750	750	924	944	1,714.099	$16,185	2.72%	37,852	6.10	$2,309	$18,493
The Rose Condo	2	6	254	311	1,812	20	1,792	750	750	1,042	1,062	1,714.099	$18,202	3.42%	47,593	6.10	$2,903	$21,105
The Rose Condo	2	6	254	312	1,278	20	1,258	750	750	508	528	1,714.099	$9,057	2.40%	33,398	6.10	$2,037	$11,095
The Rose Condo	2	6	254	313	1,281	20	1,261	750	750	511	531	1,714.099	$9,095	2.44%	33,955	6.10	$2,071	$11,166
The Rose Condo	2	6	254	314	865	20	845	750	750	95	115	1,714.099	$1,968	1.61%	22,405	6.10	$1,367	$3,334

PETITIONER	SEC	BLO	LOT	UNIT	2024/25 Estimated County tax rate	2024/25 County Taxable AV	2024/25 Estimated County taxes	2024/25 Village AV	2024/25 Estimated Village Tax Rate (per 100)	2024/25 Estimated Village Taxes	2024/25 Estimated Total Taxes
The Rose Condo	2	6	254	101	1,765.522	587	$10,359	33,538	6.10	$2,046	$12,405
The Rose Condo	2	6	254	102	1,765.522	570	$10,068	33,538	6.10	$2,046	$12,114
The Rose Condo	2	6	254	103	1,765.522	860	$15,176	40,078	6.10	$2,445	$17,620
The Rose Condo	2	6	254	104	1,765.522	741	$13,078	36,321	6.10	$2,216	$15,294
The Rose Condo	2	6	254	105	1,765.522	570	$10,068	32,424	6.10	$1,978	$12,046
The Rose Condo	2	6	254	106	1,765.522	570	$10,068	31,868	6.10	$1,944	$12,012
The Rose Condo	2	6	254	107	1,765.522	577	$10,184	31,868	6.10	$1,944	$12,128
The Rose Condo	2	6	254	108	1,765.522	603	$10,651	31,868	6.10	$1,944	$12,594
The Rose Condo	2	6	254	109	1,765.522	615	$10,864	32,146	6.10	$1,961	$12,825
The Rose Condo	2	6	254	110	1,765.522	1,018	$17,972	37,852	6.10	$2,309	$20,281
The Rose Condo	2	6	254	111	1,765.522	1,136	$20,050	47,593	6.10	$2,903	$22,953
The Rose Condo	2	6	254	112	1,765.522	602	$10,631	33,398	6.10	$2,037	$12,668
The Rose Condo	2	6	254	113	1,765.522	604	$10,670	33,955	6.10	$2,071	$12,741
The Rose Condo	2	6	254	201	1,765.522	597	$10,536	33,538	6.10	$2,046	$12,582
The Rose Condo	2	6	254	202	1,765.522	580	$10,244	33,538	6.10	$2,046	$12,290
The Rose Condo	2	6	254	203	1,765.522	870	$15,352	40,078	6.10	$2,445	$17,797
The Rose Condo	2	6	254	204	1,765.522	751	$13,255	36,321	6.10	$2,216	$15,470
The Rose Condo	2	6	254	205	1,765.522	580	$10,244	32,424	6.10	$1,978	$12,222
The Rose Condo	2	6	254	206	1,765.522	580	$10,244	31,868	6.10	$1,944	$12,188
The Rose Condo	2	6	254	207	1,765.522	587	$10,361	31,868	6.10	$1,944	$12,305
The Rose Condo	2	6	254	208	1,765.522	613	$10,827	31,868	6.10	$1,944	$12,771
The Rose Condo	2	6	254	209	1,765.522	625	$11,041	32,146	6.10	$1,961	$13,002
The Rose Condo	2	6	254	210	1,765.522	1,028	$18,149	37,852	6.10	$2,309	$20,458
The Rose Condo	2	6	254	211	1,765.522	1,146	$20,227	47,454	6.10	$2,895	$23,121
The Rose Condo	2	6	254	212	1,765.522	612	$10,808	33,398	6.10	$2,037	$12,845
The Rose Condo	2	6	254	213	1,765.522	614	$10,846	33,955	6.10	$2,071	$12,918
The Rose Condo	2	6	254	301	1,765.522	607	$10,712	33,538	6.10	$2,046	$12,758
The Rose Condo	2	6	254	302	1,765.522	590	$10,421	33,538	6.10	$2,046	$12,467
The Rose Condo	2	6	254	303	1,765.522	880	$15,529	40,078	6.10	$2,445	$17,973
The Rose Condo	2	6	254	304	1,765.522	761	$13,431	36,321	6.10	$2,216	$15,647
The Rose Condo	2	6	254	305	1,765.522	590	$10,421	32,424	6.10	$1,978	$12,399
The Rose Condo	2	6	254	306	1,765.522	590	$10,421	31,868	6.10	$1,944	$12,365
The Rose Condo	2	6	254	307	1,765.522	597	$10,538	31,868	6.10	$1,944	$12,481
The Rose Condo	2	6	254	308	1,765.522	623	$11,004	31,868	6.10	$1,944	$12,948
The Rose Condo	2	6	254	309	1,765.522	635	$11,217	32,146	6.10	$1,961	$13,178
The Rose Condo	2	6	254	310	1,765.522	1,038	$18,325	37,852	6.10	$2,309	$20,634
The Rose Condo	2	6	254	311	1,765.522	1,156	$20,403	47,593	6.10	$2,903	$23,306
The Rose Condo	2	6	254	312	1,765.522	622	$10,984	33,398	6.10	$2,037	$13,021
The Rose Condo	2	6	254	313	1,765.522	624	$11,023	33,955	6.10	$2,071	$13,094
The Rose Condo	2	6	254	314	1,765.522	209	$3,682	22,405	6.10	$1,367	$5,049

PETITIONER	SEC	BLO	LOT	UNIT	2025/26 Estimated County tax rate	2025/26 County Taxable AV	2025/26 Estimated County taxes	2025/26 Village AV	2025/26 Estimated Village Tax Rate (per 100)	2025/26 Estimated Village Taxes	2025/26 Estimated Total Taxes
The Rose Condo	2	6	254	101	1,818.488	681	$12,375	33,538	6.10	$2,046	$14,421
The Rose Condo	2	6	254	102	1,818.488	664	$12,075	33,538	6.10	$2,046	$14,121
The Rose Condo	2	6	254	103	1,818.488	953	$17,336	40,078	6.10	$2,445	$19,780
The Rose Condo	2	6	254	104	1,818.488	835	$15,175	36,321	6.10	$2,216	$17,391
The Rose Condo	2	6	254	105	1,818.488	664	$12,075	32,424	6.10	$1,978	$14,053
The Rose Condo	2	6	254	106	1,818.488	664	$12,075	31,868	6.10	$1,944	$14,019
The Rose Condo	2	6	254	107	1,818.488	671	$12,195	31,868	6.10	$1,944	$14,139
The Rose Condo	2	6	254	108	1,818.488	697	$12,675	31,868	6.10	$1,944	$14,619
The Rose Condo	2	6	254	109	1,818.488	709	$12,895	32,146	6.10	$1,961	$14,856
The Rose Condo	2	6	254	110	1,818.488	1,112	$20,216	37,852	6.10	$2,309	$22,525
The Rose Condo	2	6	254	111	1,818.488	1,229	$22,356	47,593	6.10	$2,903	$25,260
The Rose Condo	2	6	254	112	1,818.488	696	$12,655	33,398	6.10	$2,037	$14,692
The Rose Condo	2	6	254	113	1,818.488	698	$12,695	33,955	6.10	$2,071	$14,766
The Rose Condo	2	6	254	201	1,818.488	691	$12,557	33,538	6.10	$2,046	$14,602
The Rose Condo	2	6	254	202	1,818.488	674	$12,257	33,538	6.10	$2,046	$14,302
The Rose Condo	2	6	254	203	1,818.488	963	$17,517	40,078	6.10	$2,445	$19,962
The Rose Condo	2	6	254	204	1,818.488	845	$15,357	36,321	6.10	$2,216	$17,573
The Rose Condo	2	6	254	205	1,818.488	674	$12,257	32,424	6.10	$1,978	$14,234
The Rose Condo	2	6	254	206	1,818.488	674	$12,257	31,868	6.10	$1,944	$14,201
The Rose Condo	2	6	254	207	1,818.488	681	$12,377	31,868	6.10	$1,944	$14,321
The Rose Condo	2	6	254	208	1,818.488	707	$12,857	31,868	6.10	$1,944	$14,801
The Rose Condo	2	6	254	209	1,818.488	719	$13,077	32,146	6.10	$1,961	$15,038
The Rose Condo	2	6	254	210	1,818.488	1,122	$20,398	37,852	6.10	$2,309	$22,707
The Rose Condo	2	6	254	211	1,818.488	1,239	$22,538	47,454	6.10	$2,895	$25,433
The Rose Condo	2	6	254	212	1,818.488	706	$12,837	33,398	6.10	$2,037	$14,874
The Rose Condo	2	6	254	213	1,818.488	708	$12,877	33,955	6.10	$2,071	$14,948
The Rose Condo	2	6	254	301	1,818.488	701	$12,739	33,538	6.10	$2,046	$14,784
The Rose Condo	2	6	254	302	1,818.488	684	$12,438	33,538	6.10	$2,046	$14,484
The Rose Condo	2	6	254	303	1,818.488	973	$17,699	40,078	6.10	$2,445	$20,144
The Rose Condo	2	6	254	304	1,818.488	855	$15,539	36,321	6.10	$2,216	$17,755
The Rose Condo	2	6	254	305	1,818.488	684	$12,438	32,424	6.10	$1,978	$14,416
The Rose Condo	2	6	254	306	1,818.488	684	$12,438	31,868	6.10	$1,944	$14,382
The Rose Condo	2	6	254	307	1,818.488	691	$12,558	31,868	6.10	$1,944	$14,502
The Rose Condo	2	6	254	308	1,818.488	717	$13,039	31,868	6.10	$1,944	$14,982
The Rose Condo	2	6	254	309	1,818.488	729	$13,259	32,146	6.10	$1,961	$15,219
The Rose Condo	2	6	254	310	1,818.488	1,132	$20,580	37,852	6.10	$2,309	$22,889
The Rose Condo	2	6	254	311	1,818.488	1,249	$22,720	47,593	6.10	$2,903	$25,623
The Rose Condo	2	6	254	312	1,818.488	716	$13,019	33,398	6.10	$2,037	$15,056
The Rose Condo	2	6	254	313	1,818.488	718	$13,059	33,955	6.10	$2,071	$15,130
The Rose Condo	2	6	254	314	1,818.488	302	$5,497	22,405	6.10	$1,367	$6,864

PETITIONER	SEC	BLO	LOT	UNIT	2026/27 Estimated County tax rate	2026/27 County Taxable AV	2026/27 Estimated County taxes	2026/27 Village AV	2026/27 Estimated Village Tax Rate (per 100)	2026/27 Estimated Village Taxes	2026/27 Estimated Total Taxes
The Rose Condo	2	6	254	101	1,873.042	774	$14,502	33,538	6.10	$2,046	$16,548
The Rose Condo	2	6	254	102	1,873.042	758	$14,193	33,538	6.10	$2,046	$16,239
The Rose Condo	2	6	254	103	1,873.042	1,047	$19,612	40,078	6.10	$2,445	$22,056
The Rose Condo	2	6	254	104	1,873.042	928	$17,387	36,321	6.10	$2,216	$19,602
The Rose Condo	2	6	254	105	1,873.042	758	$14,193	32,424	6.10	$1,978	$16,171
The Rose Condo	2	6	254	106	1,873.042	758	$14,193	31,868	6.10	$1,944	$16,137
The Rose Condo	2	6	254	107	1,873.042	764	$14,317	31,868	6.10	$1,944	$16,261
The Rose Condo	2	6	254	108	1,873.042	791	$14,811	31,868	6.10	$1,944	$16,755
The Rose Condo	2	6	254	109	1,873.042	803	$15,038	32,146	6.10	$1,961	$16,999
The Rose Condo	2	6	254	110	1,873.042	1,205	$22,579	37,852	6.10	$2,309	$24,888
The Rose Condo	2	6	254	111	1,873.042	1,323	$24,783	47,593	6.10	$2,903	$27,686
The Rose Condo	2	6	254	112	1,873.042	790	$14,790	33,398	6.10	$2,037	$16,828
The Rose Condo	2	6	254	113	1,873.042	792	$14,832	33,955	6.10	$2,071	$16,903
The Rose Condo	2	6	254	201	1,873.042	784	$14,689	33,538	6.10	$2,046	$16,735
The Rose Condo	2	6	254	202	1,873.042	768	$14,380	33,538	6.10	$2,046	$16,426
The Rose Condo	2	6	254	203	1,873.042	1,057	$19,799	40,078	6.10	$2,445	$22,244
The Rose Condo	2	6	254	204	1,873.042	938	$17,574	36,321	6.10	$2,216	$19,789
The Rose Condo	2	6	254	205	1,873.042	768	$14,380	32,424	6.10	$1,978	$16,358
The Rose Condo	2	6	254	206	1,873.042	768	$14,380	31,868	6.10	$1,944	$16,324
The Rose Condo	2	6	254	207	1,873.042	774	$14,504	31,868	6.10	$1,944	$16,448
The Rose Condo	2	6	254	208	1,873.042	801	$14,998	31,868	6.10	$1,944	$16,942
The Rose Condo	2	6	254	209	1,873.042	813	$15,225	32,146	6.10	$1,961	$17,186
The Rose Condo	2	6	254	210	1,873.042	1,215	$22,766	37,852	6.10	$2,309	$25,075
The Rose Condo	2	6	254	211	1,873.042	1,333	$24,970	47,454	6.10	$2,895	$27,865
The Rose Condo	2	6	254	212	1,873.042	800	$14,978	33,398	6.10	$2,037	$17,015
The Rose Condo	2	6	254	213	1,873.042	802	$15,019	33,955	6.10	$2,071	$17,090
The Rose Condo	2	6	254	301	1,873.042	794	$14,877	33,538	6.10	$2,046	$16,922
The Rose Condo	2	6	254	302	1,873.042	778	$14,568	33,538	6.10	$2,046	$16,613
The Rose Condo	2	6	254	303	1,873.042	1,067	$19,986	40,078	6.10	$2,445	$22,431
The Rose Condo	2	6	254	304	1,873.042	948	$17,761	36,321	6.10	$2,216	$19,977
The Rose Condo	2	6	254	305	1,873.042	778	$14,568	32,424	6.10	$1,978	$16,545
The Rose Condo	2	6	254	306	1,873.042	778	$14,568	31,868	6.10	$1,944	$16,512
The Rose Condo	2	6	254	307	1,873.042	784	$14,691	31,868	6.10	$1,944	$16,635
The Rose Condo	2	6	254	308	1,873.042	811	$15,186	31,868	6.10	$1,944	$17,130
The Rose Condo	2	6	254	309	1,873.042	823	$15,412	32,146	6.10	$1,961	$17,373
The Rose Condo	2	6	254	310	1,873.042	1,225	$22,953	37,852	6.10	$2,309	$25,262
The Rose Condo	2	6	254	311	1,873.042	1,343	$25,158	47,593	6.10	$2,903	$28,061
The Rose Condo	2	6	254	312	1,873.042	810	$15,165	33,398	6.10	$2,037	$17,202
The Rose Condo	2	6	254	313	1,873.042	812	$15,206	33,955	6.10	$2,071	$17,278
The Rose Condo	2	6	254	314	1,873.042	396	$7,418	22,405	6.10	$1,367	$8,785

PETITIONER	SEC	BLO	LOT	UNIT	2027/28 Estimated tax rate	2027/28 County Taxable AV	2027/28 Estimated County Taxes	2027/28 Village AV	2027/28 Estimated Village Tax Rate (per 100)	2027/28 Estimated Village Taxes	2027/28 Estimated Total Taxes
The Rose Condo	2	6	254	101	1,929.234	868	$16,746	33,538	6.10	$2,046	$18,792
The Rose Condo	2	6	254	102	1,929.234	852	$16,427	33,538	6.10	$2,046	$18,473
The Rose Condo	2	6	254	103	1,929.234	1141	$22,009	40,078	6.10	$2,445	$24,453
The Rose Condo	2	6	254	104	1,929.234	1022	$19,717	36,321	6.10	$2,216	$21,932
The Rose Condo	2	6	254	105	1,929.234	852	$16,427	32,424	6.10	$1,978	$18,405
The Rose Condo	2	6	254	106	1,929.234	852	$16,427	31,868	6.10	$1,944	$18,371
The Rose Condo	2	6	254	107	1,929.234	858	$16,555	31,868	6.10	$1,944	$18,499
The Rose Condo	2	6	254	108	1,929.234	885	$17,064	31,868	6.10	$1,944	$19,008
The Rose Condo	2	6	254	109	1,929.234	897	$17,298	32,146	6.10	$1,961	$19,258
The Rose Condo	2	6	254	110	1,929.234	1299	$25,065	37,852	6.10	$2,309	$27,374
The Rose Condo	2	6	254	111	1,929.234	1417	$27,335	47,593	6.10	$2,903	$30,238
The Rose Condo	2	6	254	112	1,929.234	883	$17,043	33,398	6.10	$2,037	$19,080
The Rose Condo	2	6	254	113	1,929.234	886	$17,085	33,955	6.10	$2,071	$19,157
The Rose Condo	2	6	254	201	1,929.234	878	$16,939	33,538	6.10	$2,046	$18,984
The Rose Condo	2	6	254	202	1,929.234	862	$16,620	33,538	6.10	$2,046	$18,666
The Rose Condo	2	6	254	203	1,929.234	1151	$22,202	40,078	6.10	$2,445	$24,646
The Rose Condo	2	6	254	204	1,929.234	1032	$19,910	36,321	6.10	$2,216	$22,125
The Rose Condo	2	6	254	205	1,929.234	862	$16,620	32,424	6.10	$1,978	$18,598
The Rose Condo	2	6	254	206	1,929.234	862	$16,620	31,868	6.10	$1,944	$18,564
The Rose Condo	2	6	254	207	1,929.234	868	$16,748	31,868	6.10	$1,944	$18,692
The Rose Condo	2	6	254	208	1,929.234	895	$17,257	31,868	6.10	$1,944	$19,201
The Rose Condo	2	6	254	209	1,929.234	907	$17,490	32,146	6.10	$1,961	$19,451
The Rose Condo	2	6	254	210	1,929.234	1309	$25,258	37,852	6.10	$2,309	$27,566
The Rose Condo	2	6	254	211	1,929.234	1427	$27,528	47,454	6.10	$2,895	$30,423
The Rose Condo	2	6	254	212	1,929.234	893	$17,236	33,398	6.10	$2,037	$19,273
The Rose Condo	2	6	254	213	1,929.234	896	$17,278	33,955	6.10	$2,071	$19,349
The Rose Condo	2	6	254	301	1,929.234	888	$17,132	33,538	6.10	$2,046	$19,177
The Rose Condo	2	6	254	302	1,929.234	872	$16,813	33,538	6.10	$2,046	$18,859
The Rose Condo	2	6	254	303	1,929.234	1161	$22,395	40,078	6.10	$2,445	$24,839
The Rose Condo	2	6	254	304	1,929.234	1042	$20,103	36,321	6.10	$2,216	$22,318
The Rose Condo	2	6	254	305	1,929.234	872	$16,813	32,424	6.10	$1,978	$18,791
The Rose Condo	2	6	254	306	1,929.234	872	$16,813	31,868	6.10	$1,944	$18,757
The Rose Condo	2	6	254	307	1,929.234	878	$16,941	31,868	6.10	$1,944	$18,885
The Rose Condo	2	6	254	308	1,929.234	905	$17,450	31,868	6.10	$1,944	$19,394
The Rose Condo	2	6	254	309	1,929.234	917	$17,683	32,146	6.10	$1,961	$19,644
The Rose Condo	2	6	254	310	1,929.234	1319	$25,450	37,852	6.10	$2,309	$27,759
The Rose Condo	2	6	254	311	1,929.234	1437	$27,721	47,593	6.10	$2,903	$30,624
The Rose Condo	2	6	254	312	1,929.234	903	$17,429	33,398	6.10	$2,037	$19,466
The Rose Condo	2	6	254	313	1,929.234	906	$17,471	33,955	6.10	$2,071	$19,542
The Rose Condo	2	6	254	314	1,929.234	490	$9,449	22,405	6.10	$1,367	$10,816

XXIII. INCOME TAX DEDUCTIONS TO HOMEOWNERS AND TAX STATUS OF THE CONDOMINIUM

The Sponsor has been advised by its counsel, Certilman Balin Adler & Hyman, LLP that each Homeowner will be entitled under present law to a deduction for Federal, New York State and New York City income tax purposes for the real estate taxes paid by each Homeowner covering their Home and, provided the Home is used as the Homeowner's primary residence or one (l) other residence that the Homeowner selects pursuant to Section 163(h) of the Internal Revenue code of 1986, for the interest paid by the Homeowner on any mortgage, covering the Homeowner's Home. Purchasers should note that pursuant to the Federal Tax Cuts and Jobs Act of 2017 (the "Tax Act"), which went into effect on January 1, 2018, the maximum mortgage in which an individual can deduct the interest on is $750,000. In addition, the Tax Act placed a maximum of $10,000 on the amount an individual can deduct for the combined amount of real estate taxes and State income taxes. The Tax Cuts and Jobs Act of 2017 is scheduled to expire on December 31, 2025. Projected tax deductions (where applicable) may vary in future years due to changes in the interest rate on the Homeowner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal on Homeowner's mortgage (if any), or due to changes in real property taxes resulting from changes in the assessed value, the tax rate or the method of assessing real property. Sponsor does not guarantee the income tax deduction to which any Purchaser may be entitled. Purchasers are advised to seek the advice of their tax consultant to ascertain the income tax ramifications to the Purchaser pursuant to the Tax Act. See the Opinion of Counsel in Section XXII of the Offering Plan. Similarly, the Sponsor has been advised by counsel that certain Homeowners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their respective Homes.

Purchasers are advised to seek the advice of their tax consultant to ascertain the income tax ramifications to the Purchaser pursuant to the Tax Cuts and Jobs Act of 2017.

The Sponsor has been advised by its counsel that the Condominium will be taxed on any excess of income over expenses from unrelated sources. Examples of unrelated source income include interest earned on reserve and other invested funds, income from concessions and income from dues or fees received from persons other than the Homeowners. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional Common Charge.

Sponsor has also been advised that pursuant to Section 528 of the Internal Revenue Code, certain Condominiums, substantially all of whose Homes are used for residences, are afforded the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty (60%) percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Homeowners and ninety (90%) percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium Properties, which properties, as defined in Section 528 of said Code,

include property held by the Condominium, property commonly held by the Homeowners of the Condominium, or property within the Condominium held by the Homeowners of the Condominium. This Condominium has been structured so that it will meet the requirements of Section 528 of the Internal Revenue Code and as a result the Condominium will be eligible to be treated as a tax-exempt organization under Section 528 of the Internal Revenue Code. Purchasers should refer to the Opinion of Counsel in Section XXII of the Offering Plan.

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XXIV. OPINION OF COUNSEL

RICHARD HERZBACH
PARTNER
DIRECT DIAL 516.296.7006
rherzbach@certilmanbalin.com

December 29, 2021

McKinley Rose LLC
445 Northern Boulevard, Suite 1
Great Neck, New York 11021

Re: **The Rose Condominium**

Gentlepeople:

We note that the Offering Plan for the above-captioned Condominium states that it is believed that the monthly payments of interest on any mortgage, up to a maximum mortgage of $750,000, which becomes a lien on a condominium Home and real estate taxes payable by a Homeowner, which are assessed against the Home by any governmental taxing authority, are a proper deduction in connection with Federal, New York State and New York City Income Taxes payable by the owner of such Condominium Home to the aforesaid maximum amount currently allowed by law pursuant to the Federal Tax Cuts and Jobs Act of 2017 (the "Tax Act"), which went into effect on January 1, 2018. In addition, the Tax Act placed a maximum of $10,000 on the amount an individual can deduct for Federal income taxes for the combined amount of real estate taxes and State income taxes. The Tax Cuts and Jobs Act of 2017 is scheduled to expire on December 31, 2025.

We have given this matter careful study, and it is our opinion that, pursuant to the provisions of the Internal Revenue Code (the "Code") the provision of the New York State Law (See Section 615 of the Tax Law), such interest payments and the aforesaid real estate payments are proper deductions by the owner of a Condominium Home, in connection with their Federal and New York State income taxes to the maximum amount currently allowed by the Act. Similarly, we are of the opinion that each Condominium Homeowner whose Home is their principal residence will be entitled, under the Code and Section 615 (a) of the State Law, to deduct interest paid or accrued by the Homeowner on any mortgage which becomes a lien on a Condominium Home to the maximum amount currently allowed by law. Purchasers are advised to consult with their own tax consultant regarding the consequences of purchasing a condominium unit.

Pursuant to Section 528 to the Code certain Condominiums, substantially all of whose Homes are used for residences, the opportunity to elect to be treated as tax

exempt organizations. In order to qualify, sixty (60%) percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Homeowners and ninety (90%) percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium properties, which properties, as defined in 528 of the Code, include property held by the Condominium, or property within the Condominium. Based upon our examination of the Offering Plan and subject to the Condominium, actually satisfying the minimum percentage income and expenditure criteria set forth above, it is our opinion that the Condominium will be eligible to be treated as a tax-exempt organization under Section 528 of the Code.

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

We have considered the relevant cases and rulings on the tax status of the Condominium including Revenue Rulings 74-17, 74-99, 75-370 and 75-371. These rulings, under certain circumstances, permit assessments for capital replacements and new or replacement equipment to be excluded from the Condominium's income and be treated for tax purposes as additional capital contributions. In such case each Homeowner's assessment for such purposes would add to their tax basis. Although the Condominium described in the Plan may be deemed a taxable entity under such Rulings, assuming that all expenses are designated and accounted for, and that certain other special purpose assessments are properly treated as trust funds, the Condominium should not realize any significant amount of taxable income, other that with respect to incidental investment income, such as interest earned on Reserve Funds deposited in bank accounts.

We have examined the exceptions to title set forth in Section XIV of the Offering Plan, and we are of the opinion that none of such exceptions of title are contrary to the terms of the Purchase Agreement nor do they interfere with the quiet use or enjoyment of the Purchaser's Home as set forth in the Offering Plan.

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

In addition, we note that the Percentage of Common Interest for each Home as contained in Schedule A 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 Home, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Home.

In our opinion, the Condominium will be eligible for tax exempt status, if it so elects, and Homeowners will be entitled to the above-mentioned income tax deductions to the extent permitted under the current law. However, this opinion is not a guarantee; it is based on existing rules of law applied to the given facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium, any selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statues, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the Condominium to cease to meet the requirements of Section 528 of the Code or the New York State tax law as amended and Homeowners not to be entitled to income tax deductions.

It is our understanding that this letter will be made a part of the Offering Plan of the Condominium and we consent to its inclusion therein.

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP

By: _____
Richard Herzbach, Partner

XXV. RESERVE FUND

The Condominium budget includes a Reserve Fund in the set amount as provided in Schedule B to be used for future major capital improvements of the Condominium. In view of the fact the Condominium will be newly constructed it is not anticipated that there should be any major capital repairs or replacements during the first five (5) years of operation of the Condominium. The amount of the Reserve Fund may vary on an annual basis as determined by the Board of Managers.

No representation is made that the Reserve Fund line item will be adequate for future expenses including repairs or replacements of Common Elements during the first five (5) years of the Condominium. If additional funds are required over and above said funds, it may be necessary to increase the Common Charges payable by the Homeowners, collect a Special Assessment from each Home or borrow money.

During the period Sponsor is in control of the Board of Managers, the Reserve Fund will not be used to reduce the estimated Common Charges.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of the Reserve Fund.

XXVI. WORKING CAPITAL FUND

At Closing the Sponsor will collect the equivalent of two (2) months Common Charges from each Purchaser to be paid to the Condominium as initial Working Capital. While Sponsor is in control of the Board of Managers of the Condominium the Working Capital funds may be used to reduce the Common Charges. The Working Capital fund may also be utilized to reimburse Sponsor for prepaid expenses of the Condominium. The only budgetary item that might require a substantial credit to the Sponsor would be the insurance disclosed in Schedule B. At such time as the Sponsor relinquishes control of the Board of Managers any remaining balance of the Working Capital fund will be turned over to the Board of Managers.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of the Working Capital funds.

XXVII. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Sponsor has received a proposal to enter into a Management Agreement with Black Diamond Realty, 401 Franklin Avenue, Suite 104, Garden City, NY 11530 for management of the Condominium. The Management Agreement shall become effective on the day the first Home closes and shall continue in full force and effect for three (3) years from the day the last Home closes at an annual fee as provided for in the budget for the first year of operation of the Condominium, payable in equal monthly installments. The management fee will be prorated based on the number of closed Homes.

The Managing Agent is unaffiliated with the Sponsor or any of its principals.

Pursuant to the terms of the Management Agreement the Managing Agent shall perform the following services as more detailed in the Management Agreement:

(a) Cause to be hired, paid and supervised, all persons necessary to be employed in order to maintain and operate the Condominium.

(b) Cause the Condominium to be maintained in such condition as may be deemed advisable by the Board of Managers and cause routine repairs to be made. Ordinary repairs or alterations involving an expenditure in excess of Five Hundred ($500) Dollars for any one item, shall be made only with the prior approval of the Board of Managers, but emergency repairs, i.e., those immediately necessary for the preservation or safety of the Condominium or for the safety of residents, or other persons, or required to avoid the suspension of any necessary service in the buildings, may be made by the Agent, irrespective of the cost thereof, without the prior approval of the Board of Managers.

(c) Enter into contracts for electricity, air conditioning, water treatment, telephone, window cleaning, rubbish removal, security agency protection, vermin extermination, landscaping, snow removal, refuse removal and other services or such of them as shall be advisable but any such contract must be authorized by the Board of Managers if for longer than two (2) years or requires annual payments in excess of One Thousand ($1,000) Dollars.

(d) Purchase all supplies which shall be necessary to properly maintain and operate the Condominium.

(e) Advise the Board of Managers with respect to proper insurance coverage of the Condominium.

(f) Check all bills received for services, work and supplies ordered in connection with maintaining and operating the Condominium.

(g) Bill and collect on a monthly basis, all Homeowners for the monthly Common Charges.

(h) Cause to be prepared and filed all necessary form for employment insurance.

(i) Render or cause to be rendered regular monthly statements of collections and disbursements for the preceding month to the Homeowner no later than the fifteenth (15) day of each month.

(j) Maintain orderly files containing all records, insurance policies, correspondence, receipt of bills and vouchers, and all other documents pertaining to the buildings or the operation thereof.

(k) Cooperate with the Sponsor's accountant in regard to the preparation and filing on behalf of the Sponsor of federal, state, and any other income or tax returns.

(l) When requested, send notices to the Homeowners and cause a representative of its organization to attend an annual meeting of the Homeowners.

The Managing Agent shall not be liable to the Condominium for any loss or damage not caused by the Managing Agent's own gross negligence or failure to comply with its obligations under the Management Agreement. The Condominium will indemnify the Agent against and hold the Agent harmless from: (a) any liability, damages, costs and expenses (including reasonable attorney's fees) sustained or incurred for injury to any person or property in, about and in connection with the Condominium, from any cause whatsoever, unless such injury shall be caused by the Agent's own gross negligence or failure to comply with its obligations; (b) any liability, damages, penalties, costs and expenses, statutory or otherwise for all acts properly performed by the Agent pursuant to the instructions of the Condominium; provided, in each of the foregoing instances, that the Agent promptly advises the Condominium of its receipt of information concerning any such injury and the amount of any such liability, damages, penalties, costs and expense. The Condominium will carry liability insurance, worker's compensation and employer's liability insurance, will include the Agent as a party insured under the liability policy and will deliver a copy of such liability policy to the Agent or a certificate evidencing the same.

During the term of the Management Agreement only the Managing Agent may terminate the Management Agreement. The Management Agreement may not be assigned by either party without the written consent of the other.

XXVIII. IDENTITY OF PARTIES

Sponsor

The Sponsor is McKinley Rose LLC, with an address at 445 Northern Boulevard, Suite 12, Great Neck, New York 11201, a New York limited liability company created on January 31, 2019. The sole principal of the Sponsor is Jinsong Yang, with an address the same as the Sponsor.

Mr. Yang has been involved in real estate investment and development for over 15 years. He is the Founder and President of McKinley Homes, an affiliated entity of Sponsor, and has developed numerous residential projects Georgia. Mr. Yang has participated in the development and offering of numerous condominium and homeowners association properties in Georgia, including Lombard Estates (Ellenwood, GA), a 47-unit single family home subdivision, Heritage Place (Jonesboro, GA), a 32-unit townhome community, 788 West Midtown (Atlanta, GA), a 279-unit Condominium, and Saddle Ridge (Lithonia, GA), a 182-unit single family home subdivision. Mr. Yang has not participated in any public offerings in the State of New York. Neither the

Sponsor nor the principal thereof own ten (10%) or more of any unsold shares or units of any condominiums, cooperatives, or homeowners associations.

Neither Sponsor nor any principals thereof have any prior felony convictions; and neither Sponsor nor any principal thereof have any prior bankruptcies, convictions, injunctions and judgments against the Sponsor, any principals of the Sponsor, and/or entities in which principals of the Sponsor were principals, that may be material to the Offering Plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of the proposed Offering Plan.

Selling Agent

The Selling Agent is Foxdale Realty NY LLC, a New York limited liability company with an address of 655 Engineering Drive, Suite 208, Norcross, Georgia 30092. The Selling Agent is experienced in the sale of residential properties. The Selling Agent is an affiliated entity of the Sponsor.

Neither Selling Agent nor any principals thereof have any prior felony convictions; and neither Selling Agent nor any principal thereof have any prior bankruptcies, convictions, injunctions and judgments against the Selling Agent, any principals of the Selling Agent, and/or entities in which principals of the Selling Agent were principals, that may be material to the Offering Plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of the proposed Offering Plan.

Managing Agent

Black Diamond Realty, 401 Franklin Avenue, Suite 104, Garden City, NY 11530, will be the Managing Agent as per the terms of Section XXV of the Offering Plan. Its principals have managed residential properties for approximately 25 years and presently or have previously acted as managing agent for rental apartment buildings as well as the following condominiums and cooperative housing corporations: Doubleday Court Condominium, The Bel Aire Condominium, The Seasons at Seaford Condominium and The Seasons at Elwood Homeowners Association.

Neither the Managing Agent nor any principals thereof have any prior felony convictions; and neither he Managing Agent nor any principal thereof have any prior bankruptcies, convictions, injunctions and judgments against the Managing Agent, any principals of the Managing Agent, and/or entities in which principals of the Managing Agent were principals, that may be material to the Offering Plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of the proposed Offering Plan.

The Managing Agent is not affiliated with the Sponsor and does not have any financial interest in the Property except for its management fees for managing the Condominium.

Attorney

The law firm of Certilman Balin Adler & Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554 has been engaged by the Sponsor regarding the preparation of this Offering Plan. The individual partner in said firm responsible for the preparation of the Offering Plan is Richard Herzbach, Esq.

Certilman Balin Adler & Hyman, LLP will also represent the Sponsor at all closings and will act as the Escrow Agent as disclosed in Section XI of the Offering Plan. The fact that Sponsor's Attorney will act as closing agent and Escrow Agent will not affect the attorney's ability to carry out its obligations as Escrow Agent and such dual role will not create any conflict of interest.

Certilman Balin Adler & Hyman LLP has no financial interest in the Property, the Sponsor, the Condominium or any other party involved in this transaction, except for its fee for services rendered in connection with the Condominium.

Architect/Engineer

The architect who prepared the report in Part II and who executed an independent Certification in Part II is Mojo Stumer + Associates, 14 Plaza Road, Greenvale, NY 11548. The firm of Cameron Engineering prepared the site engineering portion of the Description of Property Report and executed an independent Certification in Part II of the Offering Plan. The firms do not have any financial interest in the Property, the Sponsor, the Condominium, or any other party involved in this transaction, except for their fee for services rendered in connection with the Condominium. Said firms have had prior experience in the preparation of plans and specifications for other condominiums in the Metropolitan area.

XXIX. REPORTS TO HOMEOWNERS

It is the obligation of the Board of Managers of the Condominium to give all Homeowners annually:

(i) a financial statement of the Condominium prepared by a certified public accountant or public accountant by a specific date; such statement shall be certified while the Sponsor retains a majority of the Members of the Board of Managers and such statement shall be provided no later than four (4) months after the close of the fiscal year;

(ii) prior notice of the annual Homeowners' meeting within at least ten (10) days but not more than thirty (30) days prior to such meeting; and

(iii) 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. While Sponsor is in control of the Board of Managers such budget will be certified in accordance with the regulations of the Department of Law.

XXX. DOCUMENTS ON FILE

Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all Schedules 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 Sponsor's office for six years from the date of first Closing. The 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 Home.

XXXI. GENERAL

Pending Litigation

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

Prior Offerings

This property has not been the subject of any prior public offerings. No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the Units being offered for sale in the Plan and no deposits or advances of funds have been taken by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Units, prior to submission of the Plan to the Department of Law. The property forming the Condominium is vacant land and therefore, there are no residential or commercial tenants occupying the premises.

Non-Discrimination

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

Amendment of Plan

The Plan may be amended at any time and from time to time provided that, if the amendment is a material and substantial modification of the Plan which adversely affects Purchasers, then anyone who has theretofore executed a Purchase Agreement shall be given not less than thirty (30) days after a copy of the duly filed amendment is mailed or otherwise delivered to them by written notice to the Sponsor to cancel the Purchase Agreement and to obtain a refund, in full, of the Deposit made therewith with interest, if any. No person has been authorized to make any representation which is not expressly contained herein. This Plan may not be changed or modified orally.

XXXII. SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

Sponsor adopts the Description of Property set forth in Part II of the Plan. Sponsor has no knowledge of any material defects or need for major repairs except as set forth in the Description of Property Report set forth in Part II of the Plan. Purchasers should be aware that they may be living in an active construction site after they close on their Home. During this period of construction there may be dirt and debris and construction material on site, construction vehicular traffic, construction noises, unfinished areas of the Development and other inconveniences which are normal in a community undergoing construction. The property forming the Condominium is new construction and, therefore, there are no residential or commercial tenants occupying the premises.

MCKINLEY ROSE LLC
Sponsor

Date of Offering Plan: January 3, 2022
East Meadow, New York

O F F E R I N G S TA T E M E N T

THE ROSE CONDOMINIUM

218 Middle Neck Road
Village of Great Neck Estates, Nassau County, New York 11021

PART II

SCHEDULE D

PURCHASE AGREEMENT

PURCHASE AGREEMENT

Date_____

Home No. _____ **Parking Space No(s).** _____ **Storage Space No.** _____

The Rose Condominium 218 Middle Neck Road, Great Neck, New York 11021

Anticipated Closing Date: _____

Seller: McKinley Rose LLC ("Seller or "Sponsor")

Address: 445 Northern Boulevard, Suite 1, Great Neck, New York 11021

Purchaser(s): _____

Home Address: _____

Home Telephone Number: _____

Business Telephone Number(s): _____

Email Address: _____

Social Security Number(s): _____

Purchaser's Attorney: _____

Attorney's Contact Information: _____

Phone:_____
Fax: _____
Email: _____

Seller and Purchaser agree as follows:

1) **PURCHASE PRICE** –

Home	$_____
Builder upgrades, extra, options, custom or special work (collectively, "Extras")	$_____
Parking space and/or storage space license acquisition fee	$_____
TOTAL	**$**_____

PAYABLE AS FOLLOWS:

On the signing of this Purchase Agreement, _____% of the Purchase Price ("Deposit")	$_____
Purchaser's certified or bank cashier's check (drawn on a New York Bank) payable directly to the order of Seller or Seller's designee on the Closing of Title	$_____
TOTAL	**$**_____

Any payment made by check is accepted subject to collection. If any check tendered is not honored, Purchaser shall deliver a certified check or bank cashier's check to Seller to replace the dishonored check within seventy-two (72) hours after demand for replacement, therefore. Notwithstanding the foregoing, if for any reason whatsoever the check given by Purchaser as the Deposit hereunder is dishonored, Seller shall have the right to cancel this Purchase Agreement. Seller's election to cancel shall not be deemed a waiver by Seller 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 PURCHASER'S CERTIFIED CHECK OR OFFICIAL BANK TELLER'S CHECK DRAWN ON A NEW YORK CLEARINGHOUSE BANK PAYABLE DIRECTLY TO SELLER OR SELLER'S DESIGNEE. IF PAYMENT SHALL BE MADE TO SELLER'S DESIGNEE, SELLER SHALL GIVE PURCHASER PRIOR INSTRUCTIONS. UNCERTIFIED CHECKS OF FUNDING COMPANIES, ATTORNEY ESCROW CHECKS AND CHECKS PAYABLE TO PURCHASER OR ANOTHER PARTY AND ENDORSED TO SELLER WILL NOT BE ACCEPTED AND TENDER OF SAME WILL NOT CONSTITUTE COMPLIANCE BY PURCHASER OF PURCHASER'S OBLIGATIONS HEREUNDER.

2) **DESCRIPTION OF HOME** - Seller agrees, at its own cost and expense, to erect and complete, and Purchaser shall buy from Seller, the condominium home(s) known as Home No. _____ ("Home"), with a _____ percent undivided interest in the General Common Elements of the condominium (the "Common Elements") known as The Rose Condominium (the "Condominium") located at 218 Middle Neck Road, Village of Great Neck, Town of North Hempstead, County of Nassau, State of New York and as described in the Declaration of Condominium, recorded or to be recorded in the Nassau County Clerk's Office, built or to be built by the Sponsor on property comprising the Condominium Map (the "Property"), filed or to be filed in the Nassau County Clerk's Office. The Home shall be constructed in accordance with the requirements as to materials and workmanship of the Building Department of the Village of Great Neck, which, when completed, will be in substantial accordance with the plans as filed or to be filed with the Building Department of the Village of Great Neck.

The Home may vary from any models displayed to Purchaser, and Purchaser shall not rely on any model depiction of the homes in the Condominium. All dimensions are approximate and may vary from the floor plans of the Condominium.

The Home shall not include any of the following if displayed in any home or model home: decorative fixtures, furniture, furnishings, paint, wallpaper, carpeting, shelves, wall and window treatments, built-ins, burglar alarm systems, central vacuum systems, high-hat lighting, additional fixtures and switches added for decorative purposes and other optional fixtures or features exhibited in any model homes and/or any sales office excepting those specifically set forth as may be attached to this Purchase Agreement, or included herein.

3) **OFFERING PLAN** - Seller 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 amendments thereto filed to date, 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 herein. Purchaser agrees to be bound by the Offering Plan, including all amendments thereto now or hereafter filed by Seller (collectively, the "Plan"). Seller may freely amend the Plan in any respect from time to time, without Purchaser's approval or consent. 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. Any defined term set forth in this Purchase Agreement, which is not specifically defined herein, shall have the meaning ascribed to them in the Plan.

Purchaser shall deliver all documents to Seller and perform all acts required by Seller to carry out the provisions of the Plan, establish the Condominium and conform to all applicable laws and regulations. This Paragraph shall survive Closing and delivery of the deed.

4) **MORTGAGE FINANCING** - 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 full force and effect and Purchaser shall have an ongoing obligation to consummate the transaction. If Purchaser does not consummate this transaction and close title to the Home because of Purchaser's inability to obtain a mortgage, Purchaser will be in default under this Purchase Agreement and Seller may retain all monies as provided for in Paragraph 22 herein.

5) **CLOSING** - The act of transferring ownership of the Home 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". The Anticipated Closing Date indicated on the first page of this Purchase Agreement is an approximate date and Seller cannot make any guarantees that such date will be the actual Closing Date. Seller shall have the right to adjourn or advance such Closing Date as provided herein. The Closing shall take place at such time and place and on such date as Seller shall designate by prior written notice (the "Notice for Closing") delivered in accordance with Paragraph 30 herein, which shall be given no less than thirty (30) days before the date set for Closing. Purchaser may waive the thirty (30) day notice period by execution and delivery of a waiver in the form set forth as Schedule D-4 to the Purchase Agreement in the Plan.

Should Seller be unable to convey title to Purchaser in accordance with the Notice for Closing, Seller shall have the right, from time to time, to adjourn the date and time for Closing on written notice to Purchaser. In such event, Seller shall, by a new Notice for Closing, fix a new date and time for Closing, which shall be no less than ten (10) days before the new scheduled date and time for Closing.

If the Closing takes place at the request of Purchaser at any location other than the office of Seller's attorney, Purchaser shall pay to Seller's attorney a travel fee in the sum of $750. The Closing may not take place in any other location without Seller's prior written consent.

In the event the Closing is adjourned, with or without Seller's consent, at the request of Purchaser or Purchaser's attorney or Purchaser's lender (or lender's attorney), within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall pay Seller's attorney an adjournment fee in the sum of $750.

If Purchaser is not in default under this Purchase Agreement and the Closing has not taken place within twelve (12) months after the Anticipated Closing Date set forth on the first page of this Purchase Agreement, either Seller or Purchaser may cancel this Purchase Agreement by forwarding written notice of cancellation (the "Notice of Cancellation") to the other no later than ten (10) days after expiration of such twelve (12) month period. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of this Purchase Agreement. Upon receipt of the Notice of Cancellation, Seller shall refund to Purchaser, subject to the escrow provisions as disclosed in Section XI of the Offering Plan and Paragraph 29 of this Purchase Agreement, all payments, other than Extras which have been (i) installed by Seller, (ii) not installed but paid for by Seller or (iii) not installed but which have been ordered by Seller and for which Seller is obligated to pay, unless the Plan has been abandoned. In addition, in the event the Plan is abandoned, Purchaser shall be entitled to receive a refund of all funds paid to Seller for such Extras. Thereafter, neither party shall have any further liability or obligation to the other in connection with this Purchase Agreement or the transaction contemplated herein. In the event Seller shall be unable to convey title to the Home within twenty-four (24) months of the proposed date of delivery through no fault of Purchaser, this Purchase Agreement shall be deemed null and void and Seller shall return all monies being held in escrow within thirty (30) days thereafter.

6) **CLOSING COSTS** - In addition to all other sums payable or reimbursable elsewhere under this Purchase Agreement, at closing Purchaser shall pay, or reimburse to Seller if Seller has already made payment, or pay to any lender, all applicable charges for:

(i) Inspections or questionnaires required by Purchaser's lender, if any;

(ii) Appraisals required by Purchaser's lender, if any;

(iii) $355 for Nassau County TM Verification Fee;

(iv) $1,000 for water tap fee;

(v) $1,000 for sewer tap fee;

(vi) $1,000 for survey and surveying services fee;

(vii) Title examination and policy insuring Purchaser's lender's interest, if any;

(viii) Purchaser's lender's attorney's fees for preparation of all loan documents (if any);

(ix) Purchaser shall be required to pay to Sponsor's attorney, Certilman Balin Adler & Hyman, LLP, a fee in the sum of $3,000 for each Home purchased, which will cover the document preparation fees and other fees and expenses of processing the sale of the Home, at the same time as the balance of the Purchase Price for the Home is due and payable hereunder. If the Closing takes place at the request of Purchaser at any location other than the office of Seller's attorney, Purchaser shall pay to Seller's attorney a travel fee in the sum of $750. In the event the Closing is adjourned, with or without Seller's consent, at the request of Purchaser or Purchaser's attorney or Purchaser's lender (or lender's attorney), within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall pay Seller's attorney an adjournment fee in the sum of $750;

(x) 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);

(xi) Mortgage recording taxes, if any;

(xii) Governmental charges which may be assessed on account of the mortgage loan, if any;

(xiii) Mortgage insurance, if any and required;

(xiv) New York State real property transfer tax on the deed;

(xv) New York State Mansion Tax pursuant to New York State Tax Law §1402-a and §1402-b, if any;

(xvi) All recording and filing charges payable on account of the transfer of title and recording of all documents in connection therewith;

(xvii) 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;

(xviii) An initial non-reimbursable Condominium Working Capital Contribution equal to two months of Condominium Common Charges paid by a Home 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;

(xix) Recordation or filing fees of the Home/Unit Power of Attorney to be executed by Purchaser at Closing; and

(xx) Pro-rata share of the Condominium's Insurance Premium for the First Year of Operations based on the Home's Percentage of Common Interest

apportioned for the First Year of Operations wherein Purchaser shall only pay such adjustment from date of Closing.

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, sewer use, water use and any other utility costs. Purchaser shall also pay the Deposits 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; Water and Sewer charges, if any; Common Charges, if they have been declared by the Board of Managers. 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).

Seller shall also be entitled to any other costs referenced to in Section XV of the Plan if not specifically contained herein.

Purchaser shall pay to Seller at or prior to the date of the actual adjourned Closing, an amount equal to .0438% per diem (which equals an annual rate of 16%) of the Purchase Price for the Home for each day beyond such originally scheduled or Seller adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Seller’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. This Paragraph shall survive Closing and delivery of the deed.

7) **APPORTIONMENT OF TAXES** – In the event that on the Date of Closing any General, County, Town, Village, School or other real estate taxes, as applicable, have not yet been apportioned despite Seller’s application for same, all un-apportioned tax bill(s) due for the Home have been or will be paid by Seller. At Closing, Purchaser shall pay to Seller Purchaser’s pro-rata share of the un-apportioned taxes from the Date of Closing through the end of the applicable tax period paid by Seller. Purchaser hereby agrees that in the event that following the Date of Closing any of the applicable taxes for the Premises remain un-apportioned and Seller receives and pays such un-apportioned tax bill(s) which include the taxes applicable to the Home, Purchaser shall reimburse Seller for Purchaser’s pro-rata share of such tax bill(s) promptly following receipt of written notice from Seller, which notice shall contain proof of payment of the relevant real estate tax and a calculation of the amount due by Purchaser. This Paragraph shall survive the closing of title and delivery of the deed to the Premises.

8) **MORTGAGES** – All terms and provisions of this Purchase Agreement and all payments made hereunder are and shall be subject and subordinate to the lien of any acquisition, improvement, interim or building loan mortgage heretofore or hereafter

made and any advances heretofore or hereafter made thereon, to the full extent thereof without the execution of any further documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the loan schedule of payments or accelerated thereunder by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments. Seller shall satisfy all such mortgages or obtain a release of the Home and its appurtenant percentage of Common Interest in the Common Elements from the liens of such mortgages at or prior to Closing.

9) **DEED AND ENCUMBRANCES UPON OWNERSHIP** - The deed to be given by Seller to Purchaser at Closing shall be a Bargain and Sale Deed with Covenant against Grantor's Acts, but subject, nevertheless, to the matters set forth in sub-paragraphs (a) through (g) below and any additional exceptions stated in Section XV of the Plan, as it may be amended, which need not be recited in the deed given at Closing but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Seller in proper statutory form for recording (except for payment of the New York State Transfer Tax which is the obligation of Purchaser) so as to convey to Purchaser fee simple title to the Home, 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. Purchaser shall accept such title to the Home subject to the liens, encumbrances and other matters set forth in this Purchase Agreement as Advantage Title, 201 Old Country Road, Suite 200, Melville, New York 11747, as agent for a title company authorized to do business in the State of New York is willing to approve and insure without additional premium. Purchaser may obtain title insurance from any title insurance company or abstract company, or Purchaser may decline to obtain any title insurance at all, however, Seller recommends that Purchaser utilize Advantage Title.

Purchaser shall be responsible for payment to the title company of the entire premium for Purchaser's title insurance and shall also pay the applicable New York State transfer tax and any additional tax payable on account of the transaction. Purchaser shall also be responsible for payment to the title insurance company or abstract company, as the case may be, of the entire premium for Purchaser's lender, if any, title insurance and title charges.

The sale and transfer of ownership of the Home to Purchaser shall, even though not stated in the deed, be subject to:

a. Terms, Restrictions and Conditions set forth in the Declaration of Condominium and By-Laws of the Condominium for The Rose Condominium, recorded or to be recorded in the Nassau County Clerk's Office;

b. 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 Homes or, if any, as the case may be;

c. 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;

d. Any interim lease with this Purchaser of such Home and any other leases, tenancies and occupancies permitted by this Purchase Agreement for such Home;

e. 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 Home;

f. 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;

g. Party Wall agreements, if any;

h. 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;

i. 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 Home or is fully paid for, or (iii) a tenant is the debtor thereunder; and

j. 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 Home 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 Home 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 Home 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 Home 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:

   (i) Easements for the continuance of encroachments on the Home 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 Homes or such Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to any Unsold Home or the Common Elements made by Sponsor, or the Board and similar encroachments by the Home on other Homes, and/or the Common Elements, so that any such encroachments may remain as long as the Building stands;

   (ii) Easements in favor of the Owners of other Homes 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 Home itself or elsewhere on the Property, serving such other Homes, and easements of support, subjacency and necessity in favor of each Home and/or the Common Elements;

(iii) 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 Home Owners) for construction contemplated by the Plan and for development and maintenance of the Property or any Home; 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 Homes and the leasing of space in any Home (see also the heading “Sponsor's Right of Access” in “Rights and Obligations of Sponsor”);

(iv) Easements in favor of the Board, its agents, contractors and employees to have an unlimited right of access to the Home and to the Common Elements, to inspect, maintain or repair or to make repairs to the Home to prevent damage to the Common Elements, or any other Homes;

(v) Sponsor shall have an easement without the necessity of obtaining the consent of the Condominium Board and/or Home Owners (i) over the Property, including each Home 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 facade, lobby or any other public portion of the Property) for the purposes of advertising the sale of Homes and the leasing of the Homes or of space in any of the Homes or advertising any of the services and/or facilities of such Home Owner or the services and/or facilities of any tenant occupying such Home Owner's Home(s); (ii) over the Property, including each Home and the Common Elements in connection with the sales and/or leasing of Homes; (iii) over any portion of the Property, including each Home 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 Home), inspection, maintenance, repair, operation, improvement or use of any of the following serving their respective Homes,

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.

(vi) 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 Home as a Condominium Home.

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 Home 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) **PERSONAL PROPERTY INCLUDED IN SALE** - All articles of personal property, fixtures and equipment for the Home which are included in this sale will be delivered free and clear of all liens and encumbrances, except as stated in Paragraph 9 herein, if applicable.

11) **POWER OF ATTORNEY** - At Closing, Purchaser shall execute, acknowledge and deliver to Seller in recordable form, a power of attorney in the form set forth as Schedule E to the Plan (the “Power of Attorney”), in favor of the Board of Managers of the Condominium relative to leasing and purchasing of homes in the Condominium under certain circumstances and to foreclose upon homes in the Condominium for which the payment of Common Charges is delinquent, and in favor of Seller relative to amending the Condominium documents to the extent provided for in the Plan. Purchaser further agrees to execute and pay for any recording fees in the event the form required to be used for a Power of Attorney is revised subsequent to the date of the Closing. This Paragraph shall survive closing and delivery of the deed.

12) **ENCUMBRANCES/LIENS EXISTING AT CLOSING** - The existence of anything affecting the sale at Closing, including unpaid taxes or liens of any kind, shall not constitute an objection to title provided Advantage Title, 201 Old Country Road, Suite 200, Melville, New York 11747, or another title or abstract company licensed to do business in New York selected by Purchaser, is willing to insure Purchaser’s title clear of the matter or is willing to insure against enforcement or collection out of the Home upon Seller’s doing whatever acts as may be reasonably required by said company and/or the depositing of money not to exceed the net Purchase Price due Seller after payment of Seller’s closing expenses and mortgage release amount. Seller may pay and discharge any liens and encumbrances upon the Home, not provided for in this Purchase Agreement, out of the monies to be paid by the Purchaser at the time of Closing.

13) **EXTRA WORK AND EXTRA ITEMS ORDERED BY PURCHASER -** Any Extras ordered from Seller by Purchaser which are not included in the plans or standard model of the Home shall, except as may otherwise be provided in this Purchase Agreement or in a writing signed by Seller, be paid for in full by Purchaser at the time they are ordered. The failure of Seller to perform or supply and install such Extras shall not entitle Purchaser to cancel this Purchase Agreement even if Purchaser has already paid for such Extras. Purchaser's only right, in the event of Seller's failure to perform the work required to install or actually install such Extras, is to receive a refund or credit at Closing equal to the total payments made to Seller for such Extras. All Extras must be ordered prior to commencement of construction and must not delay construction. In the event Purchaser orders Extras other than the standard Extras ordered by Seller, Seller or Seller'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 the payment schedule of Seller, Seller's contractors or sub-contractors, as applicable, shall constitute a breach in accordance with Paragraph 22 herein. All funds received by Seller for Extras will initially be placed in the Escrow Account (as provided in Paragraph 29 herein). Such funds may be released from the Escrow Account as long as Seller uses the funds for such Extras. As noted as a Special Risk in the Plan, in the event Purchaser is entitled to rescission, Purchaser will not receive a refund of any funds paid for Extras which have been (i) installed by Seller, (ii) not installed but paid for by Seller or (iii) not installed but which have been ordered by Seller and for which Seller is obligated to pay, unless the Plan has been abandoned. In the event the Plan is abandoned, Purchaser shall be entitled to receive a refund of all funds paid to Seller for such Extras. Seller shall have no responsibility for any work, fixtures, appliances, equipment or materials not ordered directly from Seller by Purchaser. Any orders which Purchaser places directly with Seller's contractors or suppliers shall not be deemed to have been ordered directly from Seller and Seller shall not be responsible or liable with respect to same.

14) **OPTIONS AND COLOR SELECTIONS** - Any options offered by Seller to Purchaser with respect to colors, products, materials, design, features and similar matters shall be made by Purchaser in writing at Seller's office or the sales office, within ten (10) days after notification to Purchaser to select such options. If Purchaser fails to inform Seller of Purchaser's final selections within such ten (10) day period, Seller shall make the selection on Purchaser's behalf and Purchaser shall accept such selection. No claim or objection to Closing shall be made by Purchaser because of any selection made by Seller in the event Purchaser failed to give Seller timely notice of Purchaser's final selections.

15) **NO INSPECTIONS DURING CONSTRUCTION** - Purchaser acknowledges that unsupervised visits to the Property present a dangerous circumstance and could incur liability to Seller. **Unless specifically agreed to by Seller in writing, Purchaser shall not visit the Home or any other portion of the Property and shall only have the right to visit the sales office. Any unauthorized visits to the Property by Purchaser are subject to a charge by Seller of $500.00 per visit, which Purchaser agrees to pay to Seller within ten (10) days of demand or billing thereof.** Purchaser hereby releases and indemnifies, defends and holds Seller harmless from and against any and all claims and liabilities incurred by Seller resulting from the

presence of Purchaser or Purchaser's family members, agents, licensees or invitees on the Property prior to Closing. Purchaser further agrees to execute the Express Assumption of Risk Form, in the form set forth as Schedule D-4 to the Plan, annexed hereto and made a part hereof, together with Purchaser's execution of this Purchase Agreement.

16) **PURCHASERS' INTERFERENCE** - Purchaser acknowledges that it may not interfere with Seller's ability to construct the Home or other home(s) or facilities, including interference with work performed on the Property by Seller's staff in connection with the construction of the Home or any other homes, attempts to hire any of Seller's staff or contractors, and/or attempts to bring contractors, materialman, subcontractors or workers onto the Property for work to the Home prior to Closing, unless otherwise agreed to in writing by Seller.

17) **POSSESSION OF THE HOME PRIOR TO CLOSING** - Neither Purchaser nor anyone acting on Purchaser's behalf may enter or take possession of any part of the Home, nor have any work performed or materials supplied or installed at the Home, prior to Closing without the prior written consent of Seller.

Seller will accept no liability whatsoever for any property belonging to Purchaser, their agents, employees, family, or belonging to any party other than Seller which is placed on the Property and/or in the Home prior to Closing. No act of Seller, whatever its nature, shall constitute a waiver of this Paragraph.

18) **CHANGES BY SELLER -** In building the Home and performing any other work to the Home or on the Property, Seller 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 the buildings on the Property, (c) determine landscaping, type of plans and placement of plants, and grading on site to fit into the general pattern of the Condominium; (d) determine walks and streets to conform with topographical conditions; (e) determine the location and type of the homes to be constructed on the Property; (f) fix the location and setbacks of any building(s) or home(s); (g) determine the ultimate home type mix to be constructed on the Property; (h) determine whether existing trees, shrubs and other plant life are to be moved or removed, (i) add or remove retaining walls on the Common Elements where required by grade conditions; (j) determine the location of electric, gas and water meters, electric transformers, air conditioning compressors, speed bumps, mailboxes, refuse dumpsters and leaders and gutters; (k) relocate parking spaces; (l) change appliances as long as they are equal to or better than originally offered; and (m) make any other changes required by the Village of Great Neck, Town of North Hempstead, Nassau County, New York State or any other municipal agency.

19) **COMPLETION OF CONSTRUCTION; PURCHASER'S INSPECTION -** Purchaser shall accept title (without abatement or credit against the Purchase Price or provision for escrow) notwithstanding that construction of (a) minor details of the Home or the building in which it is located, or (b) other homes in the Condominium, or (c) the landscaped areas of the Property, or (d) parking spaces, or (e) other portions of

Property have not been completed. Purchaser will inspect the Home with a representative of Seller during normal business hours approximately three (3) days prior to Closing and will sign and deliver to Seller on or before Closing, a Pre-Title Inspection Statement supplied by Seller, acknowledging the condition of the Home. Purchaser agrees to accept the Pre-Title Inspection Statement wherein Seller shall agree to complete all unfinished items within six (6) months from the date of Closing, weather and other circumstances permitting. Any such incomplete items shall not constitute an objection to Closing. Purchaser shall allow Seller, its agents, servants and/or employees the right to enter the Home and shall provide reasonable access thereto subsequent to Closing to complete any incomplete items. In the event Seller is required to make any repair or complete any item of work to be performed by Seller after Closing, the limit of Seller's liability shall be to make said repair and/or to complete such item. This Paragraph shall survive Closing and delivery of the deed.

20) **CERTIFICATE OF OCCUPANCY** - At Closing, Seller shall deliver to Purchaser a final Certificate of Occupancy for the Home (or building in which it is located) and, if available, a New York Board of Fire Underwriter's Certificate or equivalent for the Home.

21) **HOME PART OF DEVELOPMENT** - Purchaser acknowledges that they may be living in an active construction site after Closing on the Home. During the period of construction, there may be dirt and debris and construction material on the Property, construction vehicular traffic, construction noises, unfinished areas of the Condominium and other inconveniences which are normal in a community undergoing construction. Purchaser further acknowledges that other homes and infrastructure are presently being constructed at the Property and that Seller anticipates that such construction shall continue until the Condominium project is completed in accordance with the Plan. Accordingly, Purchaser agrees that such continuing construction shall not be deemed a nuisance or an interference with Purchaser's quiet enjoyment of the Home after Closing. This Paragraph shall survive Closing and the delivery of the deed.

22) **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 the Notice for Closing, or if Purchaser fails to observe or perform any other obligation on the part of Purchaser to be observed or performed by Purchaser under this Purchase Agreement, Seller 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 Seller's option, be deemed canceled and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the Purchase Price plus all additional sums paid and/or payable by Purchaser for all Extras as per the provisions of Paragraph 13 of this Purchase Agreement. Purchaser acknowledges said amount to be fair and reasonable. Notwithstanding the foregoing, in the event the Plan is abandoned pursuant to its terms, Purchaser shall be entitled to the return of all monies paid toward Extras.

Prior to such funds being released to Seller the Escrow Agent shall send a notice to Purchaser of Escrow Agent's intent to release the funds being held in escrow on

behalf of Purchaser pursuant to the escrow regulations as described in Section XI of the Plan and Paragraph 29 of this Purchase Agreement.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH THIRTY (30) DAY PERIOD.

Upon cancellation of this Purchase Agreement for Purchaser's failure to timely cure any default, Seller shall be released and discharged of all further liability and obligations to Purchaser under this Purchase Agreement. Thereafter, the Home may be sold or disposed of as though this Purchase Agreement had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under this Purchase Agreement at law or in equity for any default by Purchaser under this Purchase Agreement.

23) **SELLER'S RIGHT TO CANCEL** - Seller may cancel this Purchase Agreement by forwarding a full refund of the Deposit and the funds paid for Extras 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 Seller's regular suppliers or from using same in the construction and/or completion of the Home; or

(b) Seller 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) 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, which create or impose requirements upon Seller which are not presently contemplated; or

(e) the Plan is abandoned, withdrawn or not consummated for any reason.

Upon such cancellation and refund, 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 Plan.

24) **INABILITY OF SELLER TO TRANSFER OWNERSHIP** – Subject to the provisions of Paragraph 5, if Seller fails to complete and/or deliver title for any reasons, Purchaser may pursue any remedies to which Purchaser is entitled under applicable law.

25) **PROHIBITION AGAINST ASSIGNMENT OR RECORDING OF PURCHASE AGREEMENT** - Neither this Purchase Agreement nor Purchaser's interest hereunder may be assigned by Purchaser without the written consent of Seller. In addition, neither shall this Purchase Agreement nor any memorandum thereof be recorded in the office of any county clerk or the Nassau County Clerk's Office, the Office of the Clerk of any other county by Purchaser or on behalf of Purchaser. Should Purchaser violate the provisions of the foregoing sentence, this Purchase Agreement, at Seller's option, shall become null and void, whereupon all rights of Purchaser shall cease and terminate and Seller shall have the right to retain, as liquidated damages, the Deposit and all amounts paid by Purchaser for Extras installed by Seller, not been installed but paid for by Seller or not installed but which have been ordered by Seller and for which Seller is obligated to pay, pursuant to the provisions of Paragraphs 13 and 22 of this Purchase Agreement.

26) **PROHIBITION AGAINST SIGNS ON HOME** - Purchaser shall not place any sign on the Home or Property until Seller has closed title to all of the homes in the Condominium.

27) **PROHIBITION AGAINST ADVERTISING OF HOME FOR SALE** - From and after the date hereof through closing, Purchaser shall not place an advertisement for the sale of the Home in any newspaper or other publication or media or list the Home with any real estate broker. Such action shall constitute a material breach of this Purchase Agreement entitling Seller to retain monies paid on account of the Purchase Agreement as liquidated damages.

28) **NO BROKER CONSULTED BY PURCHASER** – Purchaser represents that no broker other than Seller's broker, Foxdale Realty NY LLC (the "Broker"), brought about this sale, and Purchaser agrees to indemnify Seller against any claim brought by any broker other than the Broker for brokerage commission based upon Purchaser's acts. Seller shall pay the Broker pursuant to a separate agreement between Seller and Broker. In the event Purchaser is represented or has consulted with an outside broker (other than the Broker), Purchaser shall be responsible for all costs and commissions associated therewith and Seller shall not be responsible for any co-broker commission. This Paragraph shall survive Closing and delivery of the deed.

29) **TRUST FUNDS/ESCROW PROVISIONS -** The Deposit and all other deposits or advances made by Purchaser prior to Closing shall initially be held in a segregated escrow account pursuant to the following:

(a) The law firm of Certilman Balin Adler & Hyman, LLP, with an address at 90 Merrick Avenue, East Meadow, New York 11554, telephone number - (516) 296-7000, shall serve as escrow agent ("Escrow Agent") for Seller and Purchaser. Escrow Agent's signator(ies) is/are admitted to practice law in the State of New York. Neither the Escrow Agent nor its authorized signator(ies) on the account are the Seller, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

(b) Escrow Agent and its authorized signatories hereby submit to the jurisdiction of the State of New York and its courts for any cause of action arising out of this Purchase Agreement or otherwise concerning the maintenance or release of the Deposit from escrow.

(c) Escrow Agent has established an escrow account at M&T Bank, located at 845 Franklin Avenue, Garden City, New York 11530 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled [TBD] The Rose Condominium IOLA Escrow Account ("Escrow Account"). The Escrow Account is an IOLA account pursuant to Judiciary Law §497. The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000.00 per deposit. Any deposit in excess of $250,000 will not be insured.

(d) All monies received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments approved by Seller, and shall be made payable to or endorsed by Purchaser to the order of Certilman Balin, as Escrow Agent.

(e) Pursuant to Judiciary Law § 497, all interest earned on the IOLA account will be paid to the State of New York. No fees of any kind may be deducted from the Escrow Account, and Seller shall bear all costs associated with the maintenance of the Escrow Account.

(f) Within five (5) business days after this Purchase Agreement has been tendered to Escrow Agent along with the Deposit, Escrow Agent shall sign this Purchase Agreement and place the Deposit into the Escrow Account. With ten (10) business days of the placing the Deposit into the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Seller, confirming the Deposit has been deposited. The notice shall provide the account number. Any deposits made for Extras shall initially be deposited into the Escrow Account and released as long as Seller uses the funds for such work as per Paragraph 13 of this Purchase Agreement.

(g) Escrow Agent is obligated to send notice to Purchaser once the Deposit is placed in the Escrow Account. If Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, Purchaser may cancel this Purchase Agreement within ninety (90) days after tender of this Purchase Agreement and Deposit to the 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, 28 Liberty Street, 21st Floor, New York, New York 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General of the State of New York is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning deposits and requisite notice was timely mailed to Purchaser.

(h) All funds received by Seller for Extras will initially be placed in the Escrow Account. At Sponsor's option, such funds may be released from the Escrow Account as long as Seller uses the funds for such Extras.

(i) All Deposits and other deposits, except for advances made for Extras received in connection with this 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 Seller, as per GBL § 352-h.

(j) Under no circumstances shall Seller seek or accept release of the Deposit of a defaulting Purchaser until consummation of the Plan as defined in Section 20.1 (c) (6) of the Department of Law regulations which defines consummation of the Plan, as the filing of the Declaration of Condominium and the first transfer of title to a home to at least one Purchaser under the Plan following a declaration of effectiveness by the Seller and acceptance of the amendment of the declaration of effectiveness by the Attorney General's Office. Consummation of the Plan does not relieve Seller of its obligations pursuant to GBL §§ 352-e (2-b) and 352-(h).

(k) Escrow Agent shall release the Deposit and all other deposits if so directed:

(i) pursuant to terms and conditions set forth in this Purchase Agreement, upon closing of title to the Home; or

(ii) in a subsequent writing signed by both Seller and Purchaser; or

(iii) by a final, non-appealable order or judgment of a court of competent jurisdiction.

If Escrow Agent is not directed to release the Deposit pursuant to paragraphs (i) through (iii) above, and Escrow Agent receives a request by either party to release the Deposit, then Escrow Agent must give both Purchaser and Seller prior written notice of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released, and Escrow Agent shall provide further written notice to both parties informing them of said release. If Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (i) through (iii) above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Home is located and shall give written notice to both parties of such deposit. Escrow Agent shall disburse Purchaser's deposit(s) escrowed under this Purchase Agreement within twenty (20) business

days after the escrowed funds are permitted to be released in accordance with this Purchase Agreement.

Seller shall not object to the release of the Deposit and other deposits, if any to:

(i) a purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

(ii) 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.

(l) Seller and Escrow Agent shall abide by the escrow terms and requirements stated in the Offering Plan.

(m) Any provision of this 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 Deposit and/or other deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in this Purchase Agreement, the Plan, or any amendment thereto.

(n) Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

(o) 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).

(p) 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.

(q) No disbursement need or will be made by Escrow Agent until the deposit has actually and finally cleared Escrow Agent’s account.

(r) Escrow Agent shall only be responsible for monies actually received and cleared, and monies earned thereon, if any.

(s) Escrow Agent undertakes to perform only such duties as are expressly set forth in this Purchase Agreement and the Escrow Regulations as amended on November 14, 2012, promulgated by the New York State Attorney General's Office, and no implied duties or obligations shall be read into this Purchase Agreement against Escrow Agent.

(t) Seller agrees that Seller and its agents, including any selling agents, shall deliver the Deposit and other deposits, if any, received by them prior to closing of the Home to a designated attorney who is a member of or employed by Escrow Agent, within five (5) business days of tender of the Deposit or other deposit by Purchaser.

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

(v) The following record keeping provisions shall apply:

(i) Escrow Agent shall maintain all records concerning the Escrow Account for seven (7) years after the release of the funds.

(ii) If Escrow Agent's firm is dissolved, 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.

(w) Prior to release of the Deposit and other deposits, Escrow Agent's fees and disbursements shall neither be paid by Seller from the Deposit or other deposits nor deducted from the Deposit or other deposits by any financial institution under any circumstance.

(x) Seller agrees to defend, indemnify and hold Escrow Agent harmless from and against any and all costs, claims, expenses, demands, causes of action, liability, judgments and damages incurred in connection with or arising out of Escrow Agent's responsibilities 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.

(y) Escrow Agent shall not be liable for Seller's failure to tender Purchasers' funds to Escrow Agent within five (5) business days, for any mistakes of

fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence.

(z) Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner or execution, or validity of any written instructions delivered to it, nor as to the identity, authority, or rights of any person executing the same.

(aa) The duties of Escrow Agent shall be limited to the safekeeping of the deposits and for disbursements of same in accordance with the written instructions described in this Purchase Agreement.

(bb) This Paragraph 29 shall remain in effect unless and until the following:

(i) Written notice given by Seller 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

(ii) The resignation of Escrow Agent upon giving notice to Seller 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

(iii) All homes offered pursuant to the Plan have been sold and all sales transactions have been consummated.

(iv) Escrow Agent shall have no responsibility to verify qualifications of any successor escrow agent.

(cc) Upon termination of the duties of Escrow Agent as described in Sub-paragraph 29(bb) above, Escrow Agent shall deliver any and all funds held by it in the Escrow Account and any and all contracts or documents maintained by Escrow Agent to the new escrow agent designated in the duly filed amendment related thereto.

(dd) Upon delivery of all funds held by Escrow Agent to the new escrow agent pursuant to sub-paragraph 29(cc) above, this Paragraph 29 shall be terminated, and Escrow Agent shall be released from all liability hereunder.

(ee) Upon Escrow Agent disbursing the Deposit and any other deposit of Purchaser in accordance with the provisions of this Paragraph 29, Escrow Agent’s obligations shall terminate as regards to such deposit, and Escrow Agent shall thereafter be released of all liability in connection with Purchaser.

(ff) In the event of a good faith disagreement about the interpretation of this Paragraph 29, or about the rights and obligations, or the propriety, of any action contemplated by Escrow Agent hereunder, Escrow Agent may, at its sole discretion, retain Purchaser's deposits and payments in escrow and file an action and deposit any applicable funds in a court of competent jurisdiction to resolve said disagreement. Escrow Agent shall be indemnified by Seller for all costs, including reasonable attorneys' fees or reasonable value of services rendered by Escrow Agent's litigation attorneys representing Escrow Agent pro se, in connection with the aforesaid action. No such action shall be filed where Escrow Agent's required course of action is clearly dictated within this Paragraph 29.

(gg) Any provision of any contract or agreement, whether oral or in writing, by which Purchaser purports to waive or indemnify any obligation of Escrow Agent holding trust funds is absolutely void. The provisions of the regulations of the Department of Law pertaining to escrow funds as amended on November 14, 2012 shall prevail over any conflicting or inconsistent provision in the Plan, an amendment to the Plan or in this Purchase Agreement.

(hh) This Paragraph 29 shall be construed in accordance with and governed by the laws of the State of New York.

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 Seller, 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 Seller may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given:

(a) upon personal delivery actually being made, and

(b) upon receipt or first refusal of delivery or when returned as undeliverable if delivered by (i) the Homeed States Post Office with proper postage prepaid, if sent by regular mail, registered or certified mail, return receipt requested; or (ii) overnight courier service.

Notice given by an attorney for a party shall be deemed effective notice as if given by such party.

31) **PURCHASER GENERAL 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 a Condominium building or the Home or the Property, the size or the dimensions of the Home or the rooms therein contained or any physical characteristics thereof, the services offered by the Condominium, the estimated

Common Charges for the Home or any other matter or estimate not set forth herein and/or in the Plan. Purchaser further represents that Purchaser has not relied on any verbal or written representations made by Seller, Broker or any other agent of Seller. Purchaser has had full opportunity to examine all documents and investigate all facts referred to and stated herein and in the Plan. Seller shall have no liability or responsibility to Purchaser and that Purchaser will not be relieved from Purchaser's obligations hereunder, by reason of any inaccuracy or error in the layout or dimensions of the Home so long as the layout and specifications, as they may be changed or amended, are in accordance with the provisions of the Plan. Seller cannot guarantee a firm completion and availability date for the Home and agrees that Seller shall not be obligated to make, provide or compensate for any accommodations or costs to Purchaser as a result of construction delays nor shall such delays serve to cancel, amend or diminish any of Purchaser's obligations hereunder. Purchaser may rely on the representations made in the Offering Plan.

32) **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 Seller and Purchaser. Neither Seller 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 Plan. Purchaser acknowledges that Purchaser is buying a Home 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 Declaration, By-Laws, Exhibits, Schedules and Plan, Purchaser has not relied on any representations or other statements of any kind or nature made by Seller or anyone else except as set forth in the Plan or any amendment thereto and/or this Purchase Agreement, including, but not limited to, the estimated Common Charges or other expenses relative thereto.

Purchaser also acknowledges that none of Seller'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 Seller. 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.

33) **RISK OF LOSS** - The risk of loss or damage to the Home by fire or any other cause until delivery of the deed is assumed by Seller. In the event a substantial portion of the Home, the building in which the Home is located or Condominium shall be destroyed or damaged prior to Closing, Seller shall be entitled to cancel this Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Deposit paid by Purchaser; however, Purchaser will not receive a refund of any funds paid for Extras that have been installed by Seller, not been installed but paid for by Seller or not been installed but which have been ordered by Seller and for which Seller is obligated to pay unless the Plan is abandoned. The parties shall thereafter be released from any further liability hereunder. However, if Purchaser is or becomes the occupant of the Home prior to Closing, 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 Home is damaged or destroyed by any casualty prior to Closing, Seller will have the option to restore the Home to its previous condition as soon as reasonably possible. In the event Seller elects to restore the Home, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Seller. Seller agrees to notify Purchaser of Seller's decision within ten (10) business days of the date of such casualty. In the event Seller elects not to restore the Home, then this Purchase Agreement will terminate, and Purchaser will receive a full refund of all monies paid to Seller. The parties shall thereafter be released from any further liability hereunder.

34) **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 Elements 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 Seller, then and in that event, Seller may complete same at the expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This Paragraph shall survive Closing and delivery of the deed.

35) **STRICT COMPLIANCE; SEVERABILITY; WAIVER OF TRIAL BY JURY; LIS PENDENS; ARBITRATION OF DISPUTES** - Any failure by either party to insist upon strict performance by the other of any of Purchaser's or Sponsor's obligations, as the case may be, under this Purchase Agreement shall not be deemed a waiver of such obligations; 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 Schedule "D-7" 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 Nassau County 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 Home, 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 Home, any other agreements, communications or dealings involving Purchaser, or the construction or condition of the Home, 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 McKinley Rose LLC, 445 Northern Boulevard, Suite 1, Great Neck, New York 11021). The arbitration hearing shall be held in Nassau County. 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 Home 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. This Paragraph shall survive Closing and delivery of the deed.

36) **LIEN OF DEPOSIT** - All sums paid on account of this Purchase Agreement are hereby made liens upon the Home, but such liens shall not continue after default by the Purchaser under this Purchase Agreement.

37) **AUTOMOBILES –** At Closing, Purchaser shall register each car Purchaser intends to park on the Property of the Condominium.

38) **SALE OF HOMES WITHIN EIGHTEEN (18) MONTHS –** Seller does not wish to sell the Homes to any Purchaser who intend to purchase a Home as a short-term resale investment. As such, if a Home is sold within eighteen (18) months from the Closing of Title to the Home, the Purchaser shall upon the sale of the Home pay Sponsor, at or before the resale Closing of the Home, an amount equal to ten (10%) percent of any profits of the Gross Sales Price of the resold Home defined as the total price of the resold Home without deductions for Closing or other transaction costs, less the original purchase price. Notwithstanding, the amount to be paid to the Seller upon such sale shall not be greater than the net proceeds of the sale of the Home, which would be the Gross Sales Price, less amounts owed on a mortgage and all Closing Costs. This provision only applies to the initial Purchaser of a Home from Seller and not to subsequent re-sales and does not apply if the Homeowner or spouse dies within the eighteen (18) month period or if all the Homes have been titled by Sponsor before the eighteen (18) month period. In addition, it does not apply to any mortgagee who forecloses or accepts a deed in lieu of foreclosure for a default under a first mortgage.

39) **MISCELLANEOUS** -

(a) The start of any activity by Seller in connection with the Home is not to be deemed a waiver of any of Seller's rights under this Purchase Agreement.

(b) The personal property referred to in this Purchase Agreement shall be deemed conveyed by the deed, and no part of the Purchase Price shall be deemed allocated to such personal property.

(c) The attorneys representing Seller, 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 interest.

(d) The delivery of the deed for the Home to Purchaser or Purchaser's representative at Closing shall be deemed to mean that all things required to be done by Seller 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 Seller or Seller's attorney on Seller's behalf, to survive or continue beyond Closing or delivery of the deed.

(e) The paragraph headings set forth in this Purchase Agreement are inserted solely for convenience of reference and in no way deemed to affect, amend, define, describe or limit the scope or intent of the provisions set forth in this Purchase Agreement.

(f) No provision of this Purchase Agreement may be changed, waived, discharged, or terminated orally, by telephone, or by any other means, except by an instrument in writing signed by the party against whom enforcement of such change, waiver, discharge, or termination is sought and then only to the extent set forth in such instrument.

(g) Any singular word or term herein shall also be read as in the plural whenever the sense of this Purchase Agreement may require it. The use of the masculine gender shall be deemed to refer to the feminine gender, or neuter, whenever the context so requires.

(h) All capitalized terms shall be given the definition contained in Part I of the Plan unless otherwise indicated.

(i) 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 Home and/or this Purchase Agreement. The act, assent, election or approval by one shall conclusively constitute the act, assent, election and approval by all.

(j) The provisions of this Purchase Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives,

successors and/or permitted assigns and shall bind and inure to the benefit of Seller and its successors and/or assigns.

(k) This Purchase Agreement shall not be binding or effective until fully executed and delivered by Seller and Purchaser.

(l) None of Seller's employees, agents or representatives is authorized to make any representations regarding economic benefits to be derived from this transaction. Purchaser is advised that economic benefits to be derived from this transaction may vary with individual circumstances and/or market conditions, and Purchaser should rely only upon Purchaser's own attorney, accountant, or other counsel if guidance in such matters is desired.

(m) Purchaser acknowledges that Seller has the right to lower and/or increase the price paid for a similar home and/or change the terms applicable to similar homes. As a result, Purchaser may pay more or less and may receive better or worse terms than another Purchaser for a similar home.

(n) Purchaser shall execute the Tender of Escrow Form, as set forth in Schedule D-2 of the Plan upon execution of this Purchase Agreement and at closing shall execute the Release Form, as set forth in Schedule D-3 of the Plan.

(o) None of Seller's employees, agents or representatives is authorized to make any representations regarding economic benefits to be derived from this transaction. Purchaser is advised that economic benefits to be derived from this transaction may vary with individual circumstances and/or market conditions, and Purchaser should rely only upon Purchaser's own attorney, accountant, or other counsel if guidance in such matters is desired.

(p) This Purchase Agreement and any Schedules, Riders, Addenda and Amendments thereto may be executed in any number of counterparts each of which shall be deemed an original and all of which together shall be deemed to constitute one and the same agreement. Electronic (i.e. portable document format (.pdf), email and facsimile) signatures shall be deemed originals for purposes of this Purchase Agreement.

(q) In the event any portion of this Purchase Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Purchase Agreement and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Purchase Agreement.

(r) The parties agree that this Purchase Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

40) **ZONING** - It is understood and agreed that, should zoning and/or building restrictions or 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) **LIMITED WARRANTY - THE LIMITED WARRANTY SET FORTH IN SCHEDULE D-7 OF THE 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 HOME. SELLER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY AND, EXCEPT AS EXPRESSLY SET FORTH IN THE LIMITED WARRANTY, SELLER 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 HOME, WHICH EXTEND BEYOND THE FACT THEREOF.**

PRIOR TO THE EXECUTION OF THIS PURCHASE AGREEMENT BY PURCHASER, PURCHASER ACKNOWLEDGES THAT SELLER HAS SUPPLIED TO PURCHASER FOR EXAMINATION AND PURCHASER HAS RECEIVED, READ AND UNDERSTOOD A WRITTEN COPY OF THE EXPRESS TERMS OF THE LIMITED WARRANTY.

PURCHASER FURTHER ACKNOWLEDGES THAT SELLER WILL CORRECT ANY DEFECTS IN THE CONSTRUCTION OF THE COMMON ELEMENTS OF THE CONDOMINIUM NOT COVERED BY ANY LIMITED WARRANTY, OR IN THE INSTALLATION OR OPERATION OF ANY MECHANICAL EQUIPMENT THEREIN, DUE TO IMPROPER WORKMANSHIP OR MATERIAL SUBSTANTIALLY AT VARIANCE WITH THE OFFERING PLAN AS MAY BE CHANGED BY SELLER FROM TIME TO TIME PROVIDED AND ON CONDITION THAT SELLER IS NOTIFIED OF OR BECOMES AWARE OF SUCH DEFECT(S) WITHIN TWELVE (12) MONTHS FROM THE DATE OF SUBSTANTIAL COMPLETION OF THE ALLEGED DEFECTIVE COMMON ELEMENTS. SUBSTANTIAL COMPLETION SHALL MEAN THAT THE COMMON ELEMENTS ARE FUNCTIONAL FOR THEIR INTENDED USE.

42) **NOTICES TO PURCHASER - YOU, AS THE PURCHASER OF THE HOME, 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 CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

WHEN SIGNED BY SELLER AND PURCHASER THIS PURCHASE AGREEMENT WILL BECOME A LEGALLY BINDING AGREEMENT. PURCHASER SHOULD READ AND UNDERSTAND ALL PROVISIONS BEFORE SIGNING. IF PURCHASER DOES NOT UNDERSTAND ANY PROVISION, PURCHASER SHOULD SEEK LEGAL ADVICE.

PURCHASER MUST BE GIVEN A COPY OF THE PLAN PRIOR TO THE SIGNING OF THIS PURCHASE AGREEMENT. BY SIGNING THIS PURCHASE AGREEMENT, PURCHASER ACKNOWLEDGES RECEIPT OF THE PLAN AND THAT PURCHASER HAS HAD AN OPPORTUNITY TO READ THE PLAN AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SIGNING THIS PURCHASE AGREEMENT.

THIS PARAGRAPH SHALL SURVIVE DELIVERY OF THE DEED.

[Signature Page to Follow]

PURCHASER(S):

_____ _____

Purchaser's Signature Date

_____ _____

Purchaser's Signature Date

SPONSOR:

MCKINLEY ROSE LLC

By:_____ _____

Name:_____ Date

Title: Authorized Person

Agreed as to Paragraph 29 by Escrow Agent:

_____

By:_____ _____

Name: _____ Date

SCHEDULE D-1

TENDER OF ESCROW FORM

TENDER OF ESCROW DEPOSIT

Date: _____

Tender of Deposit of $_____, for Home _____ at The Rose Condominium, located at 218 Middle Neck Road, Great Neck, Nassau County, New York 11021.

Purchaser(s) named below has/have tendered on _____, 20__ , the above escrow deposit to Seller/Selling Agent as a deposit for the above Home.

Purchaser(s) _____
_____

Address of Purchaser(s) _____
_____

Phone number of Purchaser(s):
Home: _____
Business: _____

Social Security Number(s) or
Tax Identification Number(s)
of Purchaser(s) _____
_____

By: _____
Purchaser

By: _____
Purchaser

RECEIPT

The SELLER/SELLING AGENT of the above named property hereby acknowledges receipt of the above escrow deposit.

By: _____

_____
Title of Position

Date of Receipt: _____

SCHEDULE D-2

WAIVER OF NOTICE OF CLOSING

WAIVER OF NOTICE OF CLOSING

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

_____, being duly sworn, does hereby depose and state:

1. I am the Purchaser of Home #____ at The Rose Condominium.

2. Pursuant to a Purchase Agreement dated _____ , 20__ , I am entitled to thirty (30) days' written notice of the Closing for my Home.

3. I hereby waive the applicable notice provision contained in the Purchase Agreement and agree to close on _____, 20__ .

_____
Purchaser

_____
Purchaser

Sworn to before me this __
day of _____ 20__.

_____
Notary Public

SCHEDULE D-3

FORM TO RELEASE ESCROW FUNDS

FORM FOR THE RELEASE OF ESCROW FUNDS

Date

Re: The Rose Condominium
Purchaser:
Home #:

Gentleman/Madam:

You have been holding in a trust account my/our down payment for the captioned Home in the amount of $_____. I/we acknowledge that a closing has taken place this date. Accordingly, _____, is authorized to release the funds being held in said amount to whomever the Sponsor so designates. In addition, _____ as Escrow Agent on said account, is hereby released from any and all liability or further obligation to us with respect to said down payment.

Very truly yours,

_____
Purchaser

_____
Purchaser

_____
Sponsor's Representative

SCHEDULE D-4

EXPRESS ASSUMPTION OF RISK

EXPRESS ASSUMPTION OF RISK

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 premises herein, I expressly assume all risks associated with the construction site, including but not limited to:

1. Falling debris;
2. Falls associated with excavations, uncleared ice and/or snow incomplete sidewalks and roads and downed trees and/or bushes;
3. Injuries associated with incomplete construction;
4. Injuries associated with operating machinery;
5. Injuries associated with incomplete or no railings; and
6. Injuries associated with incomplete and/or insufficient lighting.

I/We _____ further agree to fully indemnify and hold harmless McKinley Rose LLC, its managers, members, officers, directors, principals, shareholders, successors and assigns for any and all damage to any personal property.

_____

_____

SCHEDULE D-5

PRE-TITLE INSPECTION STATEMENT

INSPECTION STATEMENT/PUNCHLIST

Dated: _____

TO: McKinley Rose LLC
445 Northern Boulevard, Suite 1
Great Neck, New York 11201

RE: The Rose Condominium
218 Middle Neck Road, Great Neck, New York 11021

I/We am/are the Purchaser(s) of Residential Unit # ____ at The Rose Condominium ("my/our Home").

I/We have inspected my/our Home and have found the Home to be in good condition except as otherwise noted below/or attached:

_____
Sponsor's Representative

_____
Purchaser

_____
Purchaser

SCHEDULE D-6

LIMITED WARRANTY

RIDER TO PURCHASE AGREEMENT DATED _____, 20__ BY AND BETWEEN **MCKINLEY ROSE LLC**, AS SELLER, AND _____, AS PURCHASER.

LIMITED WARRANTY

NAME OF PURCHASER(S):	_____
	_____
ADDRESS OF PURCHASER(S):	_____
DESIGNATION OF HOME WARRANTED:	_____
NAME OF SELLER:	McKinley Rose LLC
ADDRESS OF SELLER:	445 Northern Boulevard, Suite 1 Great Neck, New York 11201
EFFECTIVE DATE OF THIS LIMITED WARRANTY:	The date that Purchaser or its family shall first occupy the Home warranted or the date of delivery of the deed to such home to Purchaser, or the date of first occupancy of the Home as a residence regardless of who occupies the Home, whichever first occurs.
SELLER'S LIMIT OF TOTAL LIABILITY:	In no event shall the Seller's total liability to Purchaser under this Limited Warranty exceed fifty thousand ($50,000) Dollars less, any insurance proceeds received by Purchaser (the "Maximum Liability of Seller").

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 HOME 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 SELLER'S RESPONSIBILITIES FOR CONSTRUCTION DEFECTS OF A LATENT OR HIDDEN NATURE THAT COULD NOT HAVE BEEN FOUND OR DISCLOSED ON FINAL INSPECTION OF THE HOME.

1. To Whom Given. This Limited Warranty is given to the Purchaser named on page l while the Purchaser owns the Home. IT DOES NOT EXTEND TO SUBSEQUENT OWNERS, HEIRS, TENANTS OR MORTGAGEES IN POSSESSION OF THE HOME, ANYONE WHO MAY SUCCEED TO THE RIGHTS OF PURCHASER OR ANY OTHER PERSONS.

2. By Whom Made. This Limited Warranty is made exclusively by the Seller whose name and address appear on page 1.

3. Final Inspection of the Home. Before the Purchaser moves into the Home or accepts the deed, the Seller will schedule an appointment for final inspection of the Home with the 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 Home will be itemized on a Final Inspection Sheet, which will be signed by the Purchaser and the Seller before occupancy of the Home or delivery of the deed.

4. Warranty Coverages and Periods. The Warranty Period for all of the following coverage begins on the Effective Date of this Warranty shown on page l of this warranty.

FIRST YEAR BASIC COVERAGE: for one year from the Effective Date of this warranty, the Home will be free from latent defects that constitute:

(a) defective workmanship by the Seller, or an agent, employee or subcontractor of the Seller;

(b) defective materials furnished by the Seller, or an agent, employee or subcontractor of the Seller;

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Seller; or

(d) defective installation of appliances sold as part of the Home by the Seller or an agent, employee or subcontractor of the Seller.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

TWO YEAR MAJOR SYSTEM COVERAGE: for two years from the Effective Date of this warranty, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Home which have been installed by the Seller are warranted to be free from latent defects resulting from defective installation by the Seller.

The Plumbing System refers to the 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.

The Electrical System refers to all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System refers to all duct work, steam, water and refrigerant lines, registers, convertors, radiation elements and dampers.

Except by reason of a defect in installation by Seller, this major system coverage does not include defects in appliances, fixtures and items of equipment.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six years from the Effective Date of this warranty, the Home will be free from latent Major Structural Defects that result from:

(a) defective workmanship by the Seller, or an agent, employee or subcontractor of the Seller;

(b) defective materials furnished by the Seller, or an agent, employee or subcontractor of the Seller; or

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Seller.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions which affects their load-bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

Damage to the following non-load bearing portions of the Home are not covered by this six-year 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 attached garages and basements that are built separately from foundation walls or other structural elements of the Home; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; and insulation.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

In all coverages under this Paragraph 4, workmanship, materials, design and installation will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the applicable building code of the municipality in which the Home is located, in effect on the date that the building permit for the Home was issued, as supplemented by the annexed locally accepted building standards and practices.

ALL TIME PERIODS FOR THESE COVERAGES ARE OF THE ESSENCE AND WILL NOT BE EXTENDED.

5. Exclusions From All Coverages. The following are not covered by this warranty:

(a) patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Home prior to the Effective Date of this warranty ought to have revealed;

(b) defects in detached garages and carports; roads, rooftop facilities; recreational facilities, if any; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); and any other improvements not a part of the Home itself;

(c) raised butt joints; ridging, scuffing on kitchen cabinet or vanity surfaces; shading variations and fading of natural material on all cabinets, appliances, vanities, doors, fixtures, floors, counter tops, vanity tops and all exterior surfaces; variations of wood grain or staining of kitchen cabinets or vanities; shading variations of the exterior siding staining (on the face surface or grooves), and on fascias from staining; doors and windows sticking because of weather; adjustment of bi-fold doors; chips, scratches, marks, breaks, or other blemishes in windows, window sashes, sliding doors, screens, electric fixtures and globes, woodwork, doors, interior painted surfaces, sinks, tubs,

bowls, counter tops, vanity tops and bases, mirrors, hardware, flooring and cabinets; dented appliances; broken screens; minor chips (nicks) to cultured marble floors and counter tops; nail pops; ridging on sheet rock walls; lumber shrinkage; door warpage of less than 1/4"; warpage and shrinkage of deck wood; normal plumbing, heating and air conditioning noises and paint touch-ups.

(d) defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors and for incidental or consequential damages resulting from such work or materials;

(e) damage caused by the failure by the Purchaser or anyone other than the Seller, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment;

(f) damage caused by the misuse, abuse, or interference by Purchaser or anyone other than Seller or its employees, agents and subcontractors with the Seller's original construction or installations;

(g) additional damage caused by the failure of the Purchaser to give notice to the Seller of any defects or damage in a timely manner as provided in this warranty;

(h) damage caused by changes in grade made by anyone other than the Seller, its employees, agents or subcontractors and damage caused by changes in grade made by Seller's agents and subcontractors if such work was ordered directly by Purchaser;

(i) damage caused by changes, alterations or additions made to the Home by anyone other than Seller or its employees, agents or subcontractors after the Effective Date of this warranty;

(j) damage caused by changes, alterations or additions made to the Home by Seller's agents and subcontractors if such work was ordered directly by Purchaser after the Effective Date of this warranty;

(k) damage caused by dampness or condensation due to the failure of the Purchaser to maintain adequate ventilation;

(l) 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, lightning, windstorm, hail, flood, mud slide, earthquake, volcanic eruption, wind-driven water, soil movement and changes in the underground water table;

(m) loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect;

(n) any damage which Purchaser has not taken timely action to minimize;

(o) normal wear and tear and normal deterioration;

(p) insect, vermin and/or rodent damage and infestation, or damage caused by other animals or pests;

(q) bodily injury, death, or damage to personal property;

(r) costs of shelter, transportation, food, moving, storage or other expenses related to relocation during repair or replacement;

(s) consequential, incidental, special and indirect damages;

(t) any claim not filed in a manner set forth in paragraph 7 of this warranty;

(u) damage which arises while the home is being used for nonresidential purposes;

(v) damage due to abnormal loading on floors which exceeds design loads as mandated by the applicable building code or building standards;

(w) damage due to ice build-up on the roof;

(x) defects in appliances, fixtures and items of equipment except if caused by defect in installation by Seller; and

(y) fading of color of any natural materials in any improvement.

6. What Seller Will do in the Event of a Defect Covered by This Warranty. If a defect occurs in an item covered by this warranty, the Seller will repair, replace, or pay the Purchaser the reasonable cost of repairing or replacing the defective item(s), within sixty (60) days after the Seller's inspection or testing discloses the problem, subject to weather conditions, acts of God, availability of materials, and other events beyond Seller's control. The choice among repair, replacement or payment is solely that of the Seller. In making any repairs or replacements, Seller shall have the right to select the method and materials to be used in performing such repairs or replacements.

Seller's liability under this warranty is limited in the aggregate to the amount listed on page 1 of the warranty.

Repair of damage to the load-bearing portions of the Home 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 Home 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 Seller no later than the tenth (l0th) day after the expiration of the applicable warranty period. Such notice must be sent by Purchaser to Seller by certified or express mail, return receipt requested. If this form shall not properly be completed and received by the Seller by that deadline, the Seller 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 THE PURCHASER UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Seller, Purchaser or any other person to inspect, test or correct defects will extend any time period under this Warranty. No steps taken by the Seller in response to an improperly completed or untimely notice of a warranty claim will give rise to any liability of Seller to Purchaser in connection with such claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Seller and the Seller's agents will have the right to inspect and test the portion of the Home to which the claim, complaint or request relates. The Purchaser and occupants of the Home must provide reasonable access to the Seller and the Seller'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.

(d) The Seller 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 Seller will determine whether to accept or reject the claim. If the Seller rejects the claim, the Seller will give written notice of that decision to the Purchaser at the address shown on the Notice of Claim Form. If the Seller accepts the claim, the Seller will take corrective action within a reasonable time under the circumstances. The Seller 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 Seller's control.

8. Legal Actions. (a) No claim under this warranty may be commenced or asserted against Seller in any lawsuit unless a properly completed Notice of Warranty

Claim Form has been received by the Seller in the time period set forth in paragraph 7 of this warranty.

(b) No lawsuit against the Seller 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 Seller has given written notice of its rejection of Purchaser's claim with respect to such claim, or thirty (30) days after Builder has substantially completed corrective action for a defect with respect to such defect.

9. 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.

(b) This warranty may not be amended in any way without Seller's prior written consent in each instance.

(c) 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.

(d) Use of one gender in this warranty includes the other gender, and use of the plural includes the singular, as may be appropriate.

(e) This warranty shall be governed in accordance with the laws of the State of New York.

(f) The annexed Building Standards, as they may be amended, establishes the standards by which it will be determined whether the Home has a problem which is covered by this Limited Warranty and the obligation of the Seller to correct such problem.

INSTRUCTIONS TO COMPLETE
NOTICE OF WARRANTY CLAIM FORM

To ask the Warrantor to correct a defect in your Home 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(s)

am the owner of Home #_____ located at _____.

My mailing address and office and home telephone numbers are as follows:

Mailing Address:_____

_____

Home Telephone No:_____

Office Telephone No:_____

I first occupied the Home as my residence on_____

I closed title to the Home on _____

Set forth below are defects in my Home 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 express mail, return receipt requested.

ACCEPTED BUILDING STANDARDS EFFECTIVE JANUARY 1, 2007



1757-8 Veterans Memorial Highway
Islandia, NY 11749
Tel: 631-232-2345 Fax: 631-232-2349
www.libi.org Email: evp@libi.org

Purchaser: _____

_____

Address: _____

_____

Builder: _____

Job No: _____

Date: _____

Receipt of the Long Island Builders Institute's Accepted Building Standards January 1, 2007 Booklet is Hereby Acknowledged.

_____

Acknowledgements

The Long Island Builders Institute (LIBI) gratefully acknowledges the leadership and commitment of the National Association of Home Builders (NAHB) in developing their Residential Construction Performance Guidelines for Professional Builders & Remodelers (Third Edition). The LIBI Standards are closely modeled after the NAHB Guidelines but have been adjusted for local practices.

We also acknowledge the contribution of the LIBI Accepted Building Standards Committee: Richard L. Raskin, Chairman, Ray Accettella, John Barrows, Gary Cannella, Larry Davis, Cliff Fetner, Paul Martino and Robert Wieboldt, LIBI EVP.

Purpose of the Book

A Level of Expectation

Homeowners, contractors, builders and remodelers are constantly seeking a measurable benchmark that deals with the quality and their expectations of performance in the goods and services provided by the residential construction industry. Quality is a term that is often used but is seldom defined, particularly in relation to construction; these Standards are an attempt to supply a benchmark for quality. Building codes and local regulations address matters of health, safety, and welfare and are the mandated responsibility of those codes and regulations but there is a greater likelihood of matching the "other" dimension of a consumer's expectations by the acceptance of objective criteria regarding performance and building standards. On this premise, the two prior editions of LIBI Accepted Building Standards were developed to offer achievable minimum levels of workmanship and quality for the products delivered. LIBI first developed its own standards in 1988 and this current effort represents the second time that we have updated, refined and expanded our Standards.

It should be noted that the core of these standards were first established as a basis of coverage under insured warranty programs, which were initially offered some 30 years ago. More than 20 years ago, the Remodelors Council of the National Association of Home Builders embraced a similar compilation of guidelines, which led to the published editions of Quality Standards for the Professional Remodelor. The joint effort of the Remodelors Council and the Single Family Small Volume Builders Committee of NAHB culminated in their first edition in 1996. As such, many of the individual guidelines have remained as time-honored measures. LIBI's Standards are closely modeled after the NAHB Guidelines but have been adjusted for local conditions and practices.

In certain geographical locations across the country the Residential Construction Performance Guidelines of NAHB have grown in acceptance to become the basis for evaluating performance by parties under residential construction contracts when dispute may lead to litigation or arbitration. Here on Long Island LIBI's Standards have been accepted by many of the towns and villages for evaluating quality and performance and are acknowledged by Nassau and Suffolk counties as important benchmarks.

Review Procedure

The 2007 edition of the LIBI Standards not only follows the 3rd edition of the NAHB's guidelines but was also reviewed by over 200 Long Island builders, remodelers and many specialty trades people and by consumer groups including the Long Island Housing Partnership. Advertisements to the trade were published in "Builders and Remodelers" and "Hammer" magazines and to the public and consumers in "Newsday" soliciting comments on the Standards.

Written comments were received by Mr. Peter Elkowitz, President of the Long Island Housing Partnership and Mr. Joseph Valdini, Valdini Drywall Corp. Those comments were carefully reviewed and evaluated and some Guidelines were modified as a result of these comments. We thank the commentators for their time and effort and their thoughtful contributions.

The review has resulted in a manual that builders, remodelers, sub contractors and homeowners can reference with confidence in their communications.

Scope of the Accepted Building Standards

These standards are intended for use as a reference and should be interpreted with common sense. They should be applied only within the scope of the particular project to which they apply and are not intended to answer all questions pertaining to quality of construction that might arise in the course of a typical construction project. The guidelines published herein deal with the most frequently raised issues between contractors and homeowners. Although many contractors routinely build to higher standards, this is a collection of generally accepted performance criteria and should be interpreted as such.

The Accepted Building Standards construction performance guidelines do not constitute a warranty, nor are they intended as a substitute for a warranty. However, both parties may agree to incorporate them by reference within a warranty. They are separate and distinct from any manufacturer's warranty that may apply to materials and products used in the project.
The use and applications of these standards with regard to residential and remodeling work is strictly optional and at the discretion of the individuals. These standards are not intended to be a Homeowner's Manual. Although they sometimes mention homeowner's responsibilities and maintenance requirements, no attempt has been made to address all facets of homeownership.

Standards Not Always Applicable

The standards, items, components, etc. mentioned in this booklet will not apply to all homes, as all items, components, etc are not in every home. Furthermore, when these standards are referred to as part of a Contractor's Warranty, the warranty may specifically exclude some of the items, components etc. referred to in this booklet.

Scope of Responsibilities

Typically, numerous parties are involved in a residential construction project, whether it is building a new home or remodeling an existing one. Each of these parties has specific responsibilities to fulfill. The Contract Documents should provide a clear statement of the agreement between the contractor and the homeowner. In addition to the specific provisions of any contract, the following general responsibilities should be noted:

The Contractor: For the purposes of this book, the contractor is the entity named in the contract that has primary responsibility for completing the project. The contractor often employs others to assist him or her. In most cases, the contractor is responsible for all work assigned in the contract regardless of who actually performs the work. If the contractor is acting in a special role (for instance, as a construction manager), or the consumer selects others to work on the project who are outside the contractor's control, then the responsibility for evaluation and remedy of proposed problems may fall to other parties.

The Owner: The owner is the buyer of the product or service named in the contract; as such, the owner is responsible for carefully reviewing the contract to ensure it accurately represents his or her expectations for the final product. Once the owner accepts the project and moves into the

home or occupies the newly renovated space, then he or she is responsible for routine maintenance and upkeep. Homes require a certain amount of care that is generally the owner's responsibility. Additionally, owners should note that in some of the standards contained in this publication, the contractor is not obligated to make repairs to items that fall within the owners' maintenance responsibilities.

Manufacturer or Fabricator: Manufacturers and fabricators warrant many residential construction components that may fall outside the scope of the contractor's responsibilities, such as kitchen appliances, furnaces, air conditioners, and the like. Other less obvious items may include certain types of siding, roofing, or flooring. If there is a warranty question with one of these components, the owner should be aware that the contractor might not be responsible for the performance of the product once it is installed. If a problem occurs, the owner will often deal directly with the manufacturer or fabricator to have the problem evaluated and, if necessary rectified unless otherwise specified in a contract. The contractor's responsibilities may end once he or she provides the appropriate information on how to contact the manufacturer or fabricator, unless otherwise specified in the contract.

Remodeling Projects

Remodeling is the process of expanding or enhancing an existing structure. There are inherent difficulties in melding the new and old in a way that meets the owner's needs and is also aesthetically pleasing. Therefore, there are circumstances that call for the suspension of the application of these standards in order for the remodeling project to be successfully completed. These include, but are not limited to: the meeting of old, out-of-plumb or out-of-level structures with new structures; the appearance of new materials near weathered, existing materials; and the practical considerations for new projects to work within the limitations of existing buildings.

Because of the unique challenges of joining new with old, a remodeling contractor may build part of or the entire project outside the scope of these guidelines to achieve the contract objectives. When it is reasonable, the contractor may note and discuss a condition with the owner before construction. It is also normal for a contractor (in the course of construction) to discover and accommodate conditions in the old structure that require solutions different from those the standards suggest. In these circumstances, the governing factor is meeting the needs of the owner as outlined in the contract and complying with the local building code. ***Note: Remodeling-specific items are in italics.***

How to Use This Manual

This manual is divided into chapters generally organized according to the usual sequence of events in the construction process. Nearly every chapter has major categories or sections; some also have smaller subsections. Each chapter contains individual construction standards.

The standards in this book are numbered according to the following sequence: Chapter Number—Section Number—Guideline Number

Please note that the guideline numbering restarts under each new section within a chapter. Smaller subsections within chapters do not affect the numbering system.

Each construction performance guideline has three parts, with an optional fourth part:

Observation: A description of a particular construction condition, defect or potential problem.

Performance Guideline: The specific criterion for acceptable workmanship.

Corrective Measure: A description of the work required by the contractor to meet the performance guideline if any is required and/or the owner's maintenance responsibility.

Discussion: (optional) Occasionally, when more information would be helpful, there appears an additional part called Discussion; an explanation of unique factors pertinent to the observation, performance guideline, or corrective measure.

The guidelines are supplemented by a glossary and an alphabetical subject index. The subject index is a comprehensive listing of applicable guidelines. Most guidelines are referenced by several listings that generally capture both contractor terminology and a typical owner's description of a condition.

General Instructions

In many areas, construction is covered by a process that requires all work to be done in compliance with locally approved, applicable building and related codes or locally approved or adopted guidelines.

If any conflict arises between these guidelines and applicable requirements of locally approved codes or locally approved or accepted guidelines, as a matter of law, the code requirements or performance criteria may take precedence over these guidelines.

These performance guidelines apply only to contracting work as specified in the contract documents for the project. They do not apply to designs, plans, materials, or workmanship that is supplied by the owner or is outside the scope of the particular project. They are also designed to apply only to the part of the job addressed in each guideline.

Explanation of Terminology in This Manual

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.

Warranty period is defined as the duration of the applicable warranty provided by the contractor or any other period agreed to by the parties.

How to Incorporate These Guidelines into a Warranty or Dispute Resolution Program

The warranty, like the contract, should clearly express the intent of the parties. The limited warranty describes the problems for which the contractor will be responsible after completion of the project, and specifies the time period during which the warranty is in force. Moreover, if a builder or remodeler warrants workmanship and materials in a warranty, he or she will want to provide some means of determining whether he or she is complying with the terms of the

warranty. Without guidelines referenced, the parties run the risk of having to follow specified dispute resolution procedures where an arbitrary standard may be imposed.

Accordingly, the contract and/or warranty might include a statement such as the one that follows:

All workmanship shall conform to the guidelines found in the publication Long Island Builders Institute “Accepted Building Standards Effective January 1, 2007”. If an item is not covered in that publication, standard industry practice shall govern. This may include the dispute resolution process as specified in the contract documents or by applicable laws.

If there are particular guidelines within this publication that the contractor or owner does not feel are reasonable, they should be specifically excluded from all warranty or contract documents. Likewise, if there are particular guidelines that are not addressed, then by agreement, the contractor and consumer should add these to be part of the warranty and/or contract documents as referenced.

Contents

Acknowledgements, i
Purpose of Book, ii
Scope of the Accepted Standards, iii
Standards Not Always Applicable, iii
Scope of Responsibilities, iii
Remodeling Projects, iv
How To Use this Manual, iv
General Instructions, v
Explanation of Terminology In This Manual, v
How To Incorporate Guidelines Into A Warranty Program, v

SITE WORK, 1

FOUNDATION AND SLABS, 2
Interior Concrete Slab, 3

BASEMENT WALL, 5
Concrete Block Foundation Walls, 5
Poured Concrete Foundation Walls, 6

BASEMENT FLOOR AND WALLS, 7
Moisture and Leaks, 7
Crawl Space, 7
Columns, 8

WOOD FLOOR FRAMING SYSTEMS, 9
Floor systems, 9

BEAMS, COLUMNS, POSTS, 10
Subfloor and Joists, 11

WALL, 14
Rough Carpentry, 14
Insulation, 15
Windows, Mirrors, 15
Exterior Doors, 16

EXTERIOR FINISH, 20
Wood and manufactured Siding, 20
Tongue and Groove Wood Siding, 21
Wood Shake Siding, 21
Plywood or Other Veneer Siding, 22
Aluminum or Vinyl Lap Siding, 22
Masonry Cement & Veneer Board Siding, 25
Stucco and Parge, 27
Exterior Trim, 29
Paint, Stain and Varnish, 29

ROOFS, 31
- **Roof Sheathing, 31**
- **Roof Vents, 32**
- **Roof Installation and Leaks, 32**
- **Asphalt Shingles, 32**
- **Roll Roofing, 35**
- **Chimney, 35**
- **Gutters and Downspouts, 36**
- **Skylights, 37**

PLUMBING, 37
- **Fixtures, 38**

ELECTRICAL, 39
- **Fuses and Circuit Breakers, 39**

INTERIOR CLIMATE CONTROL, 42
- **Humidity Control and Condensation, 42**
- **Air Distribution and Ventilation, 43**

INTERIOR, 45
- **Doors, 45**
- **Stairs, 47**
- **Trim and Moldings, 48**
- **Cabinets and Counter Tops, 49**

INTERIOR WALL FINISH, 54
- **Lath and Plaster, 54**
- **Gypsum Wallboard, 54**
- **Paint, Stain and Varnish, 56**
- **Wallpaper and Vinyl Wall Coverings, 58**

FLOOR FINISHES, 58
- **Carpeting, 58**
- **Roll Vinyl and Resilient Tile Flooring, 59**
- **Wood Flooring, 61**
- **Tile, Brick, Marble and Stone Flooring, 64**

MISCELLANEOUS, 65
- **Fireplace and Wood Stove, 65**
- **Concrete Stoop and Steps, 66**
- **Garage, 67**
- **Driveways and Sidewalks, 68**
- **Wood Decks, 68**

LANDSCAPING, 71

SYSTEMS, FIRST AND SECOND YEARS, 72

PLUMBING SYSTEM, 72
- **Water Supply System, 72**

SANITARY SEWER OR SEPTIC SYSTEM, 73
HEATING, VENTILATION AND
AIR CONDITIONING SYSTEM (HVAC), 74
Heating System, 74
Central Air-Conditioning, 74
Ventilation, 75
Electrical, 76

MAJOR STRUCTURE, 77
Load Bearing Portions of the Home, 77

GLOSSARY, 78

SUBJECT INDEX, 82

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 homeowner, 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 effect 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 accommo-date 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 accom-modate 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 imperfec-tions 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 modifica-tion 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. Insula-tion 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 existing the 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.

Exterior Finish

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 tempera-tures 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 l/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 homeowner 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 manu-facturer'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. Its 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 condi-tions. *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 homeowner 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 dis-similar 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. Homeowners 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.

INDEX

	Page
Air Conditioning	
(See Heating Ventilation & Air Conditioning Systems & Ventilation)	
Air Distribution	
(See Ventilation)	
Air Handlers	
(See Ventilation)	
Air Infiltration	
Doors, Windows & Outlets	42
Kitchen & Bath Fans	44
Asphalt, Driveway	
(See Driveways & Sidewalks)	
Asphalt Shingles	
(See Shingles)	
Attic	
Inadequate Ventilation	43
Vent or Louver Leaks	32
Basement	
Block Walls	5
Concrete Floor, Defects	4-5
Leaks	7
Poured Walls	6
Walls, Dampness	7
Beams	
Exposed Wood, Twisted or Bowed or Cupped	10-11
Wood, Sizing Fasteners and Spacing, Deflection	10
Wood, Split	10
Cabinets	
Alignment with Each Other	49
Cracks in Doors & Drawers	51
Door Alignment, Gaps & Shrinkage	51
Door or Drawer Binding or Not Staying Closed	50
Gaps at Ceiling or Walls	49
Stain	30
Warping	50-51
Carpet	
(See Floor Finishes, Carpet)	
Caulking	
Exterior Doors, Cracking and Peeling	18
Exterior Walls	14
Proper Leak Prevention	14
Central Air Conditioning System	
Inadequate Cooling	74
Refrigerant Leak	75
(Also See Heating Ventilation & Air Conditioning Systems & Ventilation)	
Ceilings	
Blown or Textured	56
Chimney	
Draws Improperly	65
Leaks Through Masonry Cap, Crown or Flashing	35
Separated from Structure	65
Columns	
Concrete Exposed, Bowed or Out of Plumb	9
Wood, Bowed or Out of Plumb	8
Wood, Split	10
Masonry, Out of Plumb	9
Steel, Out of Plumb	9
Concrete	
Basement Floors	4
Block Foundation Wall Defects	5
Footing Cracks	3
Garage Floors	67
Slab-Interior Movement at Joints	4
Stoops & Steps	66
Condensation	

Basement Floor and Walls 7
Crawl Spaces 7
Ducts and Air Handlers 44
Pipes and Fixtures 37
Window 42

Countertops
Bubbles in Laminate or Solid 54
Delamination 51
Out of Level 52
Scratched Solid Surface 52
Surface Cracks or Chips 52
Tile Grout Uneven or Grout Lines Cracked 52-53

Cracks
Asphalt Driveways 68
Cabinet Doors or Drawers 51
Concrete Block Wall 5
Concrete Floor 4
Concrete Footing 3
Countertops 51-54
Drywall 56
Exterior Door, Crack 18
Exterior Wall, Caulking 14
Fire, Brick or Mortar Joint 66
Granite, Marble, Stone or Solid, Defects 53-54
Interior Trim 49
Masonry and Veneer Siding 25
Poured Concrete Wall 6
Stucco Exterior Wall 27
Tile, Brick, Marble & Stone Flooring 64

Crawl Space
Flowing or Trickling Water and Condensation 7
Inadequate Ventilation 43

Dampness
Basement Walls and Floor 7

Decks
Bleeding Nail Heads 70
Nail Heads Protruding 70
Out of Level 69
Railing Lacks Rigidity 70
Slivers & Railings 69
Spaces Not Uniform 69
Split, Warped or Cupped 69
Springy or Shaky, Deflection 68
Stain, Color Variation 70

Deflection
Beam, Joists, Headers 9
Decks 68
Interior Stairs 47
Roof Ridge Beam 31
Wood I-joists, Floor Trusses 13

Doors, Exterior
Caulking or Glazing Cracks 18
Gaps at Edges 19
Garage 67
Hardware or Kick Plate Tarnished 19
Plastic Moulding Melts 18
Sliding Patio, Not on Track or Rolling Smoothly 19
Sticks or Doesn’t Shut 17
Swings by Force of Gravity 18
Warped 16
Wood Panels, Shrinkage or Splitting 17

Doors, Interior
Bifolds Off Track 45
Edges Not Parallel to Jambs 46
Latches 46
Pocket, Rubbing 45
Rubbing on Jambs or Flooring 46

Swings by Force of Gravity 46
Warping 45
Wood Panel Shrinkage or Splitting 46

Drainage

Grades and Swales 1

Heavy Rain Fall 1
Standing Water 1
Sump Pump Discharge Areas 1

Driveways & Sidewalks

Asphalt Driveway Cracks 68
Standing Water Observed 68

Dry Wall

Angular Joints Uneven 56
Corner Bead 55
Cracks 56
Excess Joint Compound 55
Joints, Protrude 55
Nail Pops, Blisters & Blemishes 54
Tape Blisters 55
Texture Not Matching 55
Trowel Marks 55

Electrical & Electrical System

Appliance Cords Not Fitting 220 Outlet 40
Ceiling Fan Noisy or Vibrating 40
Coverage 39 & 76
Exhaust Fan Discharging to Attic 41
Fuses & Circuit Breakers 39
Light Fixture Tarnishes 40
Ground Fault & Fault Circuit Interrupters 39
Outlet Switches or Fixtures Malfunction 41 & 76
Receptacle & Switch Covers Protruding 40
Smoke Detector Chirps 41
Wiring Fails to Carry Loads 76

Erosion

Soil 2

Fans

Kitchen & Bath Air Infiltration 44

Fiberglass & Acrylic

Plumbing Fixtures 38

Fireplaces & Wood Stoves

Chimney Separated from Structure 65
Draws Improperly 65
Fire Box Paint Damaged by Fire 66
Fire Brick or Mortar Joint Cracked 66
Rust on Damper 66

Floor

Concrete Basement Defects 4-5
Out of Level 12
Remodeling, Transition, Pitch 13
Wood Framing Systems Defects 9

Floor Finishes

Coverage 58

Floor Finishes, Carpet

Color Fade or Discoloration 59
Dead Spots in Padding 59
Loose 59
Seams 58
Stretching 59

Floor Finishes, Roll Vinyl and Resilient Tile

Adhesion Lost 60
Bubbles 60
Depressions 59
Nail Pops 59

Patterns Misaligned 61
Seams Showing 60
Tiles Loose or Misaligned 61
Yellowing on Vinyl 61

Floor Finishes, Tile, Brick, Marble & Stone

Broken or Loose 64
Cracks In Grouting 64
Grout or Mortar Joint Color 65
Lippage 64

Floor Finishes, Wood

Cupping, Lippage and Voids 62
Crowned & Buckling 63
Gaps in Strip Hardwood Boards 61
Knots, Color Variations 63
Splinters, Slivers & Sticker Bum 63-64

Foundation

Block Wall Defects 5
Coverage 2
Level 3
Poured Concrete Wall Defects 6-7
Square (out of) 2

Framing, Wood

Columns 8
Coverage 14
Exposed Beam or Posts, Twisted, Bowed or Cupped 11
Floor Systems 9
Posts, Split 10
Roof, Beams, Rafters, Joists 31
Subfloor and Joists 11
Walls, Wood, Bowed 14
Walls, Wood, Out of Plumb 14
Wood I-joists Trusses, Deflection 13

Frost

On Windows 42

Garage

Cracked Floor Slab 67
Doors Fail to Operate Properly 67
Settled, Heave or Separated Floor 67
Snow or Water Entry 67

Glass

(See Mirrors or Windows)

Grades

Standing Water 1
Determinations 1
Owner Maintenance 1

Ground

Settlement 1

Gutters and Down Spouts

Leaks, Overflows and Standing Water 36

Headers

Wood, Sizing Fasteners and Spacing, Deflection 9

Heating Ventilation & Air Condition System (HVAC)

Cooling of Rooms Inadequate 74
Coverage 74
Heating System Inadequate 74

Ice

On Roofs 32
On Windows 42

Insulation

Insufficient Walls 15

Interior

Coverage 45
Interior Climate Control

Air Infiltration Doors, Windows & Outlets 42
Coverage 42
Joists

Wood, Sizing Fasteners and Spacing, Deflection 9
Wood, Squeaks or Loose 11
Landscaping

Coverage 71
Erosion 2
Existing Trees and Shrubs Damage 2
Grass Seed Generation 71
Moving Existing Trees & Shrubs 71
Site Alterations by Owner 1
Tree Stumps in Disturbed Areas 71
Leaks

Asphalt Shingles 32
Basement Wall and Floors 7
Chimney 35
Faucets 37
Gutters or Down Spouts 36
Exterior, Caulking Defects 14
Roof and Attic 31-32
Skylights 37
Stucco 28
Level (out of)

Decks 69
Floors 12
Foundation 2
Mirrors

Scratches 15
Backing Deterioration 16
Moisture

(See Water)
Molding

(See Trim, Interior)
Paint, Stain & Varnish Exterior

Cabinets, Uneven Stain 30
Fading 30
Matching After Repairs 29
Mildew or Fungus 31
Overspray 30
Peeling, Flaking Deterioration 30
Varnish or Lacquer Deterioration 30
Paint, Stain & Varnish Interior

Brush Marks 57
Coverage of Underlying Surface 56
Lap Marks 57
Repainting Due to Repairs 57
Resin Bleeding Through Trim 57
Spattering 56
Varnish or Lacquer Deterioration 57
Pitting and Spalling

Concrete, Interior 4
Plumb (out of)

Concrete Block or Poured Foundation Wall 5
Concrete Columns 9
Steel Columns 9
Wood Columns 8
Plumbing

Coverage 37
Leaks and Noisy Pipes 37-38

Water Supply System Remodeling 37-38

Plumbing Fixtures

Cracked or Chipped Surface 38
Defective 38
Fiberglass Tub or Shower Base 38
Leaking 37
Staining 39
Vanity Top 39

Plumbing System

Coverage 72
Freezing & Bursting of Pipes 72
Noise 38
Pipes Leak 72
Water Supply 72

Posts

Exposed Wood, Twisted or Bowed 11
Concrete Bowed or Out of Plumb 9
Wood, Split 10

Remodeling

Air Infiltration 42
Alignment of Cabinets 49
Aluminum or Vinyl Lap Siding 23-24
Asphalt Shingle Alignment and Color Matching 33
Cabinets Do Not Meet Ceiling or Walls 49
Countertops Leveling 52
Door Edge Not Parallel and Swings by Force of Gravity 46
Doors Swing by Force of Gravity 46
Existing Shingles Showing Through New 35
Foundations 2-3, 6
Gaps at Exterior Door Edges 19
Lap Siding Not Parallel 20
Masonry or Brick Veneer Siding 26
Mirrors and Glass Surfaces 15
Plumbing Coverage 72
Roof Sheathing, Bowing and Waving 31
Stucco, Texture Matching 27
Wallpaper & Vinyl Wall Coverings 58
Windows, Inoperable 15
Wood Floors, Transition, Pitch 13

Roll Roofing

Blistered 35
Water Standing 35
Water Trapped Under 35

Roll Vinyl Flooring

(See Floor Finishes, Roll Vinyl)

Roof Shingles

Blown Off 32
Color Matching, Existing 33
Edges Curling, Cupping and Overhang 33
Holes From Construction Activity 34
Horizontal Alignment 33
Ice Buildup 32
Nailing 34
Roof Leaks 32
Shading, Shadowing, Surface Buckling 34

Roofs

Attic Vents and Louvers, Leaking 32
Rafter or Ceiling Joints Bowing 31
Ridge Beam Deflected 31
Roll (see Roll Roofing)
Sheathing, Bowing and Waving 31

Sanitary Sewer or Septic System

Clogged Sewer Fixtures or Drains 73
Coverage 73
Improper Operation 73

Siding, Aluminum or Vinyl

Bowing or Waving 22

Color Fading 23
Cut Crooked 24
Loose 23
Nails Under Window, Door or Eaves 24
Not Parallel With Eaves 23
Spaced for Mouldings 24
Trim Accessory Loose 24

Siding, Masonry and Veneer Board

Bricks Spalling and Mortar Stains 26
Cement Board, Cracking or Chipping 25
Cement Board Fastening, Improper 25
Cracked, Masonry or Veneer 25
Efflorescence on Masonry or Mortar 26
Exterior Cut Bricks, Thickness Variation 25
Masonry or Brick Coarse Not Straight 26

Siding, Plywood and Veneer

Bowing 22
Delamination 22
Joints Separation 22

Siding, Stucco and Parge

Color Matching 27
Cracking Exterior Surface 27
Leaks 28
Rust Marks 28
Separation of Coating 28
Texture Matching 27
Visible Lathe 28

Siding, Wood and Manufactured

Bowing 20
Face Nails Driven Below Surface 21
Lap Siding Not Parallel 20
Tongue and Groove Boards Buckled 21
Visible Edge Gap 20
Wood Shakes Have Bled Through 21

Site Work

Coverage 1
Existing Trees & Shrubs 2
Grades & Swales 1
Soil Erosion 2

Slab

Interior-Control Joints Movement 3
Surface Defects 4-5

Square (out of)

Foundation 2
Subfloors 12

Stairs, Interior

Gaps between Risers, Treads or Skirts 47
Railing Gaps & Lack of Rigidity 47-48
Squeaking 47
Tread Deflection 47

Stoops & Steps

Settlement Heaving Separation 66
Water Remaining After Rain 66

Structure, Major, Load Bearing

Coverage 77

Stucco

(See Siding, Stucco and Parge)

Subfloor

Remodeling, Square and Level 12
Squeaks or Loose 11
Uneven or Out of Square 12
Out of Level 12

Sump Pump

Discharge Areas 1

Swales

Standing or Ponding Water 1
Site Drainage 1

Tile Resilient Flooring

(See Flooring, Roll, Vinyl & Resilient Tile)

Trim, Exterior

Bows and Twists 29
Cupping 29
Gaps between Elements 29
Splits in Trim Boards 29

Trim, Interior

Gaps at Joints 48
Hammer Marks 49
Inside Corners 48
Miter Edges 48
Nails, Setting and Holes 48
Resin Bleeding Through 57
Split, Cracks & Checking 49

Ventilation & Ventilation System

Air Flow Noise at Register 43
Air Handling or Furnace Vibration 76
Condensation Drain Line Clogged 44
Condensation on Ducts and Air Handlers 44
Ductwork Noises & Oil Canning 75
Ductwork Separated or Detached 75
Gaps at Vent or Register 43
Inadequate Attic or Crawl Space 43
Kitchen & Bath Fans Air Infiltration 44

Wall Finishes Interior

Gypsum Wall Board (See Dry Wall)
Lath & Plaster 54

Wallpaper & Vinyl Coverings

Patterns Mismatched 58
Peeling 58

Walls

Bowed Wood 14
Concrete Block Defects 5
Coverage, Wood Frame 14
Exterior, Leaks, Caulking 14
Foundation Squareness 2
Insulation, Insufficient 15
Poured Concrete Defects 6-7
Stucco, Exterior Defects 27-28
Wood Framed, Plumb 14

Water

Crawl Space Flowing or Trickling and Condensation 7
Condensation on Windows, Ice and Frost 42
Duct & Air Handlers Condensation 44
From Adjacent Property 2
Garage Door Penetration 67
Gutters and Down Spouts 36
Hammer 38
Leaks Basement 7
Moisture between Panes Double Glazing 43
Standing on Driveway 68
Standing on Flat Roof 35
Standing or Ponding 1
Stucco Water Penetration 28
Trapped Under Roll Roofing 35
Windows, Interior, Leakage 16

Windows

Difficult to Open or Close	15
Glass Broken, Screens Missing	16
Grids Fall Out, Out of Level	15
Moisture between Double Panes	43
Water, Ice & Frost	42
Water on Interior, Leakage	16

SCHEDULE D-7

PARKING SPACE LICENSE AGREEMENT

PARKING SPACE LICENSE AGREEMENT

This Parking Space License Agreement (the "License Agreement") made as of this _____ day of_____, 20___, among **MCKINLEY ROSE LLC**, having an address at 445 Northern Boulevard, Suite 1, Great Neck, New York 11021 (the "Sponsor"), **THE BOARD OF MANAGERS OF THE ROSE CONDOMINIUM**, having an address at 218 Middle Neck Road, Great Neck, New York 11021 ("Licensor"), and _____, residing at _____ _____("Licensee").

W I T N E S S E T H:

WHEREAS Sponsor promulgated an offering plan (the "Offering Plan") for The Rose Condominium (the "Condominium") located at 218 Middle Neck Road, Great Neck, New York 11021 (the "Building"); and

WHEREAS, pursuant to the terms of the Offering Plan, Sponsor is offering the option to acquire a license to utilize one or more parking spaces located in the above- and below-grade parking areas of the Condominium (collectively, the "Parking Areas"), which Parking Areas contain a total of seventy-nine (79) single parking spaces (collectively, the "Parking Spaces"), four (4) of which Parking Spaces have been designated for handicapped accessible parking; and

WHEREAS, the Condominium is governed by a certain Declaration of Condominium dated _____, 201 , recorded, or to be recorded, in the Office of the Nassau County Clerk, to 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 Rules and Regulations of the Condominium, as the same have been or may be amended from time to time

(the " Rules and Regulations"; together with the Declaration and By-Laws, collectively referred to herein as the "Condominium Documents"); and

WHEREAS, Licensee owns, or simultaneously herewith is acquiring, Home #_____ in the Condominium (the "Home"); and

WHEREAS, Licensee is acquiring from Sponsor the right to the exclusive use of Parking Space(s) #____ and ____, if applicable (collectively, the "Parking Space"); and

WHEREAS, Licensor has agreed to grant Licensee a license for the exclusive use of the Parking Space for an acquisition fee in the amount of $_____ (the "Parking Space Acquisition Fee") to be paid by Licensee to Sponsor upon the execution of this License Agreement, which License shall be expressly subject to the terms and conditions set forth in this License Agreement, and thereafter, the Monthly License Fee (defined below) to be paid by Licensee to Licensor in such amount as determined by Licensor.

NOW, THEREFORE, in consideration of the sum of Ten and No/100 ($10.00) Dollars and the mutual covenants herein expressed, Sponsor, Licensee and Licensor hereby covenant and agree as follows:

1. **License**. (a) Licensor hereby grants to Licensee, its successors and/or assigns, a license (the "License") for the exclusive use of the Parking Space and Licensee hereby accepts such License from Licensor upon the terms and conditions set forth in this License Agreement.

(b) Licensee shall have access to the Parking Space twenty-four (24) hours each day, seven (7) days each week, during the Term (hereinafter defined) subject to any rules and regulations promulgated by Licensor regarding the use and operation of the Parking Spaces and Parking Areas (as detailed in the Offering Plan or any subsequent Rules and Regulations adopted by Licensor).

(c) This License Agreement shall create the relationship of licensor and licensee and shall in no way be construed as a lease, partnership agreement or joint venture, nor shall this License Agreement be construed in any manner so as to give Licensee the rights of a lessee or tenant of Licensor. Except for the License conferred by this License Agreement, no leasehold interest or other right, title or interest in the Parking Space or any part thereof shall be deemed to have been created in Licensee by anything contained in this License Agreement.

2. **Use**.

(a) Licensee shall use the Parking Space for the sole purpose of parking Licensee's passenger vehicle. Licensee shall not park commercial vehicles, inoperable or out of service vehicles or unregistered vehicles in the Parking Space.

(b) Licensee shall not (a) store any property in the Parking Areas; or (b) allow any other person to use the License except in accordance with the terms hereof.

(c) Licensee's use of the Parking Space shall be subject to all Rules and Regulations of the Condominium which the Licensor has adopted or may adopt in the future.

(d) Licensee shall provide Licensor with the license plate number, vehicle registration and insurance identification card for any and all vehicles parked in the Parking Space.

3. **Term**. The term of the License shall commence on _____, 20__ (the "Commencement Date") and, if Licensee is a Homeowner, shall expire at the earlier of (i) such time as Licensee no longer owns a Home in the Condominium, or (ii) forty-nine (49) years from the Commencement Date (the "Term"). In the event Licensee still owns a Home in the Condominium on the last day of the forty-ninth (49th) year, the Term shall automatically be extended for successive periods of ten (10) years each unless Licensee ceases to be the owner of a Home in the Condominium, in which event the Term shall automatically expire, this License

Agreement shall terminate and the License granted hereunder shall be of no further force or effect. In the event, Licensee is not a Homeowner at the time the License is acquired by Licensee, the License shall expire forty-nine (49) years from the Commencement Date

4. **Parking Space Acquisition Fee**. The Parking Space Acquisition Fee shall be payable to Sponsor upon the execution of this License Agreement. Beginning on the Commencement Date and continuing throughout the Term, Licensee shall be responsible for any fees required to be paid to Licensor, including, without limitation, the Monthly License Fee.

5. **Monthly License Fee.** Licensee shall pay to the Condominium a monthly sum as determined by the Board of Managers for operating and maintenance costs in connection with the Parking Space and Parking Areas (the "License Fee"). The Monthly License Fee shall be in addition to the common charges and any special assessments required to be paid to the Condominium by Homeowners. The Board of Managers shall have the same rights in enforcing the collection of the Monthly Fee as against a Homeowner as the Board possesses with respect to the collection of Common Charges and/or Special Assessments under the Condominium Documents.

6. **Condominium Documents.** This License and Licensee are subject to the provisions regarding the Parking Spaces contained in the Condominium Documents and any amendments thereto.

7. **Late Charge**. In the event that any payment required to be made by Licensee pursuant to the terms of this License Agreement shall not be paid within ten (10) days from the date such payment is due, Licensor may charge Licensee a late fee in the amount of $20.00 per

month until such time as Licensor is paid in full for the purpose of defraying the expenses incurred in handling delinquent payments.

8. **Maintenance**. Subject to Paragraph 9 herein, Licensor shall provide, at its sole cost and expense, all customary maintenance required for the Parking Space and Parking Areas so as to keep the Parking Space and Parking Areas in good order and repair.

9. **Damage Caused by Licensee**. Licensee shall throughout the Term, take good care of and maintain the Parking Space. All repairs and replacements to the Parking Space as well as the Parking Areas shall be performed by Licensor and the cost thereof shall be a common expense, unless such repair or replacement is necessitated by the negligence, misuse, or abuse of Licensee (or any of Licensee's agents or invitees), in which event the entire cost and expense of such repair or replacement shall be borne by Licensee, and shall be paid by Licensee to Licensor no later than ten (10) days following written demand therefor.

10. **Indemnification**. Licensee shall indemnify and hold Sponsor, Licensor, and their respective members, managers, owners, shareholders, officers, directors, agents, employees, servants, successors, designees and assigns harmless from and against any loss, cost, damage and expense of whatever kind arising directly or indirectly from the operation and use of the Parking Space or from Licensee's breach of this License Agreement, including, but not limited to, reasonable attorneys' fees and court costs, except to the extent such loss, damage, cost or expense is due to the gross negligence or willful misconduct of Licensor and/or its employees and/or agents or other owners of Homes in the Condominium.

11. **Insurance**. Licensor shall, at all times during the Term, maintain insurance as required by the Condominium Documents. Licensee shall maintain the following: (i) property

insurance on a broad coverage form with a limit equal to Licensee's personal property, and (ii) personal liability coverage (including, without limitation, auto coverage) in an amount of $1,000,000 for bodily injury and/or property damage.

12. **Events of Default**. The following shall each be an "Event of Default" under this License Agreement:

(a) Licensee's failure to timely pay any Monthly License Fee, which failure continues for five (5) days after notice thereof.

(b) Licensee's violation or failure to perform any of the other material terms, conditions, covenants or agreements herein made by Licensee, if such violation or failure continues for a period of ten (10) days after notice thereof.

In the event of any violation or failure to perform a covenant as contemplated herein, and if such covenant cannot be performed within the ten (10) day period, provided that Licensee has promptly commenced to cure such violation and is diligently proceeding with the cure, the time within which Licensee may cure the same shall be extended to such reasonable time as may be necessary to cure the same with all due diligence.

(c) Licensee's violation of any provision of the Condominium Documents regarding the Parking Space.

13. **General**. (a) Neither Sponsor, Licensor nor their respective agents or employees shall be liable for any theft or damage to any property stored in the Parking Areas and/or the Parking Space.

(b) The terms of this License 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 License Agreement and the Condominium Documents shall be resolved in favor of the Condominium Documents as they relate to the Parking Space.

(c) Licensor and/or its agents shall have the right, but not the obligation, to reasonably prevent access to the Parking Space in an emergency at any time, and, at other reasonable times upon prior notice to Licensee, to inspect and examine the Parking Space and to make such repairs, replacements and improvements as Licensor shall deem necessary.

14. **Remedies**. (a) If an Event of Default shall occur, and shall not be cured within the time period specified herein, then Licensor may give Licensee a fifteen (15) day notice of its intention to end the Term, and, at the expiration of such fifteen (15) day period, the Term shall expire as fully and completely as if that day were the date herein originally fixed for the expiration of the Term, and Licensee shall then quit and surrender the Parking Space to Licensor and remain liable under the terms of this License Agreement.

(b) As against Homeowners, the Board of Managers shall have the same rights of collection and enforcement of the Monthly License Fee for the Storage Space as they have for Common Charges and Special Assessments as provided for in the Condominium Documents. In addition, 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 Storage Space until Licensee cures such default or (ii) terminate this Agreement upon written notice to Licensee.

15. **Notices**. Any notices, statements, certificates, requests or demands required or permitted to be given or delivered under this License Agreement shall be in writing and may be

sent by mail, nationally recognized overnight courier or personal delivery, addressed to Licensor or to Licensee, as the case may be, at their respective addresses shown at the beginning of this Licensor Agreement, or to such other address as Licensor or Licensee may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given:

(a) upon personal delivery actually being made, and

(b) upon receipt, first refusal of delivery or when returned as undeliverable if delivered by: (i) the United States Post Office with proper postage prepaid, if sent by regular mail, registered or certified mail return receipt requested; or (ii) nationally recognized overnight courier service.

Notwithstanding the foregoing, any notice of default must be delivered only by nationally recognized overnight courier service, personal delivery, or certified mail return receipt requested. Notice given by an attorney for a party shall be deemed effective notice as if given by such party.

16. **Assignment**. This License may be assigned by Licensee at any time provided the assignee (i) owns a Home in the Condominium, (ii) is a successor purchaser of the Home and assumes the obligations of Licensee under this License Agreement, (iii) notification of the assignment is delivered in writing to Licensor 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 Licensee and/or the assignee. The License shall automatically terminate at such time as the Term expires as provided herein or the License is assigned to and assumed by the owner of a Home in the Condominium.

17. **Waiver.** Neither this License 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.

18. **Acknowledgement.** 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 License 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.

19. **Strict Performance**. Any failure by the Licensor to insist upon strict performance by Licensee of any of the provisions of this License 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 License Agreement to be performed by Licensee.

20. **Governing Law**. (a) This License Agreement shall be governed by and construed under the laws of the State of New York, without giving effect to its conflict of laws principles.

(b) If any provision of this License Agreement is invalid or unenforceable as against any party or under, certain circumstances, the remainder of this License Agreement and the applicability of such provision to other parties or circumstances shall not be affected thereby.

Each provision of this License Agreement, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

21. **Entire Agreement**. This instrument, taken together with the Condominium Documents, contains the entire agreement between the parties and any and all other prior oral or written agreements or representations made by or on behalf of either party with respect to this License Agreement or to the subject matter hereof shall be of no force or effect whatsoever. All understandings and agreements heretofore had between the parties hereto are merged in this License Agreement, which alone fully and completely express their agreement and that this License Agreement supersedes any and all such understandings and agreements with respect to the subject matter hereof.

22. **Arbitration**. Any dispute regarding the allocation or amount of the Monthly License Fee for the Parking Space shall be decided by Arbitration pursuant to the terms of Condominium Documents.

23. **Waiver of Jury Trial; Venue**. Licensor and Licensee do hereby mutually waive trial by jury in any action, proceeding or counterclaim brought by either Licensor or Licensee against the other with regard to any matters whatsoever arising out of or in any way connected with this License Agreement, the relationship of Licensor and Licensee, and Licensee's use of the Parking Space, provided such waiver is not prohibited by any laws of the State of New York. Any action or proceeding brought by either party hereto against the other, directly or indirectly, arising out of this License Agreement shall be brought in a court in Nassau County and any and all motions in any such action shall be made in Nassau County.

[REMAINDER OF PAGE INTENTIONALLY BLANK -- SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement as of the date and year first above written.

LICENSOR:

BOARD OF MANAGERS OF
THE ROSE CONDOMINIUM

By: _____
Name:
Title:

LICENSEE:

_____
Print Name:

_____
Print Name:

SPONSOR:

MCKINLEY ROSE LLC

By: _____
Name:
Title:

SCHEDULE D-8

STORAGE SPACE LICENSE AGREEMENT

STORAGE SPACE LICENSE AGREEMENT

This Storage Space License Agreement (the "License Agreement") made as of this _____ day of_____, 20___, among **MCKINLEY ROSE LLC**, having an address at 445 Northern Boulevard, Suite 1, Great Neck, New York 11021 (the "Sponsor"), **THE BOARD OF MANAGERS OF THE ROSE CONDOMINIUM**, having an address at 218 Middle Neck Road, Great Neck, New York 11021 ("Licensor"), and _____, residing at _____ _____("Licensee").

W I T N E S S E T H:

WHEREAS, Sponsor promulgated an offering plan (the "Offering Plan") for The Rose Condominium (the "Condominium") located at 218 Middle Neck Road, Great Neck, New York 11021 (the "Building"); and

WHEREAS, pursuant to the terms of the Offering Plan, Sponsor is offering the option to acquire a license to utilize a storage space located in the cellar of the Building; and

WHEREAS, the Condominium is governed by a certain Declaration of Condominium dated _____, 201 , recorded, or to be recorded, in the Office of the Nassau County Clerk, to 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 Rules and Regulations of the Condominium, as the same have been or may be amended from time to time (the " Rules and Regulations"; together with the Declaration and By-Laws, collectively referred to herein as the "Condominium Documents"); and

WHEREAS, Licensee owns, or simultaneously herewith is acquiring, Home #_____ in the Condominium (the "Home"); and

WHEREAS, Licensee is acquiring from Sponsor the right to the exclusive use of Storage Space #____ (the "Storage Space"); and

WHEREAS, Licensor has agreed to grant Licensee a license for the exclusive use of the Storage Space for an acquisition fee in the amount of $20,000 (the "Storage Space Acquisition Fee") to be paid by Licensee to Sponsor upon the execution of this License Agreement, which License shall be expressly subject to the terms and conditions set forth in this License Agreement, and thereafter, the Monthly License Fee (defined below) to be paid by Licensee to Licensor in such amount as determined by Licensor.

NOW, THEREFORE, in consideration of the sum of Ten and No/100 ($10.00) Dollars and the mutual covenants herein expressed, Sponsor, Licensee and Licensor hereby covenant and agree as follows:

1. **License**. (a) Licensor hereby grants to Licensee, its successors and/or assigns, a license (the "License") for the exclusive use of the Storage Space and Licensee hereby accepts such License from Licensor upon the terms and conditions set forth in this License Agreement.

(b) Licensee shall have access to the Storage Space twenty-four (24) hours each day, seven (7) days each week, during the Term (hereinafter defined) subject to any rules and regulations promulgated by Licensor regarding the use and operation of the storage spaces (as detailed in the Offering Plan or any subsequent Rules and Regulations adopted by Licensor).

(c) This License Agreement shall create the relationship of licensor and licensee and shall in no way be construed as a lease, partnership agreement or joint venture, nor shall this License Agreement be construed in any manner so as to give Licensee the rights of a lessee or tenant of Licensor. Except for the License conferred by this License Agreement, no leasehold

interest or other right, title or interest in the Storage Space or any part thereof shall be deemed to have been created in Licensee by anything contained in this License Agreement.

2. **Use**. (a) The Storage Space may only be used for the storage of personal effects of the Licensee, and in no event shall any food or other perishable item, or any flammable or explosive item be stored in the Storage Space.

(b) Licensee shall not (i) store any property in the Storage Space Area outside of the Storage Space; or (ii) allow any other person to use the Storage Space except in accordance with the terms of this License Agreement.

(c) Use of the Storage Space is subject to all Rules and Regulations which Licensor has adopted or may adopt in the future.

3. **Term**. The term of the License shall commence on _____, 20__ (the "Commencement Date") and, if Licensee is a Homeowner, shall expire at the earlier of (i) such time as Licensee no longer owns a Home in the Condominium, or (ii) forty-nine (49) years from the Commencement Date (the "Term"). In the event Licensee still owns a Home in the Condominium on the last day of the forty-ninth (49th) year, the Term shall automatically be extended for successive periods of ten (10) years each unless Licensee ceases to be the owner of a Home in the Condominium, in which event the Term shall automatically expire, this License Agreement shall terminate and the License granted hereunder shall be of no further force or effect. In the event, Licensee is not a Homeowner at the time the License is acquired by Licensee, the License shall expire forty-nine (49) years from the Commencement Date.

4. **Storage Space Acquisition Fee**. The Storage Space Acquisition Fee shall be payable to Sponsor upon the execution of this License Agreement. Beginning on the

Commencement Date and continuing throughout the Term, Licensee shall be responsible for any fees required to be paid to Licensor, including, without limitation, the Monthly License Fee.

5. **Monthly License Fee.** Licensee shall pay to the Condominium a monthly sum as determined by the Board of Managers for operating and maintenance costs in connection with the Storage Space and storage space area (the "Monthly License Fee"). The Monthly License Fee shall be in addition to the common charges and any special assessments required to be paid to the Condominium by Homeowners. The Board of Managers shall have the same rights in enforcing the collection of the Monthly Fee as against a Homeowner as the Board possesses with respect to the collection of Common Charges and/or Special Assessments under the Condominium Documents.

6. **Condominium Documents.** This License and Licensee are subject to the provisions regarding the Storage Space contained in the Condominium Documents and any amendments thereto.

7. **Late Charge**. In the event that any payment required to be made by Licensee pursuant to the terms of this License Agreement shall not be paid within ten (10) days from the date such payment is due, Licensor may charge Licensee a late fee in the amount of $0.25 for each $1.00 which remains unpaid for the purpose of defraying the expenses incurred in handling delinquent payments, which shall be payable to Licensor each and every month until Licensor is paid in full.

8. **Maintenance**. Subject to Paragraph 9 herein, Licensor shall provide, at its sole cost and expense, all customary maintenance required for the Storage Space and Storage Space area so as to keep the Storage Space and Storage Space area in good order and repair.

9. **Damage Caused by Licensee**. Licensee shall throughout the Term, take good care of and maintain the Storage Space. All repairs and replacements to the Storage Space as well as the Storage Space are shall be performed by Licensor and the cost thereof shall be a common expense, unless such repair or replacement is necessitated by the negligence, misuse, or abuse of Licensee (or any of Licensee's agents or invitees), in which event the entire cost and expense of such repair or replacement shall be borne by Licensee and shall be paid by Licensee to Licensor no later than ten (10) days following written demand therefor.

10. **Indemnification**. Licensee shall indemnify and hold Sponsor, Licensor, and their respective members, managers, owners, shareholders, officers, directors, agents, employees, servants, successors, designees and assigns harmless from and against any loss, cost, damage and expense of whatever kind arising directly or indirectly from the operation and use of the Storage Space or from Licensee's breach of this License Agreement, including, but not limited to, reasonable attorneys' fees and court costs, except to the extent such loss, damage, cost or expense is due to the gross negligence or willful misconduct of Licensor and/or its employees and/or agents or other owners of Homes in the Condominium.

11. **Insurance**. Licensor shall, at all times during the Term, maintain insurance as required by the Condominium Documents. Licensee shall maintain the following: (i) property insurance on a broad coverage form with a limit equal to the value of Licensee's personal property stored in the Storage Space, and (ii) personal liability coverage in an amount of $1,000,000 for bodily injury and/or property damage.

12. **Events of Default**. The following shall each be an "Event of Default" under this License Agreement:

(a) Licensee's failure to timely pay any Monthly License Fee, which failure continues for five (5) days after notice thereof.

(b) Licensee's violation or failure to perform any of the other material terms, conditions, covenants or agreements herein made by Licensee, if such violation or failure continues for a period of ten (10) days after notice thereof.

In the event of any violation or failure to perform a covenant as contemplated herein, and if such covenant cannot be performed within the ten (10) day period, provided that Licensee has promptly commenced to cure such violation and is diligently proceeding with the cure, the time within which Licensee may cure the same shall be extended to such reasonable time as may be necessary to cure the same with all due diligence.

(c) Licensee's violation of any provision of the Condominium Documents regarding the Storage Space.

13. **General**. (a) Neither Sponsor, Licensor nor their respective agents or employees shall be liable for any theft or damage to any property stored in the Storage Space area and/or the Storage Space.

(b) The terms of this License 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 License Agreement and the Condominium Documents shall be resolved in favor of the Condominium Documents as they relate to the Storage Space.

(c) Licensor and/or its agents shall have the right, but not the obligation, to open the Storage Space or reasonably prevent access to the Storage Space in an emergency at any

time, and, at other reasonable times upon prior notice to Licensee, to inspect and examine the Storage Space and to make such repairs, replacements and improvements as Licensor shall deem necessary or appropriate.

14. **Remedies**. (a) If an Event of Default shall occur, and shall not be cured within the time period specified herein, then Licensor may give Licensee a fifteen (15) day notice of its intention to end the Term, and, at the expiration of such fifteen (15) day period, the Term shall expire as fully and completely as if that day were the date herein originally fixed for the expiration of the Term, and Licensee shall then quit and surrender the Storage Space to Licensor and remain liable under the terms of this License Agreement.

(b) As against Homeowners, the Board of Managers shall have the same rights of collection and enforcement of the Monthly License Fee for the Storage Space as they have for Common Charges and Special Assessments as provided for in the Condominium Documents. In addition, 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 Storage Space until Licensee cures such default or (ii) terminate this Agreement upon written notice to Licensee.

15. **Notices**. Any notices, statements, certificates, requests or demands required or permitted to be given or delivered under this License Agreement shall be in writing and may be sent by mail, nationally recognized overnight courier or personal delivery, addressed to Licensor or to Licensee, as the case may be, at their respective addresses shown at the beginning of this License Agreement, or to such other address as Licensor or Licensee may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given:

(a) upon personal delivery actually being made, and

(b) upon receipt, first refusal of delivery or when returned as undeliverable if delivered by: (i) the United States Post Office with proper postage prepaid, if sent by regular mail, registered or certified mail return receipt requested; or (ii) nationally recognized overnight courier service.

Notwithstanding the foregoing, any notice of default must be delivered only by nationally recognized overnight courier service, personal delivery, or certified mail return receipt requested. Notice given by an attorney for a party shall be deemed effective notice as if given by such party.

16. **Assignment**. This License may be assigned by Licensee at any time provided the assignee (i) owns a Home in the Condominium, (ii) is a successor purchaser of the Home and assumes the obligations of Licensee under this License Agreement, (iii) notification of the assignment is delivered in writing to Licensor 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 Licensee and/or the assignee. The License shall automatically terminate at such time as the Term expires as provided herein or the License is assigned to and assumed by the owner of a Home in the Condominium.

17. **Waiver.** Neither this License 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.

18. **Acknowledgement.** 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 License 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.

19. **Strict Performance**. Any failure by the Licensor to insist upon strict performance by Licensee of any of the provisions of this License 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 License Agreement to be performed by Licensee.

20. **Governing Law**. (a) This License Agreement shall be governed by and construed under the laws of the State of New York, without giving effect to its conflict of laws principles.

(b) If any provision of this License Agreement is invalid or unenforceable as against any party or under, certain circumstances, the remainder of this License Agreement and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this License Agreement, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

21. **Entire Agreement**. This instrument, taken together with the Condominium Documents, contains the entire agreement between the parties and any and all other prior oral or written agreements or representations made by or on behalf of either party with respect to this License Agreement or to the subject matter hereof shall be of no force or effect whatsoever. All understandings and agreements heretofore had between the parties hereto are merged in

this License Agreement, which alone fully and completely express their agreement and that this License Agreement supersedes any and all such understandings and agreements with respect to the subject matter hereof.

22. **Arbitration**. Any dispute regarding the allocation or amount of the Monthly License Fee for the Storage Space shall be decided by Arbitration pursuant to the terms of the Condominium Documents.

23. **Waiver of Jury Trial; Venue**. Licensor and Licensee do hereby mutually waive trial by jury in any action, proceeding or counterclaim brought by either Licensor or Licensee against the other with regard to any matters whatsoever arising out of or in any way connected with this License Agreement, the relationship of Licensor and Licensee, and Licensee's use of the Storage Space, provided such waiver is not prohibited by any laws of the State of New York. Any action or proceeding brought by either party hereto against the other, directly or indirectly, arising out of this License Agreement shall be brought in a court in Nassau County and any and all motions in any such action shall be made in Nassau County.

[REMAINDER OF PAGE INTENTIONALLY BLANK -- SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement as of the date and year first above written.

LICENSOR:

BOARD OF MANAGERS OF
THE ROSE CONDOMINIUM

By: _____
Name:
Title:

LICENSEE:

_____
Print Name:

_____
Print Name:

SPONSOR:

MCKINLEY ROSE LLC

By: _____
Name:
Title:

SCHEDULE E

POWER OF ATTORNEY

POWER OF ATTORNEY

I (We) residing at _____ the owner of Condominium Home No. ___ in the Condominium known as The Rose Condominium covering the property located at 218 Middle Neck Road, Great Neck, New York 11021, do hereby nominate, constitute and appoint Members of the Board of Managers of The Rose Condominium having an address at _____ and their successors, jointly, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on behalf to acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Homes in said property, any Condominium Home whose owner desires to abandon the same, or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale, at such price and on such terms as my said attorneys-in-fact shall, in their sole discretion deem proper and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Condominium Home so acquired, at such terms as my attorneys-in-fact may in their sole discretion determine, granting to my said attorneys-in-fact the power to do all things in the said premises which I could do if I were personally present.

I (We) do further hereby nominate, constitute and appoint the Members of the Board of Managers of The Rose Condominium, and their successors, jointly, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on my behalf the right to act in my behalf to take any and all action necessary regarding any tenant(s), (if rentals are permitted) that may be residing in my condominium Home 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 the Declaration, By-Laws and Rules and Regulations of The Rose Condominium.

I (We) do hereby further irrevocably nominate, constitute and appoint McKinley Rose LLC and its successors, my true and lawful attorneys-in-fact coupled with an interest in my name and on my behalf to vote at any Home Owners meeting for, and to file an amendment to the Declaration of The Rose Condominium permitting 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 Homes as built, and to amend any Filed Map or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Tenth, Section C of the Declaration of Condominium of The Rose Condominium.

This power of attorney shall be irrevocable.

SCHEDULE E

IN WITNESS WHEREOF, I (we) have set my (our) hand(s) and seal this _____ day of _____, 20_____ .

_____

_____

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

On the _____day of _____ in the year 20___, 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(s) acted, executed the instrument.

_____
Notary Public

SCHEDULE F

FORM OF DEED

DEED

THIS INDENTURE made the ____ day of _____, 20___ between McKinley Rose LLC, 445 Northern Boulevard, Suite 1, Great Neck, New York 11021, a New York limited liability company, Party of the First Part and

Party of the Second Part;

W I T N E S S E T H:

That the Party of the First Part, in consideration of Ten Dollars ($10.00), lawful money of the United States, and other good and 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 piece or parcel of real property, with the improvements therein contained, situate and being a part of a condominium building located at 218 Middle Neck Road, Village of Great Neck, Town of North Hempstead, County of Nassau and State of New York, 11021, known and designated as Home 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 Home shown on the plans of a condominium prepared and certified by _____ and filed in the Office of the Clerk of the County of Nassau on the _____ day of _____ 20__ , as Map No. _____defined in the Declaration of Condominium entitled The Rose Condominium made by McKinley Rose LLC under Article 9-B of the New York Real Property Law dated _____, 20___ and recorded in the Office of the Clerk of the County of Nassau on the __ day of _____, 20__ in Liber _____ of Conveyances at page _____ covering the property therein described. The land area of the property is described as follows:

(PROPERTY DESCRIPTION)

SCHEDULE F

TOGETHER with the appurtenances and all the estate and rights of the Party of the First Part in and to said premises.

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

SUBJECT TO: The provisions of the Declaration, By-Laws, site plan and floor plans of the Condominium 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 premises herein granted unto the Party of the Second Party, the heirs or successors and assigns of the Party of the Second Part forever.

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

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

The use for which the Home is intended is that of a one family residence, subject to the applicable governmental regulations.

This conveyance is made in the regular course of business actually conducted by the Party of the First Part.

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

IN WITNESS WHEREOF, the Party of the First Part has duly executed this deed and the Party of the Second Part has duly assumed the mortgage therein referred to, the day and year first above written.

MCKINLEY ROSE LLC

By:_____
Authorized Person

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

On this _____ day of _____ in the year 20__, 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(s) acted executed the instrument.

_____
NOTARY PUBLIC

SCHEDULE G

DESCRIPTION OF PROPERTY (SPECIFICATIONS) AND BUILDING CONDITION

The Rose Condominium
218 Middle Neck Road
Great Neck, NY. 11021

06.09.2021
revised: 11.17.21

Description of Property and Building

(a) Location and use of property. State whether this property and proposed use will comply with all zoning and use requirements at closing:

(1) Address:

The building will be located at 218 Middle Neck Road, Great Neck, NY. 11021.

(2) Block and lot numbers:

Section 2. Block 6. Lot 254.

(3) Zoning:

The building will be located within the Business D Incentive District.

(4) Permissible uses:

The zoning permits Multi – Family Residential uses based on Village approvals.

(5) Handicapped Access:

All units within the proposed building are designed in compliance with the 2010 Building Code of New York State and ASI 117.1-2003. Per 2010 BCNY Sec. 1107.6.2.1.1, all residential dwelling units within the building are designed as 'Type B' units as defined by the BCNY and ANSI 117.1-2003.

(b) Status of construction:

(1) Year built:

The site is currently occupied by a single-story retail building, which will be demolished for the new construction. Pending all final approvals, the start of construction date is anticipated for 10/1/2021, with expected substantial completion planned for 12/31/2022.

(2) Construction and Occupancy Classifications:

The proposed building is classified as 'Construction Type: IIB' and will have an occupancy classification of R-2 Residential and S-2 Storage. The building is designed in compliance with the 2010 Building Code of New York State and all applicable referenced codes.

Per 2010 BCNY Table 601, building elements, including structural frame, bearing and nonbearing exterior walls, bearing and nonbearing interior walls, floor construction, and roof construction, have a required Fire Resistance Rating of 0 hours.

Egress stairways and shaft enclosures are 2-hour fire rated. Demising walls between units and walls between units and residential corridors are 1-hour fire rated. Interior partitions within units are non-rated. Fire rating of individual wall types are included in the architectural drawings on sheet A-500.

All construction materials in these structural assemblies are non-combustible in compliance with the requirements of Type II-B construction as defined in 2010 BCNY Section 602.2. Fire rated elements as required for fire separation are listed under 'Occupancy Separation / Fire Separation' on page T-100 of the architectural drawings.

A permit number will be provided by the Village of Roslyn Estates upon the issuance of the final construction permit. The current permit application number is 'PA 15-153.'

(3) Certificate of Occupancy, type, and number:

After completion of construction, Sponsor will apply for a Certificate of Occupancy for the Building, or portions thereof, from the Village of Great Neck Estates Building Department. A Temporary Certificate of Occupancy ("TCO") may be obtained for each Residential Unit prior to the closing of each Residential Unit. Buyers are advised to speak to the Village offices for further recommendations when purchasing units in a Building that does not have a final Certificate of Occupancy.

(4) Alteration permit number and description of work done:

Building department permit review is completed and the plans are approved, though a permit will not be issued until construction is ready to start. At that time, a permit number will be assigned to the project by the Village Building Department. The permit will approve work inclusive of all proposed construction as shown in the drawings.

(c) Site:

(1) Size:

The subject site is 53,097 square feet, (1.2 acres). The property shape is a flag lot and dimensions are irregular. Overall average length and width is approximately 300' x 150'.

(2) Number of buildings and use:

There is one proposed building, including occupancy groups R-2 Residential and S-2 Storage.

(3) Streets owned or maintained by the project:

(i) Paving (material and condition):

There are no streets included in the proposed project.

(ii) Curbing (material and condition):

There are no streets included in the proposed project.

(iii) Catch basins, drainage (location and condition):

There are no streets included in the proposed project.

(iv) Street lighting (material, type, location and condition):

There are no streets included in the proposed project.

(v) Conformity with local fire district, town, or municipal building codes:

There are no streets included in the proposed project.

(4) Drives, sidewalks, and ramps:

(i) Paving (material and condition):

All parking lot and driveway paving within the project will be new asphalt parking, which includes the parking lots on east and south sides of property.

(ii) Curbing (material and condition):

New concrete curbing will be installed along perimeter of all paved areas.

(iii) Catch basins, drainage (location and condition):

The drainage system consists of concrete catch basins, area inlets, and concrete drywells for on-site detainment/infiltration.

(iv) Street lighting (material, type, location, and condition):

Site lighting consists of 16' pole mounted luminaries and building mounted wall sconces.

(v) Conformity with local fire district, town, or municipal building codes:

The project has been approved by local regulatory agencies having authority (Nassau County Fire Marshal).

(d) Utilities. Identify source or provider of each utility. Specifically identify which are public utilities or regulated companies and which are solely the obligation of the board of managers of the

condominium. Indicate whether water, sewer (or septic tank), gas, electric and telephone are metered individually, collectively or by any other method of billing:

(1) Sewer:

Sewer system will be connected to the Great Neck Water Pollution Control District, which is a public utility and will be a common charge.

(2) Water:

Water supply will be from the Great Neck Water District, which is a public utility and will be a common charge.

(3) Natural Gas:

Natural Gas will be provided by National Grid, which is a regulated company, and will be a common charge.

(4) Electric:

Electric service will be provided by PSEG, which is a regulated company, and will be a common charge

(5) Telecommunication:

Telecommunication systems will be provided by Verizon, which is a regulated company, and Altice, which is a regulated company, and will be individually billed to residents.

(e) Sub-soil conditions. Describe (including water conditions):

Soil boring tests were performed on site prior to design of foundation and drainage systems. The reports have indicated that natural ground water was encountered at depths ranging from 35'-8" to 39'-4" below grade. Based on the report, "The areas drilled are currently blanketed from 2' to 8' of asphalt and loose soil fill underlain, generally, by a modestly dense, naturally bedded coarse to fine sand formation with traces of silt and gravel extending down to the deepest depths drilled."

There are no wetlands or high groundwater conditions present on the property. The presence of environmental contaminants had been found and removed to the satisfaction of the Nassau County Health Department in accordance with local and New York State regulations.

The property has a commercial use history including auto service between 1950 and 1987, and formerly utilized a non-regulated fuel oil tank for heating purposes. Additionally, contaminated groundwater was identified on the adjacent fueling station to the south of the subject property. As described in the Phase I Environmental Site Assessment (February 13, 2020) and Phase II Site Investigation (July 7, 2020), the areas of concern included an isolated area of shallow soil containing lead levels greater than New York State Department of Environmental Conservation (NYSDEC) restricted-residential soil standards, and a former 500-gallon fuel oil underground storage tank (UST). The UST was confirmed to have no historical releases to soil or groundwater, was removed from the property on March 29, 2021, and approved by the Nassau County Department of Health (NCDOH) on May 7, 2021. The lead-impacted soil was removed on July 29, 2021, and approved by the NCDOH on August 19, 2021. No remaining contamination was identified at levels greater than NYSDEC restricted-residential standards.

The subject property does not have an (E) designation, State project ID, Remedial Action Plan (RAP) or Remedial Action Work Plan (RAWP), Completion of remediation, Certificate of completion, or other approvals/designations applicable under the NYSDEC or NCDOH, except those described above. Additionally, there are no applicable easements.

Although no vapor intrusion concerns exist at the property relative to the Guidance for Evaluating Soil Vapor Intrusion in the State of New York (2006), a sub-slab depressurization system (SSDS) will be incorporated with the proposed building foundation per NCDOH request. The SSDS will include a 20-mil vapor barrier beneath the concrete building slab, and 4-inch diameter slotted PVC vent pipes embedded in a clean ¾-inch stone layer beneath the foundation slab. The SSDS vent pipes will be manifolded to seven (7) solid-wall PVC vents extending above the roof line. In-line, 110 VAC RadonAway® RP260 Pro (or equivalent) blowers will be connected to each vent. RadonAway® air flow alarm will be installed on each vent pipe to verify positive air flow.

The Homeowner Association (HOA) will be responsible for the operation, monitoring, and maintenance of the SSDS. Other details regarding installation, operation, and maintenance of the SSDS are provided on the drawing entitled Sub Slab Depressurization Plan and Details, dated June 22, 2021, prepared by AEI Consultants, and approved by the NCDOH on September 2, 2021.

All new footings have been designed based on allowable soil bearing pressure and applied loading from columns and bearing walls.

(1) Whether uneven foundation movement or settling has occurred (cracking, mortar joint, decay, etc.):

N/A. The proposed building is new construction, not yet under construction

(2) Whether there is any evidence of moisture or seepage, or ground water infiltration and, if so, whether corrective action is needed:

N/A. The proposed building is new construction, not yet under construction.

(3) Whether there is any danger from flooding, either due to water table in area or overflow from other bodies of water. Note potential for mudslides or erosion and what preventative action is appropriate:

The site is in FEMA "X" zone which predicts a 0.2% chance per year (500-year flood). Groundwater table is between 35'-8" and 39'-4" below grade. There is little expectation of any danger from flooding due to either bodies of water or the water table.

(f) Landscaping and enclosures:

(1) Grass cover (type, location):

There will be turfgrass (seed or sod) throughout property in areas not planted or paved.

(2) Plantings (type, location):

There will be a combination of shrubs, perennials, and ornamental grasses throughout property.

(3) Trees (location):

Trees will be located primarily located along Middle Neck Road property line and along west property line as screening.

(4) Fencing (type, location):

There will be a tubular aluminum fence following property lines on southern end of property, continuing along west property line and terminating at north property line.

(5) Gates (type, location):

There are no gates proposed in the property.

(6) Garden walls (type, location):

There are no garden walls proposed in the property.

(7) Retaining walls (type, location):

There will be approximately 250' lineal feet of cast in place concrete retaining wall with fencing on top, proposed along the southern property lines. The retained height varies between 1' ht. to 4.25' ht.

(8) Display pools and fountains (location, materials):

There are no display pools or fountains proposed in the property.

(g) Building size:

(1) Total height (approximate total feet from ground level to highest part of roof):

The total height of the building from ground to main parapet will be 34'-0". The total height from ground to the bulkhead will be 46'-0".

(2) Crawl spaces (floor to ceiling, height):

There will be no crawl spaces within the project.

(3) Number of sub-cellars and cellars:

There will be one cellar, there are no sub-cellars.

(4) Number of floors (actual including penthouses):

There will be three stories plus a roof bulkhead.

(5) Equipment rooms (location and use):

The boiler room, water meter room, gas meter room, trash compactor room, and utility room, will be located in the cellar. The cellar boiler room contains the boilers and hot water heaters for domestic hot water, and secondary heating elements serving the lobby and garage. All other heating and cooling is achieved through mini-split systems with condenser units on the building's roof.

(6) Parapet (height above roof):

There will be a low parapet approximately 3'-10" high, and a high parapet approximately 6'-6" high.

(h) Structural system. Describe materials used, included type of foundation(s) and methods of installation:

(1) Exterior of buildings:

(i) Walls: List materials, type of construction, method of construction:

Exterior walls are not required to be fire rated and are to be assembled as follows, listed from interior to exterior:

- 5/8" thick painted gypsum board
- 3-5/8" thick metal studs at 16" on center
- R-15 batt insulation
- 7-5/8" reinforced concrete block, with insulated cells
- Waterproofing
- Finish system (thin brick, composite plank, ACM)

The structural system is designed as follows:

Roof, third, and second floor are precast, pre-stressed concrete hollow core planks, supported by reinforced CMU walls (interior and exterior). First floor is concrete/metal deck composite slab supported by steel beams and steel columns. Foundation walls are reinforced concrete. Foundation walls and columns are supported by spread footings designed to bear on 2 tons/sq. ft. soils. Lateral loading is resisted by reinforced CMU shear walls. All foundation construction is to be site cast.

There will be no underpinning required for the project.

Acoustical provisions are designed as follows:

The flooring assemblies will be in compliance with code requirements meeting a sound transmission class (STC) of 50 and an impact insulation class (IIC) rating of 50. Unit demising walls will be in compliance with code requirements meeting a sound transmission class (STC) of 50.

The foundation wall design includes drainage board and 'Grace' Hydroduct 200 or (approved equal) drainage mat, installed over 'Grace' Preprufe waterproofing system, (or approved equal.) The garage slab is designed to sit atop a 10-mil vapor barrier over 6" compacted gravel.

(ii) Windows: Specify type and materials in all parts of the building, including sills, screens, window guards, lintels, storm, sash, hardware, single or double glazing and caulking. Indicate whether lot line windows exist and describe any future problems:

Windows are to be aluminum clad non-thermally conductive wood windows with insulated double glazing, by 'Marvin Ultimate' or equal, with black aluminum exterior finish and painted wood interior finish. Thermal breaks are not applicable for wood windows. There will be a combination of awning type units, and fixed units. Awning type windows will have opening limiters installed to limit opening amount to comply with code regulations. Operable windows to include interior screens. Window sills to be pre-formed aluminum with finish to match windows. Lintel supports to be provided at window head. Warranties are as follows: 10 years for parts and manufacturing; 20 years for glass; and 20 years for cladding.

(iii) Landmark status: State whether building has landmark status:

N/A. There is no landmark status.

(2) Parapets and copings:

ACM parapets will have ACM (aluminum composite panel) coping.
Brick walls will have .125" smooth aluminum 'snap-tight' coping system.
Parapet walls are clad in thin brick to match the building's exterior walls, over in 'Thintech' attachment system over waterproof membrane. Parapet flashing includes modified bituminous self-adhering sheet flashing to be installed per roofing manufacturers specifications.

(3) Chimneys and caps. Indicate number, location, and material of each chimney for boilers, incinerators, compactors, and fireplaces:

There will be six 4" diameter stainless steel flues and chimneys from the boiler and domestic hot water heaters to the roof. Compactor chimney requirements will be determined in coordination with the compactor manufacturer and provided to meet all code and manufacturer's requirements.

(4) Balconies and terraces:

There will be a common roof terrace. There are no private balconies or terraces connected to or associated with individual units.

(i) Deck finish (material):

The roof terrace will have precast roof pavers, and wood plank pavers. Two (inaccessible) areas of the roof will be planted. The precast roof pavers and wood plank pavers are to be by 'Bison' are an approved equal product and are designed to handle regular foot traffic. The pedestal paver system is designed to sit upon a protection board to protect the roofing membrane while maintain its warrantee. The roof terrace is accessed from the roof foyer, which has aluminum storefront doors by 'CRL' model number FFN1 or approved equal, with locking hardware to be tied into the building's security access system (see section (p)). The roof pavers will not void the roof warranty.

(ii) Balustrade (type, material):

N/A. There will only be parapets at roof perimeter, no balustrade.

(iii) Railings (material):

N/A. There will only be parapets at roof perimeter, no railings.

(iv) Copings (material):

N/A. There will be no balcony copings.

(v) Soffits (material):

N/A. There will be no projected balconies

(vi) Doors to balconies and terraces (type, material):

N/A. There will be no balcony or terrace doors.

(5) Exterior Entrances:

(i) Exterior doors and frames (material, type, lock):

Entrance doors to primary building lobby are to be aluminum storefront doors with clear insulated glazing non-thermally broken, by 'CRL' model number FFN1 or approved equal in aluminum storefront frames, with CRL locking hardware to be controlled via key fob.

Egress doors from stairwells and to parking garage are to be painted insulated metal doors in painted hollow metal frames, with 'Schlage' ND series lever set, controlled via building's security access system (see section (p))

(ii) Vestibule doors and frames (material, type, lock):

There are no vestibules in the proposed building. Main lobby entrance doors are listed above under 5(i).

(iii) Exterior stairs (material, location):

There will be a poured concrete exterior stair at the Southwest corner of the building leading to Stair #1 and poured concrete exterior stair at the Northeast corner of the building leading to the parking garage.

(iv) Railing (material, location):

Both exterior stairs will have painted steel handrails.

(v) Mail boxes (type, location):

There will be no exterior mailboxes. See (i) 5 for interior mail facilities.

(vi) Lighting (type, location):

There will be wall mounted egress discharge lights at exterior doors to stairs and parking garage.

(vii) Handicap Entrances:

The main entrance to the building provides an accessible path per requirements of 2010 BCNY and ANSI 117.1-2003.

(6) Service entrances:

There are no proposed service entrances.

(i) Doors and frames (materials, type, lock):

N/A

(ii) Gates (material, type, lock):

N/A

(iii) Exterior stairs (material, location):

N/A

(iv) Railings (materials, location):

N/A

(7) Roof and roof structures:

(i) Type roofs for all areas:

(a) Material:

Roofing material to be SBS modified bitumen roofing system, fully adhered to a lightweight insulating structural concrete roof system, as manufactured by Siplast or equal.

(b) Insulation (size, type, and insulating value):

Insulation is to be polyisocyanurate, R-7 per inch.

(c) Surface finish:

All roof terrace portion of the roof will have a raised decking system on adjustable pedestal feet over protection board. Finished decking system will consist of two types of tiles, including 'Bison' 2'x2' concrete tiles, and 'Bison' 2'x4' ipe wood deck tiles, or approved equal. See section 4(i) for additional information on the roof pavers.

(d) Bond or guarantee:

There will be a 20-year manufacturer's warranty on the roof materials and a 1-year warranty on the labor provided by the installer

(e) Flashing materials including counter flashing:

Flashing and counterflashing are to be copper sheet metal.

(ii) Drains:

1. Location, material, and type:

There are (19) 4" roof drains and (19) secondary overflow drains

2. Gutters and leaders (type, material):

There are no gutters, all roofs are flat and pitched to internal roof drains. All leaders are concealed within building walls and piped directly to drainage structures. Leader piping is to be constructed of cast iron with mechanical coupling.

(iii) Skylights (location, type, material):

There are no proposed skylights.

(iv) Bulkheads:

1. Stairs (material):

   Stair bulkheads are clad in thin-brick veneer, with standing seam metal roofing.

2. Elevator (material):

   Elevator bulkhead is clad in thin-brick veneer, with a flat roofing system and aluminum composite panel system coping and overhang.

3. Other:

(v) Metal work at roof levels:

1. Exterior, metal stairs (material):

   There are no exterior metal stairs at roof level.

2. Vertical ladders, including gooseneck (material):

   There are no vertical ladders at roof level.

3. Railings (material):

   There are no metal railings at roof level.

4. Hatches to roof (type, material):

   There is to be a roof hatch at the top of the elevator bulkhead. Roof hatch to be a 2'-6" x 3'-0" single leaf smoke hatch by 'Bilco' or similar.

5. Other:

   N/A.

6. Rooftop facilities:

   The rooftop bulkhead includes an 845 sq. ft. elevator vestibule, with a unisex toilet room, and janitor's closet with sink. This space is intended to act as an access point to the common roof and is not planned for any occupancy other than circulation or building service. The accessible (finished) areas of the roof are open and intended for occupant use. The unfinished areas of the roof are for mechanical equipment only and will not be accessible by residence.

(8) Fire Escapes:

There are no proposed fire escapes.

(i) Location (describe how attached and supported):

N/A, there are no proposed fire escapes.

(ii) Floors covered:

N/A, there are no proposed fire escapes.

(iii) Drop ladder:

N/A, there are no proposed fire escapes.

(iv) Tape:

N/A, there are no proposed fire escapes.

(v) Materials:

N/A, there are no proposed fire escapes.

(9) Yards and courts. Describe each yard or court including front, rear, and interior areas, listing methods of access:

(i) Paving (material)

N/A, there are no proposed courts.

(ii) Drainage (type and material):

N/A, there are no proposed courts.

(iii) Railings (material):

N/A, there are no proposed courts.

(iv) Stairs (material):

N/A, there are no proposed courts.

(v) Fencing (type and material):

N/A, there are no proposed courts.

(vi) Walls (type and material):

N/A, there are no proposed courts.

(vii) Rear Yard:

There is a rear yard which will be lawn and perimeter landscaping. Use of this lawn is open for resident use.

(10) Interior stairs:

(i) Number of stairs of each type:

There are to be 2 interior stairs.

(ii) Enclosure (construction and interior finishes):

Interior stair enclosures are to be constructed of reinforced concrete block. All stair enclosure walls are designed as 2-hour fire rated assembly based on UL #937 in accordance with applicable building codes

(iii) Stair construction:

Interior stairs are to be composed of concrete filled steel pan treads, with 2" minimum fill, sealed and painted. Treads are to include an abrasive insert.

(iv) Stringers (material):

Stringers are to be constructed of structural steel channel.

(v) Treads (material):

Treads are to be concrete fill in steel pans (see above.)

(vi) Risers (material):

Risers are to be steel pan risers.

(vii) Guard rails (material):

Guard rail is to be 42" high painted metal guardrail with attached ADA compliant 36" high handrail.

(viii) Balustrade (material):

See (vii) Guard Rails.

(11) Interior doors and frames. Describe material, type, and location for each and state whether fireproof or exceeds fire/safety standards:

(i) Unit entrance and interior doors and frames:

Unit entrance doors are to be solid core wood fire-rated doors in hollow metal frame. Assembly rating to be 1/3 hour in compliance with building code requirements. Unit interior doors are solid core wood doors in wood door frames.

(ii) Corridor doors and frames:

Corridor doors into rubbish rooms are to be solid core fire rated wood doors in hollow metal frames. Assembly rating to be 1-1/2 hour rated in compliance with building code requirements.

(iii) Stair hall doors and frames

Stair hall doors are to be painted metal doors in hollow metal frame. Assembly rating to be 1-1/2 hour in compliance with building code requirements.

(iv) Roof doors, basement doors and frames:

Roof doors to stairs are to be painted metal doors in hollow metal frame, with an assembly rating of 1-1/2 hour in compliance with building code requirements.

Basement doors to storage and mechanical rooms are to be painted metal doors in hollow metal frames. Basement door to fitness center is aluminum storefront system.

(12) Elevators:

(i) Number of passenger and service elevators:

There are to be 2 passenger elevators and no service elevators.

(ii) Manufacturer and capacity (in pounds and number of passengers):

Manufacturer: Canton Elevator (Canton, Ohio) or equal.

Car 1 (IBC Stretched Compliant): Capacity = 3500#, Max No. Passengers = 19

Car 2: Capacity = Minimum 2100#, Max No. of Passengers = 11 @ 2,100#

(iii) Type of operation for each elevator:

The elevators are planned for duplex Selective Collective Operation.

(iv) Automatic (type of controls):

Controls will be manufactured by 'Elevator Controls Corporation' (Sacramento, CA) or equal.

(v) Floors served:

Both elevators serve all floors in the building, from cellar through roof.

(vi) Type (hydraulic; gearless):

The elevators will be dual-roped hydraulic elevators.

(vii) Doors (sliding, swinging, manual, automatic):

Elevator doors to be automatic horizontal, single speed sliding doors.

(viii) Location of machine rooms:

There will be a single machine room for both elevators, adjacent to the shaft at the bottom landing.

(ix) DC motor (manufacturer):

Door control (DC) motor and door equipment to be manufactured by 'GAL Manufacturing' (Bronx, NY) or equal.

(x) Other:

Elevators are compliant with ASME A17.1-2016, IBC, NYS, and ADAAG

(13)Elevator Cabs:

(i) Kind (manufacturer):

Cab manufacturer will be Canton Elevator (Canton, Oh), or equal.

(ii) Floor (material):

Elevator cab flooring to be a Luxury Vinyl Tile (LVT) product by Armstrong or a similar manufacturer of equal or higher quality. Finished floor to be installed on marine grade, ¾" plywood subfloor to maintain fire rating and code compliance.

(iii) Walls (material):

Elevator cab walls will be fire-rated wood core panels finished with plastic and/or metal laminate.

(iv) Ceiling (material):

Elevator ceiling will be stainless steel ceiling panels or similar equivalent.

(v) Lighting:

Elevator lighting will be LED downlighting.

(vi) Alarm, safety system:

As per elevator code, the elevators will have the following safety features:

- Alarm button in the cab and bell in the shaft
- ADA compliant, two-way communications (emergency phone)
- Phone line monitoring: will notify passengers if phone line is not active
- Emergency Battery Lowering: In the event of a building power failure, the elevator will automatically lower the car and allow passengers to exit the elevator

- Door lock monitoring
- Overspeed governor and car safeties
- Car Door Restrictor
- Locked Escape hatch with monitoring switch
- Pit Stop Switch, Car stop Switch, Cartop Stop Switch
- Final limit switches
- Safety Operated Switch
- Pipe rupture valve
- Frieman Service Operation: Phase I & Phase II

(i) Auxiliary facilities:

(1) Laundry rooms:

(i) Location and number of rooms:

There is to be one common laundry room in the cellar.

(ii) Clothes washers, number, and type (e.g. Heavy duty, coin operated, electric, gas):

There are to be 2 heavy duty clothes washers operated on a valued added card system.

(iii) Clothes dryers (number and type):

There are to be 2 gas dryers.

(iv) Room ventilation (method and final exhaust):

Room ventilation to be provided by operable window & rooftop make up ventilation air unit for toilet and kitchen exhaust.

(v) Dryer ventilation (method and final exhaust):

Rooftop make up air unit and central dryer exhaust risers.

(2) Refuse disposal:

(i) Incinerator(s) (number, location, capacity, type, manufacturer):

There are no proposed incinerators.

(ii) Compactor(s) (number, location, capacity, type manufacturer):

There is to be one compactor, located in the cellar level. Compactor to be 'Refuse Compactor MC4000' by 'All-City Metal' or equal, and will be chute-fed, fully automatic, hydraulically operated piston extrusion type horizontal refuse compactor, with capacity or 1,500 lbs./hour.

(iii) Approvals by authority having jurisdiction (date of each approval):

All approvals relating to the compactor and other refuse disposal procedures will be handled by building management in coordination with the selected carting company, as required.

(iv) Initial storage location (ultimate storage location):

Compacted refuse is to be stored at the cellar level in a designated storage room prior to pick-up.

(v) Pick-up schedule and whether public or private provider

Exact pickup schedule will be coordinated by the building management team in consultation with the selected carting company.

(3) Bike Storage:

There is no dedicated storage for bicycles

(4) Storage:

(i) Storage Rooms

There will be six (6) tenant storage spaces in the lower level which will be subject to license agreements. They range from 55-66 square feet, with ceiling heights of approximately 10'-6" and will be enclosed by framed sheetrock walls with locking metal doors in hollow metal frames. These rooms will have locked storeroom type lever-sets, with keys distributed by building management to the appropriate tenant, ensuring access only by the appropriately authorized resident. There will be three (3) building storage spaces in the lower level which will be for building-related storage and maintenance items. Access to these spaces will be limited to building personnel.

(5) Mail/Package:

(i) The mail and package rooms are accessed off the main entry lobby. The mail area is a 65 square foot open alcove directly off the lobby, while the package

room is a 178 square foot locked room accessed from the mail alcove, accessed by resident's key fob. Mailboxes are to be USPS approved horizontal cluster mailboxes by 'Florence' STD-4-C or approved equal, which provide individual locking mail compartments for each resident. Mailboxes will be provided for each resident. The mailboxes will be accessed by the postal employee to distribute mail into individual mailboxes.

(j) Plumbing and drainage

(1) Water supply. Describe system, pumps, storage and location

There will be a 6-inch fire service for sprinkler and a 4-inch domestic water service. Water pressure will be provided by Great Neck Water District supply. All material will be copper L piping material. There will be 1" fiberglass insulation on hot and cold-water piping. The main shut off valve will be located at the cellar water meter room C018 near the service entry.

(2) Fire protection system.

(i) Standpipes (material, size, location):

Standpipes will be schedule 40 steel with threaded 4" riser and located in each stairwell.

(ii) Hose racks, hoses, and nozzles (location):

Hose racks will have a 2 ½" FHV per floor per stairwell.

(iii) Sprinkler heads (type, system, location):

Sprinkler heads will be residential listed quick response sprinkler heads in concealed pendant, exposed upright and concealed sidewall. All heads will be served from the building's wet sprinkler system designed in compliance with NFPA 13R.

(iv) Siamese connection (type, location):

The Siamese connection will be located at front of the building.

(3) Water storage tanks(s) and enclosures:

(i) Number, type, location of each

N/A

(ii) Material (interior, exterior, and roof of tank):

N/A

(iii) Access to tank (e.g., vertical gooseneck, ladder):

N/A

(iv) Capacity (total gallons):

N/A

(4) Water pressure and how maintained:

Water pressure will be provided and maintained by Great Neck Water District supply. There is no requirement for a booster pump.

(5) Sanitary sewage system.

(i) Sewage piping (materials):

Sewage piping will be an 8" DR-18 connection from main to building.

(ii) Sewage pumps (if any):

There will be a duplex sewage pump located at the cellar floor, used to pump sanitary waste from plumbing fixtures in the cellar level to the sanitary house drain located at the ceiling of the cellar. Sewage pump to be 'Federal Pumps' VSA-4F-2-4 duplex pump with a one-year warranty after invoice date.

(iii) Sewage disposal (public/private, treatment, drain field, sewer):

Sewage disposal will be handled by public sewer district.

(6) Permit(s) required. List and include dates(s) obtained:

Authorization to connect to the Great Neck Water Pollution Control District has been approved.

(7) Storm drainage system. Describe system, adequacy, method of disposal, and materials including:

(i) Catch basins (location)

There will be concrete catch basins located on the east side of the building designed to capture and covey stormwater runoff to the drywells.

(ii) Yard and roof drains (location):

Drains will be made of fiberglass or HDPE, and located on the west, north, and east side of the building designed to capture and convey stormwater to the drywells.

(iii) Piping (materials):

Piping will be 6" diameter HDPE connecting roof leaders to drywells and 12" diameter HDPE connecting all other inlets and drywells.

(iv) Eject or sump pumps (describe in detail and describe conditions requiring pumps):

Foundation drainage below the cellar slab will be collected through a sand interceptor and then pumped discharged via the sump pumps to the site drainage system. Drainage pump to be 'Federal Pumps' VF-2 duplex pumps, with a one-year warranty after invoice date.

(k) Heating (including space heating and domestic hot water heating):

(1) Heating and distribution of domestic hot water and whether capable or providing peak required services. Describe heating system's ability to maintain legally required conditions under anticipated weather conditions, specifying internal temperatures and ambient temperatures used in calculations.

Apartment heating will be provided from the heat recovery fan coil units and air-cooled condensing units on the roof. Corridor heating will be provided from the dedicated gas fired HVAC system. Garage and main lobby heating will be provided from a gas fired hot water boiler. Design temperature for the garage will be 50F indoor and 12F outdoor. Design temperature for main lobby will be 72F indoor and 12F outdoor. Design temperatures for residential units are 72F indoor and 12F outdoor winter.

(2) Number of boilers and hot water heaters and description:

There will be one central boiler for the garage and main lobby.

There will be two hot water heaters.

(3) Manufacturer, model, and capacity of boiler:

The boiler will be a Riverside Hydronic model 500WB 130A-CBML with 500 mbh gas input, a 96% efficiency rating, with a 1-year warranty after invoice date.

The hot water heaters will be 'AO Smith' BTH-400, each with 119 gallons storage and a 95% efficiency rating. They include a 3-year warranty on the tank and 1 year warranty on parts after warranty date.

(4) Manufacturer and model of burner:

N/A

(5) Type of controls:

Control type will be modulating controls.

Each residential unit will have 2 thermostats, to control the two zones in each apartment.

(6) Radiators, piping, insulation, valves, pumps:

There will be 2 hot water circulating pumps with copper L piping with 1" insulation to circulate hot water to Garage unit heaters and lobby cabinet unit heaters. Air distribution ducts will have 1.5" R-6 fiberglass insulation.

(7) Fuels (if oil, give type and grade, if gas, give type and supply system):

Natural Gas will be provided from local utility gas company.

(8) Location of oil tank, materials, enclosure:

N/A

(9) Capacity of oil tank:

N/A

(l) Gas supply (if not described above):

(1) Type:

Natural gas will be provided from local utility gas company.

(2) Meters:

There will be 2 gas meters in the property.

(3) Piping:

Piping will be schedule 40 piping.

(m) Air conditioning. Describe cooling system's adequacy to maintain comfortable conditions under anticipated weather conditions, specifying internal temperature and bae ambient temperature used in calculations:

(1) Type of system:

There will be heat recovery VRF systems for all apartment units. Warranty on equipment is 1 year on parts and 7 years on compressors from the date of invoice.
There will be rooftop electric cooling and gas fired heating for the corridors and lobby. Warranty on the equipment is 1-year parts and 5 years on compressors from the date of startup but not to exceed 18 months.
There will be rooftop electric cooling and gas fired heating for make-up air ventilation unit for all apartment units. Warranty on the equipment is 1 year parts and 5 years on compressors from the date of startup but not to exceed 18 months.
Residential unit design is based on design temperatures of 75F indoor and 89F.
All rooftop equipment is internally isolated to prevent equipment vibration and noise from reverberating into the apartments below. All exposed materials are standard equipment and design and rated for exterior installation.
There will be 1.5" insulation for hot water heating pipes, and 1" insulation for refrigerant piping.
See Sheet M-500 of the mechanical drawings for equipment capacity, ratings, and controls.
Air distribution ducts to receive 2" R-6 fiberglass insulation.

(2) Central system (manufacturer, model, and capacity):

There will be Mitsubishi Electric, model PURY for ACC units and model PEFY for FCU units. See M500 for capacity of each equipment.
There will be rooftop central system manufactured by Aaon, model RNA-011-C-0-8-DABOA-DB2KO, 3825 cfm supply for corridors and lobby.
There will be rooftop central system manufactured by Aaon, model RNA-016-C-0-8-DABOA-DB2KO, 3950 cfm supply for apartment units.

(3) Cooling towers, condensers, (rooftop, self-contained units, including number, location, and description):

(4) See central system on 2 above Individual units covered by the offer (window/sleeve, specify number, capacity, amperage, and efficiency):
N/A

(n) Ventilation. Describe systems in kitchens, fireplaces, and all windowless areas such as corridors, garages, laundries, baths, etc.:
There will be a central exhaust system for general area, dryers, kitchens, and toilet. All exhaust fans will be located on the roof. There will be central garage exhaust fans in garage level which will discharge to the roof. Corridor ventilation will be provided from the HVAC system located on the roof. The cellar will be ventilated with exhaust fans designed to meet or exceed minimum code requirement. There is no expectation of noise emissions from the fans: There are no ventilation fans installed inside the residential units. All fans are located in the garage or on the roof, other than the dryer booster fans on the first and second floor which are only turned on when the dryer is in operation.
Ventilation rates for windowless areas are as follows:

Garage code requirement 0.75 cfm/sqft, 0.75 cfm/sqft provided

Corridor code requirement 0.06 cfm/sqft, 0.10 cfm/sqft provided

Private toilet code requirement 20 cfm, 50 cfm provided per toilet

Public toilet code requirement 50 cfm, 50 cfm provided per toilet.

(o) Electrical System:

(1) Service from main service switchgear (amperes, voltage phases, wire, protective equipment):
Service from utility will be 120/208V, 3 phase, 4 Wire. Service consists of three 800 amp, 120/208V meter banks with 800 amp main disconnects each. House distribution is 1200 amps, 3ph, 4w service. Wire material to be copper. Wire sizes vary throughout the project and can be found in the electrical riser diagram within the electrical drawings.

(2) Service to individual units (risers, etc.)

Each apartment will be separately metered typically with 100A, 2P CB. Apartment feeder size is 3#1, 1#6G in 1 ¼" C. The incoming wire size will be determined by the utility company. 120/208 volt, 1 phase service with copper wires will be provided to each unit.

(3) Compartment switch gear (location and floor of sectional meter boards and transformers supplying power to the meter boards):

Meter banks and main switches are to be located in the basement

(4) Unit service (ratings of fuses and circuit breakers), adequacy of electrical system to handle modern usage and appliances such as air conditioners, dishwashers, and dryers):

There will be a 100A, 2P Circuit Breaker from meter bank to serve each apartment panel.

Adequacy:

(i) Service – average number of circuits per apartment and capacity to handle modern appliances – specifically air conditions, dishwashers, and electric dryers.

Typical panel will be a 30-pole panel with 6 spare circuit breakers

(ii) Lighting and fixtures

There will be ceiling mounted light fixtures in bedrooms and hallways

(iii) Convenience outlets, appliance outlets.

Each unit will have electrical receptacles throughout per code.

The kitchens will have 5 separate circuits

(5) Generator

(i) There will be a generator located on the roof to provide minimum power usage to the building in the event of an emergency. Generator to be Cummins Generator model C350N6, 300kw gas fired back up generator. All components and subsystems are covered by an express limited one-year warranty. Continuous operation using natural gas unless there is a problem with the utility company. The following equipment will operate during power failure: (1) one refrigerator and (1) receptacle in each apartment; fire alarm system; EM lights and exit signs; elevators; sump pumps; ejector pumps; and dry sprinkler compressor.

(p) Intercommunication and/or door signal systems, security closed circuit TV. Specify mode of operation and condition. Describe television reception facilities (master antennae, cable TV, antennae by tenants.)

The building will have an intercommunication and security access system by 'Butterfly MX' or equal to control resident and guest access into and throughout the building.

There will be a security camera system by by 'Axis Communications' or equal, consisting of outdoor cameras (Axis M2026-LE MKII Network Camera or equal) and indoor dome cameras (Axis M3065-V Network Camera or equal). Axis products include a 5-year warranty.

There will be a wifi system by 'UniFi' or equal, with 802.11AC Dual-Radio Access Points (UAP-AC-PRO or equal) in the common areas of the building, for use by building management only.

Residential units will be wired for Optimum/Altice telephone, cable, and internet services. Optimum/Altice will also be utilized for cable television services in the fitness center, a telephone line at the concierge station, and internet service.

(q) Public area lighting. Describe and state adequacy (entrances, halls and stairs, corridors, basements, courts, and yards):

Cellar garage lighting is to consist of suspended LED fixtures. Cellar corridors and utility room lighting is to consist of 1x4, 2x2, and 2x4 led fixtures, both recessed and surface mounted. Cellar fitness center lighting is to consist of recessed LED downlights. First through third floor lobby lighting and corridor lighting is to consist of recessed LED downlights. First through third floor utility rooms and stair lighting is to consist of surface mounted LED fixtures. Roof vestibule lighting is to consist of recessed LED downlights. Roof vestibule restroom lighting is to consist of 2x4 LED lay-in fixtures. Rooftop terrace lighting is to consist of recessed LED wall-mount lights in parapet and knee walls, and recessed LED downlights in vestibule soffit. All public area lighting is designed to meet or exceed minimum code requirements. Lighting specifications, manufacturer, catalogue numbers, wattages, and descriptions can be found in the lighting fixture schedule on sheet A-112 of the architectural drawings.

(r) Garages and parking areas:

(1) Parking Requirement:

(2) Based on the village approvals, the project requires 80 stalls overall. 80 Stalls are provided (see description below.) Based on the 80 stalls provided, 4 ADA stalls are required. 4 ADA stalls will be provided. Location of garages and parking areas (number of spaces in each):

There is to be one below-grade parking facility at cellar level beneath the building which will include 40 parking stalls (including 2 handicap stalls). All stalls in the parking garage will be subject to license agreements, while maintaining compliance with accessible parking requirements.

There are to be two exterior surface parking areas. An area along the front (East) elevation is to include 19 parking spaces (including 2 handicap stalls). An area to the South of the building is to include 21 parking spaces. All stalls in the exterior surface parking areas will be subject to license agreements, while maintaining compliance with accessible parking requirements.

Standard parking stalls in the garage will be 9' wide by 19' deep, and standard parking stalls in the surface lots will be 9' wide by 18' deep, all of which meet dimensional requirements of the Village zoning. ADA stalls will be a minimum of 8' wide by 18' deep with adjacent loading zones which meet the requirements of ANSI 117.1.-2003.

(3) Surfaces (materials used, lighting, fencing, etc.):

The below-grade parking facility is to be a poured concrete slab with moisture tolerant epoxy sealer finish coating. Exterior surface parking areas are to be paved with two lifts of asphalt over a recycled aggregate base.

(4) Parking (attended or unattended):

All parking areas are to be unattended.

(5) Garage ventilation (method and equipment):

Exhaust fans with makeup air louver will be provided.

(6) Garage fire protection (method and equipment):

There will be an automatic sprinkler with dry valve assembly.

(7) Drainage:

There will be a duplex sewage pump located at the cellar floor is used to pump sanitary waste from plumbing fixtures in the cellar level to the sanitary house drain located at the ceiling of the cellar.

(s) Swimming pool(s).

There are no proposed swimming pools within the project.

(1) Type (concrete, material, composition, and location on property):

N/A, there are no proposed swimming pools within the project.

(2) Size, including length, width, depth, and approximate number of bathers permitted at any time:

N/A, there are no proposed swimming pools within the project.

(3) Enclosure (material including roof):

N/A, there are no proposed swimming pools within the project.

(4) Pumping and filter system (describe material):

N/A, there are no proposed swimming pools within the project.

(5) Water heating equipment or usage of building's hot water (feed or heat exchangers):

N/A, there are no proposed swimming pools within the project.

(6) If on building roof, specify structural support system:

N/A, there are no proposed swimming pools within the project.

(t) Tennis courts, playgrounds, and recreation facilities:

(1) Tennis courts:

There are no proposed tennis courts within the project.

(i) Type (clay, macadam, turf):

N/A, there are no proposed tennis courts within the project.

(ii) Number and size:

N/A, there are no proposed tennis courts within the project.

(iii) Lighting (number and type):

N/A, there are no proposed tennis courts within the project.

(iv) Fencing or enclosure (including distance between fence or enclosure and all sides of court):

N/A, there are no proposed tennis courts within the project.

(2) Playgrounds. Describe location and size(s), fencing (if any), and equipment types and sand bed or safety padding:

There are no proposed playgrounds within the project.

(3) Other recreation facilities. Describe any beach or lake front, boating facilities, golf course(s) handball, basketball, or other game courts:

There are no proposed outdoor recreation facilities or game courts within the project.

(u) Permits and certificates. List all applicable permits which must be obtained and inspections which to be done. List type of inspection, authority inspecting, and duration of approval once obtained. Include all compactors, incinerators, boilers, oil storage tanks, elevators, etc.

The following inspections will be required throughout the construction process:

- Site Safety Inspection
- Erosion Control Measures
- Stormwater Drywell excavation and Installation
- Emergency Egress
- Excavation
- Footing
- Foundation Forms
- Foundation Drains
- Foundation Waterproofing
- Framing
- Finish Plumbing
- Fire Stopping and Fire Rated Drywall
- Safety Glazing
- Wind Resistant Glazing
- Smoke Detectors
- Fire Alarm System
- Automatic Sprinkler System
- Fire Extinguishers
- Emergency Lighting
- Emergency Egress
- Rough electric
- Final Electric
- Electrical Certificate
- Energy Code Compliance for building envelope insulation, air sealing & fenestration installation and testing.
- Mechanical Systems Installation and Testing in accordance with the Energy Code.
- Dryer and Kitchen Exhaust
- Plumbing installation including, water supply piping, storm water and sanitary system installation, water pressure test, gas pressure test, gas pipe installation.
- Fire Resistant Penetrations and joints
- Sprayed on Fire Resistant Materials
- Elevator Installation and Testing
- Insulation and Air Sealing Installation
- Structural Steel Construction
- Concrete Construction
- Masonry Construction

Recurring inspections once the building is in operation are as follows:

- Semiannual inspections of the elevator per New York State Building Code and Village Code

- Annual inspections of the boilers, gas burners, electrical heating equipment, compactor and fire and safety equipment per New York State Building Code and Village Code

(v) Violations. List all violations outstanding as of the date of this report and the agency imposing the violation, the condition involved, the date violation issued, and work required by violation notice to cure. If no violations are outstanding, so state:
New construction, there are no outstanding violations to report. The sponsor would cure any outstanding violations prior to closing.

(w) Unit information. Specify the number of units inspected. Specify the unit designations for each typical unit or line of units, including the number and type of rooms. Give criteria for calculations of the number of rooms. For lofts give useable residential space in square feet. Describe (including foyers, living rooms, dining areas, kitchen, bedrooms, bathrooms, etc.):
There are to be 40 residential units, including (1) 1-bedroom unit, (36) 2-bedroom units, and (3) 3-bedroom units. The unit are arranged in 14 vertical lines, numbered 01 – 14. Lines 01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 11, 12, and 13 will stack vertically with matching units on floors one through three. Line 14 only includes a unit at the third floor, where the double height lobby and lounge exists below on floors one-through-two.

(1) Type and grade of finish material used in each type of unit and the number of coverings given. Include paint, wall and floor coverings as well as specifying the type of flooring, walls and ceiling used.
See finish schedule below.

Proposed Unit Finishes			
Room	**Floors**	**Walls**	**Ceiling**
Kitchen	Engineered wood	Paint / cab / tile	Painted gypsum board
Living	Engineered wood	Paint	Painted gypsum board
Bedrooms	Engineered wood	Paint	Painted gypsum board

Bathrooms	Floor tile	Wall tile	Painted gypsum board

Engineered wood flooring to be ¾" thick white oak by 'Carlisle' or approved equal, with custom stain, installed over soundproofing mat, over Ardex K 15 self-leveling underlayment, over concrete plank. Engineered wood flooring warranty is as follows, lifetime warranty for structural and 20 years for finish under "normal conditions" in accordance with National Wood Flooring Association (NWFA) guidelines.

All walls and ceilings to receive (1) coat primer and (2) coats paint. Paint to be 'Benjamin Moore' Regal, with primer, or approved equal.

(2) Presence, type, and condition of all bathroom fixtures.

See fixture schedule below.

Proposed Bathroom Plumbing Fixtures	
Hall Baths	
Fixture Type	**Proposed Fixture**
Sink	Kohler Ladena K-2214, white, (or equal)
W.C.	Kohler San Raphael K-3722, white, (or equal)
Shower	Kohler Loure K-14786, polished chrome (or equal)
Tub and spout	Tub: Kohler Underscore, K-1121-0, white (or equal) Spout: Kohler Loure, polished chrome, (or equal)
Master Bathrooms, and Type 'E' bathroom	
Fixture Type	**Proposed Fixture**
Sink	Kohler Ladena K-2214, white (or equal)
W.C.	Kohler San Raphael, K-3722, white (or equal)

Shower	Kohler Purist K-993-G, polished chrome (or equal)
Handheld	Kohler Shift K-10257-A (or equal)

(3) Presence, type, and condition of kitchen and laundry equipment.

(i) If data is substantially the same for all units, a single narrative may be substituted for this schedule.

See fixture schedule below:

Kitchen countertops to be 1-1/4" thick Pental Quartz BQ100P or approved equal.

Kitchen cabinets to be custom or prefabricated laminate faced cabinets.

(ii) If any equipment or fixtures described are not included in the offering price or the offering price is not conditioned on the equipment and fixtures selected, such fact must be conspicuously noted in the body of the plan.

N/A

Proposed Kitchen Appliances	
Type	**Appliance**
Refrigerator/freezer	KITCHENAID KRFC302ESS (or equal)
Range	KITCHENAID KSGG700ESS (or equal)
Garbage Disposal	GE APPLIANCES GFC325V (or equal)
Push Button	INSINKERATOR PUSH BUTTON PC (or equal)
Microwave	WHIRLPOOL UMC5225DS (or equal)
Hood	WHIRLPOOL WVW53UCCOFS (or equal)
Washer/dryer	Stacked washer dryer by Whirlpool (or equal)

Dishwasher	KITCHENAIDE KDFE104HPS (or equal)

(x) Finish schedule of spaces other than units. Describe all common rooms and spaces including but not limited to: sub-sub cellar, sub-cellar, basement, cellar, first floor, penthouse floor, public and service halls, corridors, lobbies:

See finished schedule below:

Proposed Unit Finishes			
Room	**Floors**	**Walls**	**Ceiling**
Cellar			
Parking	Sealed concrete	Paint	Open ceiling
Fitness	Rubber mat	Paint	Open ceiling
Hall	Floor tile	Paint	Acoustic ceiling tile
Bathroom	Floor tile	Paint	Acoustic ceiling tile
Utility Rooms	Exposed concrete	Paint	Open ceiling
Laundry Room	Unfinished concrete	Paint	Open ceiling
Storage Rooms	Unfinished concrete	Paint	Open ceiling
Workshop	Floor Tile	Paint	Acoustic ceiling tile
Compactor room	Sealed concrete	Paint	Open ceiling

First Floor – Second Floor – Third floor			
Lobby	Floor tile	Paint / Glass / Cab	Paint / Cabinetry
Corridors	Carpet	Paint	Paint / Cabinetry
Rubbish Room	VCT	Paint	Open ceiling
Stairs	Vinyl landing/tread	Paint	Open ceiling
Roof Vestibule			
Lobby	Floor tile	Paint	Paint
Bathroom	Floor tile	Paint	Acoustic ceiling tile
Janitor's Closet	Floor tile	Paint	Open ceiling

(y) Safety and warning devices. Describe any fire or smoke safety devices installed in units and common areas. State what devices are required by law and whether any required devices have not been installed:

The building is to have a full hard-wired fire alarm system in compliance will all local and State regulations, and which will be inspected and receive sign-off from the Nassau County Fire Marshal. The system consists of the following components:

Carbon monoxide detector system is provided for the garage.

Smoke detectors are provided in all cellar storage rooms, utility rooms, electrical room, office/workshop, trash room, lobby, rubbish rooms, elevator lobby, stair bulkheads, and public toilets.

Smoke and carbon detectors are provided for boiler room, corridors, Machine room, apartment units, fitness center and utility storage.

Heat detector is provided in elevator shaft.

Speaker, speaker/strobes are provided throughout the entire building.

Tamper and water flow switches are provided in stair 2 and water meter room.

(z) Fire alarm system is manufactured by Edwards model 10500 or approved equal. The central panel location is located in the main building lobby. Additional information required. Include the following in the Description of Property and Building Condition section of the plan:

(1) A site plan showing landscape features, roads, the outside dimension of the building(s) and designated common areas, including recreation and refuse disposal areas, and all privately owned access roads. The site plan may be omitted if the building covers the entire lot.

A site plan has been provided with this submission.

(2) An area map showing the location of the condominium with respect to its surroundings if the condominium is not located in a highly urban area.

An area map has been provided with this submission.

(3) Floor plan for each line or type of unit drawn to scale, indicating room dimensions and unit boundaries.

Floor plans of each line of units has been provided with this submission.

(4) Floor to ceiling heights of units.

Floor to ceiling heights in unit living rooms and bedrooms is to be approximately: 8'-10"
Floor to ceiling heights in unit halls, kitchens, and bathrooms is to be approximately: 7'-10"

(5) Approximate total area of each unit.

Total area of each unit has been provided with unit plan layouts.

(6) A master floor plan showing unit boundaries and the relationship of units to each other. The master floor plan may be omitted if the site plan clearly shows unit boundaries and appropriate unit designations.

Master floor plan is included as a key plan within provided individual unit plans.

(aa) In the event that certain conditions in the building(s) cannot be adequately evaluated by a visual examination, the Department of Law may, in its discretion, direct that an independent engineer or testing laboratory be retained to perform such tests or monitoring as may be necessary in order to make adequate disclosure. Conditions which may require additional testing or monitoring include, but are not limited to: settlement, masonry cracks, rusting of

structural steel, adequacy of concrete cover, firestopping, etc. Test results must be reported in the offering plan or in an amendment thereto.

The project is planned as new construction, not applicable to this project.

(bb) Further development. If the sponsor intends to add additional units to the building, either above the existing roof, outside the existing building development, or by altering space within the building, it must make disclosure about the new units to conform to 13 NYCRR Section 20.7. In addition:

(1) If additional units are to be added, sponsor must submit plans and specifications approved by all necessary local governmental agencies before the offering plan may be accepted for filing.

There is no intention to add additional units to the project.

(2) If additional units will be on top of an existing structure, state:

(i) Whether the existing structure has sufficient capacity to support the additional load, and I, if not, what steps are being taken to support the increased load.

N/A, the project is planned as new construction.

(ii) What the resulting building height will be.

N/A, the project is planned as new construction.

(3) Describe the components which will be removed, relocated, or extended, e.g., parapet, bulkheads, roof, tanks, elevators, service rooms, landscaping, etc.

N/A, the project is planned as new construction.

(4) Describe the effect the additional structure will have on existing systems and state the adequacy of all existing systems which will be affected by the addition, including heat and hot water, water pressure, sewage, elevators, electricity, air conditioning, parking, and sprinklers.

N/A, the project is planned as new construction.

(5) Include a list of facilities that will be shared by the existing and new structures, e.g., laundry room, intercom, garage, etc.

N/A, the project is planned as new construction.

(6) State the effect that the renovation or construction will have on tenants in occupancy. Specifically:

(i) The manner in which construction debris will be handles and its effect on common areas used by tenants.

N/A, the project is planned as new construction.

(ii) The schedule for renovation and construction work, e.g., Monday-Friday, 8:00am to 5:00 pm, except holidays.

N/A, the project is planned as new construction.

(iii) Any measures that will be taken to protect the security of the building during the construction or renovation process. Include a statement of the manner in which tenants and construction workers will gain access to the building.

N/A, the project is planned as new construction.

(iv) Whether there will be any interruption of services during construction or renovation and, if so, provide details. This includes water, electricity, elevator service, and laundry rooms.

N/A, the project is planned as new construction.

(v) Whether new piping will be added to existing piping and whether such work may cause breaks in existing piping. If so, state whether precautions will be taken to minimize damage and state who will be responsible for any such damage.

N/A, the project is planned as new construction.

(vi) Whether the sponsor and/or contractors will have liability insurance in effect during construction.

N/A, the project is planned as new construction.

(cc) Asbestos. State whether Asbestos Containing Material (ACM) is present in insulating or fireproofing material anywhere in the building.

Sponsor shall perform such tests as are necessary to make such determination. In the event that ACM is present, sponsor shall have a person who is qualified to render an opinion on

asbestos prepare a report on the asbestos in the building (the "asbestos report"). Such asbestos report shall contain at least the following information:

The project is planned as new construction, not applicable.

(1) The qualifications of the person preparing the report

N/A, the project is planned as new construction.

(2) A detailed inventory of the asbestos in each unit and in all other areas of the property, including the location, amount of ACM, type, and concentration of asbestos in ACM, and condition. At least 10% of all units must be inspected in an initial inspection. If ACM is found in any of these units, a second inspection, with notice to tenants, must be performed in all remaining accessible units. List units inspected.

N/A, the project is planned as new construction.

(3) Recommendations for handling each and every item of the asbestos inventory i.e. removal, enclosure, encapsulation, or leaving undisturbed.

N/A, the project is planned for as construction.

(4) How the recommendations should be implemented. Include, if applicable, whether units must be vacated or whether use of certain rooms will be limited and the projected duration thereof. State whether the work must be performed in compliance with New York City Local Law 76 of 1985 or any other applicable laws.

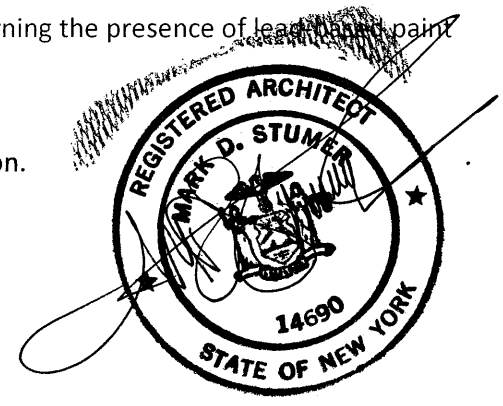
N/A, the project is planned as new construction.

(5) A recommendation protocol (operations and maintenance program) for the future handling and maintenance of asbestos which will remain in the building, whether encapsulated, enclosure, or left undisturbed.

N/A, the project is planned as new construction.

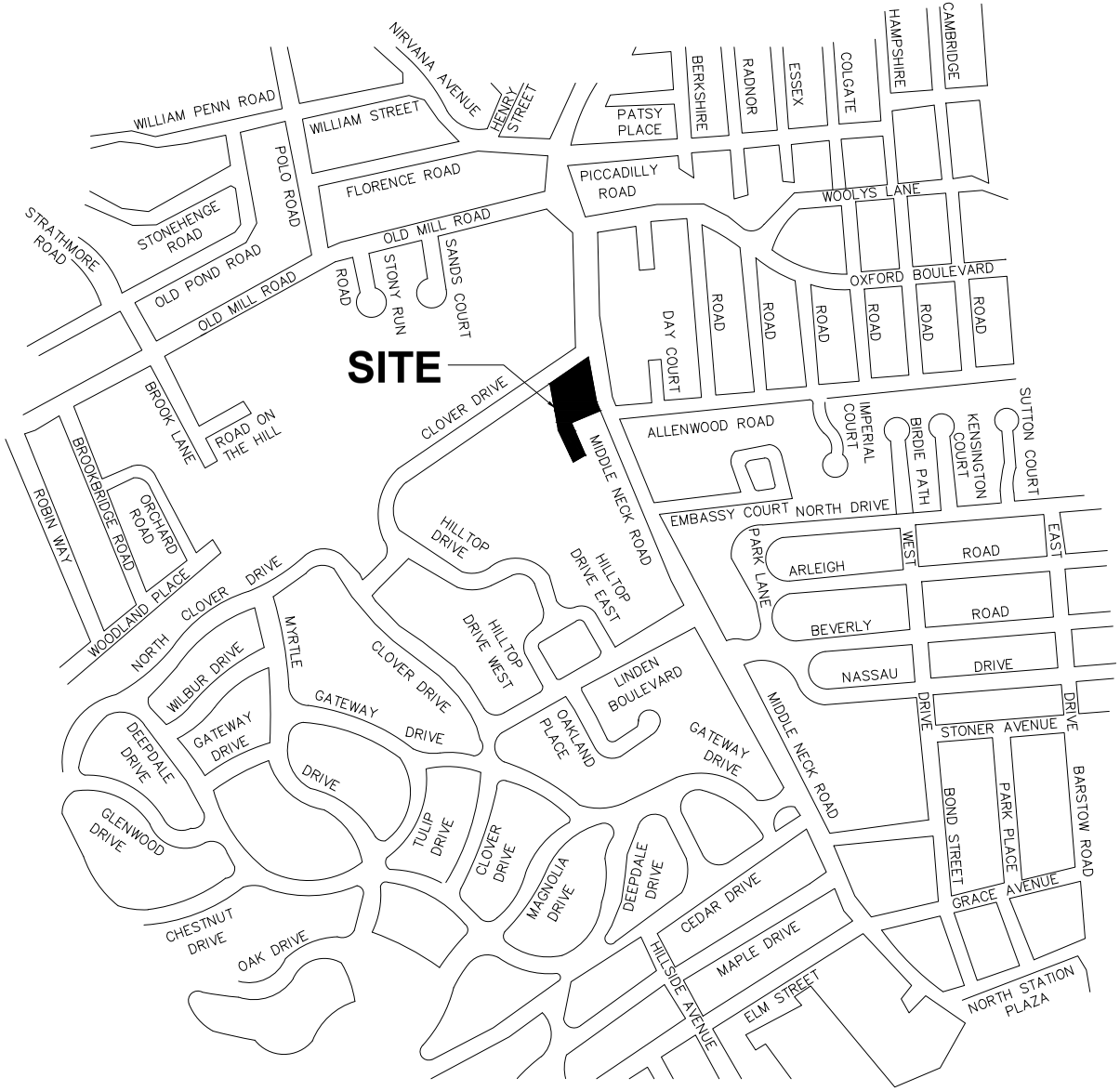
(dd) Lead based paint. Included records, reports, violations, and any other information known or available to the sponsor or its agents concerning the presence of lead-based paint and/or lead-based paint hazards.

N/A, the project is planned as new construction.



SCHEDULE G-1

SITE PLAN



REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

386

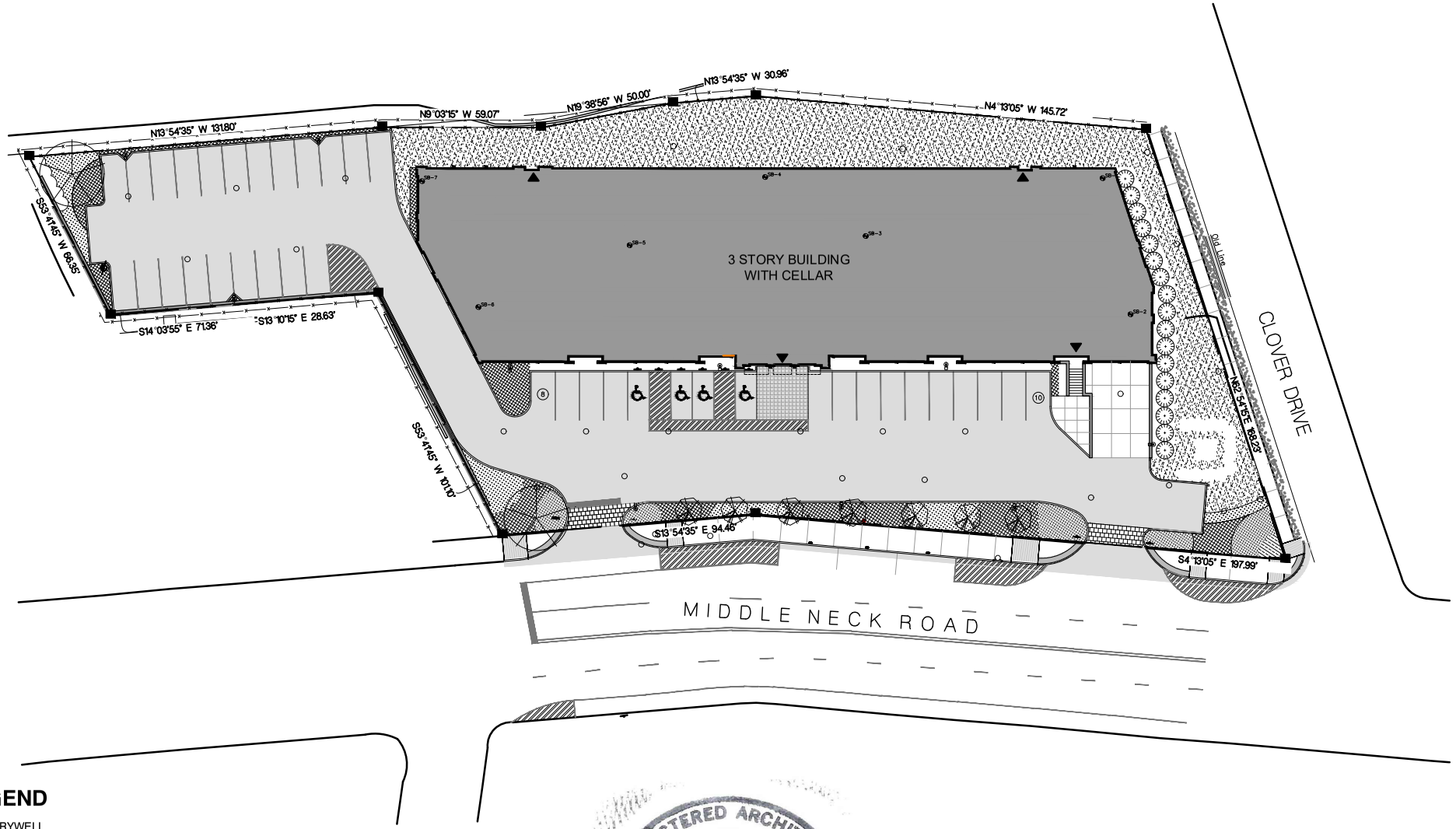
NOT TO SCALE

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLAN AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

KEY MAP

10.07.2021

MOJO•STUMER ASSOCIATES, P.C.



LEGEND

- DRYWELL
- LIGHT POLE
- EXIT ACCESS
- TREES / LANDSCAPING

SITE PLAN

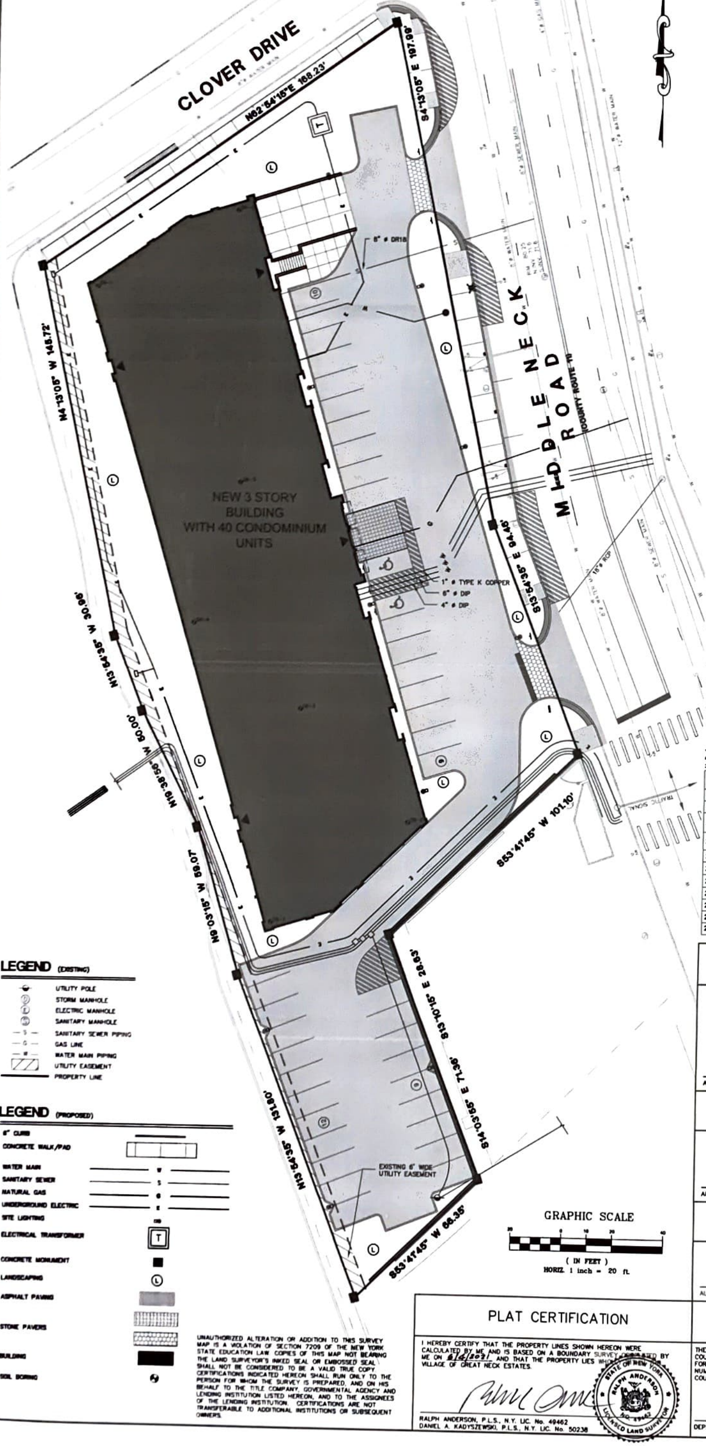
10.07.2021

REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

NOT TO SCALE

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLAN AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

MOJO•STUMER ASSOCIATES, P.C.



LEGEND (EXISTING)

- UTILITY POLE
- STORM MANHOLE
- ELECTRIC MANHOLE
- SANITARY MANHOLE
- SANITARY SEWER PIPING
- GAS LINE
- WATER MAIN PIPING
- UTILITY EASEMENT
- PROPERTY LINE

LEGEND (PROPOSED)

- 6" CURB
- CONCRETE WALK/PAD
- WATER MAIN
- SANITARY SEWER
- NATURAL GAS
- UNDERGROUND ELECTRIC
- SITE LIGHTING
- ELECTRICAL TRANSFORMER
- CONCRETE MONUMENT
- LANDSCAPING
- ASPHALT PAVING
- STONE PAVERS
- BUILDING
- SOIL BORING

GRAPHIC SCALE

(IN FEET)
HORIZ. 1 inch = 20 ft.

UNAUTHORIZED ALTERATION OR ADDITION TO THIS SURVEY MAP IS A VIOLATION OF SECTION 7209 OF THE NEW YORK STATE EDUCATION LAW. COPIES OF THIS MAP NOT BEARING THE LAND SURVEYOR'S INKED SEAL OR EMBOSSED SEAL SHALL NOT BE CONSIDERED TO BE A VALID TRUE COPY. CERTIFICATIONS INDICATED HEREON SHALL RUN ONLY TO THE PERSON FOR WHOM THE SURVEY IS PREPARED, AND ON HIS BEHALF TO THE TITLE COMPANY, GOVERNMENTAL AGENCY AND LENDING INSTITUTION LISTED HEREON, AND TO THE ASSIGNEES OF THE LENDING INSTITUTION. CERTIFICATIONS ARE NOT TRANSFERABLE TO ADDITIONAL INSTITUTIONS OR SUBSEQUENT OWNERS.

SITE DATA

1. SITE CONDITIONS: VILLAGE: VILLAGE OF GREAT NECK ESTATES; TOWN: TOWN OF NORTH HEMPSTEAD; COUNTY: NASSAU; STATE: NEW YORK
2. APPLICANT: McKINLEY ROSE LLC. 655 ENGINEERING DRIVE, SUITE 208 PEACHTREE CORNERS, GA 30092
3. ATTORNEY: CERTILMAN, BALIN, ADLER & HYMAN, LLP 90 MERRICK AVENUE, 9TH FLOOR EAST MEADOW, NY 11554
4. NASSAU COUNTY TAX MAP: SECTION 2, BLOCK 6, LOT 254
5. ZONING DISTRICT: BUSINESS D INCENTIVE DISTRICT
6. TOTAL SITE AREA: 53,097 SF (1.2 ACRES)
7. SERVICES
   SCHOOL DISTRICT: GREAT NECK – 7
   WATER DISTRICT: WATER AUTHORITY OF GREAT NECK
   FIRE DISTRICT: VIGILANT ENGINE & HOOK & LADDER CO., INC.
   POLICE PRECINCT: GREAT NECK ESTATES POLICE DEPARTMENT
   SEWER DISTRICT: GREAT NECK WATER POLLUTION CONTROL DISTRICT
   POST OFFICE: GREAT NECK, NEW YORK 11021
8. FLOOD HAZARDOUS ZONE: PANEL 36059C0111G / ZONE X

UTILITY NOTES

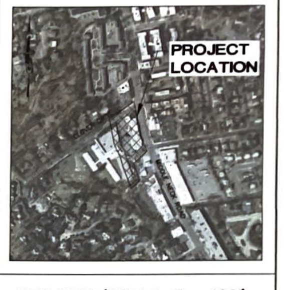
1. THIS SITE IS LOCATED WITHIN THE WATER AUTHORITY OF GREAT NECK. ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH THE WATER AUTHORITY OF GREAT NECK WATER DISTRICT AND/OR THE NASSAU COUNTY HEALTH DEPARTMENT.
2. THE DEVELOPER MUST COMPLY WITH ALL WATER SUPPLIER REQUIREMENTS FOR BACKFLOW PREVENTION DEVICES ON WATER SUPPLY LINES.

NCDOH NOTES

1. A PROFESSIONAL ENGINEER OR LICENSED SURVEYOR, LICENSED TO PRACTICE IN NEW YORK STATE, SHALL INSPECT THE CONSTRUCTION OF THE DRAINAGE FACILITIES ON THE INDIVIDUAL LOTS AND IN NON-DEDICATED AREAS, AND SHALL CERTIFY, NO LATER THAN 30 DAYS FOLLOWING THE COMPLETION OF CONSTRUCTION, THAT THE DRAINAGE FACILITIES HAVE BEEN CONSTRUCTED IN FULL CONFORMANCE WITH THE APPROVED DRAINAGE PLANS.
2. "ACCEPTANCE AND APPROVAL OF WASTE DISPOSAL FACILITIES HEREIN DESCRIBED DOES NOT CONSTITUTE APPROVAL OF THE STRUCTURAL STABILITY BY THE NASSAU COUNTY DEPARTMENT OF HEALTH."
3. "COMPLIANCE TO THE CONDITIONS NOTED ON THE NASSAU COUNTY DEPARTMENT OF HEALTH CERTIFICATE OF APPROVAL OF REALTY SUBDIVISION PLANS IS REQUIRED.



LOCATION MAP (SCALE: 1" = 3000')



KEY MAP (SCALE: 1" = 400')

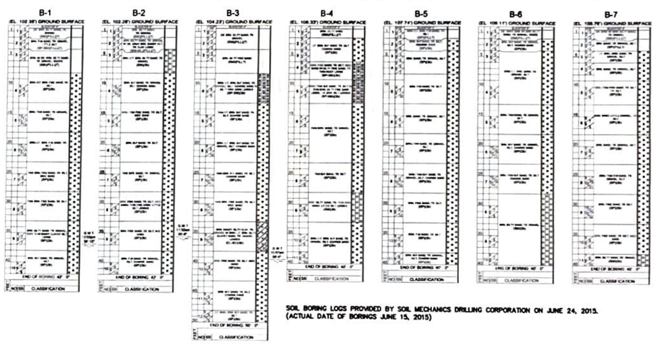
GENERAL NOTES:

1. THIS PLAN REFERENCES:
   - A SURVEY PREPARED BY AK ASSOCIATES, 100 NORTH PARK AVENUE, ROCKVILLE CENTRE, NY 11570 LAST DATED JUNE 2021
   - RECORD UTILITY MAPPING
2. DEBRIS SHALL NOT BE BURIED ON THE SUBJECT SITE. ALL UNSUITABLE MATERIAL AND DEBRIS SHALL BE DISPOSED OF IN ACCORDANCE WITH ALL VILLAGE, TOWN, COUNTY, STATE AND FEDERAL LAWS AND APPLICABLE CODES.
3. THE INSTALLATION OF ALL SITE AND HIGHWAY IMPROVEMENTS INCLUDING EXCAVATION, BACKFILL AND COMPACTION OF THE TRENCHES FOR SANITARY SEWERS AND UTILITIES SHALL BE SUPERVISED BY THE DEVELOPER'S PROFESSIONAL ENGINEER (LICENSED BY THE STATE OF NEW YORK, OR A LAND SURVEYOR WITH A 7208N CERTIFICATE) WHO SHALL SUBMIT A SIGNED AND SEALED LETTER TO THE VILLAGE OF GREAT NECK ESTATES AND NASSAU COUNTY STATING THAT THE IMPROVEMENTS HAVE BEEN MADE IN ACCORDANCE WITH THE SITE PLAN AND INSTALLED TO THE APPLICABLE NEW YORK STATE, VILLAGE OF GREAT NECK ESTATES AND NASSAU COUNTY SPECIFICATIONS. THE CERTIFICATION SHALL ALSO APPLY TO THE PROPOSED ROAD OPENINGS ON EXISTING STREETS. SAID WORK ON EXISTING STREETS SHALL INCLUDE TRAFFIC MAINTENANCE AND THE PLACEMENT OF TEMPORARY AND FINAL PAVEMENT.
4. NO SPEED BUMPS ARE PERMITTED.
5. ANY BROKEN OR HAZARDOUS EXISTING SIDEWALK, DRIVEWAY APRONS AND CURBING ADJACENT TO AND ON THE SUBJECT SITE SHALL BE REPLACED IN ACCORDANCE WITH CURRENT STANDARDS.
6. SIDEWALKS ARE REQUIRED ALONG ALL VILLAGE OF GREAT NECK ESTATES AND NASSAU COUNTY MAINTAINED ROADWAYS. OBTAIN A PERMIT FROM THE VILLAGE OF GREAT NECK ESTATES AND NASSAU COUNTY HIGHWAY DEPARTMENT. HANDICAP RAMPS WILL BE INSTALLED AS NECESSARY.
7. CONSTRUCTION OF APPLICABLE WATER AND SEWAGE FACILITIES IN THE SUBDIVISION SHALL CONFORM TO PART 74, TITLE 10 AND PART 653, TITLE 6 OF THE OFFICIAL COMPILATION OF CODES. RULES AND REGULATIONS OF THE STATE OF NEW YORK.
8. COMPLIANCE TO THE CONDITIONS NOTED ON THE NASSAU COUNTY DEPARTMENT OF HEALTH CERTIFICATE OF APPROVAL OF REALTY SUBDIVISION PLANS IS REQUIRED.
9. THE APPROVAL OF DRAINAGE PLANS BY THE NASSAU COUNTY DEPARTMENT OF HEALTH SHALL NOT BE CONSTRUED TO IMPLY ADEQUACY WITH RESPECT TO THE PREVENTION OF FLOODING OR EROSION. THE NASSAU COUNTY DEPARTMENT OF HEALTH REQUIREMENTS FOR DRAINAGE ARE MINIMAL. ADDITIONAL DRAINAGE FACILITIES MAY BE NECESSARY FOR SATISFACTORY DRAINAGE OF THE SUBDIVISION.
10. THE GRADING AND DRAINAGE PLAN SHALL BE REFERRED TO FOR DRAINAGE REQUIREMENTS AND SPECIFIC CONSTRUCTION DETAILS.
11. WATER MAIN PROTECTION – THE MINIMUM HORIZONTAL AND VERTICAL CLEARANCE BETWEEN A WATER MAIN/WATER SERVICE LINE AND SEWER PIPING AND/OR DRAINAGE PIPING SHALL BE 10.0 FEET AND 18 INCHES RESPECTIVELY.
12. ALL FILL BROUGHT ON TO THE SITE SHALL BE CERTIFIED CLEAN FILL BY A NEW YORK STATE LICENSED PROFESSIONAL ENGINEER.
13. THE APPROVAL OF A REALTY SUBDIVISION MAP IS VALID FOR FIVE (5) YEARS. IF CONSTRUCTION IS NOT COMPLETED WITHIN THE FIVE(5) YEARS AFTER APPROVAL, NEW APPLICATIONS, FEES AND PLANS MUST BE SUBMITTED TO THE HEALTH DEPARTMENT FOR REVIEW AND APPROVAL.
14. DRYWELLS SHALL BE INSTALLED TO HAVE COMMUNICATION WITH RATEABLE LEACHING SOIL.
15. DISTANCE TO THE CLOSEST BUS STOP (LINE N58) IS <10', AT THE INTERSECTION OF MIDDLE NECK ROAD AND ALLENWOOD ROAD; DISTANCE TO LIRR TRAIN STATION IS 3,690' (0.7 MILES), AT NORTH STATION PLAZA.
16. CONDOMINIUM ASSOCIATION SHALL BE CREATED TO OPERATE, MAINTAIN, AND REPAIR THE WATER SERVICE LINES, SANITARY SEWER, DRAINAGE STRUCTURES, DRAINAGE PIPING, AND COMMON AREAS ON THE CONDOMINIUM PROPERTY AS PER THE COVENANTS AND RESTRICTIONS RECORDED WITH THE NASSAU COUNTY CLERK'S OFFICE.

ZONING DATA BUSINESS D INCENTIVE DISTRICT

SUB-SECTION	DESCRIPTION	REQUIRED	PROPOSED	VARIANCE REQUIRED
230-13.E.1	USE	MULTI-FAMILY	MULTI-FAMILY	
230-13.E.1.a	UNIT SIZES	1, 2, OR 3 BEDROOM UNITS MAXIMUM	1, 2, OR 3 BEDROOM UNITS	
230-13.E.1.a	QUANTITY OF UNITS	MAXIMUM 1 DWELLING UNIT PER 530 S.F. OF LOT AREA (100 UNITS MAXIMUM)	40 UNITS	
230-13.E.1.b	QUANTITY OF PARKING	1 PARKING SPACE PER RESIDENTIAL UNIT 40*1=40 SPACES REQUIRED	80 SPACES	
230-13.E.1.b	DIMENSION OF STANDARD PARKING	9'x18' MINIMUM	9'x18'	
230-13.E.1.d	BUILDING HEIGHT	5 STORIES OR 56' MAXIMUM	3 STORIES/30'-6"	
230-13.E.1.e	LOT COVERAGE	MAXIMUM 97%	18,945/53,097=35.7%	
230-13.E.1.f	SETBACKS	NOT APPLICABLE	NOT APPLICABLE	
230-13.E.1.h	ACCESS DRIVEWAY	18' MINIMUM WIDTH	20' WIDTH	
230-13.E.1.i	LOADING ZONE	NOT REQUIRED	NOT APPLICABLE	
230-13.E.1.j	PARKING DRIVE AISLE	21' MINIMUM WIDTH	22' MINIMUM	

SOIL BORING LOGS



SOIL BORING LOGS PROVIDED BY SOIL MECHANICS DRILLING CORPORATION ON JUNE 24, 2015. (ACTUAL DATE OF BORINGS JUNE 15, 2015)

SANITARY SEWER NOTES

1. THIS PROPERTY IS LOCATED WITHIN THE GREAT NECK WATER POLLUTION CONTROL DISTRICT
2. THE DEVELOPER/CONTRACTOR SHALL INSTALL THE SANITARY SEWERS IN ACCORDANCE WITH NCDPW STANDARD SPECIFICATIONS AND DETAILS FOR THE CONSTRUCTION OF SANITARY SEWERS, LATEST EDITION 2003, UNDER A PERMIT AND/OR SEWER AGREEMENT WITH THE COUNTY.
3. THE CONTRACTOR SHALL NOTIFY THE GREAT NECK WATER POLLUTION CONTROL DISTRICT A MINIMUM OF TWO (2) WORKING DAYS PRIOR TO WORK INVOLVING ANY SANITARY SEWER FACILITIES.
4. THE HORIZONTAL/VERTICAL SEPARATION OF SEWER AND DRAINAGE PIPE, AND WATER MAINS/SERVICES SHALL MEET OR EXCEED THE REQUIREMENTS OUTLINED IN THE RECOMMENDED STANDARDS FOR SEWAGE WORKS (TEN STATE STANDARDS), LATEST EDITION.
5. WHERE SANITARY OR HOUSE CONNECTION SEWERS CROSS OVER A DRAINAGE TRENCH AREA, THE SEWER SHALL BE REPLACED WITH DUCTILE IRON EXTENDING A MINIMUM OF FIVE (5) FEET EACH SIDE OF THE CROSSING TO UNDISTURBED SOIL. THE SAME REPLACEMENT SHALL APPLY FOR SEWERS UNDER A DRAINAGE TRENCH AREA WITHIN TWELVE (12) INCHES CLEARANCE, BOTTOM OF DRAIN TO TOP OF SEWER.
6. ALL PIPES, MANHOLES AND APPURTENANCES SHALL BE APPROVED BY THE GREAT NECK WATER POLLUTION CONTROL DISTRICT.
7. THE MINIMUM/MAXIMUM HEIGHT LIMITS FOR BRICKWORK FOR NEW MANHOLES AREA FOUR (4) INCHES AND SIXTEEN (16) INCHES, RESPECTIVELY. ADJUSTMENTS TO CHIMNEY HEIGHT TO MEET THE LIMITS SHALL BE BY ALTERING THE PRECAST MANHOLE BARREL. ADDITIONAL REQUIREMENTS ARE:
   A. ONLY CONCRETE BRICK WILL BE USED FOR BRICKWORK.
   B. THE MANHOLE FRAME IS TO BE SET IN PORTLAND CEMENT CONCRETE. BRICK MORTAR WILL NOT BE PERMITTED.
   C. THE MANHOLE COVERS MUST BE AT FINISHED STREET GRADE. WARPING OR FEATHERING OF THE PAVEMENT TO MEET IMPROPERLY SET MANHOLES WILL NOT BE PERMITTED.
   D. THE MANHOLES AND COVERS MUST BE CLEAN AND FREE FROM ALL ROAD PAVING MATERIALS AND DEBRIS PRIOR TO PAINTING THE CASTINGS.
8. ALL CONNECTIONS TO MANHOLES MUST BE BY A FLEXIBLE RUBBER BOOT. IF THE BOOT IS NOT CAST IN, OR THE MANHOLE IS EXISTING, THE CONNECTION MUST BE BY THE KOR-N-SEAL METHOD.
9. THE CONTRACTOR SHALL COMPLY WITH ALL OSHA REQUIREMENTS FOR ENTRY INTO A CONFINED SPACE WHENEVER IT IS NECESSARY FOR A CONTRACTOR'S EMPLOYEE TO ENTER A NASSAU COUNTY SANITARY SEWER MANHOLE. THE MINIMUM REQUIREMENTS THE CONTRACTOR MUST COMPLY WITH ARE:
   A. CONTRACTOR ISSUED "ENTRY PERMIT".
   B. CONFINED SPACE ENTRY MONITOR TO TEST FOR TOXIC, EXPLOSIVE AND OXYGEN DEFICIENT ATMOSPHERE.
   C. CONFINED SPACE RESCUE AND RETRIEVAL EQUIPMENT. THE CONTRACTOR WILL NOT BE PERMITTED TO WORK IN A NASSAU COUNTY SANITARY SEWER MANHOLE UNLESS HE COMPLIES WITH ALL APPLICABLE OSHA REQUIREMENTS.
10. THE SANITARY SEWER SERVICING THIS PROPERTY IS TO REMAIN PRIVATE. MAINTENANCE AND REPAIRS ARE THE SOLE RESPONSIBILITY OF THE HOMEOWNERS.
11. GRAVITY SEWER MAINS AND MANHOLES SHALL BE OWNED AND MAINTAINED BY THE CONDOMINIUM ASSOCIATION.
12. ALL SANITARY SEWER HOUSE CONNECTION PIPING TO BE 8-INCH PVC DR-18 PIPE @ 1.0% SLOPE MINIMUM UNLESS OTHERWISE NOTED.
13. THE OWNER/BUILDER SHALL SECURE THE SERVICES OF A PROFESSIONAL ENGINEER LICENSED IN THE STATE OF NEW YORK WITH EXPERIENCE IN THE FIELD OF SANITARY SEWER CONSTRUCTION. THE ENGINEER WILL BE REQUIRED TO INSPECT THE CONSTRUCTION AND CERTIFY TO THE NASSAU COUNTY DEPARTMENT OF PUBLIC WORKS AND THE HEALTH DEPARTMENT THAT THE CONSTRUCTION OF THE SEWER LINES AND STRUCTURES HAS BEEN INSPECTED AND INSTALLED IN ACCORDANCE WITH THE MAP, APPROVED UTILITY PLANS, AND THE STANDARDS AND SPECIFICATIONS OF NASSAU COUNTY. THE ENGINEER SHALL SUBMIT A CERTIFICATION LETTER AND AS-BUILT DRAWINGS.

COMMISSIONER OF PUBLIC WORKS NASSAU COUNTY, NEW YORK

I hereby Certify that the grades and drainage for the streets and avenues, roads or highways, access easements, or right of way, shown on this map have been approved by me, and plans showing such grades and drainage are on the file in the office of the Department of Public Works, Nassau County.

Commissioner of Public Works, Nassau County — Date 11-18-21

Deputy Commissioner of Engineering	[signature]	11/16/21
Civil Site Eng.	[signature]	11-9-21
Traffic Eng.	[signature]	11/4/21
Water Eng.	[signature]	10/28/21
Waste Water Eng.	[signature]	10/25/21

TITLE COMPANY CERTIFICATION

THIS IS TO CERTIFY THAT ALL TAXES AND ASSESSMENTS WHICH ARE LEINS PRIOR TO ____ AGAINST PREMISES HEREON OR ANY PART THEREOF HAVE BEEN PAID.

BY: ____ DATE ____

AREA OF SUBDIVISION

TOTAL MAP AREA = 1.2 ACRES

OWNER'S CERTIFICATION

McKINLEY ROSE LLC IS THE OWNER OF ALL PROPERTY SHOWN ON THIS PLAT AND CONSENTS TO THE FILING THEREOF AT THE NASSAU COUNTY CLERK'S OFFICE.

A CONDOMINIUM OFFERING PLAN HAS BEEN ACCEPTED FOR FILING BY THE OFFICE OF THE ATTORNEY GENERAL OF THE STATE OF NEW YORK ON DAY OF 20__ UNDER FILE NUMBER ____

12/15/21
DATE

OWNER, SIGNATURE ____ TITLE ____

OWNER, PRINT NAME ____

GREAT NECK WATER POLLUTION CONTROL DISTRICT

AUTHORIZED SIGNATURE ____ DATE ____

NASSAU COUNTY PLANNING COMMISSION

Nassau County Planning Commission
File # 2000-F-2
Date Approved 11/23/21
12/13/21
Deputy Commissioner

AUTHORIZED SIGNATURE ____ DATE ____

CONSENT OF MORTGAGEE

AUTHORIZED SIGNATURE ____ DATE ____

VILLAGE OF GREAT NECK

AUTHORIZED SIGNATURE [signature] DATE 12/16/21

DEPARTMENT OF ASSESSMENT NASSAU COUNTY, NEW YORK

THE LAND SHOWN ON THIS MAP APPEARS ON THE LAND AND TAX MAP OF THE COUNTY OF NASSAU AS SECTION 2, BLOCK 6, LOT 254. THE LOT DESIGNATIONS FOR THE SEPARATE UNITS SHOWN THEREON CONFORM TO THE OFFICIAL TAX LOT NUMBER DESIGNATIONS FOR SUCH UNITS AS SHOWN ON THE OFFICIAL OF THE COUNTY OF NASSAU.

DEPARTMENT OF ASSESSMENT ____ DATE ____

HEALTH DEPARTMENT NASSAU COUNTY, NEW YORK

THIS IS TO CERTIFY THAT THE PROPOSED ARRANGEMENT FOR WATER SUPPLY AND SEWAGE DISPOSAL FOR THIS REALTY SUBDIVISION, IN ACCORDANCE WITH PLANS ON FILE IN THE OFFICE OF THE NASSAU COUNTY HEALTH DEPARTMENT, ARE HEREBY APPROVED. CONSENT IS HEREBY GIVEN TO THE FILING OF THE MAP ON WHICH THIS ENDORSEMENT APPEARS IN THE OFFICE OF THE NASSAU COUNTY CLERK IN ACCORDANCE WITH THE PROVISIONS OF SECTION 17-1505 OF THE ENVIRONMENTAL CONSERVATION LAW OF THE STATE OF NEW YORK.

November 17, 2021

[signature] J. Alarcon, P.E
LOCAL PUBLIC HEALTH ENGINEER
NASSAU COUNTY HEALTH DEPARTMENT

THIS MAP HAS RESTRICTIVE COVENANTS IN ACCORDANCE WITH THE DECLARATION OF RESTRICTIONS, DATED THIS ____ DAY OF ____ ADOPTED BY THE VILLAGE OF GREAT NECK ESTATES BY RESOLUTION # ____ AND RECORDED IN THE OFFICE OF THE VILLAGE CLERK, VILLAGE OF GREAT NECK ESTATES, AND THE OFFICE OF THE COUNTY CLERK, COUNTY OF NASSAU.

VILLAGE OF GREAT NECK ESTATES

AUTHORIZED SIGNATURE [signature] DATE 12/17/21

ZONING

IT IS REPRESENTED BY THE ENGINEER THAT ALL LOTS SHOWN CONFORM TO THE MINIMUM REQUIREMENTS OF THE APPLICABLE ZONING USE DISTRICTS OR VARIANCES HAVE BEEN GRANTED BY THE ZONING BOARD OF APPEALS OF MODIFICATIONS OF REQUIREMENTS HAVE BEEN GRANTED BY THE VILLAGE OF GREAT NECK ESTATES.

CAMERON ENGINEERING & ASSOCIATES, LLP

PLAT CERTIFICATION

I HEREBY CERTIFY THAT THE PROPERTY LINES SHOWN HEREON WERE CALCULATED BY ME AND IS BASED ON A BOUNDARY SURVEY PREPARED BY ME ON 6/14/2021 AND THAT THE PROPERTY LIES WHOLLY IN THE VILLAGE OF GREAT NECK ESTATES.

RALPH ANDERSON, P.L.S., N.Y. LIC. No. 49462
DANIEL A. KADYSZEWSKI, P.L.S., N.Y. LIC. No. 50238

FINAL MAP OF THE ROSE AT GREAT NECK CONDOMINIUM

VILLAGE OF GREAT NECK ESTATES
TOWN OF NORTH HEMPSTEAD
NASSAU COUNTY, NY
SECTION 2 - BLOCK 6 - LOT 254

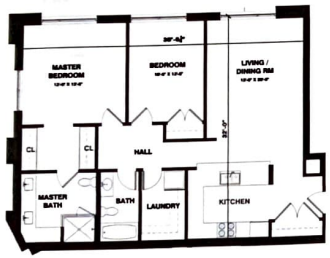
JOSEPH R. AMATO
NO. 56484

NO.	DATE	REVISION DESCRIPTION

CAMERON ENGINEERING & ASSOCIATES, LLP

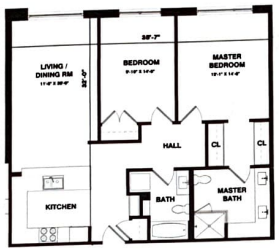
AK ASSOCIATES
PROFESSIONAL LAND SURVEYORS
100 NORTH PARK AVENUE
ROCKVILLE CENTRE, NEW YORK 11570
Tel:(516) 678-9610 - Fax:(516) 678-0348

OCTOBER 12, 2021
SCALE: 1" = 20'
SHEET 1 OF 3



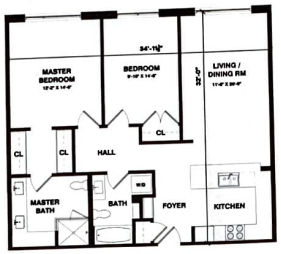
ENLARGED UNIT PLAN – UNIT 104, 204, 304

1,273 SF



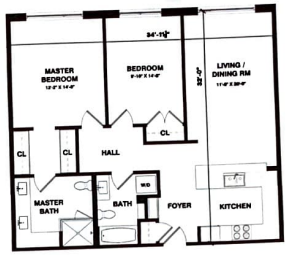
ENLARGED UNIT PLAN – UNIT 105, 205, 305

1,133 SF



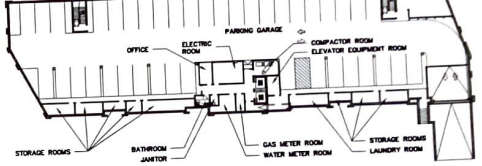
ENLARGED UNIT PLAN – UNIT 106, 206, 306

1,117 SF



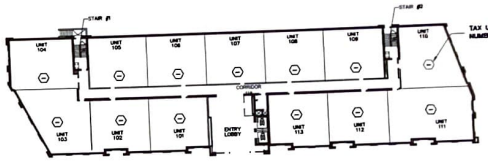
ENLARGED UNIT PLAN – UNIT 107, 207, 307

1,117 SF



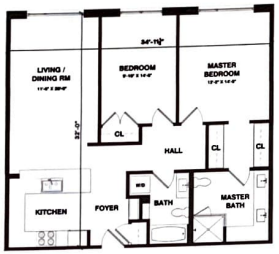
BASEMENT FLOOR PLAN

SCALE: 1/32" = 1'-0"



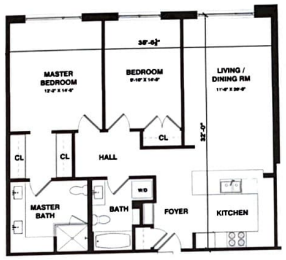
FIRST FLOOR PLAN

SCALE: 1/32" = 1'-0"



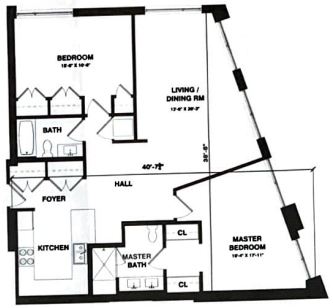
ENLARGED UNIT PLAN – UNIT 108, 208, 308

1,117 SF



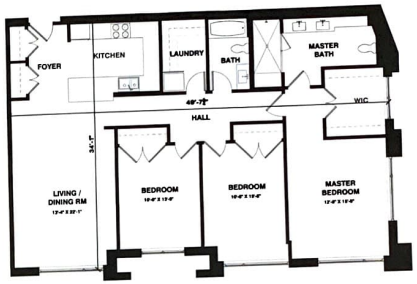
ENLARGED UNIT PLAN – UNIT 109, 209, 309

1,126 SF



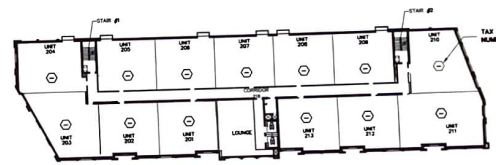
ENLARGED UNIT PLAN – UNIT 110, 210, 310

1,327 SF



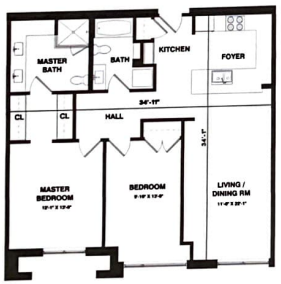
ENLARGED UNIT PLAN – UNIT 111, 211, 311

1,663 SF



SECOND FLOOR PLAN

SCALE: 1/32" = 1'-0"



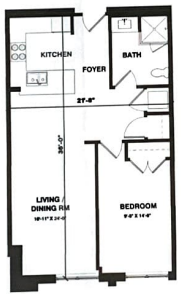
ENLARGED UNIT PLAN – UNIT 112, 212, 312

1,169 SF



ENLARGED UNIT PLAN – UNIT 113, 213, 313

1,189 SF



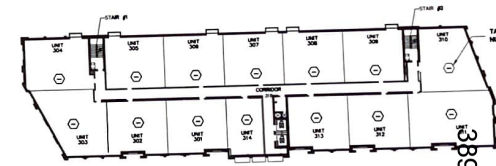
ENLARGED UNIT PLAN – UNIT 314

783 SF



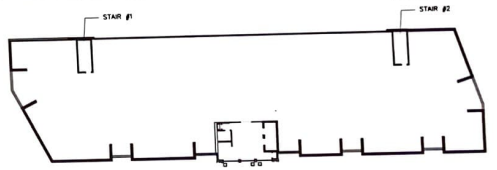
ENLARGED UNIT PLAN – UNIT 101, 201, 301

1,173 SF



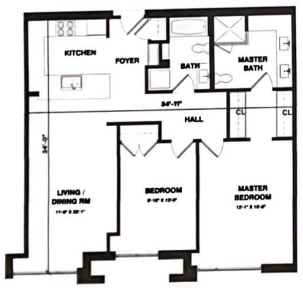
THIRD FLOOR PLAN

SCALE: 1/32" = 1'-0"



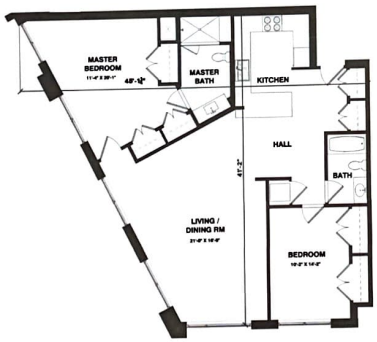
ROOF PLAN

SCALE: 1/32" = 1'-0"



ENLARGED UNIT PLAN – UNIT 102, 202, 302

1,172 SF



ENLARGED UNIT PLAN – UNIT 103, 203, 303

1,403 SF

TYPICAL UNIT FLOOR PLAN

SCALE: NOT TO SCALE

UNIT DESIGNATION

BUILDING UNIT NUMBER	TAX UNIT NUMBER	PERCENT OF COMMON INTEREST
100		2.5%
101		2.5%
102		2.5%
103		2.5%
104		2.5%
105		2.5%
106		2.5%
107		2.5%
108		2.5%
109		2.5%
110		2.5%
111		2.5%
112		2.5%
200		2.5%
201		2.5%
202		2.5%
203		2.5%
204		2.5%
205		2.5%
206		2.5%
207		2.5%
208		2.5%
209		2.5%
210		2.5%
211		2.5%
212		2.5%
300		2.5%
301		2.5%
302		2.5%
303		2.5%
304		2.5%
305		2.5%
306		2.5%
307		2.5%
308		2.5%
309		2.5%
310		2.5%
311		2.5%
312		2.5%
313		2.5%

BUILDING AREA

TOTAL AREA	FLOOR	COMMON AREA
1,229 SF	ROOF	1,229 SF
18,945 SF	3RD	2,129 SF
18,134 SF	2ND	2,129 SF
18,945 SF	1ST	2,893 SF
18,945 SF	CELLAR	18,945 SF
76,198 SF	TOTAL	27,325 SF

ARCHITECTURAL LAYOUT
FINAL MAP
OF
THE ROSE AT GREAT NECK CONDOMINIUM

VILLAGE OF GREAT NECK ESTATES
TOWN OF NORTH HEMPSTEAD
NASSAU COUNTY, NY
SECTION 2 - BLOCK 6 - LOT 254

REGISTERED ARCHITECT
MARK D. STUMER
STATE OF NEW YORK
14690

Mark D. Stumer
NO. 14690

NO.	DATE	REVISION DESCRIPTION

CAMERON ENGINEERING & ASSOCIATES, LLP

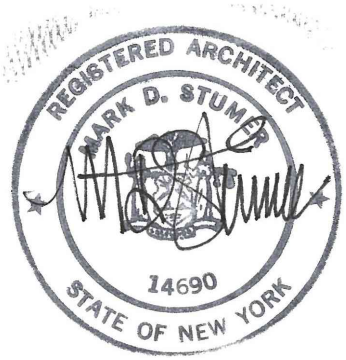
MOJO•STUMER ASSOCIATES, P.C.

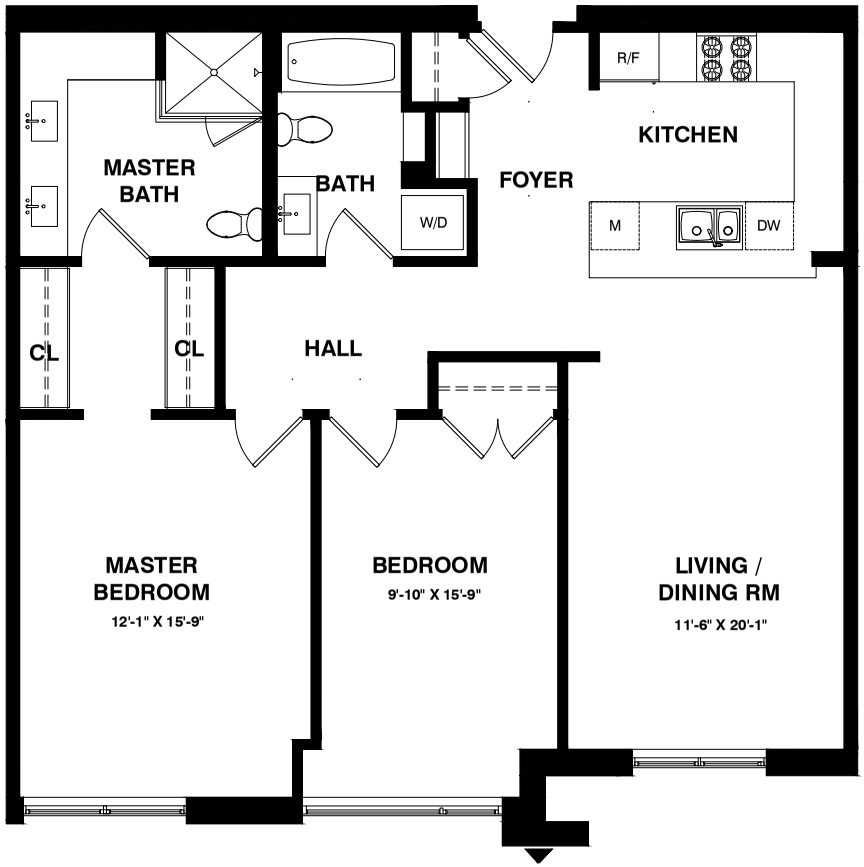
OCTOBER 12, 2021
SCALE: AS SHOWN
SHEET 2OF 3

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SCHEDULE G-2

FLOOR PLANS/ ELEVATIONS





LEGEND

- M — UNDER-COUNTER MICROWAVE
- DW — UNDER-COUNTER DISHWASHER
- RANGE
- R/F — REFRIGERATOR / FREEZER
- W/D — WASHER / DRYER STACK

UNIT

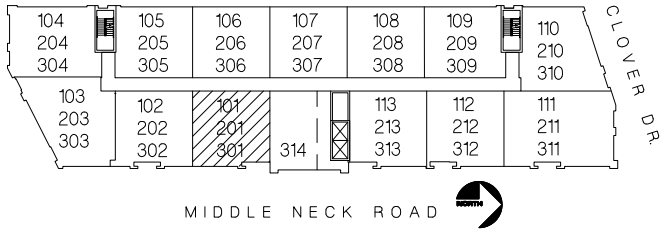
101
201
301

FLOORS 1-3
2 BEDROOM
2 BATH

1,173 SQ.FT.

10.07.2021

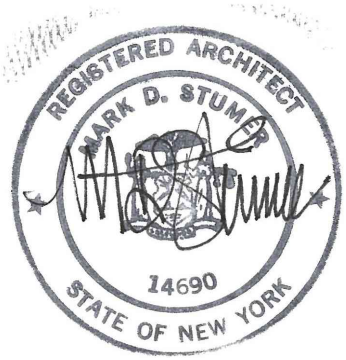
FLOORS 1-3

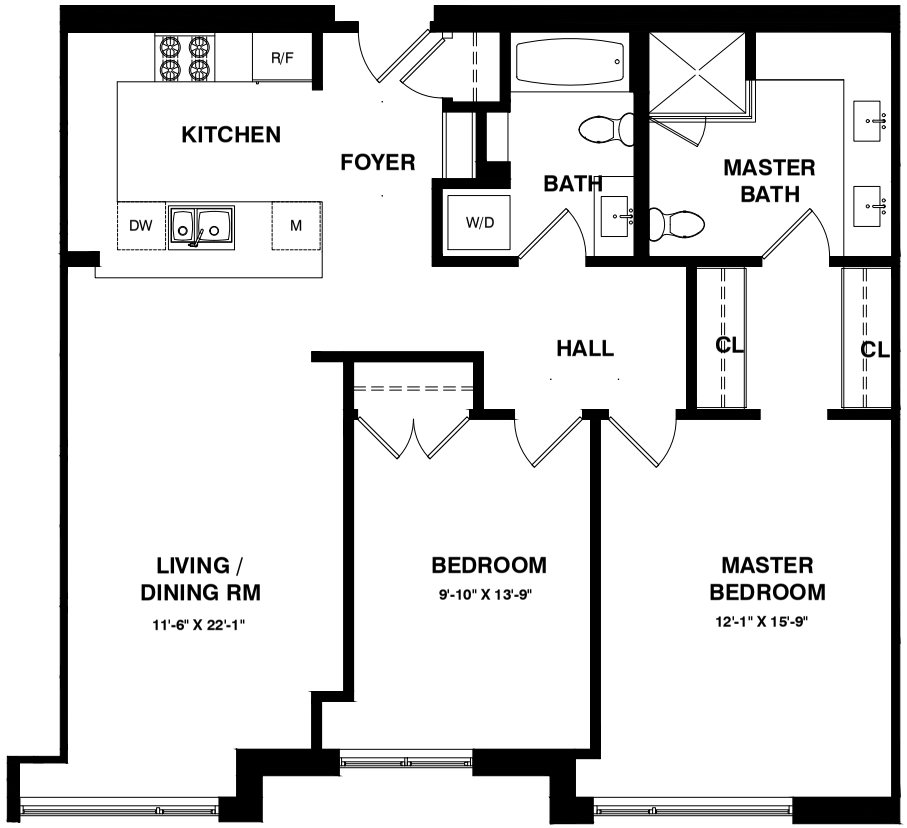




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLAN AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

MOJO•STUMER ASSOCIATES, P.C.





LEGEND

- M — UNDER-COUNTER MICROWAVE
- DW — UNDER-COUNTER DISHWASHER
- RANGE
- R/F — REFRIGERATOR / FREEZER
- W/D — WASHER / DRYER STACK

UNIT

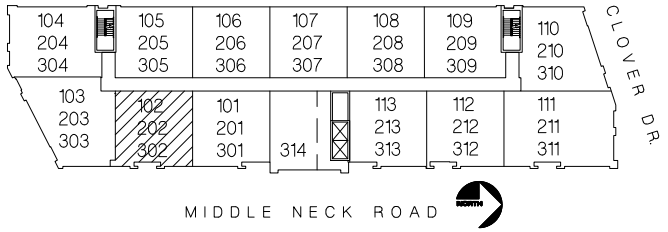
102
202
302

FLOORS 1-3
2 BEDROOM
2 BATH

1,172 SQ.FT.

10.07.2021

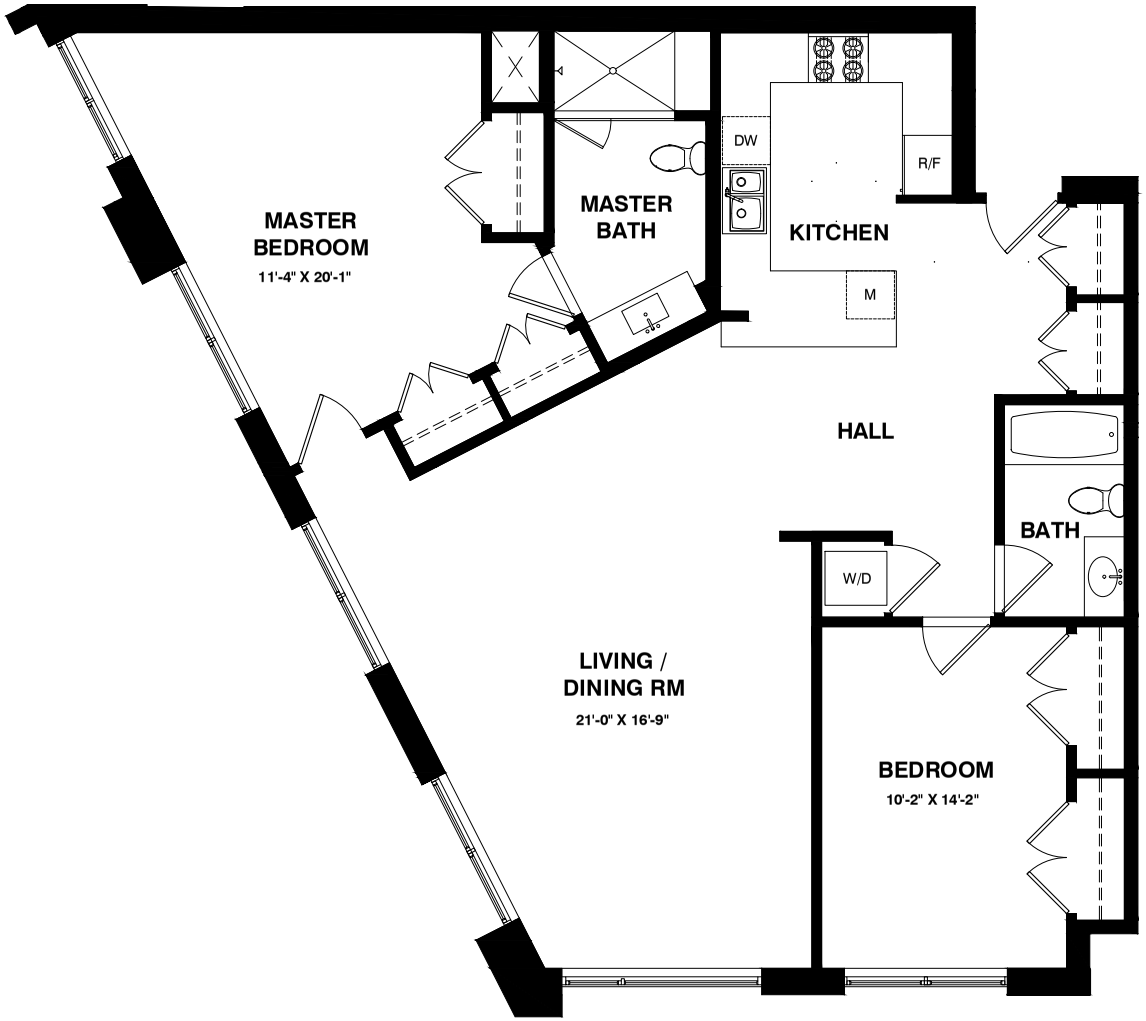
FLOORS 1-3





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MOJO•STUMER ASSOCIATES, P.C.



REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

393

LEGEND

- M — UNDER-COUNTER MICROWAVE
- DW — UNDER-COUNTER DISHWASHER
- RANGE
- R/F — REFRIGERATOR / FREEZER
- W/D — WASHER / DRYER STACK

UNIT

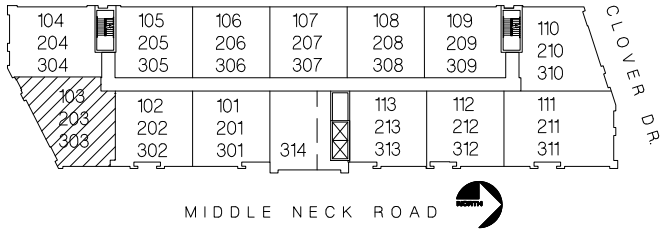
103
203
303

FLOORS 1-3
2 BEDROOM
2 BATH

1,403 SQ.FT.

10.07.2021

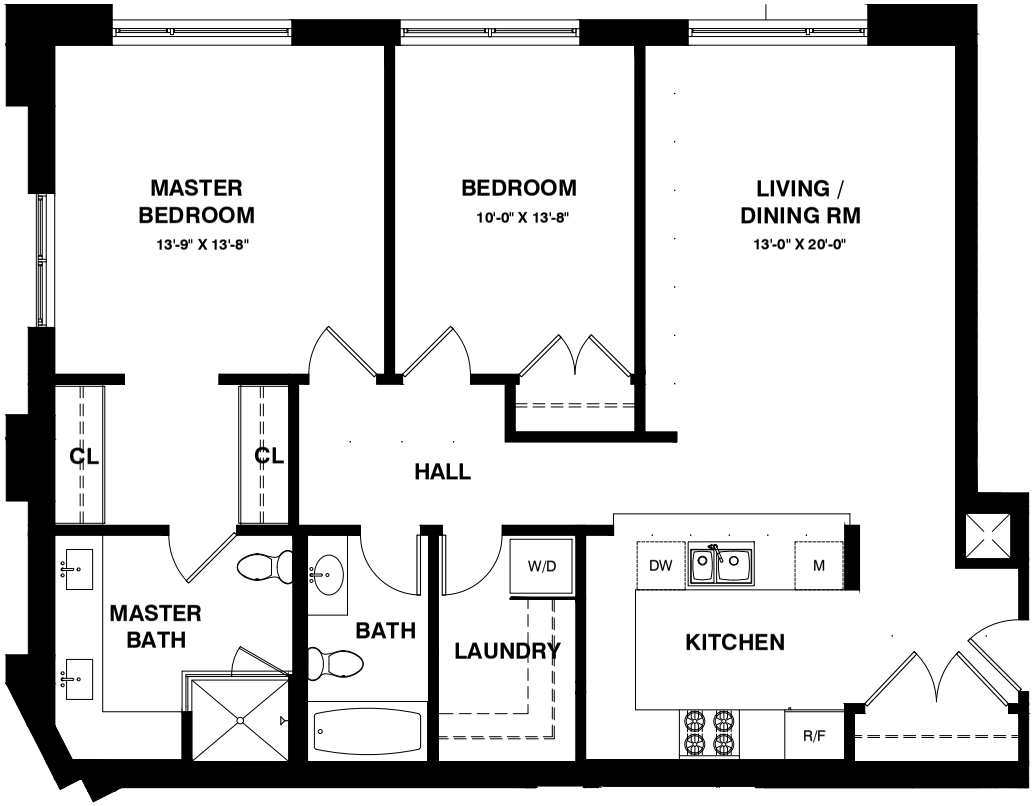
FLOORS 1-3





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MOJO•STUMER ASSOCIATES, P.C.



REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

LEGEND

- M — UNDER-COUNTER MICROWAVE
- DW — UNDER-COUNTER DISHWASHER
- RANGE
- R/F — REFRIGERATOR / FREEZER
- W/D — WASHER / DRYER STACK

UNIT

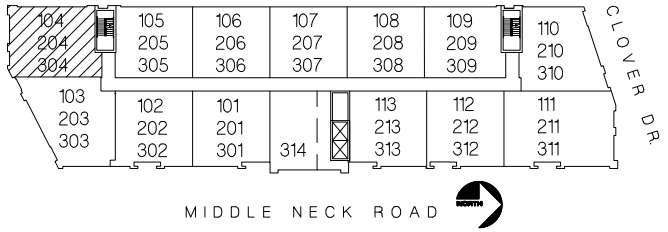
104
204
304

FLOORS 1-3
2 BEDROOM
2 BATH

1,273 SQ.FT.

10.07.2021

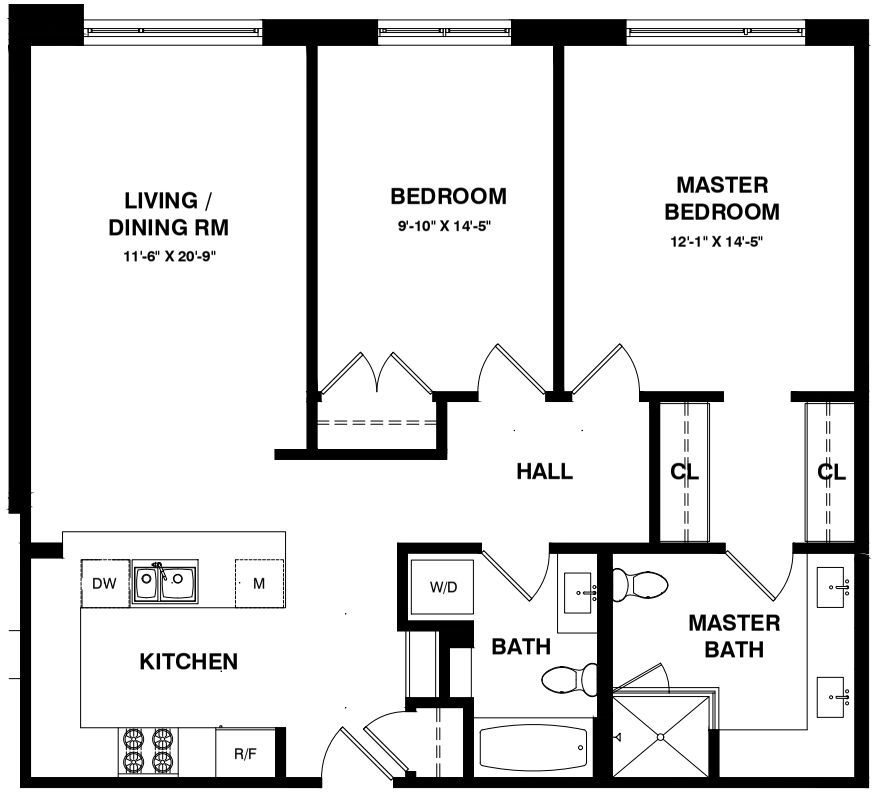
FLOORS 1-3





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MOJO•STUMER ASSOCIATES, P.C.



REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

395

LEGEND

- M — UNDER-COUNTER MICROWAVE
- DW — UNDER-COUNTER DISHWASHER
- RANGE
- R/F — REFRIGERATOR / FREEZER
- W/D — WASHER / DRYER STACK

UNIT

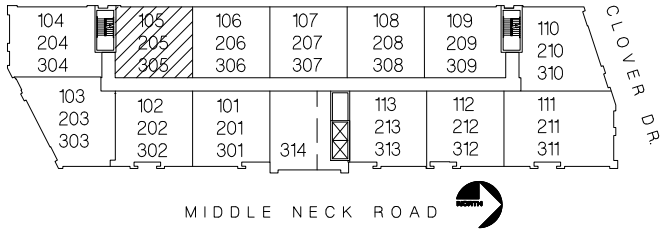
105
205
305

FLOOR 1
2 BEDROOM
2 BATH

1,133 SQ.FT.

10.07.2021

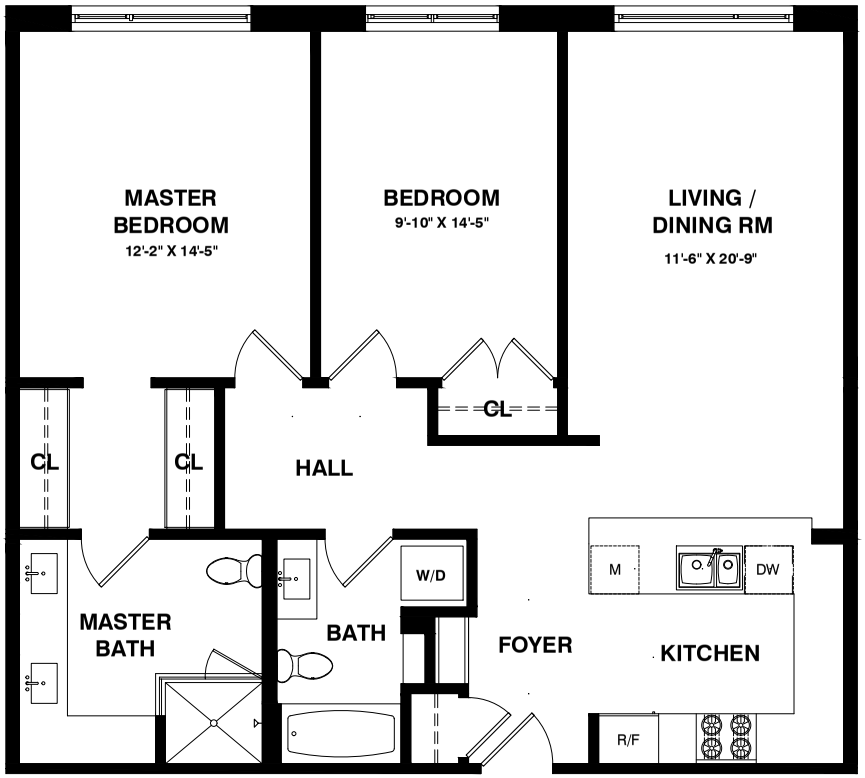
FLOORS 1-3

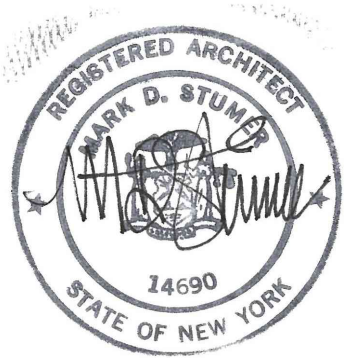




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MOJO•STUMER ASSOCIATES, P.C.





LEGEND

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- DW — UNDER-COUNTER DISHWASHER
- RANGE
- R/F — REFRIGERATOR / FREEZER
- W/D — WASHER / DRYER STACK

UNIT

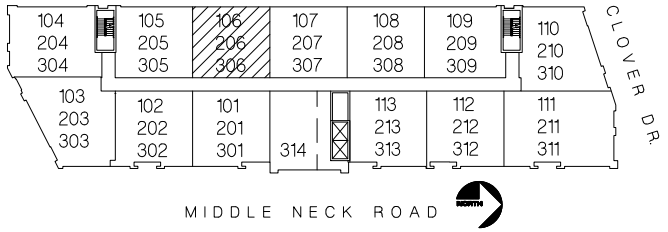
106
206
306

FLOOR 1
2 BEDROOM
2 BATH

1,117 SQ.FT.

10.07.2021

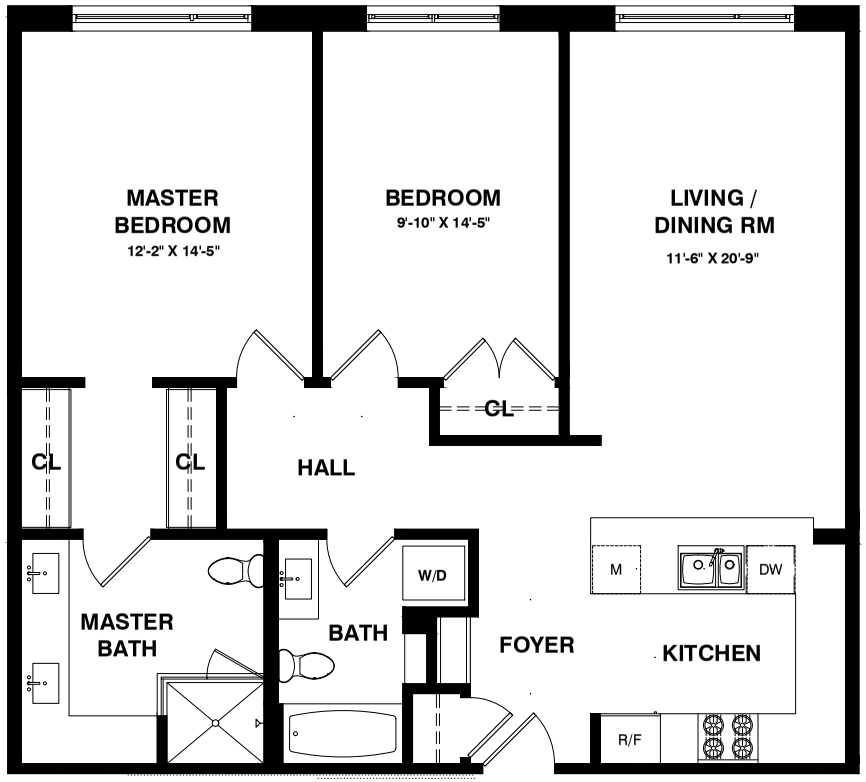
FLOORS 1-3





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MOJO•STUMER ASSOCIATES, P.C.



REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

LEGEND

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UNIT

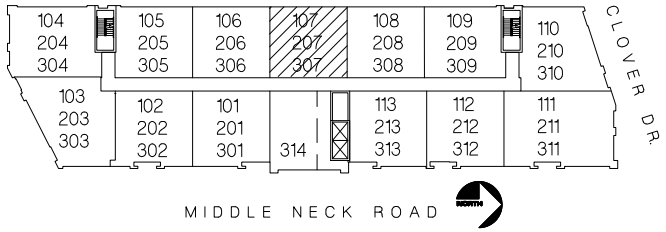
107
207
307

FLOOR 1
2 BEDROOM
2 BATH

1,117 SQ.FT.

10.07.2021

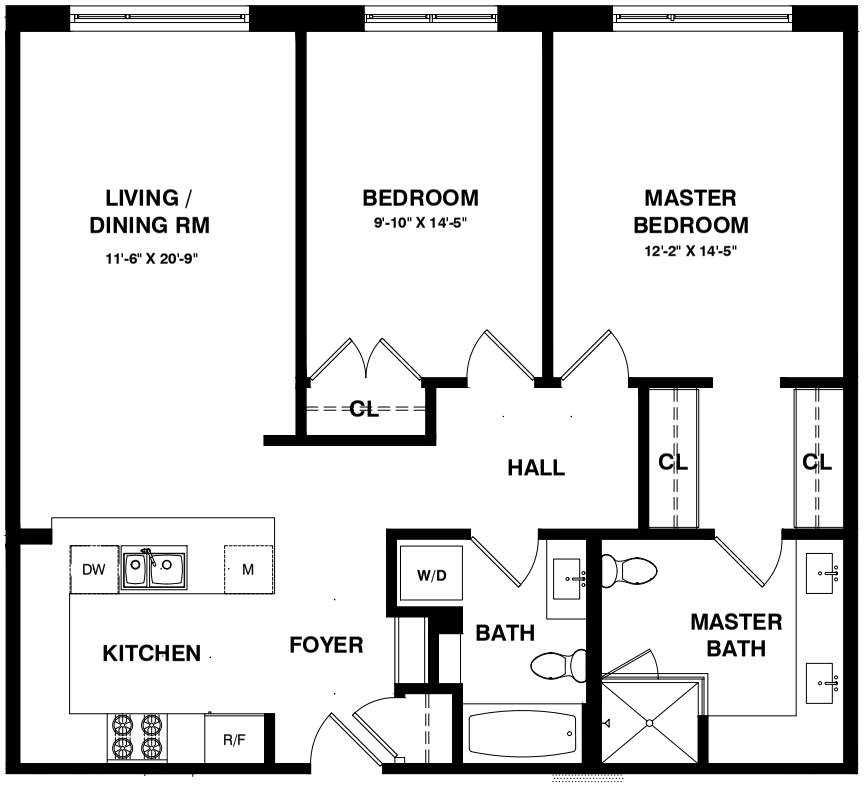
FLOORS 1-3





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MOJO•STUMER ASSOCIATES, P.C.



REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

398

LEGEND

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- RANGE
- R/F — REFRIGERATOR / FREEZER
- W/D — WASHER / DRYER STACK

UNIT

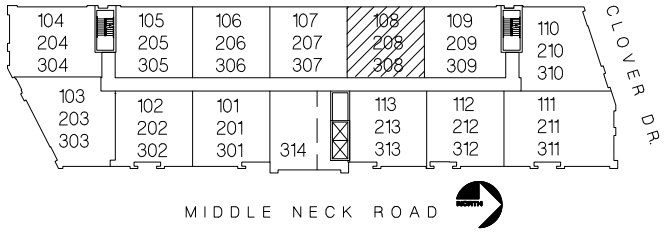
108
208
308

FLOOR 1
2 BEDROOM
2 BATH

1,117 SQ.FT.

10.07.2021

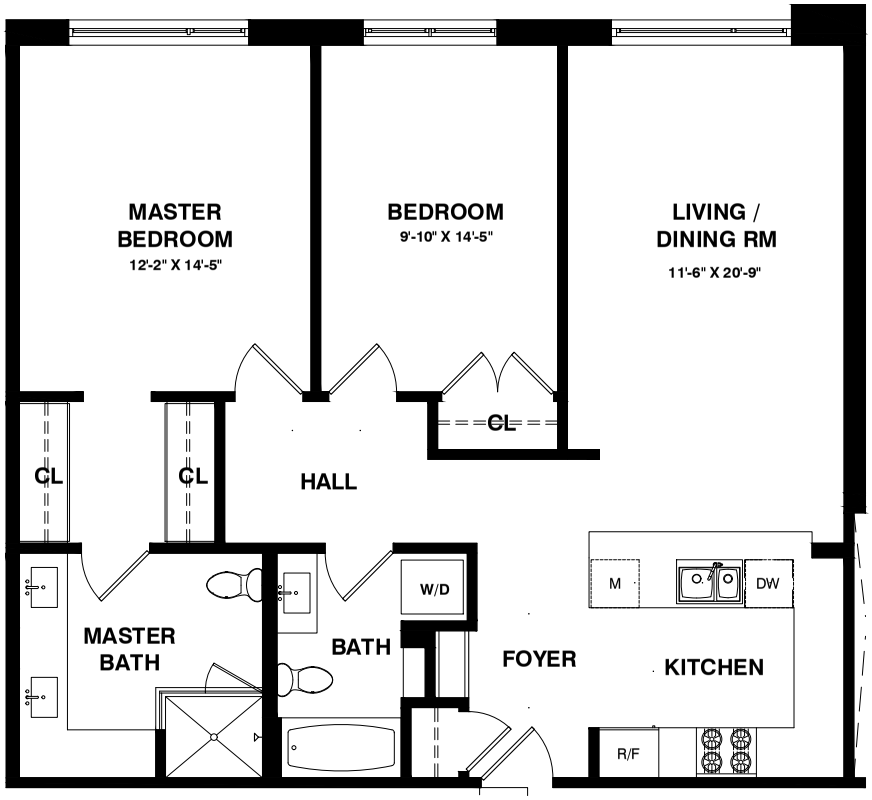
FLOORS 1-3





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLAN AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

MOJO • STUMER ASSOCIATES, P.C.



REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

399

LEGEND

- M — UNDER-COUNTER MICROWAVE
- DW — UNDER-COUNTER DISHWASHER
- RANGE
- R/F — REFRIGERATOR / FREEZER
- W/D — WASHER / DRYER STACK

UNIT

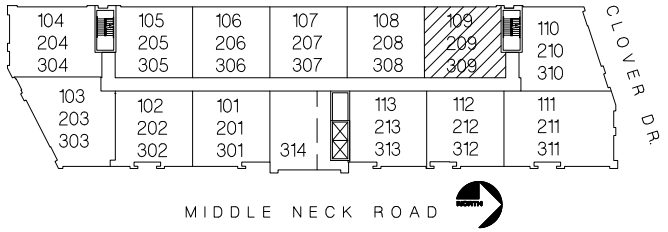
109
209
309

FLOOR 1
2 BEDROOM
2 BATH

1,126 SQ.FT.

10.07.2021

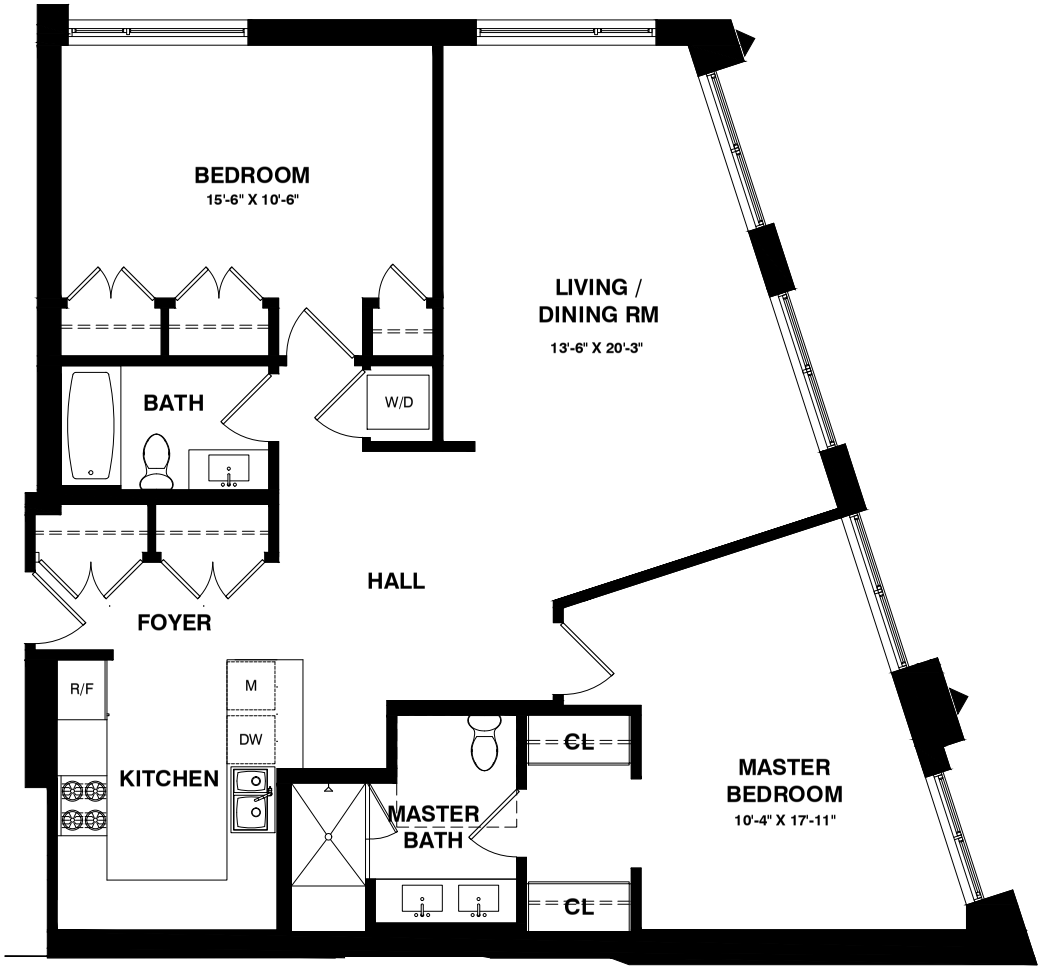
FLOORS 1-3





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MOJO•STUMER ASSOCIATES, P.C.



REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

400

LEGEND

- M — UNDER-COUNTER MICROWAVE
- DW — UNDER-COUNTER DISHWASHER
- RANGE
- R/F — REFRIGERATOR / FREEZER
- W/D — WASHER / DRYER STACK

UNIT

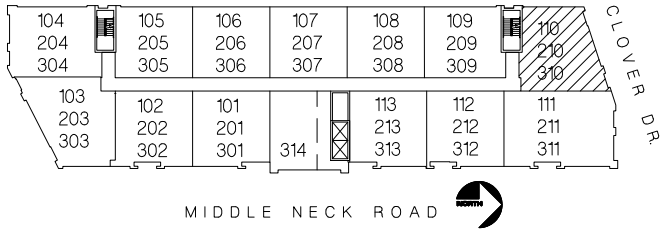
110
210
310

FLOORS 1-3
2 BEDROOM
2 BATH

1,327 SQ.FT.

10.07.2021

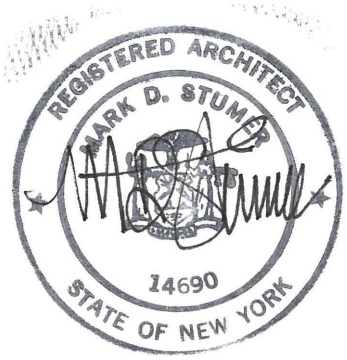
FLOORS 1-3

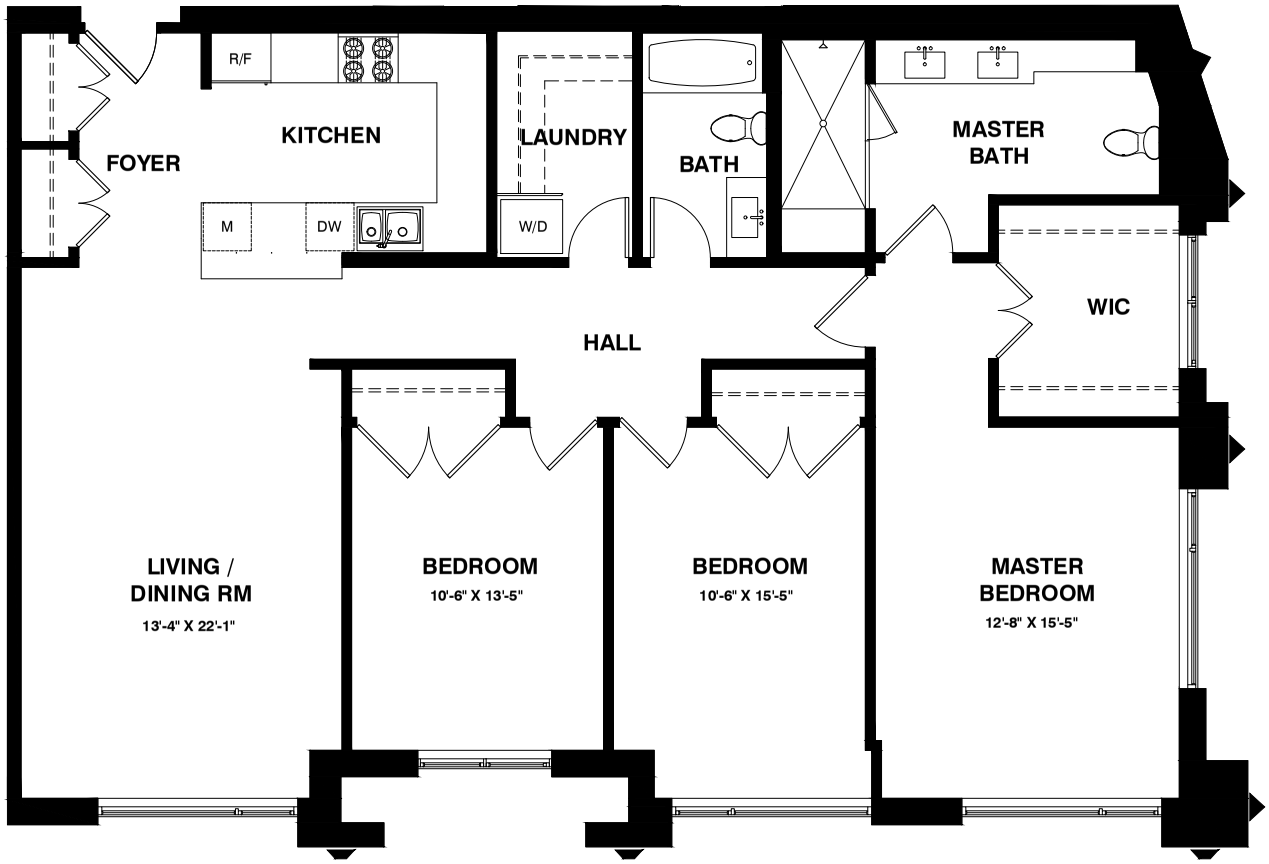




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MOJO•STUMER ASSOCIATES, P.C.





LEGEND

- M — UNDER-COUNTER MICROWAVE
- DW — UNDER-COUNTER DISHWASHER
- RANGE
- R/F — REFRIGERATOR / FREEZER
- W/D — WASHER / DRYER STACK

UNIT

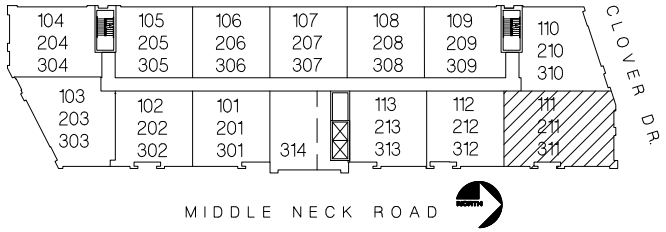
111
211
311

FLOORS 1-3
3 BEDROOM
2 BATH

1,663 SQ.FT.

10.07.2021

FLOORS 1-3

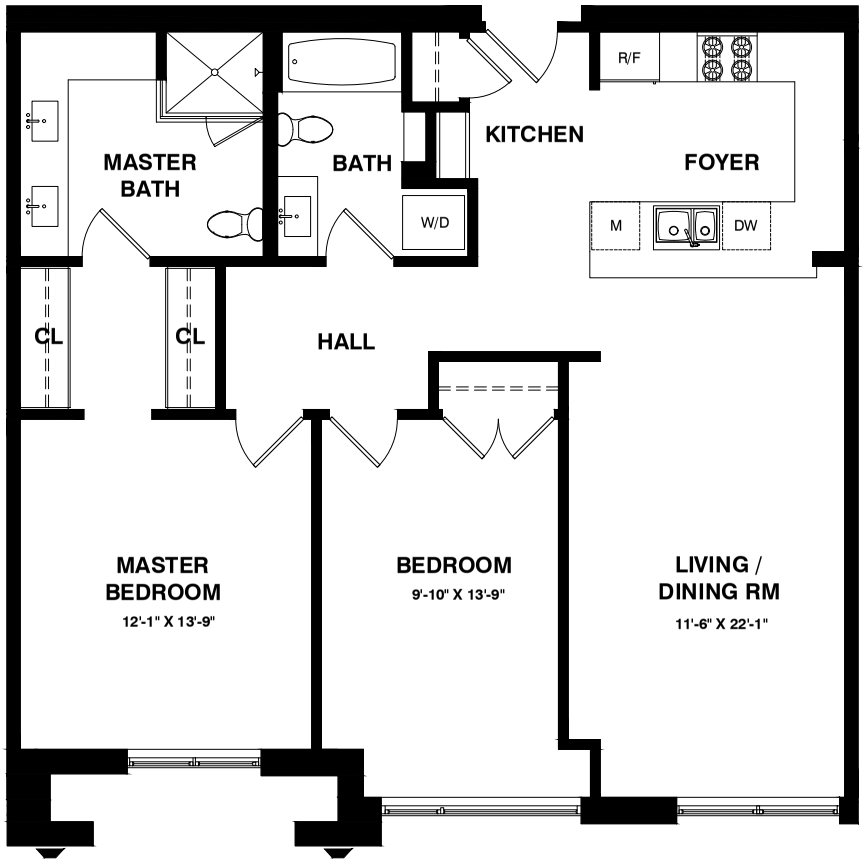




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MOJO•STUMER ASSOCIATES, P.C.

401



LEGEND

- M — UNDER-COUNTER MICROWAVE
- DW — UNDER-COUNTER DISHWASHER
- RANGE
- R/F — REFRIGERATOR / FREEZER
- W/D — WASHER / DRYER STACK

UNIT

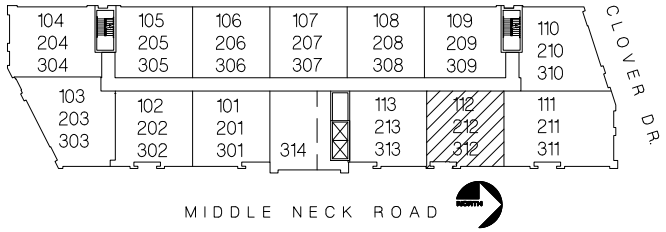
112
212
312

FLOORS 1-3
2 BEDROOM
2 BATH

1,169 SQ.FT.

10.07.2021

FLOORS 1-3



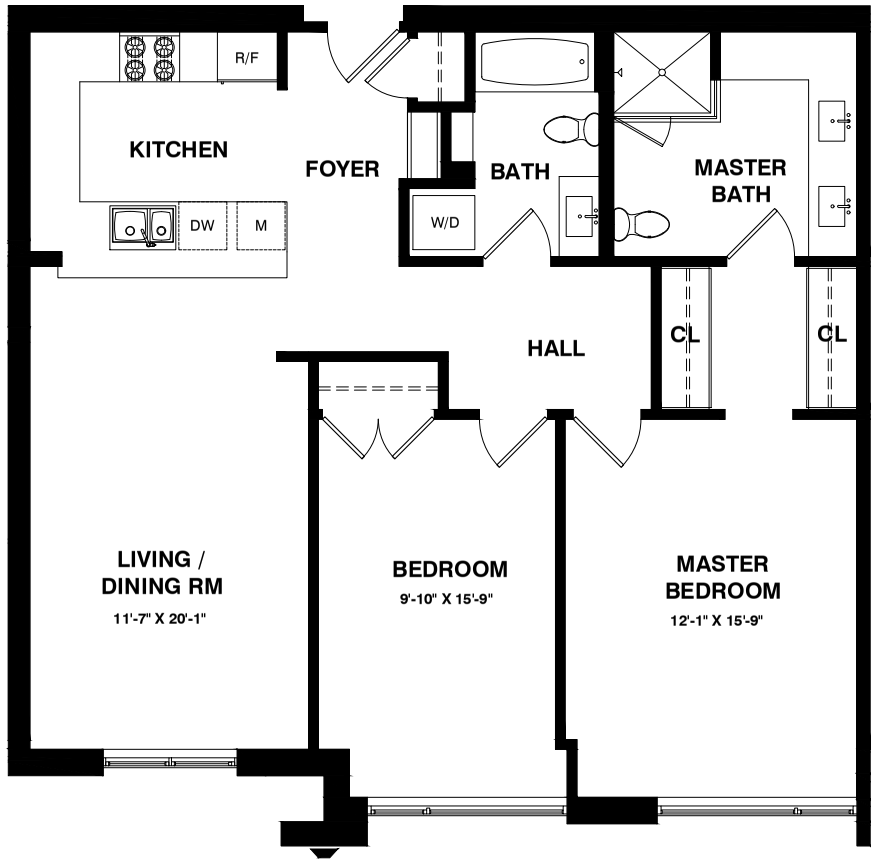


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REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

MOJO•STUMER ASSOCIATES, P.C.

402



REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

403

LEGEND

- M — UNDER-COUNTER MICROWAVE
- DW — UNDER-COUNTER DISHWASHER
- RANGE
- R/F — REFRIGERATOR / FREEZER
- W/D — WASHER / DRYER STACK

UNIT

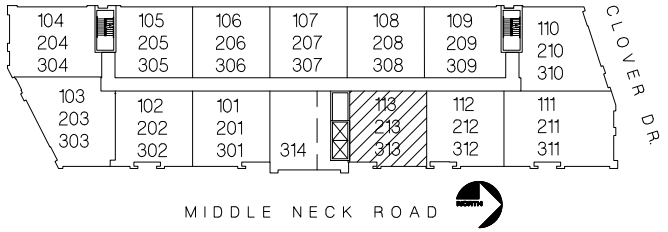
113
213
313

FLOORS 1-3
2 BEDROOM
2 BATH

1,189 SQ.FT.

10.07.2021

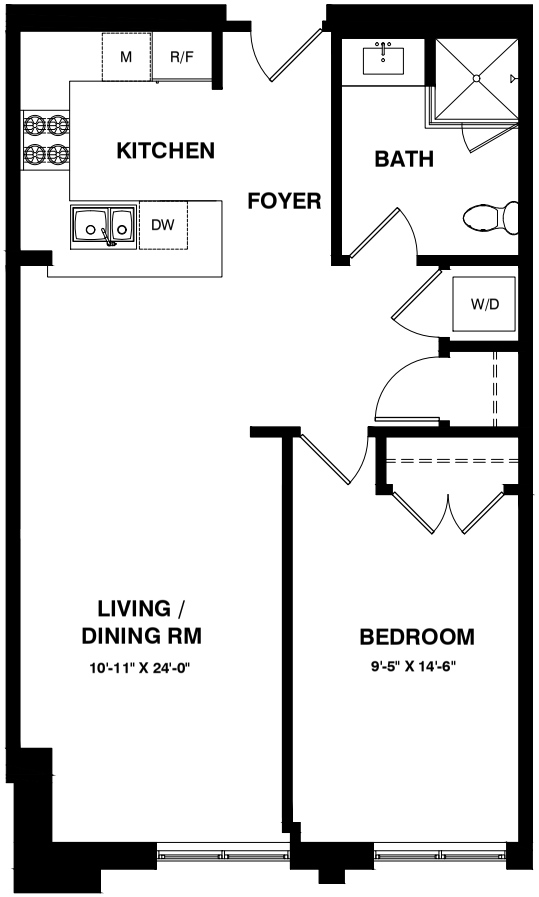
FLOORS 1-3





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MOJO•STUMER ASSOCIATES, P.C.



REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

404

LEGEND

- M — UNDER-COUNTER MICROWAVE
- DW — UNDER-COUNTER DISHWASHER
- RANGE
- R/F — REFRIGERATOR / FREEZER
- W/D — WASHER / DRYER STACK

UNIT

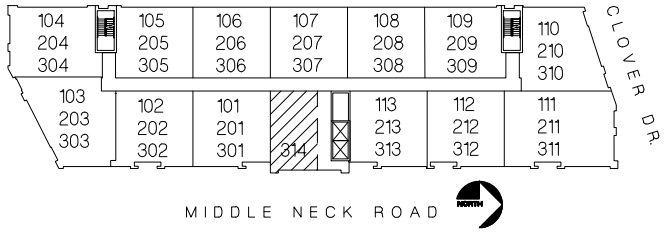
FLOOR 3
1 BEDROOM
1 BATH

783 SQ.FT.

314

10.07.2021

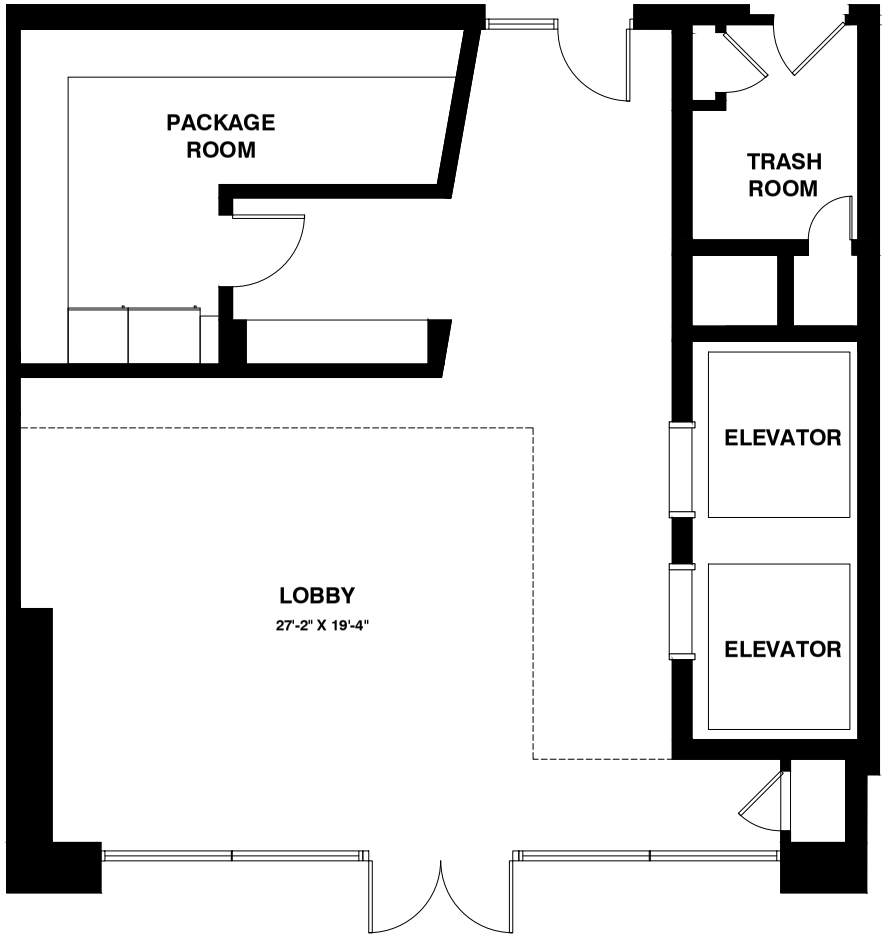
FLOORS 1-3

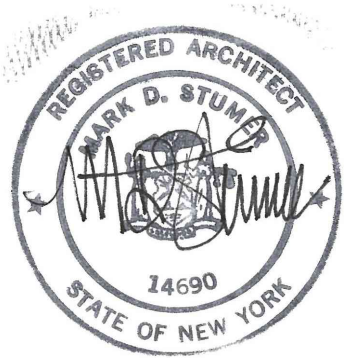




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MOJO•STUMER ASSOCIATES, P.C.

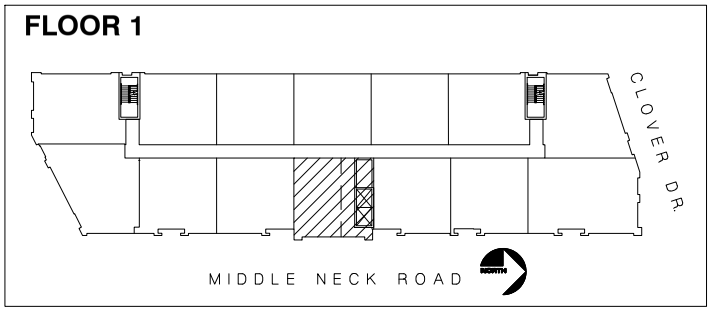




405

ENTRY LOBBY

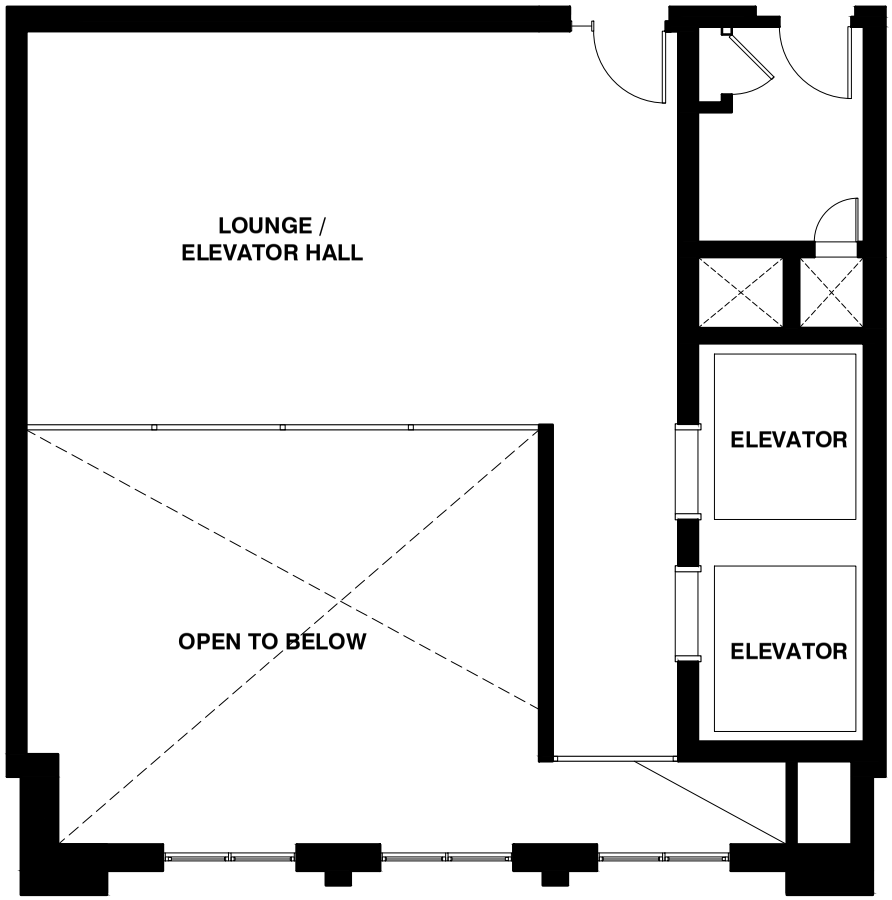
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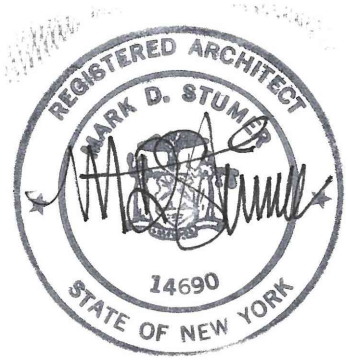




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MOJO•STUMER ASSOCIATES, P.C.

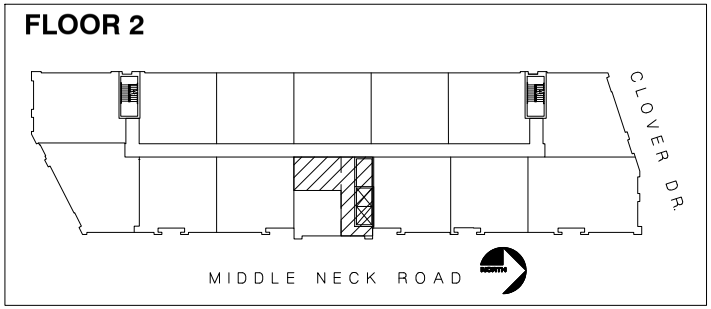




406

LOUNGE

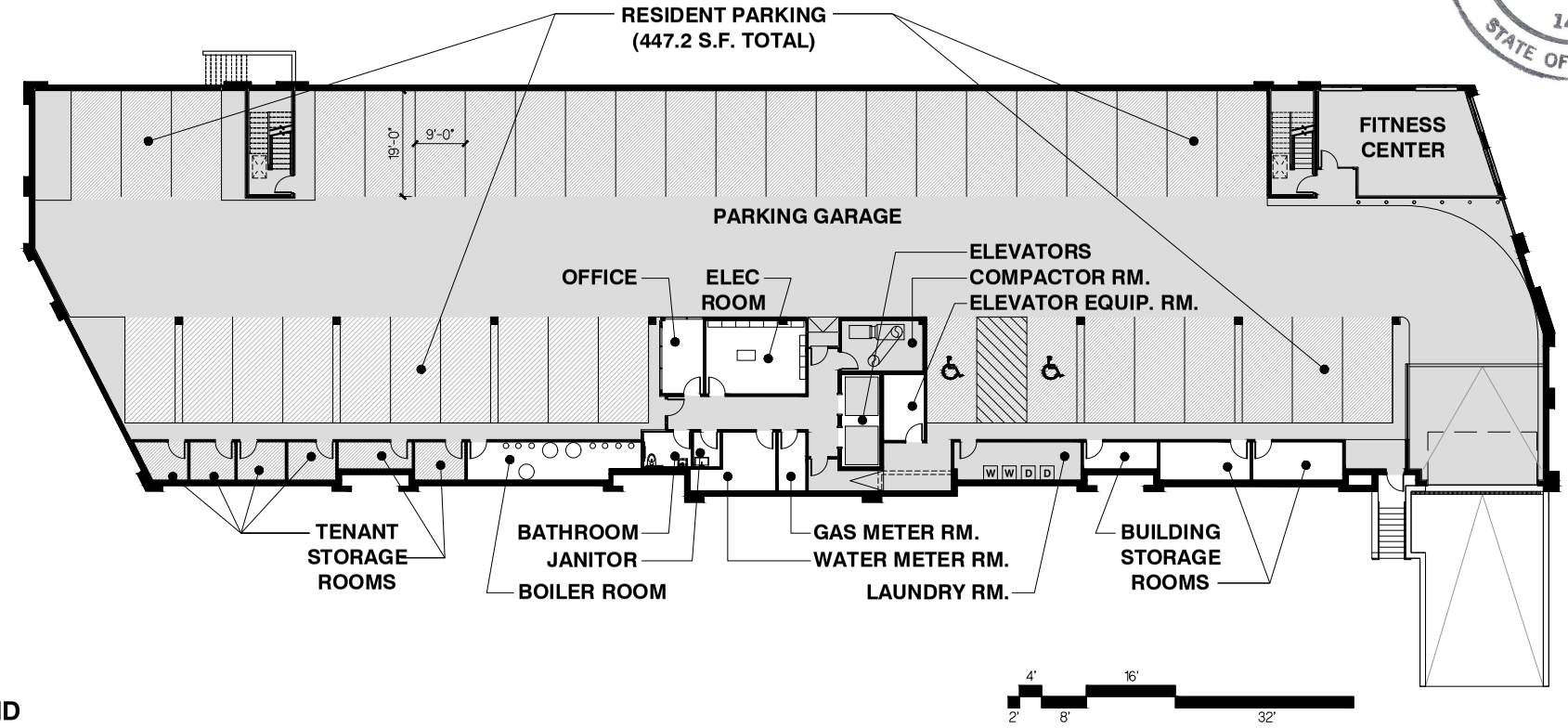
10.07.2021





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MOJO•STUMER ASSOCIATES, P.C.

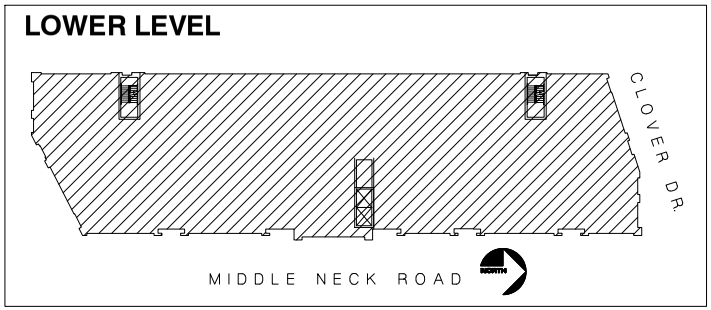


LEGEND

- GENERAL COMMON AREAS
- LIMITED COMMON AREAS
- ADA PARKING
- TRENCH DRAIN
- W WASHING MACHINE
- D DRYER

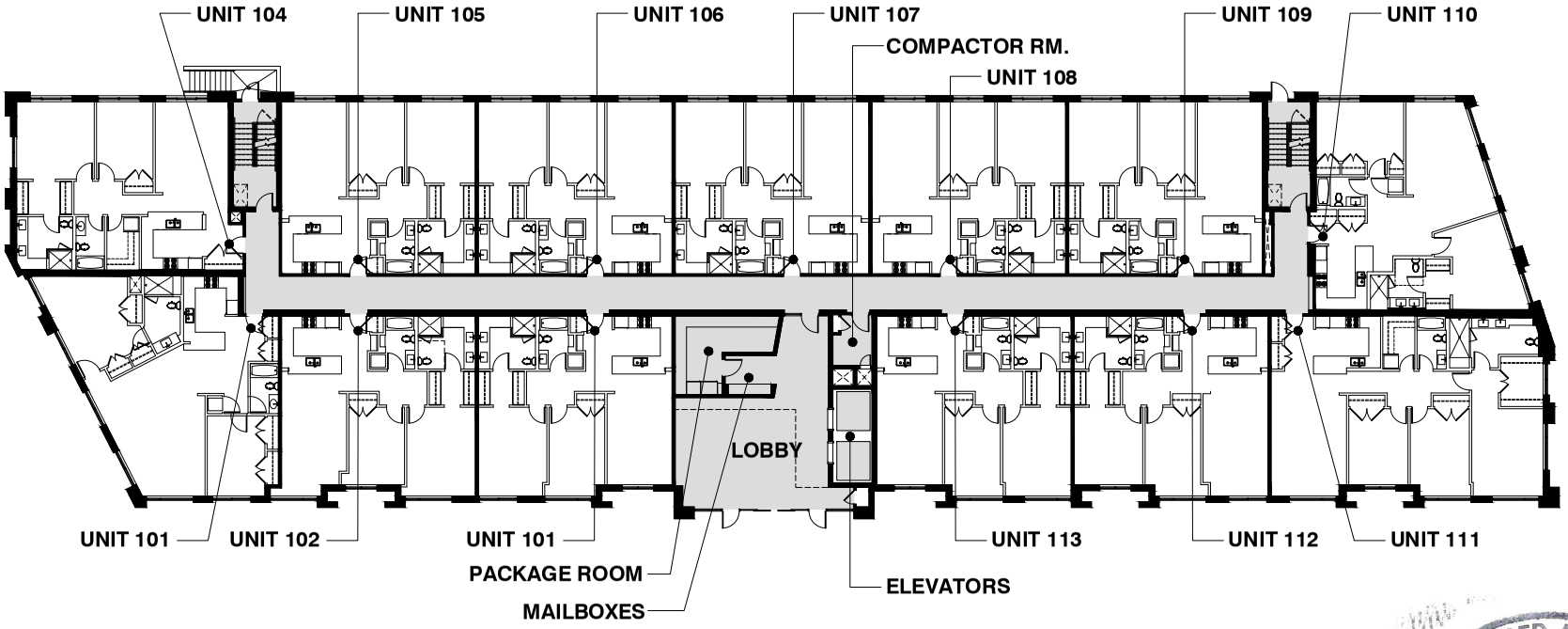
LOWER LEVEL

10.07.2021



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MOJO • STUMER ASSOCIATES, P.C.





REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

LEGEND

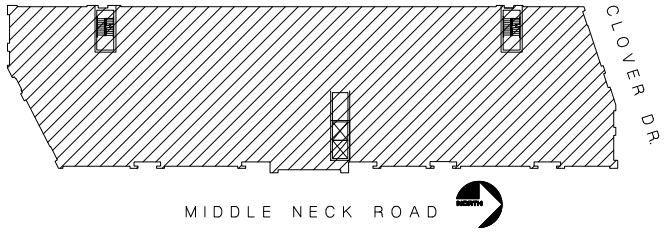
GENERAL COMMON AREAS

LIMITED COMMON AREAS

FIRST FLOOR

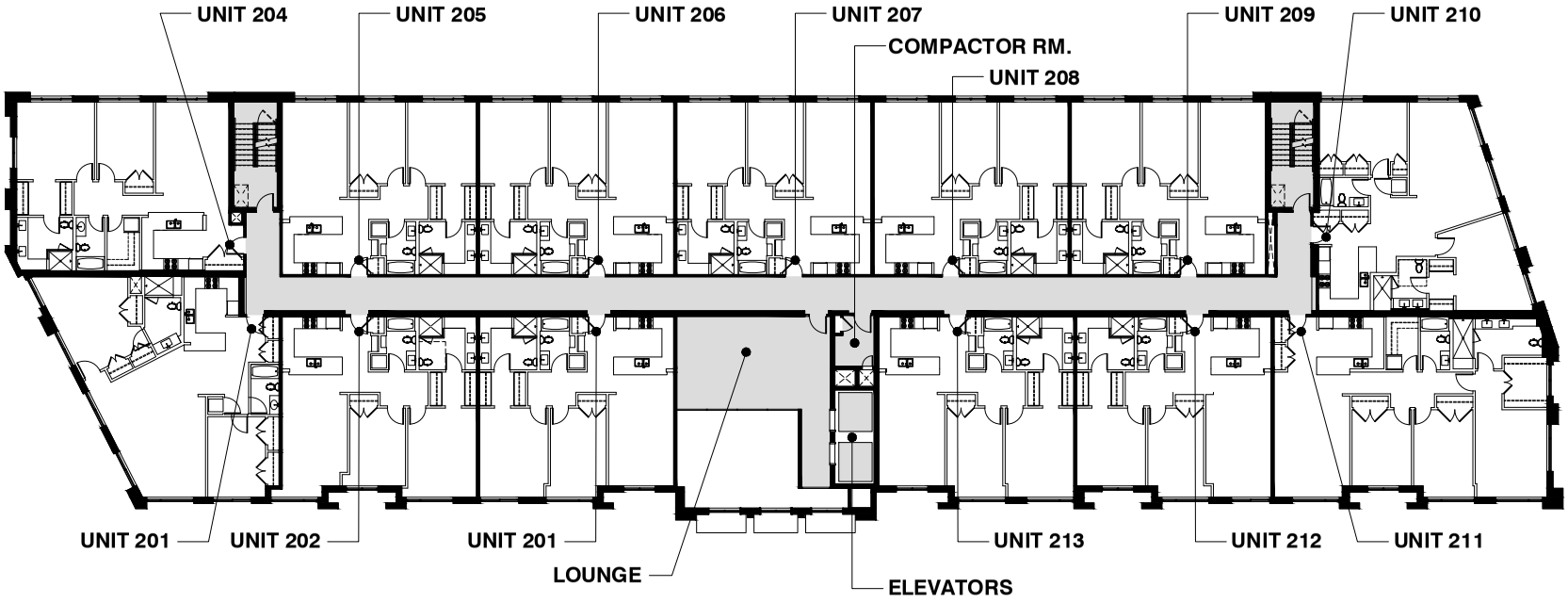
10.07.2021

FIRST FLOOR



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MOJO • STUMER ASSOCIATES, P.C.





REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

LEGEND

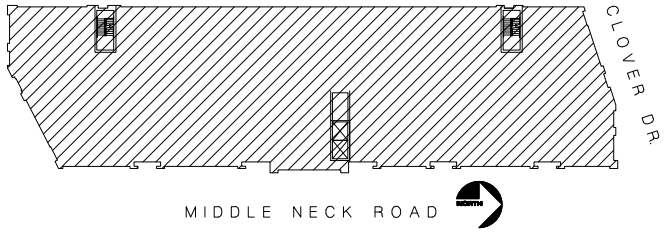
GENERAL COMMON AREAS

LIMITED COMMON AREAS

SECOND FLOOR

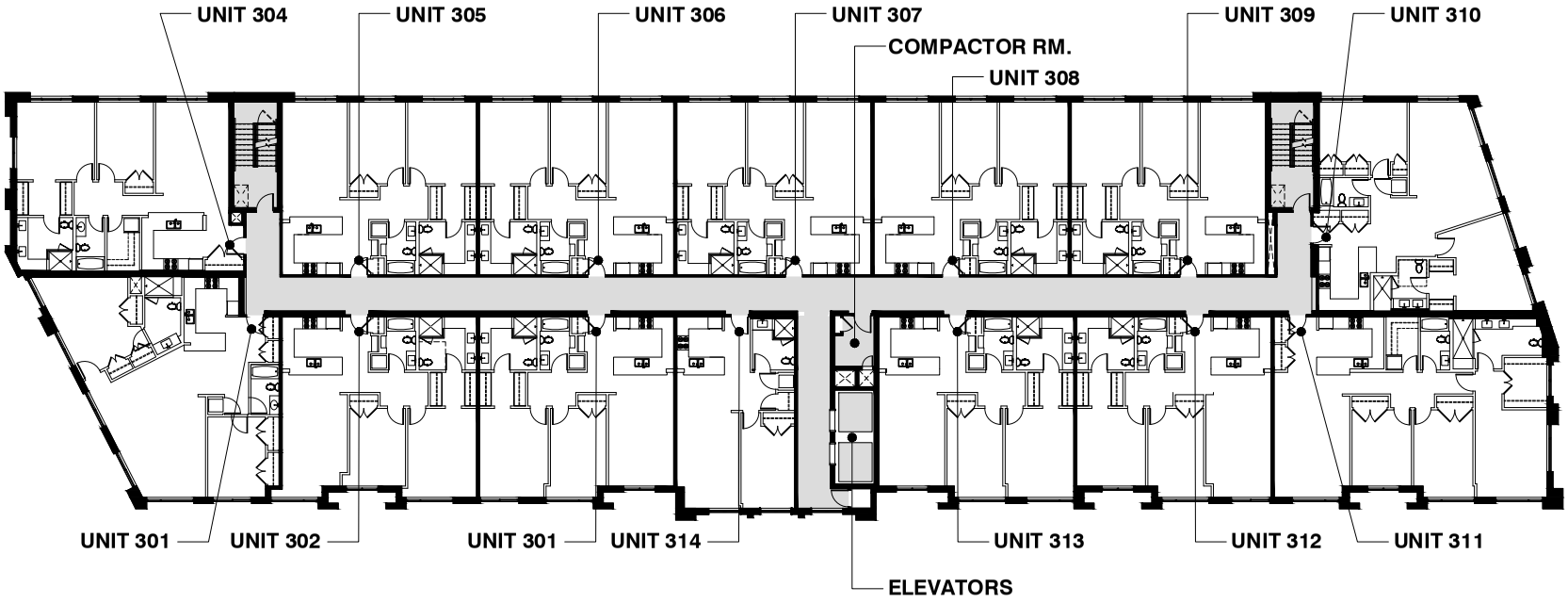
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SECOND FLOOR

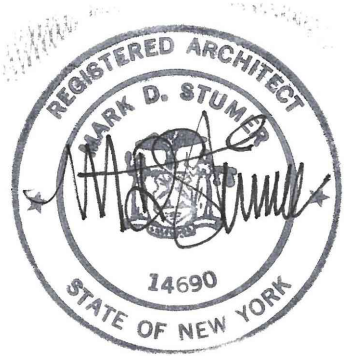


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MOJO•STUMER ASSOCIATES, P.C.







LEGEND

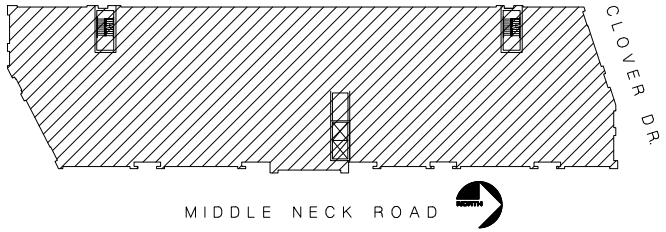
GENERAL COMMON AREAS

LIMITED COMMON AREAS

THIRD FLOOR

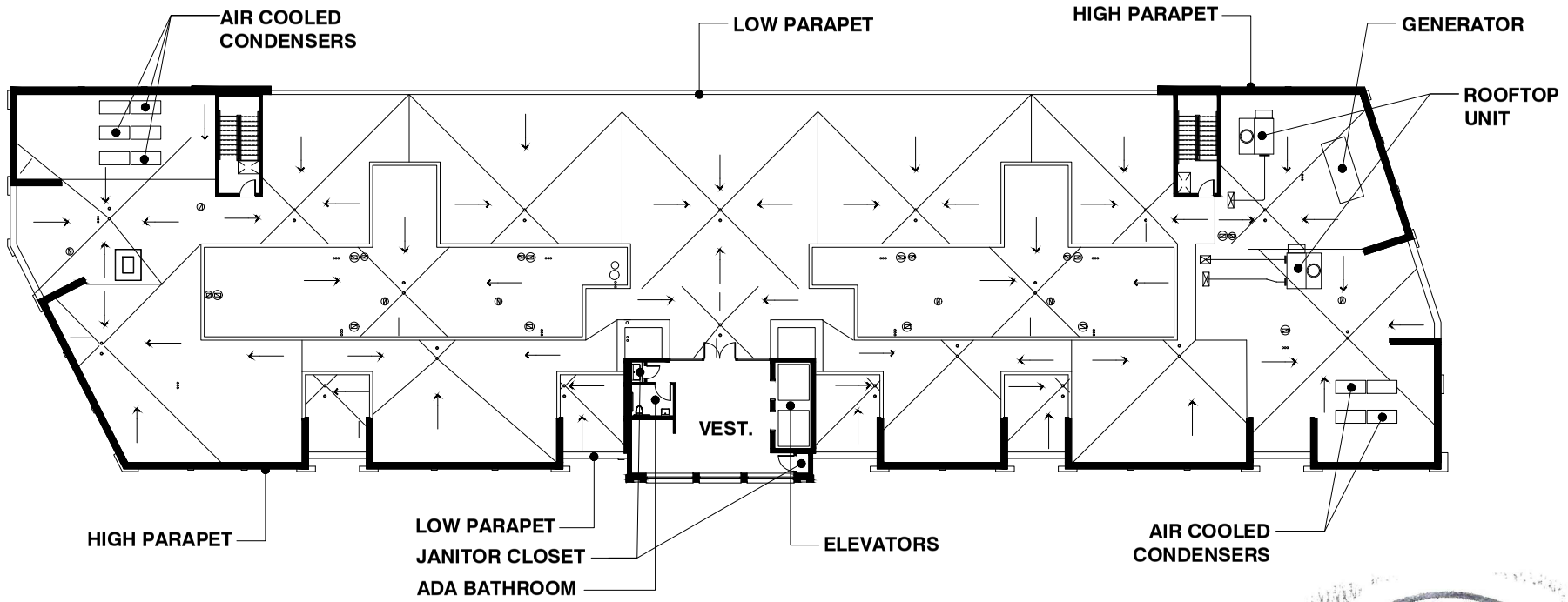
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LOWER LEVEL

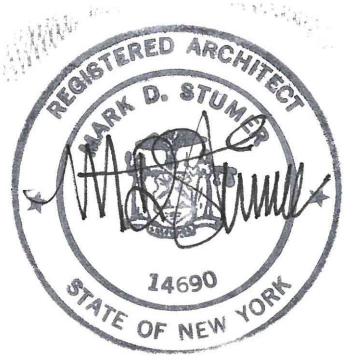


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MOJO•STUMER ASSOCIATES, P.C.





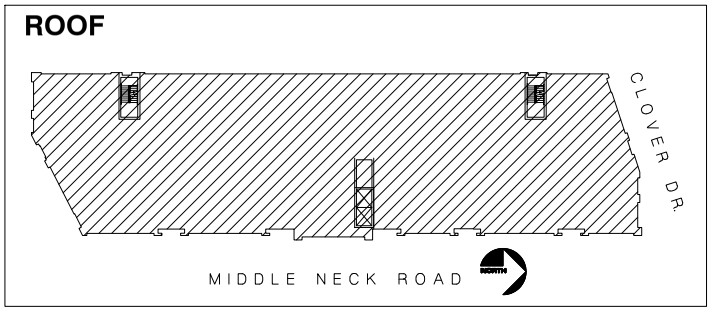


LEGEND

- HVAC DUCT FROM BELOW
- ROOF DRAIN
- DRAINAGE FLOW
- PLUMBING VENT STACK
- MECHANICAL VENT STACK

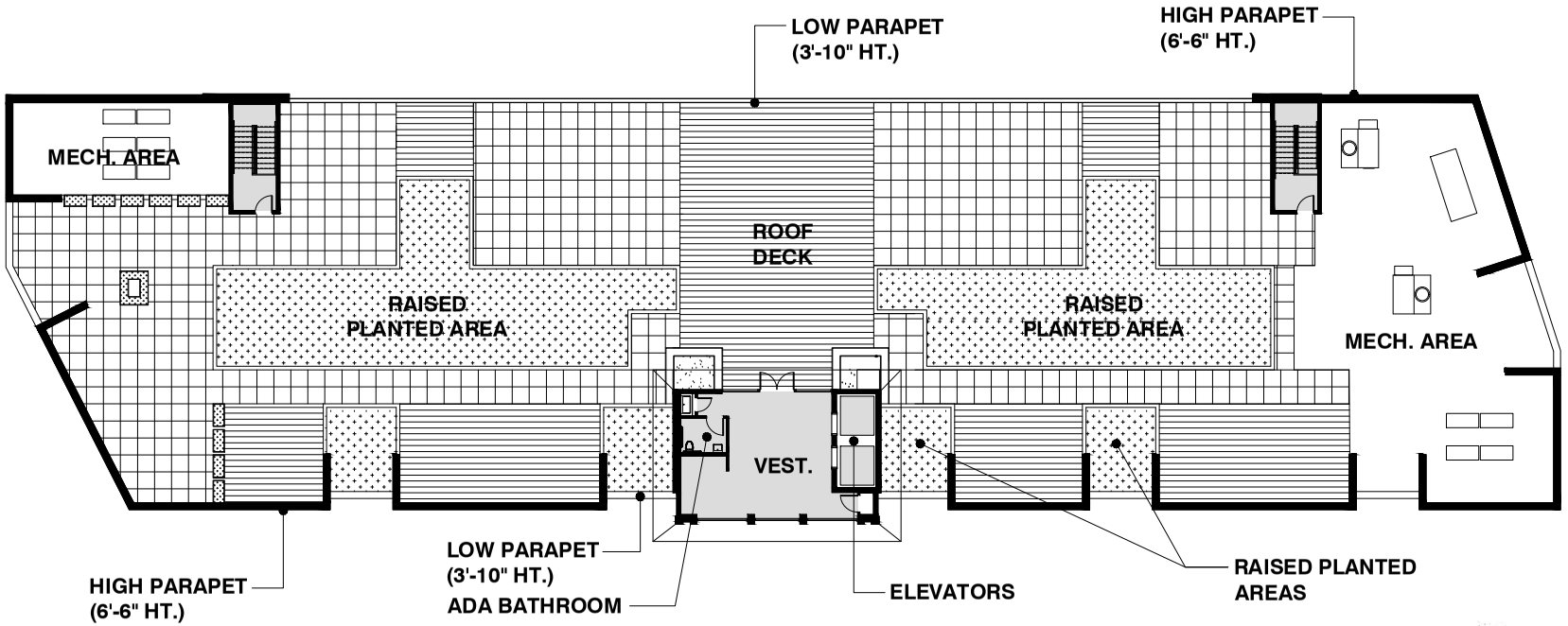
ROOF

10.07.2021



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MOJO•STUMER ASSOCIATES, P.C.



4' 16'
2' 8' 32'

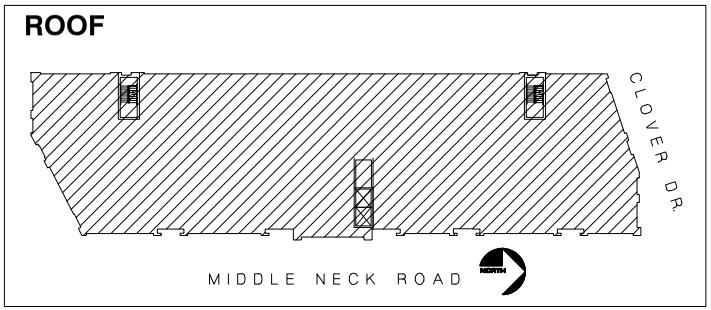
REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

LEGEND

- GENERAL COMMON AREAS
- FLOOR PATTERN - GENERAL COMMON AREA
- FLOOR PATTERN - GENERAL COMMON AREA
- LIMITED COMMON AREAS
- RAISED PLANTER / PLANTED AREA

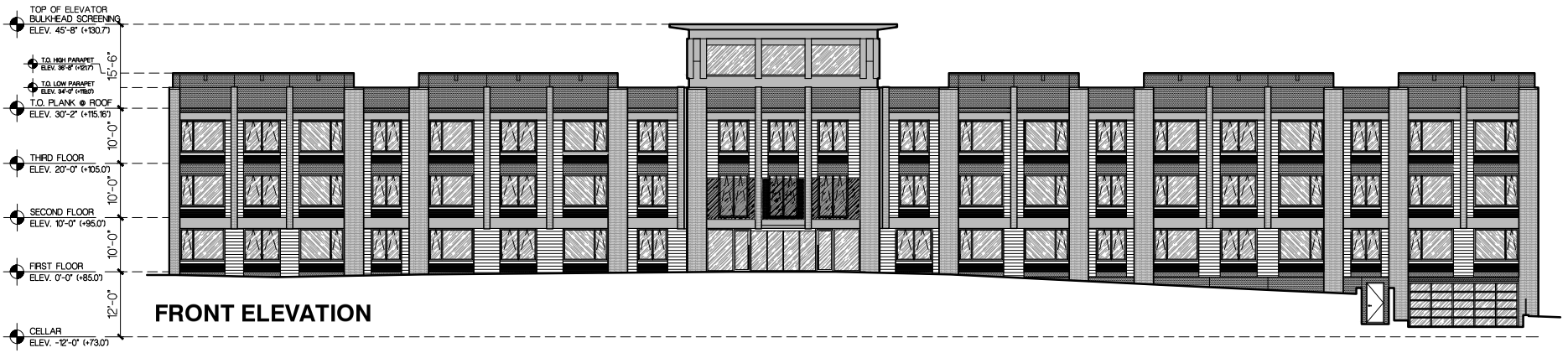
ROOF DECK

10.07.2021

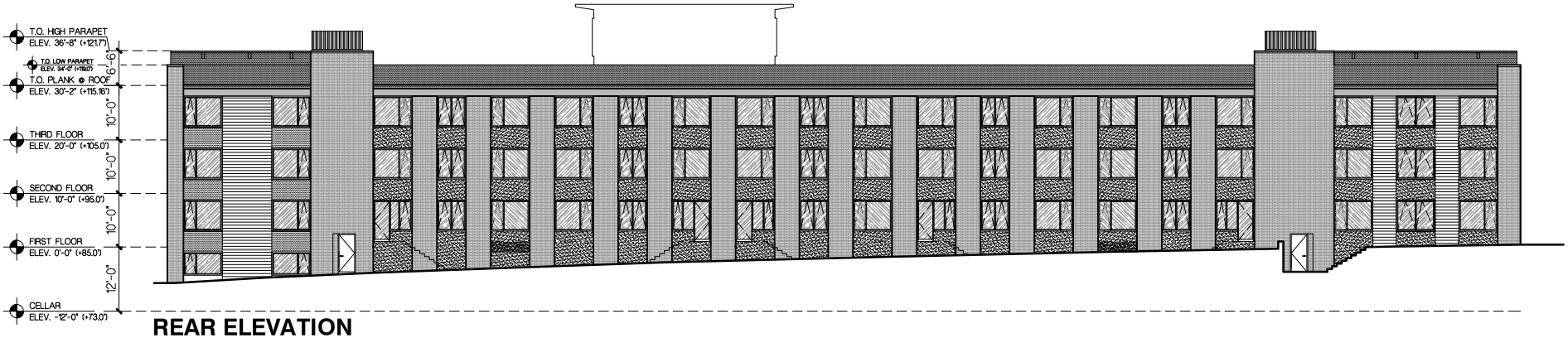


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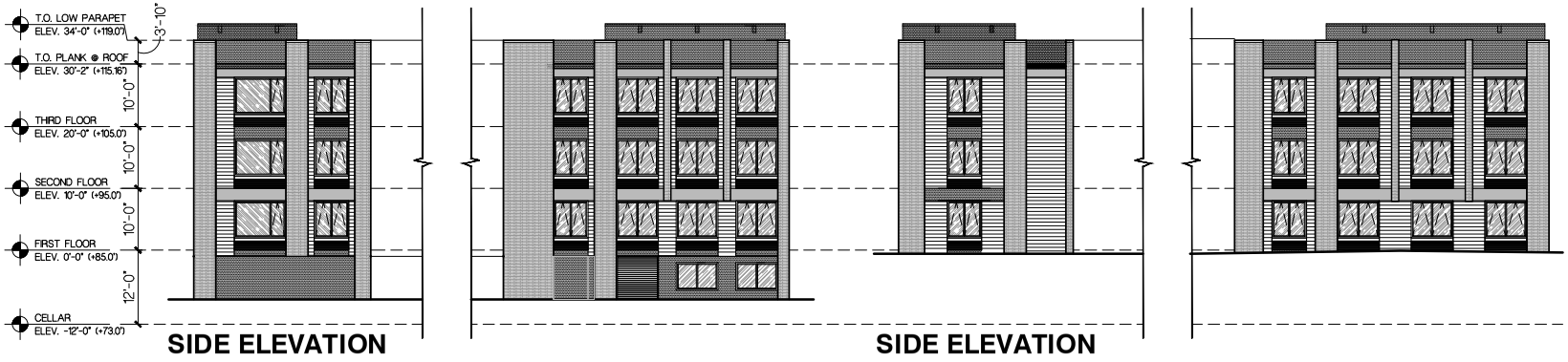
MOJO•STUMER ASSOCIATES, P.C.



FRONT ELEVATION



REAR ELEVATION



SIDE ELEVATION

SIDE ELEVATION

REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

EXT ELEVATIONS

10.07.2021

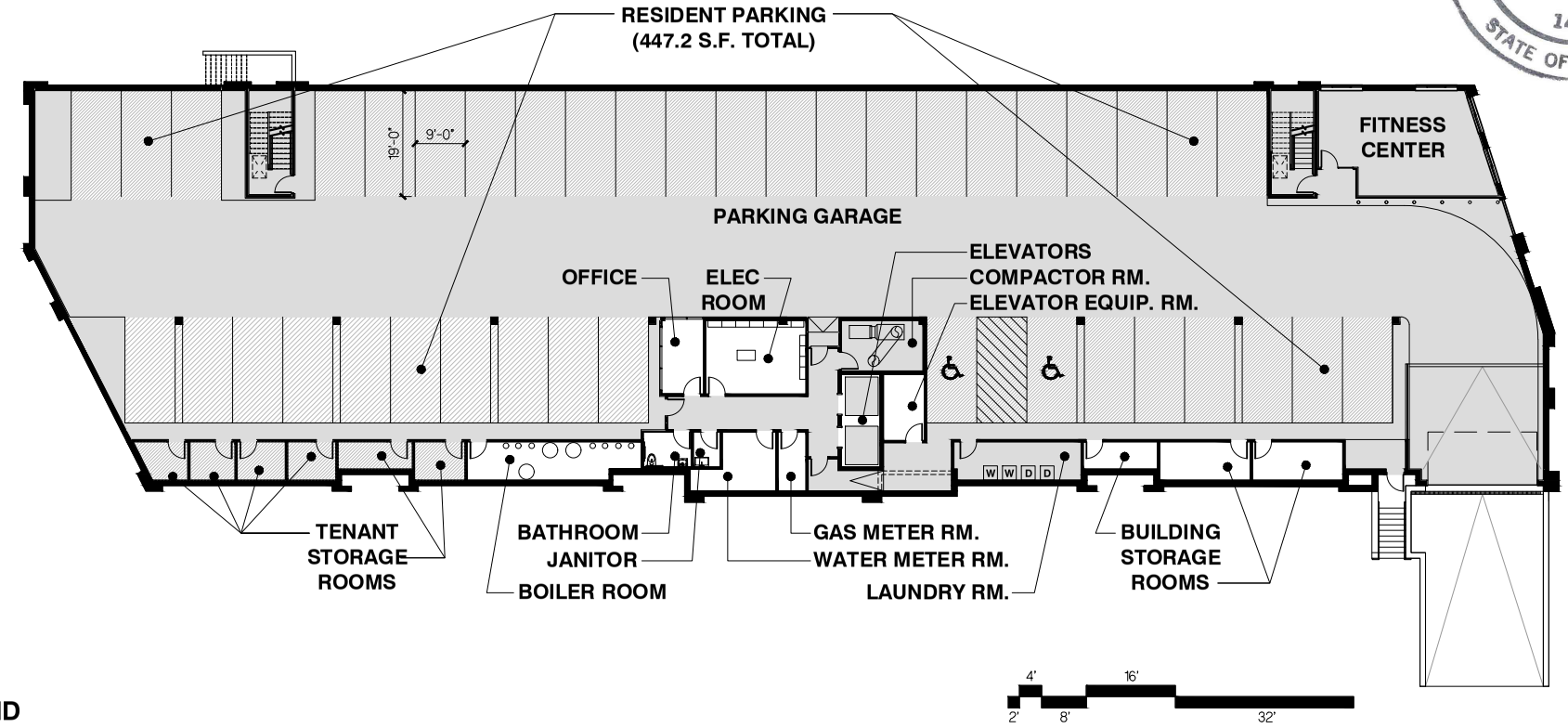
NOT TO SCALE

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MOJO•STUMER ASSOCIATES, P.C.

SCHEDULE G-3

PARKING PLAN

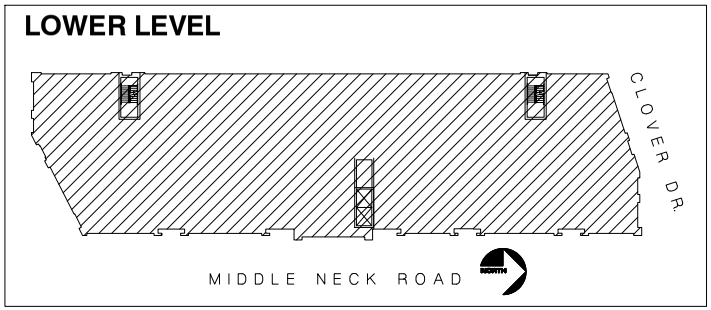


LEGEND

- GENERAL COMMON AREAS
- LIMITED COMMON AREAS
- ADA PARKING
- TRENCH DRAIN
- W WASHING MACHINE
- D DRYER

LOWER LEVEL

10.07.2021



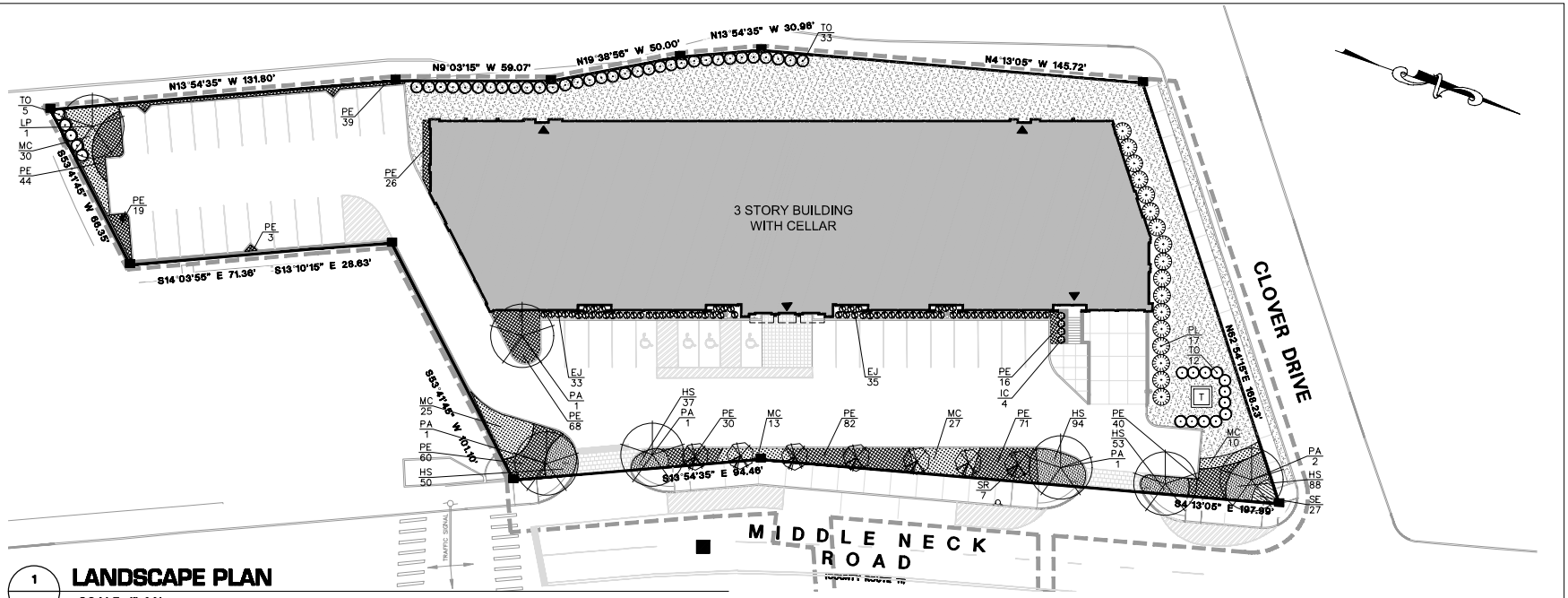
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. PLAN AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FLOOR TO FLOOR.

MOJO•STUMER ASSOCIATES, P.C.

REGISTERED ARCHITECT
MARK D. STUMER
14690
STATE OF NEW YORK

SCHEDULE G-4

LANDSCAPE PLAN



1
C5

LANDSCAPE PLAN

SCALE: 1"=20'

PLANTING NOTES

1. ALL PLANT MATERIAL SUPPLIED AND INSTALLED SHALL BE IN ACCORDANCE WITH CURRENT A.A.N. (AMERICAN ASSOCIATION OF NURSERYMEN), AND ACCEPTED INDUSTRY STANDARDS.
2. NO SUBSTITUTION OF MATERIAL SHALL BE MADE WITHOUT THE APPROVAL OF THE OWNER, AND THE ENGINEER.
3. BACKFILL ALL PLANT PITS WITH A BACKFILL MIXTURE OF TOPSOIL AND PROPER AMOUNTS OF FERTILIZER.
4. ALL MAJOR, MINOR, AND EVERGREEN TREES SHALL BE PROPERLY STAKED OR ANCHORED ONLY IF ABSOLUTELY NECESSARY. IF STAKING IS NECESSARY GUY WIRES TO BE LEFT LOOSE AND STAKES AND WIRES TO BE REMOVED AT END OF GUARANTEE PERIOD.
5. CULTIVATE AND RAKE OVER FINISHED PLANTING AREA AND LEAVE IN AN ORDERLY CONDITION.
6. FORM A SHALLOW BASIN AROUND EACH PLANT SO AS TO HOLD WATER AND MULCH.
7. ALL TREE AND SHRUB AREAS TO BE MULCHED AS SHOWN ON THE PLANS WITH A MINIMUM OF 3" SHREDDED BARK MULCH.
8. REMOVE FROM ALL PLANT MATERIAL BROKEN OR BRUISED BRANCHES WITH A CLEAN CUT.
9. AT THE TIME OF PLANTING, THE SOIL AROUND EACH PLANT SHALL BE THOROUGHLY SATURATED WITH WATER AND AS MANY TIMES LATER AS SEASON CONDITIONS REQUIRE FOR THE ENTIRE MAINTENANCE PERIOD.
10. ALL LAWN AREAS TO BE TOPSOILED WITH A MINIMUM OF 4" TOPSOIL AND SODDED AS DIRECTED BY THE OWNER OR AS SHOWN ON THE PLANS.
11. GROUND LIMESTONE SHALL BE EVENLY APPLIED AT THE RATE REQUIRED TO BRING THE SEED/SOD BED TO A PH READING OF BETWEEN 6.0 AND 7.0. THE LIMESTONE SHALL BE LIGHTLY WORKED INTO THE TOP THREE INCHES OF SOIL.
12. COMMERCIAL FERTILIZER SHALL BE EVENLY APPLIED TO THE SEED/SOD BED AT THE RATE OF 1,000 LBS. PER ACRE AND INCORPORATED INTO THE TOP THREE INCHES OF SOIL. THE ELEMENTS OF THE FERTILIZER MAY BE ORGANIC, INORGANIC OR A COMBINATION.
13. PRE-EMERGENT WEED CONTROL SHALL BE APPLIED TO ALL AREAS FOR PLANTING INCLUDING TREES, SHRUBS, GROUND COVER AND SEEDED AREAS. IF SEEDING OF LAWN AREAS IS REQUIRED, WEED CONTROL APPLIED MUST PERMIT IMMEDIATE SEEDING OF PERMANENT GRASSES.
14. ALL LANDSCAPING AS SHOWN ON THE APPROVED SITE PLAN SHALL BE MAINTAINED IN A VIGOROUS GROWING CONDITION THROUGHOUT THE LIFE OF THE PROJECT. ANY PLANTS NOT SO MAINTAINED SHALL BE REPLACED WITH HEALTHY NEW PLANTS OF COMPARABLE SIZE, TYPE AND QUALITY AT THE BEGINNING OF THE NEXT IMMEDIATELY FOLLOWING GROWING SEASON.
15. TOPSOIL FOR PLANTING AND SEED AREAS TO BE IMPORTED AS REQUIRED, AT NO ADDITIONAL COST TO THE OWNER.
16. PLANT SAVER, MANUFACTURED BY PLANT HEALTH CARE, INC. TO BE ADDED AT TIME OF PLANTING AND ACCORDING TO MANUFACTURERS SPECIFICATIONS IN ALL PLANTED AREAS EXCEPT TREE PLANTINGS. TREE PLANTINGS TO INCLUDE TREE SAVER, MANUFACTURED BY PLANT HEALTH CARE, INC. TO BE ADDED AT TIME OF PLANTING AND ACCORDING TO MANUFACTURERS SPECIFICATIONS.
17. SOD SUPPLIED TO THE SITE SHALL BE OF THE SAME SPECIES AND SOURCED FROM A SINGLE SUPPLIER.

IRRIGATION NOTES

1. ALL LANDSCAPED AREAS SHALL BE PROVIDED WITH AN AUTOMATIC UNDERGROUND HIGH EFFICIENCY IRRIGATION SYSTEM. INSTALLATION OF IRRIGATION SYSTEM TO BE COORDINATED WITH INSTALLATION OF LANDSCAPE MATERIAL. CONTRACTOR TO SUBMIT DIAGRAMMATIC LAYOUT (SHOP DRAWING) PRIOR TO INSTALLATION.
2. ALL LANDSCAPED AREAS SHALL BE PART OF AUTOMATIC IRRIGATION SYSTEM.
3. IRRIGATION SYSTEM TO INCLUDE MULTI-ZONE SMART CONTROLLER CAPABLE OF MONITORING CLIMATIC CONDITIONS, AND RAIN SENSOR EQUIPPED TO DETECT RAINFALL AND SOIL MOISTURE CONDITIONS.
4. ALL IRRIGATION HEADS TO BE HIGH EFFICIENCY.
5. LANDSCAPE/IRRIGATION CONTRACTOR TO PROVIDE AND COORDINATE INSTALLATION LOCATIONS OF ALL SLEEVING REQUIRED.
6. CONTRACTOR TO PROVIDE (2) 4"ø SDR-35 PVC SLEEVES BELOW PAVEMENT TO ALL LANDSCAPED ISLANDS, TREE PITS, LANDSCAPED PARKING MEDIANS, ECT. SLEEVES TO PROJECT 12" MINIMUM INTO LANDSCAPED AREAS.

MULCH NOTES

1. ALL MULCH SHALL BE PRIMARILY COMPOSED OF SHREDDED HARDWOOD BARK. A WRITTEN CERTIFICATION AND SAMPLE OF MATERIAL COMPOSITION SHALL BE SUBMITTED TO OWNERS REPRESENTATIVE FOR APPROVAL PRIOR TO CONSTRUCTION.
2. THE WRITTEN CERTIFICATION FURNISHED SHALL SPECIFICALLY NOTE THAT MULCH SUPPLIED CONTAINS NONE OF THE FOLLOWING:
   A) GROUND RECYCLED PALLETS
   B) CHEMICAL TREATMENTS OR RESIDUES

PLANTING SCHEDULE

EVERGREEN TREES

	QTY	SYMBOL	BOTANICAL NAME	COMMON NAME	SIZE	SPACING	COMMENTS	MATURE HEIGHT
⊙	50	TO	Thuja occidentalis "Smaragd"	Emerald Green Arborvitae	8'-10' ht.	AS SHOWN	B&B	12'-14'

DECIDUOUS TREES

	QTY	SYMBOL	BOTANICAL NAME	COMMON NAME	SIZE	SPACING	COMMENTS	MATURE HEIGHT
	7	PA	Platanus x acerfolia	London Planetree	2 1/2" -3" cal.	AS SHOWN	MIN. BRANCH HT. 6'	75'-100'
⊗	7	SR	Syringa reticulata	Japanese Tree Lilac	10'-12' ht., b&b	AS SHOWN	MIN. BRANCH HT. 6'	20'-30'

EVERGREEN SHRUBS

	QTY	SYMBOL	BOTANICAL NAME	COMMON NAME	SIZE	SPACING	COMMENTS	MATURE HEIGHT
⊕	68	EJ	Euonymus japonica "Green Spire"	Japanese Euonymus	24"-36" ht.	AS SHOWN	Container	5'±
⊕	4	IC	Ilex crenata "Sky Pencil"	Sky Pencil Japanese Holly	3 1/2"-4' ht.	AS SHOWN	Container	6'±
⊗	17	PL	Prunus Laurocerasus "Otto Luyken"	Spreading Cherrylaurel	3 1/2"-4' ht.	AS SHOWN	Container	6'±

GRASSES

	QTY	SYMBOL	BOTANICAL NAME	COMMON NAME	SIZE	SPACING	COMMENTS	MATURE HEIGHT
	105	MC	Muhlenbergia capillaris	Pink Muhly Grass	#3 cont.	36" O.C.		3'±
	498	PE	Pennisetum alopecuroides "Hameln"	Dwarf Fountain Grass	#3 cont.	24" O.C.		2'-3'

PERENNIALS

	QTY	SYMBOL	BOTANICAL NAME	COMMON NAME	SIZE	SPACING	COMMENTS	MATURE HEIGHT
	322	HS	Hemerocallis "Stella D'oro"	Stella D'oro Daylily	#2 cont.	18" O.C.		14"-18"
	27	SE	Sedum spirium "Rose Glow"	Rose Glow Sedum	#2 cont.	18" O.C.		4"-6"

Seeded Lawn Area

SYMBOLS SHOWN ON PLAN SHALL GOVERN OVER QUANTITIES SHOWN ON PLANT SCHEDULE.
CONTRACTOR TO COORDINATE LAYOUT OF PLANT MATERIAL WITH LANDSCAPE ARCHITECT.
LOCATION, GROUPING AND SPACING OF GROUNDCOVER PERENNIALS TO BE PERFORMED BY LANDSCAPE ARCHITECT.

GRAPHIC SCALE

20 0 10 20 40

(IN FEET)

HORIZ. 1 inch = 20 ft.

MOJO•STUMER ASSOCIATES, P.C.

14 Plaza Road (t) 516.625.3344
Greenvale, NY 11548 (f) 516.625.3418

This drawing is the property of Mojo Stumer Associates, P.C. & is not to be altered, reused or reproduced without written permission.

CAMERON ENGINEERING & ASSOCIATES, LLP

417

REVISION:

PROJECT TITLE:

THE ROSE
GREAT NECK

212-230 MIDDLE NECK ROAD
GREAT NECK, NY 11021

SCALE: AS SHOWN
DATE: 08.22.2021
DRAWN BY: MAD / OL
PROJECT NUMBER: CE 2531 A

SEAL:

DRAWING TITLE:

LANDSCAPE PLAN

DRAWING NUMBER:

C5

6 of 16

o:\ce2531 - the rose\VERSION 6 LANDSCAPE PLAN.dwg, Date: June 23, 2021, Pentop: ----, Plotted by: Lindsay Berman

SCHEDULE G-5

AREA MAP

Google Maps 218 Middle Neck Rd



Map data ©2021 500 ft

SCHEDULE G-6

NCDOH LETTERS

LAURA CURRAN
NASSAU COUNTY EXECUTIVE

LAWRENCE E. EISENSTEIN, MD, MPH, FACP
COMMISSIONER OF HEALTH

NASSAU COUNTY DEPARTMENT OF HEALTH

August 19, 2021

AEI Consultants
20 Gibbons Place, Suite 310
Freehold, New Jersey 07728
Attn: David Bausmith, P.E.

Re: The Rose at Great Neck Condominium
Middle Neck Road + Clover Drive
Village of Great Neck Estates, NY 11021
SS-1 Area Soil Removal Report
RS 314-19 1.2 Acres 40 Units

Dear Mr. Bausmith:

We have reviewed the SS-1 Area Soil Removal Report (Report) referenced above. The Report summarizes the remediation activities, at the Village of Great Neck Estates property, completed on July 29, 2021. A portion of the property located at the northern perimeter of the parcel was remediated by excavating soils that were impacted by Lead concentrations that exceed the Restricted Residential Standards (RRS) listed in Table 375-6.8(b) of 6 NYCRR Part 375.

Post remediation end point and side wall samples were collected at the stated areas of concern and the analyticals reveal that cleanup requirements were achieved in that compliance with the Protection of Public Health RRS was established. A total of 26.3 tons of contaminated soil were removed, transported and disposed off-site pursuant to applicable NYSDEC requirements.

In view of the aforementioned, the cleanup requirements have been achieved and the site meets the RRS listed in Table 375-6.8(b), therefore, this Department will not require additional intrusive activities or investigations. Please contact Mr. Robert Weitzman at 516.227.9538 for realty subdivision map preparation requirements that include the incorporation of active sub slab depressurization into the construction phase of the development.

Please know that this Department shall require certified clean fill for use for backfilling up to final grade or site regrading following remedial activities. Certified clean fill must meet

the Unrestricted Soil Cleanup Objectives (USC) listed in Table 357-6.8(a) of 6 NYCRR Part 375. This means that fill analytical results must be compared against the USC in the aforementioned Table. The fill must also be certified by a professional engineer licensed in the State of New York.

Very truly yours,

Carlos A. Pareja, P.E.
Bureau of Environmental Engineering

Copies:

NCDH – Michael J. Alarcon, P.E., Robert Weitzman, P.E.

Electronic Copies:

NYSDEC Region I – Walter Parish, P.E., Chris Engelhardt, P.E.

NCDH - Patricia Ramirez, P.E.

LAURA CURRAN
NASSAU COUNTY EXECUTIVE

LAWRENCE E. EISENSTEIN, MD, MPH, FACP
COMMISSIONER OF HEALTH

NASSAU COUNTY DEPARTMENT OF HEALTH

May 7, 2021

AEI Consultants
20 Gibbons Place, Suite 310
Freehold, New Jersey 07728
Attn: David Bausmith, P.E.

Re: The Rose at Great Neck Condominium
Middle Neck Road + Clover Road
Village of Great Neck Estates, NY 11021
Supplemental Limited Phase II
Subsurface Investigation and UST Closure Report (April 19, 2021)
RS 314-19 1.2 Acres 40 Units

Dear Mr. Bausmith:

We have reviewed the Supplemental Phase II Report (Report) referenced above for the investigation of areas of concern at the Great Neck Estates property. The investigation of the following areas of concern summarized in the report are:

1. A sump located in the northern portion of the building footprint. No floor drains or piping outfalls appeared to be connected to the sump. No floor drains were identified.

2. A geophysical survey identified a metallic anomaly at the southwest side of the building. The anomaly was later identified via a test pit as an underground storage tank (UST).

3. The Lead (pb) contamination (488 mg/Kg) previously identified (06/23/2020) at node SS-1 0-6” was delineated vertically and horizontally on 03/16/2021.

Soil samples were collected beneath the footprint of the building. A soil sample identified as SS-6 was collected within a concrete cut-out where exposed soil was observed. A second soil sample designated as SS-7 was collected near the presumed sump. The analyticals for the aforesaid nodes indicated no exceedances of contaminants listed in Table 375-6.8(b).

The UST was removed and investigated, on March 29, 2021, under the oversight of personnel from Petroleum Bulk Storage Program Office of Toxic & Hazardous

Materials Regulation. The analyticals of the soil sample collected beneath the tank excavation indicated compliance with applicable standards listed in Table 375-6.8(b).

In view of the information provided in the referenced Report, the Department requests the excavation and removal of the Lead contaminated soil at node SS-1. The extent of the excavation should be as defined by nodes SS-1-N, SS-1-S, SS-1-W and SS-1-E. The depth of the excavation should be at least 6-inches. The excavated soil should be transported and disposed off-site pursuant to applicable NYSDEC and USEPA requirements. Post excavation end point samples are required to determine compliance with applicable standards. A work plan detailing the proposed field activities for the remediation of the aforesaid portion of the property should be prepared and submitted to the Department for review and approval.

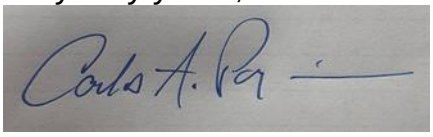
Regarding soil vapor, this Department requests the installation of an active sub-slab depressurization system (SSDS) to divert accumulated organics from beneath the slab away from indoor dwellings and into the outdoor air. Please reference the narrative for the SSDS requirement detailed in the September 12, 2020 letter addressed to your attention.

The Nassau County Department of Health reserves the right to request additional investigations, subsurface contaminant removal or subsurface remediation, in addition to the contents of this letter, upon the discovery of new information that establishes potential Recognized Environmental Conditions or Areas of Concern, surface and/or subsurface contamination that exhibits petroleum or chemical odors, historical fill (fill), spills, leaching, dumping, abandonment or discarding of barrels, drums, containers, or any other receptacles containing any chemicals, pollutants, contaminants, hazardous substances, or the soil is stained, mottled and/or exceeds the applicable standards in Table 375-6.8(a) and Table 375-6.8(b) of 6 NYCRR Part 375.

Please be advised that this Department requires certified clean fill for all backfilling activities and raising the site to final grade.

Please contact me at 516.227.9467 should you have any questions.

Very truly yours,



Carlos A. Pareja, P.E.
Bureau of Environmental Engineering

cc. Michael J. Alarcon, P.E., Robert Weitzman, P.E.

Attn: Michael De Giglio

ec. NYSDEC – Chris Engelhardt, P.E. Walter Parish, P.E.

NCDH - Patricia Ramirez, P.E., Director Office of Water Supply Engineering
Robin Putnam, Director Bureau of Environmental Protection

COUNTY OF NASSAU

Inter-Departmental Memo

To: Planning Department
Attn: John Perrakis

From: Department of Health

Date: September 2, 2021

Subject: Map of The Rose at Great Neck Condominium
Forty (40) Condominium Units
Middle Neck Road & Clover Drive
Great Neck, New York 11021
NCHD Project # RS-314-19

The Department has reviewed the Final Map of The Rose at Great Neck Condominium dated June 22, 2021, the Grading Plan (Page C-3) and the Utility Plan (Page C-4) also dated June 22, 2021 and has determined that our prior comments have been addressed.

Mylars and one paper copy of the Map and the plans may be submitted to the Department for final review and approval provided that the Nassau County Department of Public Works has approved and signed the Map, Grading Plan and the Utility Plan mylars, and the Great Neck Water Pollution Control District has approved and signed the Map and the Utility Plan mylars.

Please call me at (516) 227-9538 if you have any questions. Thank you for your cooperation.

Robert Weitzman

Robert Weitzman, P.E.
Public Health Engineer II
Bureau of Environmental Engineering

cc: McKinley Rose, LLC, Attn: Jinsong Yang, Owner
Cameron Engineering
Attn: Michael DeGiglio, P.E.
Joseph Amato, P.E.
AEI Consultants, Attn: David Bausmith, P.E.
Village of Great Neck Estates Building Department
Attn: Barbara Dziorney, Building Inspector
Great Neck Water Pollution Control District
Attn: Christopher Murphy, Superintendent
Water Authority of Great Neck North
Attn: Gregory Graziano, Superintendent
NCDPW, Attn: Jerry Ennis, P.E.
NCHD, Attn: Michael J. Alarcon, P.E.
Patricia Ramirez, P.E.
Carlos Pareja, P.E.

(7830)

SCHEDULE H

FEE TITLE DESCRIPTION

FEE TITLE DESCRIPTION

A “Home” as hereinafter referred to shall be defined as follows:

> Each Home shall consist of the area measured horizontally from the outside face of exterior walls to the center line of interior demising walls and vertically from the lower surface of the concrete slab or sub-floor forming the floor of the Home up to the exterior surface of the sheetrock or other material forming the ceiling of the Home.

A “Parking Space” as hereinafter referred to shall be defined as follows:

> Each Parking Space shall consist of the area measured from the inside face of the foundation wall to the end of the painted line and from the center line of one painted line to another in adjoining Parking Spaces.

A “Storage Space” as hereinafter referred to shall be defined as follows:

> Each Storage Space shall consist of the area horizontally from the inside face of all opposite walls forming the Storage Space and vertically from the upper surface of the floor to the lower surface of the ceiling forming the Storage Space.

SCHEDULE I

DECLARATION OF CONDOMINIUM

DECLARATION OF CONDOMINIUM

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP
OF PREMISES LOCATED IN THE VILLAGE OF GREAT NECK,
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 ROSE CONDOMINIUM**

DECLARANT: **MCKINLEY ROSE LLC**
445 Northern Boulevard, Suite 1
Great Neck, New York 11021

DATE OF DECLARATION:

SECTION: 2

BLOCK: 6

LOT: 254

CERTILMAN BALIN ADLER & HYMAN, LLP
Attorneys for the Sponsor
90 Merrick Avenue, 9th Floor
East Meadow, NY 11554

SCHEDULE I

TABLE OF CONTENTS

		Page
FIRST:	SUBMISSION OF PROPERTY.	1
SECOND:	DESCRIPTION OF PROPERTY.	1
THIRD:	DEFINITIONS.	1
FOURTH:	COMMUNITY/MEASUREMENT OF HOMES.	4
FIFTH:	COMMON ELEMENTS.	5
SIXTH:	EASEMENTS.	11
SEVENTH:	SERVICE OF PROCESS:	15
EIGHTH:	COMMON INTEREST.	16
NINTH:	ADMINISTRATION.	16
TENTH:	AMENDMENTS AND WITHDRAWAL.	17
ELEVENTH:	SUBJECT TO DECLARATION, BY-LAWS, ETC.	19
TWELFTH:	COMMON CHARGES.	20
THIRTEENTH:	HOMES ACQUIRED BY THE BOARD OF MANAGERS.	21
FOURTEENTH:	POWER OF ATTORNEY.	22
FIFTEENTH:	ENCROACHMENTS.	22
SIXTEENTH:	HOME OWNERSHIP.	22
SEVENTEENTH:	USE OF HOMES.	23
EIGHTEENTH:	CONVEYANCE OF A HOME.	23
NINETEENTH:	COVENANT OF FURTHER ASSURANCES.	23
TWENTIETH:	RULES AND REGULATIONS.	24
TWENTY-FIRST:	FIRST LIEN HOLDER'S RIGHTS.	24
TWENTY-SECOND:	SPECIAL RIGHTS OF DECLARANT	26
TWENTY-THIRD:	INVALIDITY	28

EXHIBITS

SCHEDULE A	Legal Description
SCHEDULE B	
SCHEDULE C	By-Laws of Condominium

PLAN OF CONDOMINIUM OWNERSHIP

DECLARATION OF THE ROSE CONDOMINIUM
PURSUANT TO ARTICLE 9-B OF THE REAL
PROPERTY LAW OF THE STATE OF NEW YORK

In the Village of Great Neck Estates, Town of North Hempstead, County of Nassau, State of New York, on this ____ day of _____, 20__, McKinley Rose LLC, a Limited Liability Company organized and existing under the laws of the State of New York, with offices at 445 Northern Boulevard, Suite 1, Great Neck, New York 11021, hereinafter referred to as the "Declarant" or "Sponsor" represented in this Declaration by Jinsong Yang, who is fully empowered and qualified to execute this Declaration on behalf of the limited liability company, does hereby state:

FIRST: SUBMISSION OF PROPERTY.

By this Declaration of Condominium, the Declarant submits the Property described in this Declaration, including the land and the Building and all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith, to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: DESCRIPTION OF PROPERTY.

The Declarant owns all that certain plot, piece or parcel of land, with the Building and improvements thereon erected, situate, lying and being in the Village of Great Neck, Town of North Hempstead, County of Nassau, State of New York, and more particularly bounded and described on Schedule A annexed hereto.

THIRD: DEFINITIONS.

The following words as hereinafter referred to shall be defined as follows:

1. "Annual Meeting" – The meeting of the Homeowners of the Condominium held on a yearly basis or such other convenient date as the Board of Managers may designate subsequent to the First Annual Meeting.

2. "Board of Managers" or "Board" - The governing body of the Condominium responsible for its affairs.

3. “Board Member” – Each individual representative elected, designated or appointed to the Board of Managers.

4. “Building” – The one (1) building, including the forty (40) Homes and the Common Elements, of the Condominium.

5. “By-Laws” - The document governing the operation of the Condominium.

6. “Common Charges” - Each Homeowner’s proportionate share of Common Expenses of the Condominium.

7. “Common Elements” - All portions of the Condominium other than the Homes. Common Elements are divided into General Common Elements which are Common Elements shared by all Homeowners and Limited Common Elements which are Common Elements that are irrevocably restricted for the exclusive use of an individual Homeowner.

8. “Common Expense” – (a) Expenses of operation of the Condominium, and (b) All sums designated common expenses by or pursuant to the provision of the Condominium Act, the Declaration of Condominium or the By-Laws.

9. “Condominium” – The Rose Condominium which includes the Homeowners, the Homes and the Common Elements.

10. “Condominium Act” – Article 9-B of the Real Property Law of the State of New York.

11. “Declarant” or “Sponsor” – McKinley Rose LLC, a New York limited liability company, and its successors, assigns and designees.

12. “Declaration of Condominium” or “Declaration” - The instrument by which the Property is submitted to the provisions of the Condominium Act, and such instrument as from time to time may be amended, consistent with the provisions of the Condominium Act and of the By-Laws.

13. “First Annual Meeting” – The date of the first annual meeting of the Homeowners.

14. “First Board of Managers” – The initial Board Members of the Board of Managers appointed by the Sponsor.

15. “Home” – One (1) of the Homes designated in Schedule B annexed hereto for residential use.

16. “Homeowner” – The owner of a Home in the Condominium.

17. “Institutional Mortgage” – 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 Sponsor, its successor, designee or assignee to a purchaser of a Home or in which the Sponsor, its successor, designee or assignee participates with one of the above.

18. “Limited Common Elements” - A Common Element appurtenant to a particular Home or Homes, the use of which is restricted to the Owners of such Home or Homes. Limited Common Elements may also be referred to as an Irrevocably Restricted Common Element.

19. “Offering Plan” – The Offering Plan for this Condominium, of which this Declaration is a part.

20. “Officer” – One of the officers of the Condominium chosen by the Board of Managers as provided for in Article IV of the By-Laws of the Condominium.

21. “Parking” – Parking shall include the at-grade parking spaces and the below-grade parking spaces, all of which will be individually licensed to Homeowners.

22. “Parking Space License Agreement” – The agreement entitling a licensee the exclusive right to use a parking space during the term of the agreement in exchange for an initial acquisition fee payable to the Sponsor and monthly license fees payable to the Condominium, which monthly license fees are in addition to the Common Charges and any Special Assessments due for the Home.

23. “Percentage of Common Interest”- The proportionate, undivided interest each Homeowner has in the Common Elements.

24. “Property”- The overall land area of the Condominium, containing the Homes and the Common Elements, as described in Schedule A.

25. “Rules and Regulations” – The Rules and Regulations contained in Article VIII of the By-Laws, as the same may be amended, altered, waived or added to by the Board of Managers.

26. “Sewer System” – The sewer pump and any pipes and/or conduits located in the Condominium.

27. “Special Assessment” – A Common Expense of the Condominium that is not included in the monthly Common Charges applicable to a Home.

28. "Special Meeting" – A meeting of the Homeowners held pursuant to Article II, Section 10 of the By-Laws.

29. "Sponsor Control Period" – The period of time the Sponsor has the right to retain control of the Board of Managers of the Condominium.

30. "Storage Space License Agreement" – The agreement entitling a licensee the exclusive right to use a cellar storage space during the term of the agreement in exchange for an initial acquisition fee payable to the Sponsor and monthly license fees payable to the Condominium, which monthly license fees are in addition to the Common Charges and any Special Assessments due for the Home.

31. "Unsold or Untitled Home" - Any Home in which title is retained by the Sponsor and any successors or assigns until such time as the same has been sold and title conveyed to a third party. It shall not include a Home which is used for personal occupancy of the Sponsor, any of its principals or any of its successors or assigns or designees.

FOURTH: COMMUNITY/MEASUREMENT OF HOMES.

A. Community - The Declarant is constructing on the described parcel a Condominium Community known as The Rose Condominium, according to the plans filed simultaneously with the recording of this Declaration in the Nassau County Clerk's Office, which plans set forth a description of the Building stating the number of stories and number of Homes.

The Condominium will consist of forty (40) residential Homes in one (1) Building as set forth on the Site Plan filed simultaneously herewith, and the Common Elements. The Condominium will be constructed as provided in the Building Plans approved by the Town of North Hempstead.

Each of the Homes has access to a public street by means of a walk, driveway or roadway. For the purposes of describing the location of the Building, approximate area, type and number of rooms of each Home and the Common Elements to which each Home has immediate access, each Home is described on Schedule A annexed hereto. Each Home will be sold to one or more Homeowners, each Homeowner obtaining fee ownership in, and exclusive right of occupancy and possession of the Home, together with an undivided interest in the Common Elements of the Condominium, as listed hereinafter in this Declaration, and referred to as the "Common Elements," all of the above in accordance with Article 9-B of the Real Property Law of the State of New York. Nothing herein shall prohibit the sale of more than one (1) Home to one (1) or more purchasers. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities may be changed by mutual consent of the Declarant and the Homeowner at the time of construction of the Home.

The aforesaid Condominium has a total plot area of approximately 1.2 acres.

B. Measurement of Homes – The approximate physical dimensions of each Home consists of the area measured horizontally from the outside face of exterior walls to the center line of interior demising walls and vertically from the lower surface of the concrete slab or sub-floor forming the floor of the Home up to the exterior surface of the sheetrock or other material forming the ceiling of the Home.

FIFTH: COMMON ELEMENTS.

The Common Elements will consist of the entire property, including all parts of the Condominium and improvements thereon, other than the Homes, and will consist of the following:

A. General Common Elements - General Common Elements are those shared by all Homeowners and include all portions of the Condominium except for the individual Homes and the Limited Common Elements (irrevocably restricted in use to specified Homes or Homeowners) and include without limitation the following:

1. The land on which the Condominium is erected and all other land within the boundaries of the Property;

2. The lobby;

3. All portions of the roof, including shingles, roof trusses, gutters and leaders, bulkheads, flashing, roof drains, as applicable, and the rooftop facilities, equipment, hatches, and vestibule with unisex toilet and janitorial closet, all intended for the common use and service of the Building;

4. Those portions of the exterior walls, excluding windows, beyond the outside face of the interior sheetrock; those portions of the walls and partitions dividing Homes located between the unexposed faces of the sheetrock walls enclosing the Homes; those portions of the ceilings of the highest floor above the upper face of the sheetrock, the enclosing walls, floors and ceilings, other than the coverings, floorings and other finishes thereon, which would be part of the private ownership of the Homes;

5. All foundations, footings, columns, girders, beams, supports, floor slabs and ceilings that are not part of a Home and any interior load bearing walls that are not part of a Home and are for the common use and service of the Building;

6. All interior and exterior stairs, stairways, common hallways which are not located wholly within or for the exclusive use of a Home and

entrances and exits to and from the Condominium other than entrances to the individual Homes which are intended for the common use and service of the Building;

7. All improved and unimproved areas of the Condominium located outside the boundaries of the Homes intended for the common use and service of the Condominium;

8. All landscaping, shrubs, trees, plants, lawns and shrub beds located on the Common Elements;

9. Any irrigation system located in the common landscaped areas including irrigation pipes, automatic valves, automatic controller and pop-up sprinkler heads;

10. All central and appurtenant installations in the Common Elements for services, as applicable, such as the sanitary and domestic water system, fire alarm system, standpipes, power, light, telephone, television, gas, air duct riser, hot and cold water and heat (including all boilers, pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements that service more than one (1) Home) and all other mechanical equipment spaces intended for the common use and service of the Condominium;

11. All drainage, stormwater and/or sewer systems, sewers and/or drainage pipes, drywells, catch basins, area drains, manholes, leaching pools, leaching gulleys, swales, on-site sewage pump station, sewage force mains, detention tanks or facilities intended for the common use and service of the Condominium;

12. All mechanical equipment, washing machines and dryers, laundry rooms, dumpsters, refuse rooms, utility meters, and storage areas that are intended for the service of the Condominium and for common use, subject to the Board's right to restrict access to mechanical, utility and/or storage areas;

13. The elevators, elevator cabs, elevator mechanical room and all mechanical or other equipment servicing the elevators intended for the common use and service of the entire Condominium;

14. Any heating, cooling or other mechanical system located in the Common Elements and intended for the common use and service of the Condominium;

15. Any telephone and cable rooms, meter rooms, equipment rooms

and any other mechanical rooms or areas located in the Common Elements and intended for the common use and service of the Condominium;

16. Any tanks, pumps, motors, fans, compressors, and control equipment located in the Common Elements and intended for the common use and service of the Condominium;

17. Any sprinkler system, alarm check valve and sprinkler system located in the Common Elements of the Building and intended for the common use and service of the Condominium;

18. All internal roads, entranceways, sidewalks, curbs, ramps, and aprons located on the Condominium Property;

19. Any recreational facilities, if applicable, including all utilities, lighting, and mechanical facilities therein, intended for the common use of the residents of the Condominium;

20. All outside lighting located on the Condominium Property;

21. Any fences located on the Condominium Property;

22. Any mailbox kiosks located in the Common Elements;

23. The at-grade parking areas of the Condominium, containing forty (40) parking spaces, subject to the rights of the Board of Managers to enter into a Parking Space License Agreement for a Homeowner's exclusive use of one or more above-grade parking space(s);

24. The below-grade parking areas of the Condominium containing forty (40) below-grade parking spaces, subject to the rights of the Board of Managers to enter into a Parking Space License Agreement for a Homeowner's exclusive use of one or more below-grade parking space(s);

25. The six (6) storage spaces located in the cellar of the Building, subject to the rights of the Board of Managers to enter into a Storage Space License Agreement for a Homeowner's exclusive use of one or more cellar storage space(s); and

26. All other parts of the Condominium and all apparatus and installations existing in the Building or Property for common use or necessary or convenient to the existence, maintenance, or safety of the entire Condominium.

B. Irrevocably Restricted Areas/Limited Common Elements - Certain portions of the Common Elements are irrevocably restricted in use to specified Homes or Homeowners, subject to the right of the Board of Managers of the Condominium to enter upon any restricted area for maintenance, repair or improvement of a Home or the Common Elements, and subject to the Rules and Regulations of the Board of Managers (see By-Laws, Article VIII). Said irrevocably restricted Common Elements are sometimes referred to, respectively, as a Limited Common Element. Any portion of the Common Elements which is not restricted in use may be used by any Homeowner. Following are descriptions of the irrevocable restricted Limited Common Elements:

1. Any hot water tank, boiler, air conditioning condenser and any other heating, cooling or other mechanical system servicing an individual Home that is located in or on the Common Elements;

2. Any portion of a hot water flue exclusively servicing an individual Home that is located in the Common Elements shall be a Limited Common Element of said Home; and

3. All apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which serve or benefit one (1) Home exclusively.

Except as hereinafter provided, all maintenance, painting, repairs and replacement of the General Common Elements shall be the responsibility of the Board of Managers on behalf of the Condominium and contracted for by the Board of Managers on behalf of the Condominium. The cost thereof shall be a Common Expense of the Condominium and paid for by all Homeowners based upon their Percentage of Common Interest or in such often manner as may be provided in Article VI, Section 9 of the By-Laws. Notwithstanding, if such maintenance, painting, repair or replacement is necessitated because of the negligence, misuse or neglect of a Homeowner or the prior alteration of the Home by a Homeowner, in which event the cost thereof shall be assessed individually and paid by the applicable Homeowner.

All maintenance repairs and replacements to the interior portion of the Homes, other than to any General Common Elements and any Limited Common Elements contained therein that have been designated to be maintained by the Condominium, are the responsibility of the respective Homeowners at their sole expense. All structural changes shall comply with the provisions of Article VIII, Section 1(f) of the By-Laws.

All maintenance (including electrical repairs and plumbing stoppages and repairs in the Homes, cleaning of interior of windows and painting and decorating of the interior of the Homes), repairs and maintenance to the Homes and repairs, maintenance, replacement and cleaning to pipes, wires and conduits located in and servicing an individual Home, other than as set forth above shall be made by the respective Homeowner at their own expense. This would include but not be limited to all painting

and decorating to the interior of the Homes, maintenance, repair and replacement of individual appliances and fixtures, individual heating and cooling systems for the Homes, the hot water flues, dryer vent and the interior side of all entrance doors.

All maintenance and repair to the interior portion of the window area and doors which open from a Home are the responsibility of the Homeowner. All maintenance, repair and any replacement to the external portion of the window area, the actual window and external portion of the doors (including painting) which open from a Home will be the responsibility of the Condominium, unless the maintenance, repair or replacement of the external portion of the window, the actual window and external portion of the doors which open from a Home are caused as a direct result of the negligence or act of a Homeowner, occupant, tenant, guest or any other person residing in, visiting or doing work in the Home. In such an event it shall be the Condominium's responsibility to repair or replace the external portion of the window, the window or the external portion of the doors which open from a Home and the cost of such repair or replacement shall be charged to the Homeowner as an additional Common Charge.

All repairs, maintenance, cleaning and any replacement and all costs associated therewith of any hot water tank, gas boiler, air conditioning compressor and/or condenser, air handler or any other heating, cooling, hot water flue, dryer vent or other mechanical system servicing an individual Home that is located in the Home or is a Limited Common Element located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit exclusively a Home shall be the sole responsibility of the Homeowner for such equipment, services, etc.

All snow removal from the General Common Elements shall be contracted for by the Board of Managers on behalf of the Condominium and the cost thereof shall be a Common Expense of the Condominium payable by all Homeowners based upon their percentage of Common Interest as provided in Schedule A of the Declaration of Condominium, or in such often manner as may be provided in Article VI, Section 9 of the By-Laws.

All snow removal and cleaning of the Limited Common Elements appurtenant to an individual Home and/or any area for the exclusive use and/or benefit of a Home shall be the sole responsibility of such Homeowner.

The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the General Common Elements and the cost thereof shall be a Common Expense payable by all the Homeowners pursuant to the provisions of Article VI, Section 9 of the By-Laws. Notwithstanding the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Homeowner, occupant, tenant, guest or any other person residing in, visiting or doing work in the Home, or caused by any alteration of a Home shall be assessed to and paid by the applicable Homeowner as an additional Common Charge and the Board of Managers shall have

all rights of collection of said additional Common Charge as provided for delinquent Common Charges contained in the Declaration and By-Laws.

The Board of Managers and their agents, employees and contractors shall have the right of access to any Home for the purpose of making any repairs or replacements to any Common Elements no matter how classified contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any other Home or any other Common Element no matter how classified, or which would violate the provisions of any mortgage covering another Home or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Homes but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Homes, or for the safety of Condominium residents or other persons or required to avoid the suspension of any necessary service to the Condominium. The cost of any repairs to the Home necessitated as a result of the Board of Managers needing access to any Common Element pursuant to this provision shall be the obligation of the Condominium as a Common Expense.

All repairs, painting or maintenance, whether made by the Homeowner or the Board of Managers, to the doors, windows, or the exterior surface of the Building or to any generally visible portion of the General Common Elements or Limited Common Elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor, unless varied by the Board of Managers.

In the event that a Homeowner fails to maintain, repair or replace its Home or any Limited Common Element for the Homeowner's exclusive use, which maintenance, repair or replacement is necessary to protect any of the General Common Elements, Limited Common Elements, any other portions of the Building or any other Home, the Board of Managers shall have the right to make the necessary maintenance, repair or replacement (after the failure of said Homeowner to do so after reasonable time provided by written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge said Homeowner for the cost of all such repairs and/or maintenance and/or replacement. In the event that the Board of Managers charges a Homeowner for repairs, maintenance and/or replacement to their Home or for repairs to any Common Elements restricted in use to such Homeowner and the Homeowner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Homeowner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

The Board of Managers shall have the right to require that a Homeowner utilize a contractor or sub-contractor of the Board of Manager's choosing for any repairs,

maintenance and/or replacement of a Limited Common Element that is a Homeowner's obligation at the Homeowner's sole cost and expense.

C. Provisions Applicable to All Common Elements -

1. The Common Elements shall remain undivided and no Homeowner shall bring any action for partition or division unless otherwise provided by law or expressly provided in the By-Laws.

2. The Common Elements are not subject to partition nor are they severable from the Home, except in accordance with the Real Property Law.

3. The percentage of the undivided interest in the Common Elements established herein shall not be changed except with the consent of all of the Homeowners affected expressed in a duly recorded amendment to this Declaration.

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

SIXTH: EASEMENTS.

The Board of Managers and their agents, employees and contractors shall have an easement in, through and across the entire Property of the Condominium for access through all the Common Elements and the Homes for the purpose of testing, repairs, maintenance, replacements and/or improvements to any Common Elements, no matter how classified, contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any Home or any other Common Element no matter how classified, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of Condominium or for the health and safety of the Condominium or its residents. The right of access to a Home shall be exercised in such a manner as will not unreasonably interfere with the use of the Homes but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its Property, or the Homes, or for the health and safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

The Board of Managers and their agents, employees and/or contractors shall have an easement in, through and across the entire Property of the Condominium for access to and for testing, repair, maintenance replacement and/or improvement of any

mechanical equipment, pipes, sewers and/or drainage lines and wires, conduits and public utility lines including any meters that measure said items that are located in the General Common Elements or in a Limited Common Element that services more than one (1) Home. All testing, repairs, maintenance, replacement and/or improvement thereto shall be the responsibility of the Condominium.

Every Homeowner shall have an easement in common with the owners of other Homes to maintain and use all mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits and public utility lines located in other Homes and servicing such Homeowner's Home.

Each Home shall be subject to an easement in favor of the Homeowners of other Homes to maintain and use the mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits and public utility lines servicing such other Homes located in such Home.

The Board of Managers, its agents, contractors and employees shall have an easement in, through, upon, over and under and a right of access to each Home for the testing, maintenance, repair, replacement or improvement to any mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits and public utility lines located in any Home that services any other Home or causes damage to any other Home or to the Common Elements (no matter how classified) or any mechanical equipment, pipe, sewer and/or drainage line, wires, conduits and public utility lines, no matter how designated that causes or is in imminent danger of causing damage to another Home or the Common Elements. The cost of such repairs, including the cost of any repairs to the Home to gain access to the any mechanical equipment, pipe, sewer and/or drainage line, wires, conduits and public utility lines, shall be a Common Expense. Notwithstanding the cost of any testing, maintenance, repairs and/or improvements necessitated because of the negligence, misuse or neglect of a Homeowner, occupant, tenant, guest or any other person residing in, visiting or doing work in the Home, or caused by any alteration of a Home shall be assessed to and paid by the applicable Homeowner as an additional Common Charge obligation to the Homeowner and shall be treated as such regarding late penalties and a lien upon the property as elsewhere provided in the Declaration of Condominium and By-Laws.

All pipes, sewers and/or drainage lines, mechanical equipment, wires, conduits and public utility lines located within each Home that is for the exclusive use of the Home shall be maintained by such Homeowner and all maintenance and costs associated therewith shall be the sole obligation of each respective Homeowner.

Any utility and cable company requiring access to the Common Elements to test, repair, maintain, improve and/or replace any mechanical equipment, pipes, sewers and/or drainage lines, wires, conduits and utility lines the company is responsible to test, repair, maintain, improve and/or replace shall have a right of access to the Common Elements and each Home for testing, maintenance, repair, improvement or replacement of such mechanical equipment, pipes, sewers and/or drainage lines, wires,

conduits and public utility lines located in the Common Elements and any Home. Any utility or cable company and its employees and agents shall have the right of access to any Home 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 Home for its permitted uses by its owner, tenants or occupants.

The Board of Managers shall have the right to grant such additional electric, gas, water, sewer, drainage, cable 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 Home for its permitted purposes. Any utility company and its employees and agents shall have the right of access to any Home 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 Home for its permitted purposes by its owner, tenants or occupants.

The Board of Managers shall have an easement through the Homes for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, gas, heating, ventilating, water and other mechanical equipment, lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing any portion of the Condominium.

The Declarant, its successors, assigns, and designees, reserve the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the entire Property of the Condominium (including the Homes) for the purpose of completing construction and the sale of Homes and facilities in the Condominium and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Condominium Property for installation, maintenance and inspection of lines and appurtenances for public or private electric, gas, water, sewer, drainage, cable television and other utilities and mechanical equipment and for any other materials or services necessary for the completion and sale of the Condominium. The Declarant, its successors, assigns, and designees, also reserve the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines and mechanical equipment which may from time to time be in or along the streets and roads or other areas of the Property of the Condominium. The Declarant, its successors and assigns, and designees, shall have an easement to erect and maintain general sales, business or administration offices and/or model Homes, 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 of Homes, and for the purpose of showing the Property to prospective Purchasers of this Condominium as well as any other property the Declarant or its designee is developing and for access to Homes and Common Elements consistent with the purposes of the Declaration of Condominium and By-Laws, 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, and sell Homes, together with their interest in the Common Elements. The Declarant, its successors, assigns and designees further reserve the right to continue to use the Common Elements and any facilities, sales offices, model Homes and signs located on the Common Elements, in its efforts to sell Homes constructed in the Condominium and to complete construction of the Condominium. This paragraph shall not be amended without the consent of the Declarant.

Declarant shall have an easement over or through the Common Elements as may, at any time, be required without the necessity of the consent of the Board of Managers, or joinder therein, by the Homeowners or any mortgagee to erect and maintain signs and other promotional materials (including, without limitation, “For Sale” signs and “For Rent” signs, (if rentals are permitted), in connection with the promotion, sale, leasing (if rentals are permitted), management, or operation of this Condominium.

The Declarant, its successor, assignee and/or designee shall have an easement of ingress and egress in, through and over the Property of the Condominium to access any area of the Condominium for as long as said Condominium is in existence as necessary to market other communities in which the Declarant, its successor, assignee and/or designee is engaged in the sale and/or leasing of housing to prospective purchasers and/or lessees of such other communities.

Each Homeowner hereby grants a right of access to and through their Home to Declarant or its successor, assignee and/or designee, and any contractors, subcontractors, agents, and employees of the foregoing for the purposes of the repair, replacement, inspection, maintenance and completion of 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 Homes.

The Board of Managers will have and each Home will be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements and Limited Common Elements that are the responsibility of the Condominium to maintain, repair or replace located in, over, under, through or upon any Home, or any other Common Elements or elsewhere in the Condominium and (b) to maintain any encroachment on any Home or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the General Common Elements or Limited Common Elements.

Each Home will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, foundations, slabs, and exterior walls) supporting or serving the Buildings and any replacement thereof and additions thereto and an easement of necessity, and each Home will be subject to an easement of support and necessity in favor of all other Homes and the Common Elements.

Each Home will have an easement for lateral and vertical support among all adjoining Homes and Common Elements.

Any easements granted to Declarant, the Board of Managers, any Home or any Homeowner under this Declaration of Condominium and the By-Laws may be exercised by such Declarant's, Board of Managers or Homeowner'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 Homeowner or Board of Managers.

Each Homeowner will have a right and easement to use its Home and the Limited Common Elements appurtenant to such Home or Homes, and the General Common Elements, subject to and in accordance with the terms and conditions of this Declaration of Condominium and By-Laws.

All Homeowners, residents, guests, tenants and anyone else needing access to a Home shall have an easement of ingress and egress, in, through and over the Property of the Condominium, including the Common Elements regardless of how classified for access to their Home.

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 of the Condominium.

All emergency vehicles and personnel, including, but not limited to, police, fire and medical vehicles and personnel shall be granted an easement of ingress and egress over, upon and through the property. This Paragraph may not be amended by the Homeowners in the Condominium.

All easements reserved to Declarant and to its successors, assigns and designees are paramount and take precedence and priority over the easements granted to the Board of Managers and Homeowners.

SEVENTH: SERVICE OF PROCESS:

The Secretary of State is hereby designated as agent of the Board of Managers upon whom process against it may be served. Service of process on the Board of Managers 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. Service of process on the Secretary of State as agent of such corporation or Board of Managers shall be made by personally delivering to and leaving with the Secretary of State or Secretary of State's deputy, or with any person authorized by the Secretary of State to receive such service, at the office of the Department of State in the city of Albany, duplicate copies of such process together with the statutory fee, which shall be a

taxable disbursement. Service of process on the Board of Managers shall be complete when the Secretary of State is so served. The post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon the Secretary of State as agent for service of this Condominium until the Secretary of State is notified of a change of address is The Board of Managers c/o Jinsong Yang, 445 Northern Boulevard, Suite 1, Great Neck, New York 11021.

EIGHTH: COMMON INTEREST.

Each Homeowner shall have such percentage of Common Interest in the Common Elements as is set forth in Schedule B attached hereto and shall be responsible for its pro rata share of the Common Expenses of the Condominium based upon such Percentage of Common Interest except as may otherwise be described in the Declaration and/or By-Laws. Each Homeowner shall have one (1) vote for each Home owned by a Homeowner for all voting purposes at any meeting of the Homeowners. The Percentage of Common Interest of each Home in the Common Elements 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 Home, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Home.

The Board of Managers may allocate Common Charges and/or Special Assessments to pay Common Expenses in a manner different from the allocation of Common Interests provided in Section 339-i of the Condominium Act, provided that such allocation is permitted under Section 339-m of the Condominium Act. In accordance with Section 339-m of the Condominium Act, Common Expenses may be specially allocated and apportioned based on special or exclusive use or availability or exclusive control of particular Units or the Common Elements. With respect to the Unit, Common Expenses may be allocated subject to the Regulatory Agreements, in a manner that (i) is not proportional to the Common Interest allocated to the Unit, (ii) limits the amount charged to the Unit Owner and (iii) limits the rate at which the amount charged to the Unit Owner may increase.

NINTH: 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 attached hereto as Schedule C.

TENTH: AMENDMENTS AND WITHDRAWAL.

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

B. The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of sixty-six and two-thirds (66⅔%) percent of the Homeowners in number held at a duly-called meeting of the Homeowners, provided however, that:

1. No amendment altering a Homeowner's Percentage of Common Interest shall be made without the consent of all the Homeowners affected.

2. No amendment shall be passed which shall affect, impair or prejudice the validity, interest, rights and priorities of mortgagees.

3. 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 successors, assigns or designees or against any Unsold Home, as long as the Declarant, its successors, assigns, or designees owns an Unsold Home in the Condominium unless the Declarant, its successors, assigns or designees has given its prior written consent thereto. This provision is not subject to amendment.

4. The Board of Managers and the Declarant, as long as the Declarant owns a Home in the Condominium, shall have the right to amend the Declaration without the vote or consent of the Homeowners or the holders of any Home mortgages and to execute and record in the Nassau County Clerk's Office such amendment as may be required to reflect (i) changes in the Declaration (including Schedule B), As-Built Floor Plans and Condominium, Subdivision or Unit Designation Map are corrective in nature or (ii) to resolve or clarify any inconsistency or which is patently a mistake or a scrivener's error, or (iii) technical corrections, or (iv) to comply with any federal, state, county or village or other municipal law or regulation that may affect the Condominium.

5. In addition, in the case of material changes, approval must be obtained from first mortgage holders representing at least fifty-one

(51%) percent of the votes of Homes that are subject to first mortgages. A change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of Common Elements; responsibility for maintenance and repairs; reallocation of interests in the General or Limited Common Elements, or rights to their use; boundaries of any Home; convertibility of Homes into Common Elements or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; revisions to the leasing provisions of Homes contained in Article XI of the By-Laws; imposition of any restrictions on a Homeowner's right to sell or transfer the Homeowner's Home; a decision by the Condominium to establish self-management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors. An addition or amendment to the Declaration shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request by certified or registered mail, return receipt requested, to approve amendments who does not deliver to the Condominium a negative written response within sixty (60) days of the receipt of the request shall be deemed to have approved such amendment.

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

C. The Declarant, its successors, assigns and designees shall have the right without vote or consent of the Homeowners, the Board of Managers or the holders of Home mortgages to execute or (on its request) to require the Board of Managers to execute and record in the Nassau County Clerk's Office 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 and/or amended As-Built Floor Plans, Condominium, Subdivision, or Unit Designation Map filed as part of an amendment to the 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 Homes as built, or (ii) utility easements,

or (iii) technical corrections to the 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 Home, so long as the appurtenant Percentage of Common Interest does not change for said Home subject to (v), (vi) and (vii) hereof or (v) to amend Schedule B prior to the first closing, to effect a change in the Percentage of Common Interest of all or specific Homes and revise Schedule B accordingly but in no event will the Common Interest of any Home be increased or decreased by more than 5% or (vi) to amend Schedule B of this Declaration to consolidate or subdivide Homes subject to all necessary approvals by the Building Department of the Town of North Hempstead or other municipality or administrative agency, to revise the square footage and type and number of rooms and any other required information for a specified Home and to change the appurtenant Percentage of Common Interest so long as the new Percentage of Common Interest equals the Percentage of Common Interest of the Homes that were consolidated or subdivided, or (vii) to effectuate permissible changes in Unsold Homes including the Percentage of Common Interest of one (1) or more of the Unsold Homes as long as it does not change the Percentage of Common Interest of any sold Home and to amend Schedule B accordingly, or (viii) to amend Schedule B to make technical corrections to said Schedule including, but not limited to, square footage of Homes, assign or revise Limited Common Elements including the revision of the number and description of rooms contained in a Home or (ix) to make changes or revisions to comply with the requests, guidelines and/or requirements of any major participant in the secondary market for mortgages, including but not limited to, the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal Housing Association ("FHA") of the Housing and Urban Development ("HUD"), the Veterans Administration ("VA") and/or any State or Local Funding Agencies, or (x) to make corrections that are patent errors, inconsistencies, scrivener's errors and technical errors, or (xi) to comply with any federal, state, county or village or other municipal law or regulation that may affect the Condominium; or (xiii) the carrying out of other provisions of the Offering Plan of the Condominium.

D. Any amendment to this Declaration shall not take effect until it is recorded in the Nassau County Clerk's Office.

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 the then existing local zoning and building laws and codes.

ELEVENTH: SUBJECT TO DECLARATION, BY-LAWS, ETC.

All present or future Homeowners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the

provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Homes of the Condominium or the mere act of occupancy of any of said Homes shall signify that the provisions of this Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Home, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

TWELFTH: COMMON CHARGES.

Common Expenses of the Condominium shall be determined by the Board of Managers of the Condominium. The Common Expenses of the Condominium shall be assessed to and paid by the Homeowners of the Homes based upon each Home's Percentage of Common Interest as reflected in Schedule B of this Declaration and subject to the provisions contained herein and subject to the provisions of Article Eighth hereof. The assessments paid by the Homeowners towards the Common Expenses of the Condominium shall be referred to as "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 Homeowner shall constitute a lien on the Homeowner's Home prior to all other liens except: (a) tax or assessment liens on the Home by the taxing subdivisions of any governmental authority, including but not limited to State, City, County, Village, and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Home. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorneys' fees and costs of collection (but such right shall not be a lien against the Home). 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 Homeowners as a Common Expense. Each Homeowner shall be personally liable for all unpaid Common Charges and any Special Assessments. The Board of Managers shall have the same rights of collection and enforcement of monthly parking and/or storage space license fees as it has for Common Charges and Special Assessments.

Notwithstanding the above, Common Charges, no matter how classified, may be adjusted based on allocations in accordance with sub-metering, contract allocations and usage (both projected and actual) for the Common Expenses, no matter how classified, based on special or exclusive use or availability or exclusive control of particular Homes or Common Elements by particular Homeowners pursuant to Section 339-m of the Real Property Law of the State of New York. In the event of any dispute as to the allocation of Common Charges such dispute shall be submitted for arbitration pursuant to the provisions of Article XII of the By-Laws of the Condominium.

In addition to the Board of Manager's right to bring an action to foreclose a lien on a Homeowner's Home, the Board of Managers (on behalf of the Homeowners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges at the option of the Board of Managers, without foreclosing or waiving the lien securing such charges. In such an event, the Condominium shall be entitled to recover all costs of suit including reasonable attorneys' fees.

Every Homeowner shall pay the Common Charges assessed against the Homeowner when due as determined by the Board of Managers and no Homeowner may be exempt from liability for the payment of the Common Charges assessed against the Homeowner by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of a Home. However, no Homeowner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by the Homeowner of such Home made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and By-Laws.

Notwithstanding any other provision in this Declaration or the By-Laws any mortgagee of an Institutional Mortgage as defined herein who obtains title to a Home pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Home's unpaid Common Charges accrued before acquisition of the title to the Home by the mortgagee unless otherwise required by law. If the Condominium's lien priority includes costs of collecting unpaid Common Charges the mortgagee of the Institutional Mortgage will be liable for any fees or costs related to the collection of unpaid Common Charges. The unpaid balance of such Common Charges and/or Special Assessments that may be waived will be charged to all other Homeowners as a Common Expense. Upon acquisition of title the Institutional Mortgagee shall be responsible for all Common Charges, Special Assessments and/or any other costs and expenses of the Condominium thereafter due and payable.

THIRTEENTH: HOMES ACQUIRED BY THE BOARD OF MANAGERS.

In the event any Homeowner shall convey their Home to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Home at a foreclosure sale in accordance with Article VI Section 4 of the By-Laws, title to such Home or the rights to the lease of such Home shall be held by the Board of Managers or its designee on behalf of all of the other Homeowners.

FOURTEENTH: POWER OF ATTORNEY.

A. In order to carry out the provisions of Article Thirteenth of the Declaration and Article XI of the By-Laws, each Homeowner shall, upon becoming such, be deemed to have granted an irrevocable power of attorney, coupled with an interest to the Board of Managers and their successors to acquire title or lease any such Home acquired by the Board of Managers under whatever terms the Board may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Home under such terms as the Board of Managers in its sole discretion shall deem proper.

B. Each Homeowner shall upon becoming a Homeowner grant an irrevocable power of attorney, coupled with an interest to the Board of Managers to nominate, designate, constitute and appoint the Members of 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) that may be residing in a Homeowner's Condominium Home 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 the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium.

FIFTEENTH: ENCROACHMENTS.

The Homeowners agree that if any portion of a Home or the Common Elements (whether restricted in use to an individual Homeowner or not) encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of the Building, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event any of the Buildings are partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and is rebuilt, the Homeowners agree that encroachments of any portion of the Home or the Common Elements as afore described resulting from customary construction tolerances and variances or variations necessitated by site conditions or governmental requirements, or settlement, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Buildings or reconstructed Buildings shall stand.

SIXTEENTH: HOME OWNERSHIP.

Upon the Closing of Title to a Home, a purchaser shall automatically become a Homeowner in the Condominium and shall remain such until such time as the Homeowner ceases to own the Home for any reason.

SEVENTEENTH: USE OF HOMES.

Homes shall be restricted to residential occupancy in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium.

EIGHTEENTH: CONVEYANCE OF A HOME.

In any conveyance of a Home, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the Grantee of the Home shall be jointly and severally liable with the Grantor for any unpaid Common Charges and/or Special Assessments against the latter assessed and due up to the time of the grant or conveyance without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid Common Charge and/or Special Assessment against the Grantor and such Grantee shall not be liable for, nor shall the Home conveyed be subject to a lien for any unpaid Common Charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include the holder of an Institutional Mortgage of record described in Article Twelfth of this Declaration.

NINETEENTH: COVENANT OF FURTHER ASSURANCES.

Any party subject to the terms of this Declaration, whether such party is a Homeowner, a lessee or sublessee of a Homeowner, or the occupant of a portion of a Home, 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 Homeowner or any other party subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within seven (7) days after request thereof, to take any action which the Homeowner or such other party is required to take pursuant to this Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Homeowner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Homeowner, or other party and such document or action shall be binding on such Homeowner or other party.

If any Homeowner 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 seven (7) days after request therefor, to take any action that the Board of Managers, any Homeowner, 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 Homeowner, 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 Homeowner, or other party, and such document or action shall be binding on the Board of Managers, such Homeowner, or other party, as the case may be.

Each Homeowner will have the affirmative duty to maintain its respective Home in such a manner so as to reasonably prevent and avoid inflicting harm to other Homes, the Limited Common Elements, the General Common Elements, or the Building. In addition to any other remedies and/or rights the Board of Managers may have in this Declaration, the By-Laws and/or the Rules and Regulations of the Condominium, in the event any Homeowner causes or permits any condition, or fails to take any action to prevent a condition, that has a deleterious effect on another Home, any Limited Common Element, the General Common Elements or the Building, the Condominium Board will give written notice to such Homeowner including a request that the Homeowner take specific steps to ameliorate such a condition ("Remedy Notice"). If the Homeowner fails to remedy the condition within a reasonable period of time as provided in such Remedy Notice, the Board of Managers may, upon additional notice to the Homeowner within a reasonable period of time determined by the Board of Managers, enter into the Home and effect a reasonable remedy, at the Homeowner's sole cost and expense.

TWENTIETH: RULES AND REGULATIONS.

The use of the Home by the Homeowner 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 contained in Article VIII of the By-Laws as they may be added to, amended, rescinded, repeated, modified, altered or waived pursuant to said Article VIII of the By-Laws.

TWENTY-FIRST: FIRST LIEN HOLDER'S RIGHTS.

(a) Notices of Action. A holder, insurer or guarantor of a first mortgage, shall be required to receive timely written notice of:

(1) Any proposed amendment of the Condominium instruments effecting a change in (i) the boundaries of any Home or the exclusive easement rights appertaining thereto, (ii) the interest in the general or limited Common Elements appertaining to any Home or the liability for common expenses appertaining thereto, (iii) the

number of votes in the Condominium appertaining to any Home or (iv) the purposes to which any Home or the Common Elements are restricted;

(2) Any proposed termination of the Condominium regime;

(3) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Home on which there is a first mortgage held, insured or guaranteed by such eligible holder;

(4) Any delinquency in the payment of assessments or charges owed by a Homeowner of a Home subject to the mortgage of such eligible holder, insurer or guarantor, which such delinquency has continued for a period of sixty (60) days;

(5) Any lapse, cancellation or material modification of any insurance policy maintained by the Condominium; and

(6) Any proposed action that requires the consent of a specified percentage of mortgagees.

(b) Other Provisions for First Lien Holders. To the extent permitted under applicable law, the following protections for the benefit of first mortgage holders will be legally binding with respect to the Condominium:

(1) Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications unless the approval of the eligible holders of first mortgages on Homes to which at least 51% of the votes of Homes subject to mortgages held by such eligible holders are allocated, is obtained;

(2) Any election to terminate the Condominium regime after substantial destruction or a substantial taking in condemnation of the Condominium property must require the approval of the eligible holders of first mortgages on Homes to which at least 51% of the votes of Homes subject to mortgages held by such eligible holders are allocated; and

(3) Unless the formula for reallocation of interests in the Common Elements after a partial condemnation or partial condemnation or partial destruction of the Condominium project is fixed in advance by the Declaration or by applicable law, no reallocation of interests in the Common Elements resulting from a partial condemnation or partial destruction of the Condominium project may be effected without the approval of the eligible holders of first mortgages on

Homes to which at least 80% of the votes of Homes subject to mortgages held by such eligible holders are allocated.

As used in this section, the term “eligible holder, insurer or guarantor” shall mean a holder, insurer or guarantor of a first mortgage on a Home in a Condominium which has requested notice in accordance with the provisions of (a) above.

TWENTY-SECOND: SPECIAL RIGHTS OF DECLARANT.

Notwithstanding anything to the contrary contained herein in addition to any rights granted to Declarant contained in the Declaration, By-Laws and/or Rules and Regulations, 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 Condominium Property described in Schedule A and any Building erected thereon.

(b) Erect and maintain signs and other promotional materials (including, without limitation, “For Sale” signs), in connection with the promotion, sale, management, or operation of the Homes or any other property, development or community the Declarant, its successors, assigns or designees so prescribe for life of the Condominium.

(c) Use any one or more Homes as:

(i) model Homes,
(ii) offices for the promotion, sale, management and/or operation of any unsold Homes,
(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 Homes; or any Unsold Homes; and/or
(iv) for any other purpose.

(d) Use any office in the Condominium for its exclusive use until such time as Declarant no longer owns any Homes in the Condominium.

(e) 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, the Homes and any Unsold Homes) for the purpose of:

(i) the promotion, sale, management and/or operation of any Unsold Homes,

(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.

(f) Access any area of the Condominium for as long as said Condominium is in existence, as necessary to market other communities in which the Declarant, its successor, assignee and/or designee is engaged in the sale and/or leasing of housing to prospective purchasers and/or lessees of such other communities.

(g) Use any portion of the General Common Elements or Unsold Homes:

(i) offices for the promotion, sale, management and/or operation of the Unsold Homes;

(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, Declarant with respect to the Common Elements and/or the Homes or Unsold Homes; and/or

(iii) for any other purpose.

In no event, however, shall Declarant or such designee be entitled to use any portion of the Common Elements in such a manner as will unreasonably interfere with the use of the same or of any Home or Limited Common Element for their permitted purposes.

(h) Make any changes required by the Town of North Hempstead, Nassau County or any other Federal, State or local municipal or administrative agency.

(i) To enter into revocable license agreements for the use of space within the General Common Elements, and to fix or modify applicable monthly license fees therefor, all so long as such license agreements do not hinder or encroach upon the rights of Homeowners to use the General Common Elements and/or Limited Common Elements, including, without limitation, the right to license the parking and/or storage spaces at the Condominium, subject to the terms of Parking Space License Agreement and/or the Storage Space License Agreement, as applicable.

(j) In the event any parking space or storage space at the Condominium has not been licensed to a Homeowner pursuant to a Parking Space License Agreement or Storage Space License Agreement, as applicable, after the Sponsor has conveyed all of the Homes to bona fide Purchasers, during the Sponsor Control Period, the Sponsor shall have the right, but not the obligation, to enter into a license agreement for use of a parking space or storage space by a licensee who is not a Homeowner, in which event the acquisition fee for such parking or storage space shall be paid to the Sponsor and the non-Homeowner licensee shall thereafter pay applicable monthly license fees to the Board of Managers. In addition, the Sponsor shall have the right but no the obligation to turn over the remaining parking spaces and/or storage spaces to the Board of Managers of the Condominium. In such an event, all rights and obligations thereafter will belong to the Condominium.

In no event, however, shall Declarant or such designee be entitled to use any portion of the Common Elements in such a manner as will unreasonably interfere with the use of the same or of any Home or Limited Common Element.

The provisions of this Article Twenty-Second cannot be amended without the written consent of the Declarant, or its successors or assigns.

TWENTY-THIRD: INVALIDITY

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

MCKINLEY ROSE LLC

By: _____
Jinsong Yang, Authorized Person

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

On the day of in the year 20 , 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 they executed the same in their capacity, and that by their signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

_____
NOTARY PUBLIC

SCHEDULE A

LEGAL DESCRIPTION TO BE
INSERTED PRIOR TO RECORDATION

SCHEDULE J

CONDOMINIUM BY-LAWS

BY-LAWS

OF

THE ROSE CONDOMINIUM

CERTILMAN BALIN ADLER & HYMAN, LLP
Attorneys for the Sponsor
90 Merrick Avenue
East Meadow, New York 11554

SCHEDULE C
TO THE DECLARATION OF CONDOMINIUM

SCHEDULE J
TO THE OFFERING PLAN

BY-LAWS
OF
THE ROSE CONDOMINIUM

TABLE OF CONTENTS

Page

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP 1
Section 1. Condominium Ownership..... 1
Section 2. By-Laws Applicability. 1
Section 3. Personal Application. 1
Section 4. Definitions. 1

ARTICLE II. CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS..... 1
Section 1. Condominium..... 1
Section 2. Voting..... 2
Section 3. Quorum..... 2
Section 4. Vote Required to Transact Business. 2
Section 5. Right to Vote. 3
Section 6. Proxies..... 3
Section 7. Waiver and Consent. 3
Section 8. Place of Meetings. 3
Section 9. Annual Meetings/Control of Board of Managers by Sponsor. 3
Section 10. Special Meetings. 4
Section 11. Notice of Meetings. 4
Section 12. Order of Business. 5

ARTICLE III. BOARD OF MANAGERS 5
Section 1. Number and Term..... 5
Section 2. Vacancy and Replacement. 7
Section 3. Removal..... 8
Section 4. Resignation..... 8
Section 5. Suspension 8
Section 6. First Board of Managers. 8
Section 7. Powers..... 8
Section 8. Repairs and Maintenance. 13
Section 9. Compensation..... 15
Section 10. Meetings. 15
Section 11. Annual Statement. 16
Section 12. Fidelity Bonds. 17
Section 13. Management Agent. 17
Section 14. Liability of the Board of Managers, Officers and Homeowners. 17
Section 15. Annual Reports Required By Section 519A of the Not-For Profit Corporation Law. 18

ARTICLE IV. OFFICERS 19
Section 1. Elective Officers..... 19

Section 2. Election. 19
Section 3. Appointive Officers. 19
Section 4. Term. 19
Section 5. The President. 20
Section 6. The Vice President. 20
Section 7. The Secretary. 20
Section 8. The Treasurer. 20
Section 9. Agreements, etc. 21

ARTICLE V. NOTICES 21
Section 1. Definition. 21
Section 2. Service of Notice Waiver 21

ARTICLE VI. FINANCES 21
Section 1. Checks. 21
Section 2. Assessments. 21
Section 3. Purpose of Common Charges. 23
Section 4. Foreclosures of Liens for Unpaid Common Charges. 24
Section 5. Statement of Common Charges and/or Special Assessments. 24
Section 6. Liability for Utilities. 24
Section 7. Operating Account. 24
Section 8. Other Accounts. 25
Section 9. Determination of Common Expenses and Fixing of Common Charges. . 25

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE 26
Section 1. Insurance to be Carried by the Board of Managers. 26
Section 2. The Insurance Trustee. 29
Section 3. Restoration or Reconstruction After Fire or Other Casualty. 29
Section 4. Homeowner Insurance. 30
Section 5. General. 30

ARTICLE VIII. RULES AND REGULATIONS 30
Section 1. General 30
Section 2. Violations of Rules and Regulations. 42
Section 3. Costs. 43
Section 4. Board of Managers Right to Change Rules and Regulations. 44
Section 5. Sponsor. 44
Section 6. Complaints. 44

ARTICLE IX. DEFAULT 44

ARTICLE X. AMENDMENTS 45

ARTICLE XI. SELLING, MORTGAGING AND LEASING HOMES 47
Section 1. Selling and Leasing Homes. 47
Section 2. Leasing Requirements for Homes. 48
Section 3. Waiver of Partition Rights. 50
Section 4. Gifts, etc. 50
Section 5. Tenant Bound by Declaration. 50
Section 6. Lenders. 50

Section 7. Sponsor. 50
Section 8. Section 339-kk of the Real Property Law. 51

ARTICLE XII. ARBITRATION 51
Section 1. Procedure. 51
Section 2. Variation by Agreement. 51
Section 3. Binding Effect. 51
Section 4. Costs and Expenses. 51

ARTICLE XIII. CONDEMNATION 52

ARTICLE XIV. SPONSOR RIGHTS 52
Section 1. Sales. 52
Section 2. Signs/Ingress/Egress. 53
Section 3. Additional Rights. 53
Section 4. Amendment. 53

ARTICLE XV. MISCELLANEOUS 54
Section 1. Insurance. 54
Section 2. Severability. 54
Section 3. Notice to Condominium 54
Section 4. Notice of Unpaid Common Charges/Special Assessments. 54
Section 5. Examination of Books and Records. 54
Section 6. Costs of Legal Action 54
Section 7. Report to Homeowners 54
Section 8. Construction. 55
Section 9. Compliance with Article 9-B. 55

BY-LAWS

OF

THE ROSE CONDOMINIUM

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Ownership.

The property located in the Village of Great Neck Estates, Town of North Hempstead, County of Nassau, State of New York, as specifically set forth in the Declaration and more commonly known as The Rose 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 improvements thereon, including the Building and the Condominium units (hereinafter referred to as "Homes"), as well as the Common Elements and the use and occupancy thereof.

Section 3. Personal Application.

All present or future Homeowners, 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 Homes or the mere act of occupancy of any of said Homes will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

Section 4. Definitions.

The definitions contained in the Declaration of Condominium shall be applicable to these By-Laws unless otherwise stated.

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

Section 1. Condominium.

The rights and obligations in the By-Laws of the Condominium shall be limited to Homeowners unless otherwise indicated. "Homeowner" as referred to herein shall mean all of the owners of each Home.

Section 2. Voting.

Each Homeowner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Home), shall be entitled to cast one (1) vote at all Homeowners' meetings for each Home owned by such Homeowner subject to the restrictions contained herein, including the provisions regarding the election of Members to the Board of Managers as provided in Article III, Section 1 of these By-Laws. In the event the Board of Managers acquires a Home on behalf of the Condominium it shall not cast any of its votes appurtenant to such Home, for the election of any Member to the Board of Managers. Any Homeowner in default of their Common Charges, Special Assessments, late fees or any other penalties imposed by the Board of Managers shall be prohibited from voting at any annual, general or special meeting of the Homeowners.

Section 3. Quorum.

So many Homeowners as shall represent at least fifty-one (51%) percent of the total authorized votes of all Homeowners present in person or represented by written proxy shall constitute a quorum at all meetings of the Homeowners for the transaction of business, except as otherwise provided by Statute, by the Declaration of Condominium, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Homeowners, the Homeowners entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting so many Homeowners as shall represent at least thirty-three and one-third (33⅓%) percent of the total authorized votes of all Homeowners shall constitute a quorum. At such adjourned meeting any business may be transacted which might have been transacted at the meeting originally called. If, however, such reduced quorum shall not be present or represented at such adjourned meeting of the Homeowners, the Homeowners entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum shall be present or represented. At such adjourned meeting so many Homeowners as shall represent at least twenty-five (25%) percent of the total authorized votes of all Homeowners shall constitute a quorum. At such adjourned meeting 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 Homeowners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Homeowners, 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 Homeowners, every Homeowner 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. Any Homeowner in default of the payment of their Common Charges and/or any Special Assessments as described in Article VI of these By-Laws shall be prohibited from voting at any annual or special meeting of the Homeowners.

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 Homeowners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws, including any amendments thereto, to be taken in connection with any action of the Condominium, the meeting and vote of Homeowners may be dispensed with if all Homeowners 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 Homeowners as may be designated by the Board of Managers.

Section 9. Annual Meetings/Control of Board of Managers by Sponsor.

The Sponsor will have voting control and may designate all the Board Members of the Condominium until all of the Homes in the Condominium have been sold or transferred to Homeowners other than the Sponsor, its Principals, successors, assignees and/or designees ("Sponsor Control Period"). The initial Board of Managers shall consist of three (3) Board Members appointed by the Sponsor as described in Article III, Section 6 (the "First Board of Managers"). The First Board of Managers will call for the first annual meeting of the Homeowners ("First Annual Meeting") to elect a new Board of Managers within a reasonable period after the Sponsor Control Period. At said time the Board will consist of five (5) Board Members. Until such time as the Sponsor relinquishes control of the Board of Managers as provided herein, the Sponsor shall have the right to appoint the Board Members. The Sponsor shall have the right to voluntarily resign a position on the Board of Managers as per the provisions of Article III, Section 1 of these By-Laws.

In the event the Board of Managers calls for the First Annual Meeting prior to the expiration of the Sponsor Control Period and the Sponsor still retains one (1) or more Homes the Sponsor shall have the right to designate one (1) Board Member to the Board of Managers. After the First Annual Meeting the annual meetings shall be held on or about the anniversary of such date each succeeding year or such other convenient date as the Board of Managers may so designate (the "Annual Meeting"). At such Annual Meetings there shall be elected by ballot of the Homeowners a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Homeowners may also transact such other business of the Condominium as may properly come before them.

In the event the Sponsor voluntarily relinquishes control of the Board of Managers prior to sale of all Homes the Sponsor will be entitled to designate one (1) Board Member to the Board of Managers until the Sponsor no longer owns any Homes in the Condominium. When the Sponsor no longer owns a Home in the Condominium, Sponsor may not be entitled to designate any Board Member to the Board of Managers. Notwithstanding the aforementioned, in the event the Sponsor voluntarily relinquishes a position on the Board of Managers before the Sponsor is obligated to do so, upon notice from the Sponsor to the Board of Managers that the Sponsor desires to reclaim said position the Board Member appointed or elected to said position shall resign and the Sponsor shall reappoint a Board Member to 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 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 as provided in Section 11 of this Article to each Homeowner 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 Homeowners of the Condominium entitled to vote 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 Homeowners of the Condominium are present in person or by proxy. Any or all of the Members of the Board of Managers of the Condominium, other than those designated by the Sponsor, may be removed with or without cause by vote of a minimum of 66⅔rds in number of the Homeowners of the Condominium 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 or other designated agent the Board of Managers to provide written notice of the place, date and hour of each annual or Special Meeting, stating the purpose thereof at least ten (10) but not more than thirty (30) days

prior to such meeting. A copy of the notice of any meeting shall be given, personally, by first class mail, facsimile telecommunications or by electronic mail to each Homeowner entitled to vote at such meeting. If mailed, such notice is given when deposited in the United States mail, with postage thereon prepaid, directed to the Homeowner at the Homeowner's address as it appears on the record of Homeowner or, if the Homeowner shall have filed with the Secretary or designated agent a written request that notices to the Homeowner be mailed to some other address, then such notice shall be directed to the Homeowner's designated address. If the notice is sent by facsimile telecommunication or mailed electronically, such Notice is given when directed to the Homeowners fax number or electronic mail address as it appears on the record of the Homeowners, or, to such fax number or other electronic mail address as filed with the Secretary or designated agent. Notwithstanding the foregoing, such Notice shall not be deemed to have been given electronically (1) if the Secretary or designated agent of the Board of Managers is unable to deliver two consecutive Notices to the Homeowner by facsimile telecommunication or electronic mail; or (2) the Secretary or the designated agent of the Board of Managers otherwise becomes aware that Notice cannot be delivered to the Homeowner by facsimile telecommunication or electronic mail.

Section 12. Order of Business.

The order of business at all meetings shall be as follows:

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

ARTICLE III. BOARD OF MANAGERS

Section 1. Number and Term.

The affairs of the Condominium shall be governed by a Board of Managers. The First Board of Managers shall consist of three (3) Members of the Board of Managers (hereinafter "Board Members") designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the First Annual Meeting of the Homeowners. Until succeeded by the Board Members elected at the First Annual Meeting of Homeowners, Board Members need not be Homeowners; thereafter, all Board Members shall be Homeowners, other than designees or nominees of the Sponsor. The Board Members shall be elected by the Homeowners and/or designated by the Sponsor at the Annual Meeting of the Homeowners. Unless called for sooner by

the First Board of Managers, the First Annual Meeting shall occur within a reasonable period of time after the Sponsor Control Period.

At the First Annual Meeting of Homeowners called pursuant to Section 9 of Article II, a total of five (5) Members of the Board of Managers shall be elected or designated the Board of Managers. All Board Members of the Board of Managers, other than the Sponsor designated representatives, shall be nominated and elected by the Homeowners at the First Annual Meeting. After the First Annual Meeting, the Board of Managers may request nominations for the Board Members to the Board of Managers prior to the Annual Meeting in addition to nominations from Homeowners at the Annual Meeting. Sponsor representatives of the Board of Managers shall be appointed by the Sponsor. As long as the Sponsor retains at least one (1) Home in the Condominium the number of Board Members of the Board of Managers may not be increased without the consent of the Sponsor.

At the First Annual Meeting, subject to the provisions regarding the Sponsor Control Period as provided in this Section, the term of office of two (2) of the Members of the Board of Managers shall be fixed for three (3) years, the term of office of two (2) of the Members of the Board of Managers shall be fixed for two (2) years and the term of office of one (1) of the Members of the Board of Managers shall be fixed at one (1) year. The two (2) Homeowners receiving the highest number of votes shall be elected to the three (3) year term, the two (2) Homeowners receiving the next highest number of votes shall be elected to the two (2) year term and the one (1) Homeowner receiving the next highest number of votes shall be elected to a one (1) year term. Each Homeowner shall be entitled to cast one vote for each Member of the Board of Managers to be elected to the Board of Managers. At the expiration of the initial term of office of each respective Member of the Board of Managers, their successor shall be elected to serve a term of three (3) years. The Board Members shall hold office until their successors have been elected and hold their first meeting.

Any Homeowner in default of the payment of Common Charges, Special Assessments, late fees, interest and/or penalties shall be ineligible to be elected to the Board of Managers and/or vote at any general, Annual or Special Meeting.

The Sponsor shall have the right to designate the Members of the Board of Managers until the expiration of the Sponsor Control Period as provided below. This Section may not be amended without the written consent of Sponsor.

In addition to the Members of the Board of Managers designated by the Sponsor, as long as Sponsor retains an unsold Home in the Condominium, Sponsor may vote as Sponsor so determines for any other Members of the Board of Managers, so long as the Members of the Board of Managers are not on Sponsor’s slate of Members for the Board of Managers, Sponsor’s payroll or as long as they did not receive other financial backing from the Sponsor other than a mortgage held by the Sponsor or affiliated entity of the Sponsor, if applicable.

Sponsor is entitled to designate all the Members to the Board of Managers until all of the Homes in the Condominium have been transferred (the "Sponsor Control Period"). Sponsor Members of the Board of Managers shall be appointed for a one (1) year term. At the expiration of the Sponsor Member terms, if Sponsor is still entitled to nominate Members to the Board of Managers, the Sponsor Members of the Board of Managers shall thereafter continue to be appointed as Members of the Board of Managers for one (1) year terms until the Sponsor is required to relinquish the position or Sponsor voluntarily resigns the position. When the designated Members of the Board of Managers of the Sponsor are required to relinquish their position on the Board of Managers the Sponsor will call for the First Annual Meeting of the Homeowners as per the provisions of Article II, Section 9 of these By-Laws. The Sponsor shall have the right to voluntarily resign a position on the Board of Managers. In such an event the Board of Managers will either (a) call for a Special Meeting of the Homeowners pursuant to the provisions of Article II, Section 10 of these By-Laws to elect a Homeowner for the balance of the Sponsor Member's term or (b) the remaining Members of the Board of Managers will appoint a Homeowner to the Board of Managers for the balance of the Sponsor Member's term. At the expiration of the term the Homeowners shall have a meeting to elect a Homeowner to a three (3) year term. Notwithstanding the aforementioned, in the event the Sponsor voluntarily relinquishes a position on the Board of Managers before the Sponsor is obligated to do so, upon notice from the Sponsor to the Board of Managers that the Sponsor desires to reclaim said position the Member of the Board of Managers appointed or elected to said position shall resign and the Sponsor shall reappoint a Board Member to the Board of Managers. At such time as the Sponsor no longer owns any Home in the Condominium the Sponsor Members of the Board of Managers shall resign and the Sponsor will not be able to designate any Members to the Board of Managers.

This Section may not be amended without the written consent of the Sponsor.

Section 2. Vacancy and Replacement.

If the office of any Member or Members becomes vacant by reasons of death, resignation, retirements, disqualification, removal from office or otherwise, a majority of the remaining Members of the Board of Managers, though less than a quorum, at a Special Meeting of Members 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 Members of the Board of Managers at the time designated for the annual election of the Members of the Board of Managers or in the event that the Members of the Board of Managers shall not have filled any such vacancy, or if the Board of Managers so determines, a Special Meeting of the Homeowners to elect new Members to the 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 Homeowners. If the vacancy occurs with respect to any Member of the Board of Managers who has been designated by the Sponsor, only the Sponsor shall have the right to choose such Member's successor to fill the

unexpired portion of the term. In addition, the Sponsor shall have the right to substitute its Board of Managers appointees at its discretion.

The Board of Managers shall also have the right to call for a special meeting in accordance with Article II, Section 10 to elect the Member's successor to fill the unexpired portion of the term of office.

Section 3. Removal.

Members, other than Sponsor designees, may be removed with or without cause by an affirmative vote of 66⅔rds in number of the Homeowners entitled to vote at a Special Meeting called pursuant to Article II, Section 10 of these By-Laws. No Member other than a Member designated by the Sponsor shall continue to serve on the Board of Managers if, during their term of office, they shall cease to be a Homeowner. Any Member of the Board of Managers in default of the payment of Common Charges, Special Assessments, late fees, penalties and/or interest shall be suspended from the Board of Managers until such time as all Common Charges, Special Assessments, late fees, penalties and/or interest are paid in full to the Condominium.

Section 4. Resignation.

Any Member 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. Suspension

Any Member of the Board of Managers in default of the payment of Common Charges, Special Assessments, together with late fees, interest and expenses shall be suspended from the Board of Managers until such time as all Common Charges, Special Assessments, together with late fees, interest and expenses, if any, are paid in full to the Condominium.

Section 6. First Board of Managers.

The first Board of Managers shall consist of three (3) Members appointed by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the First Annual Meeting of Homeowners. Any or all of said Members shall be subject to replacement at the sole discretion of the Sponsor and/or in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 7. 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 Homeowners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of Common Expenses, and to determine and levy monthly license fees applicable to the Condominium parking spaces and/or cellar storage spaces. The Common Charges and license fees are payable in advance as determined by the Board of Managers. The Board of Managers may increase the monthly Common Charges or vote a Special Assessment in excess of the Common Charges, if required, to meet any additional necessary Common Expenses, but said increases can only be assessed among the Homeowners pro-rata according to their respective Percentage of Common Interest as reflected in Schedule B of the Declaration of Condominium or in such other manner as provided in Article VI, Section 9 of these By-Laws. The Board of Managers may adjust the monthly license fees applicable to the parking spaces and/or cellar storage spaces at its good faith discretion.

2. To determine and impose penalties, late fees and interest against Homeowners delinquent in the payment of their license fees, Common Charges and/or Special Assessments and to revise the amount of such fees as the Board of Managers so determines.

3. To determine and impose move in and move out fees and to revise said fees in its good faith discretion.

4. To determine the amount and require a purchaser of a Homeowner to pay a working capital fee to the Condominium.

5. To collect, use, and expend the Common Charges collected to maintain, care for and preserve the General Common Elements and any Limited Common Elements for which the Condominium is responsible to repair, replace and maintain and any other Common Expenses of the Condominium.

6. To make repairs, restore or alter any Home or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

7. To enter into and upon the Homes when necessary and at as little inconvenience to the Homeowners as possible in connection with the maintenance, care, and preservation of the Property, including any inspection or repairs necessitated by mold, vermin or insects. No prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or

safety of the Condominium or its property, or the Homes, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium. Any repairs required as the result of negligence of a Homeowner will be at the expense of the Homeowner.

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

9. To insure and keep insured the Common Elements and Homes in accordance with Article VII of these By-Laws.

10. To collect delinquent Common Charges, Special Assessments, late fees, penalties and/or interest by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Homeowners of the Condominium for violations of the Declaration, By-Laws or the Rules and Regulations of the Condominium.

11. To make reasonable Rules and Regulations applicable to the Homes and the Homeowners and to amend the same from time to time pursuant to Article VIII of these By-Laws. Such Rules and Regulations and amendments shall be binding upon the Homeowners when the Members of the Board of Managers have approved them in writing. A copy of such Rules and Regulations and all amendments thereto shall be delivered to each Homeowner. The Board of Managers shall not be able to pass or adopt any Rule or Regulation affecting the Sponsor without the written consent of the Sponsor.

12. 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 herein above set forth.

13. To bring and defend actions by or against one or more Homeowners that are pertinent to the operation of the Condominium and to levy Special Assessments to pay for the cost of such litigation, subject to the provisions regarding the Sponsor as contained in Article III, Section 7(c) of these By-Laws.

14. To acquire a Home in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Home so acquired and to vote as a Homeowner subject to any restrictions contained in these By-Laws, offer such Home for sale or lease or take any other steps regarding such Home as shall be deemed proper by the Board of Managers.

15. To make additions, alterations, or improvements to the General Common Elements and Limited Common Elements that have been delegated to the Condominium to maintain, repair and/or replace as provided in the Declaration of Condominium and/or these By-Laws.

16. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the General Common Elements, and Limited Common Elements that are the obligation of the Condominium to maintain, repair and/or replace as provided for in the Declaration and/or these By-Laws. Notwithstanding, no lien to secure repayment of any sum borrowed may be created on any Home or its appurtenant Percentage of Common Interest in the Common Elements without the written consent of the Owners of said Home.

17. To act as an agent for one (1) or more Homeowners to file a single complaint and bring a special proceeding on behalf of Homeowners who wish to contest the real estate tax assessments of their Home pursuant to Section 339-y(4) of the New York Real Property Law. In such event, the Board of Managers could retain counsel on behalf of such Homeowners and charge each Homeowner for whom it is acting a pro-rata share of expenses, disbursements and legal fees, based upon the Home's Percentage of Common Interest as reflected in Schedule B of the Declaration of Condominium, the payment for which would be secured by a lien on each Home. The Board of Managers is not obligated to perform such services and it is necessary to obtain the written authorization of the Homeowners it will perform such service for.

18. To determine and impose penalties, late fees and interest against Homeowners delinquent in the payment of their Common Charges and/or Special Assessments and in violation of the Rules and Regulations. The Board of Managers shall have the right to revise the amount of such fees as the Board of Managers so determines.

19. To enter into revocable license agreements for the use of space within the General Common Elements, and to fix or modify applicable monthly license fees therefor, all so long as such license agreements do not hinder or encroach upon the rights of Homeowners to use the General Common Elements and/or Limited Common Elements.

20. To enter into contracts, settlement agreements and/or other matters on behalf of the Condominium.

21. 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 Homeowners without the necessity of the consent thereto, or joinder therein, by the Homeowners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Homeowners who have the right to use such Common Elements to the exclusion of any other

Homeowner, the consent of all such affected Homeowners 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 of Managers, designate one or more committees, each of such committees to consist of at least one (1) Member of the Board of Managers, 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 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 of Managers as required.

(c) As long as the Sponsor, its successor, assignee and/or designee retains an Unsold Home, the Board of Managers may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the General Common Elements or Limited Common Elements that are the obligation of the Condominium to maintain, repair and/or replace as provided for in the Declaration and /or these By-Laws, or to any Home, costing cumulatively more than $25,000, the foregoing not to include necessary repairs and maintenance work, (ii) assess any Common Charges and/or Special Assessment for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund in excess of the Reserve Fund or contingency fund contained in the Condominium budget for the first year of operation, (iii) hire any employee in addition to the employees referred to in the Budget for the first year of operation of the Condominium, (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first Closing, (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 operation, (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, (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 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 the Sponsor in order to commence a lawsuit against the Sponsor or any of its principals. The provisions of this paragraph may not be amended without the written consent of the Sponsor.

(d) Notwithstanding Article III, Section 7(c) of these By-Laws Sponsor may not exercise veto power over expenses described in the proposed first year budget, as described in the Offering Plan, or over 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; or

(iv) necessary for the preservation or safety of the Condominium or for the safety of occupants of the Condominium or required to avoid the suspension of any necessary service to the Condominium.

(e) Sponsor may exercise veto power over expenses described in the Condominium budget, other than those described in Article III, Section 7(d) of these By-Laws, for a period ending not more than five (5) years after the Closing of the first Home or whenever the unsold Homes constitute less than twenty-five (25%) percent of the common interest, whichever is sooner.

The provisions of this paragraph may not be amended without the written consent of Sponsor.

Section 8. Repairs and Maintenance.

Except as hereinafter provided, all maintenance, painting, repairs and replacement of the General Common Elements shall be the responsibility of the Board of Managers on behalf of the Condominium and contracted for by the Board of Managers on behalf of the Condominium. The cost thereof shall be a Common Expense of the Condominium and paid for by all Homeowners based upon their Percentage of Common Interest as provided in Schedule B or in such often manner as may be provided in Article VI, Section 9 of these By-Laws. Notwithstanding, if such maintenance, painting, repair or replacement is necessitated because of the negligence, misuse or neglect of a Homeowner or the prior alteration of the Home by a Homeowner, in which event the cost thereof shall be assessed individually and paid by the applicable Homeowner.

All maintenance repairs and replacements to the interior portion of the Homes, other than to any General Common Elements and any Limited Common Elements contained therein that have been designated to be maintained by the Condominium, are the responsibility of the respective Homeowners at their sole expense. All structural changes shall comply with the provisions of Article VIII, Section 1(f) of these By-Laws.

All maintenance (including electrical repairs and plumbing stoppages and repairs in the Homes, cleaning of interior of windows and painting and decorating of the interior of the Homes), repairs and maintenance to the Homes and repairs, maintenance, replacement and cleaning to pipes, wires and conduits located in and servicing an individual Home, other than as set forth above shall be made by the respective Homeowner at their own expense. This would include but not be limited to all painting and decorating to the interior of the Homes, maintenance, repair and replacement of individual appliances and fixtures, individual heating and cooling systems for the Homes, the hot water flues, dryer vent and the interior side of all entrance doors.

All maintenance and repair to the interior portion of the window area and doors which open from a Home are the responsibility of the Homeowner. All maintenance, repair and any replacement to the external portion of the window area, the actual window and external portion of the doors (including painting) which open from a Home will be the responsibility of the Condominium, unless the maintenance, repair or

replacement of the external portion of the window, the actual window and external portion of the doors which open from a Home are caused as a direct result of the negligence or act of a Homeowner, occupant, tenant, guest or any other person residing in, visiting or doing work in the Home. In such an event it shall be the Condominium's responsibility to repair or replace the external portion of the window, the window or the external portion of the doors which open from a Home and the cost of such repair or replacement shall be charged to the Homeowner as an additional Common Charge.

All repairs, maintenance, cleaning and any replacement and all costs associated therewith of any hot water tank, gas boiler, air conditioning compressor and/or condenser, air handler or any other heating, cooling, hot water flue, dryer vent or other mechanical system servicing an individual Home that is located in the Home or is a Limited Common Element located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit exclusively a Home shall be the sole responsibility of the Homeowner for such equipment, services, etc.

All snow removal from the General Common Elements shall be contracted for by the Board of Managers on behalf of the Condominium and the cost thereof shall be a Common Expense of the Condominium payable by all Homeowners based upon their percentage of Common Interest as provided in Schedule A of the Declaration of Condominium, or in such often manner as may be provided in Article VI, Section 9 of these By-Laws.

All snow removal and cleaning of the Limited Common Elements appurtenant to an individual Home and/or any area for the exclusive use and/or benefit of a Home shall be the sole responsibility of such Homeowner.

The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the General Common Elements and the cost thereof shall be a Common Expense payable by all the Homeowners pursuant to the provisions of Article VI, Section 9 of these By-Laws. Notwithstanding the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Homeowner, occupant, tenant, guest or any other person residing in, visiting or doing work in the Home, or caused by any alteration of a Home shall be assessed to and paid by the applicable Homeowner as an additional Common Charge and the Board of Managers shall have all rights of collection of said additional Common Charge as provided for delinquent Common Charges contained in the Declaration and By-Laws.

The Board of Managers and their agents, employees and contractors shall have the right of access to any Home for the purpose of making any repairs or replacements to any Common Elements no matter how classified contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any other Home or any other Common Element no matter how classified, or which would violate the provisions of any mortgage covering another Home or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction

thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Homes but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Homes, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium. The cost of any repairs to the Home necessitated as a result of the Board of Managers needing access to any Common Element pursuant to this provision shall be the obligation of the Condominium as a Common Expense.

All repairs, painting or maintenance, whether made by the Homeowner or the Board of Managers, to the doors, windows, or the exterior surface of the Building or to any generally visible portion of the General Common Elements or Limited Common Elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor, unless varied by the Board of Managers.

In the event that a Homeowner fails to maintain, repair or replace its Home or any Limited Common Element for the Homeowner's exclusive use, which maintenance, repair or replacement is necessary to protect any of the General Common Elements, Limited Common Elements, any other portions of the Building or any other Home, the Board of Managers shall have the right to make the necessary maintenance, repair or replacement (after the failure of said Homeowner to do so after reasonable time provided by written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge said Homeowner for the cost of all such repairs and/or maintenance and/or replacement. In the event that the Board of Managers charges a Homeowner for repairs, maintenance and/or replacement to their Home or for repairs to any Common Elements restricted in use to such Homeowner and the Homeowner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Homeowner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

The Board of Managers shall have the right to require that a Homeowner utilize a contractor or sub-contractor of the Board of Manager's choosing for any repairs, maintenance and/or replacement of a Limited Common Element that is a Homeowner's obligation at the Homeowner's sole cost and expense.

Section 9. Compensation.

Members of the Board of Managers and Officers of the Board of Managers, as such, shall receive no compensation for their services.

Section 10. Meetings.

(a) The first meeting of the Members of the Board of Managers newly elected by the Homeowners 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 Homeowners meetings, and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board of Managers shall take place.

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

(c) Special meetings of the Board of Managers may be called by the President on two (2) days' notice to each Member either personally, by mail or by 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 a majority of the Members of the Board of Managers.

(d) At all meetings of the Board of Managers, a majority of the Members shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Members 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 Members, the Members 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 Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Board of Managers shall be a waiver of notice by the Member of the time and place thereof. If all the Members are present at any meeting of the Board of Managers, no notice shall be required and any business may be transacted at such meeting.

(f) Members of the Board of Managers 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 11. Annual Statement.

The Board of Managers shall furnish all Homeowners and shall present annually within four (4) months after the close of the fiscal year) and when called for by a vote of the Homeowners at any special meeting of the Homeowners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement prepared by an independent public accountant and a statement regarding any taxable income attributable to the Homeowner and a notice of the holding of the annual Homeowners meeting. During the period the Sponsor retains

a majority of the Members of the Board of Managers the annual statement shall be a certified statement verified by a certified public accountant.

Section 12. 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 of the Condominium.

Section 13. Management Agent.

The Board of Managers may employ a management agent for the Condominium under a term contract or otherwise at compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including, but not limited to, all of the delegable duties of the Board of Managers listed in this Article.

Section 14. Liability of the Board of Managers, Officers and Homeowners.

No Member of the Board of Managers or Officer of the Condominium shall have any personal liability to the Condominium or to any Homeowner for damages for any breach of duty in the Member of the Board of Manager's or Officer's capacity as a Member of the Board of Managers or Officer of the Condominium, provided that this provision does not eliminate or limit the liability of a Member of the Board of Managers or Officer of the Condominium if a judgment or other final adjudication adverse to the Member or Officer establishes (a) that the Member's or Officer's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that the Member or Officer personally gained in fact a financial profit or other advantage to which the Member or Officer was not legally entitled.

The Condominium, through the Homeowners, 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 of Managers or Officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that the Member's or Officer's testator or intestate, was a Member of the Board of Managers or Officer or 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 of Managers or Officer of the Condominium if a judgment establishes that the Member's or Officer's 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 the Member or Officer personally gained in fact a financial profit or the advantage to which the Member or Officer was not legally entitled.

The Homeowners shall indemnify and hold harmless each of the Members of the Board of Managers and Officers of the Condominium against all contractual liability to others arising out of contracts made by the Board of Managers or Officers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the Members of the Board of Managers and Officers of the Condominium shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Homeowners). It is understood and permissible for the initial Members of the Board of Managers or Officers of the Condominium, who may be members of or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing. It is also intended that the liability of any Homeowner arising out of any contract made by the Board of Managers or Officer of the Condominium or out of the aforesaid indemnity in favor of the Member of the Board of Managers or Officer of the Condominium shall be limited to such proportion of the total liability thereunder as the Homeowner's interest in the Common Elements bears to the interest of all the Homeowners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by a Member or Officer on behalf of the Condominium shall provide that the Members of the Board of Managers, Officers of the Condominium, or the managing agent, or the Member or Officer, as the case may be, are acting only as agent for the Homeowners and the Condominium and shall have no personal liability thereunder (except as Homeowners).

Each Homeowner's liability pursuant to this Section shall be limited to such proportion of the total liability thereunder as the Homeowner's interest in the Common Elements bears to the interest of all Homeowners in the Common Elements.

Section 15. **Annual Reports Required By Section 519A of the Not-For Profit Corporation Law.**

a) The Board of Managers shall provide an annual report to the Homeowners of the Condominium, which shall be signed by each such Board Member, containing information on any contracts made, entered into, or otherwise transacted pursuant to Section seven hundred fifteen of the Not-For-Profit Corporation Law of the State of New York.

(b) The annual report required in subsection (a) of this Section 15 shall include, but not be limited to, the following:

(1) a list of all contracts voted on by the Board of Managers, including information on the contract recipient, contract amount, and the purpose of entering into the contract;

(2) the record of each meeting including Board Members attending, voting records for contracts, and how each director voted on such

contracts; and

(3) the date of each vote on each contract, and the date the contract would be and remain valid.

(c) If the annual report required by Subsection (a) of this Section 15 would, notwithstanding the requirements of this Section contain no information because of the absence of any actions taken by the Board of Managers that would otherwise qualify for inclusion in such annual report, then the Board of Managers shall instead submit to the Homeowners a document signed by each Board Member indicating: "No actions taken by the Board of Managers were subject to the annual report required pursuant to Section 519-A of the Not-For-Profit Corporation Law".

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 ("President, Vice President, Secretary and Treasurer"). The Board of Managers may also choose one or more Assistant Secretaries and Assistant Treasurers and such other Officers as in their judgment may be necessary. All Officers must be Homeowners or Members of the Board of Managers except for any assistant secretaries or assistant treasurers. In addition, the President must be both a Homeowner and a Member of the Board of Managers. Two (2) or more offices may be held by the same person, except the President, who can only hold the office of President.

Section 2. Election.

The Board of Managers at its first meeting after each annual Homeowners Meeting shall elect a President, a Vice President, a Secretary and a Treasurer.

Section 3. Appointive Officers.

The Board of Managers 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 of Managers.

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; shall preside at all meetings of the Homeowners and Members, the President 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 of Managers 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. The President may delegate obligations and responsibilities to other officers.

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 of Managers and all Homeowners 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 Annual 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 the Treasurer may be ordered by the Board of Managers, making proper vouchers for such disbursements and shall render to the President and Members, at the regular meeting of the Board of Managers or whenever they may require it, an account of all his 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 Home which, among other things, shall contain the amount of each assessment of Common Charges against such Home, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 9. Agreements, etc.

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

ARTICLE V. NOTICES

Section 1. Definition.

Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Member or Homeowner, 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 or by courier service, addressed to the Board of Managers, such Member or Homeowner 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 Homeowner. The Board of Managers shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the General Common Elements, Limited

Common Elements that are the obligation of the Condominium to maintain, repair and/or replace as provided for in the Declaration and/or these By-Laws, and other Common Expenses including but not limited to the Common Expenses provided in Article VI, Section 3 of these By-Laws, as well as charges to cover any deficits from prior years.

The total annual requirements shall be assessed as a single sum against all Homes and prorated against each of said Homes according to the provisions of Section 9 of this Article VI.

Said assessments shall be payable monthly or in such other manner as determined by the Board of Managers as provided pursuant to Section 9 of this Article VI and shall be referred to as Common Charges.

The Board of Managers may also charge additional assessments in excess of the Common Charges for expenses not contemplated, foreseen or which exceed the amount budgeted. Said assessments shall be known as Special Assessments. The Board of Managers shall be entitled to charge a Special Assessment as a single sum or over a period of time as it may determine. Homeowners shall pay their portion of any Special Assessments in the same manner as the Homeowner pays their Common Charges.

The Homeowner agrees to pay promptly when due the monthly Common Charges and all Special Assessments assessed against the Home. In the event any Homeowner fails to make payment of the Homeowner's Common Charge payment, the Homeowner who owns such Home shall be obligated to pay (a) a "late fee" of $.15 for each $1.00 of such amounts which remain unpaid for more than ten (10) 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) all expenses, including, without limitation, attorneys' fees paid or incurred by the Board of Managers or by any Managing Agent in any proceeding brought to collect such unpaid Common Charges or Special Assessments or in an action to foreclose the lien on such Homeowner's Home arising from said unpaid Common Charges or Special Assessments in the manner permitted by applicable law. All such "late fees," interest and expenses shall be cumulative and shall be added to and shall constitute Common Charges or Special Assessment payable by such Homeowner.

In addition, in the event of a default in payment of Common Charges by any Homeowner, the Board of Managers, at its sole option, may declare the Common Charge assessment on said Homeowner's Home for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board of Managers shall send notice to the delinquent Homeowner and the mortgagee, if any, of such Home giving the Homeowner a five (5) day grace period in which to make the late payment.

The Board of Managers may place a lien and take action to collect any past due Common Charges from any Homeowner which remains unpaid as provided in Article IX

of these By-Laws from its due date by way of foreclosure of the lien on such Home in accordance with Section 339-aa of the Real Property Law or otherwise.

No Homeowner shall be liable for any Common Charges, Special Assessments or other charges against a Home which accrue against the Homeowner's Home subsequent to a sale, transfer or other conveyance of the Home in accordance with these By-Laws and the Declaration of Condominium. A purchaser of a Home (other than a mortgagee of an institutional mortgage who forecloses on or acquires title to the Home by a deed in lieu of foreclosure) shall be liable for the payment of all Common Charges and Special Assessments assessed against the Home subsequent to the date of conveyance of the Home to the purchaser, as well as unpaid Common Charges and/or Special Assessments assessed against the Home at the time of the purchase. A purchaser of a Home, any mortgagee who acquires the Home by foreclosure or deed in lieu of foreclosure and any entity or individual who acquires a Home by operation of law shall be responsible for all Common Charges and/or Special Assessments subsequent to the date of the acquisition, foreclosure, deed in lieu of foreclosure and/or transfer of the Home by operation of law.

Notwithstanding any other provision in the Declaration or these By-Laws any mortgagee of an Institutional Mortgage as defined in the Declaration of Condominium who obtains title to a Home pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Home's unpaid Common Charges accrued before acquisition of the title to the Home by the mortgagee unless otherwise required by law. If the Condominium's lien priority includes costs of collecting unpaid Common Charges and/or Special Assessments, the mortgagee of the Institutional Mortgage will be liable for any fees or costs related to the collection of unpaid Common Charges and/or Special Assessments. The unpaid balance of such Common Charges and/or Special Assessments that may be waived will be charged to all other Homeowners as a Common Expense. Upon acquisition of title the Institutional Mortgagee shall be responsible for all Common Charges, Special Assessments and/or any other costs and expenses of the Condominium thereafter due and payable.

Section 3. Purpose of Common Charges.

The Common Charges shall be used to pay for the Common Expenses of the Condominium including but not limited to operation, repair and maintenance of the General Common Elements, and any Limited Common Elements that have been delegated to the Condominium to repair, maintain and replace as provided for in the Declaration of Condominium and/or these By-Laws including the drainage, sanitary, water and/or storm systems (including sanitary, storm and/or water pipes, drywells, detention tanks, leeching pools, septic tanks or other facilities servicing the drainage, sanitary water and/or storm systems as applicable), and other common obligations of the Condominium contained in the Declaration of Condominium and these By-Laws, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, insurance; common utilities; labor; common water and sanitary charges; legal and accounting; expenses;

services and supplies; management fees; contingencies and any other expenses that are Common Expenses of the Condominium as well as charges to make up any deficit in the Common Expenses from any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Homeowners, of any Home whose Homeowner has elected to sell or lease such Home or of any Home which is to be sold at a foreclosure or other judicial sale. All Homeowners are responsible for their pro-rata share of the Common Charges as determined in Section 9 of this Article VI regardless of whether or not a Home or Homeowner utilizes the services for which the Common Charges are spent.

Section 4. Foreclosures of Liens for Unpaid Common Charges.

The Board of Managers shall have the power to purchase any Home at a foreclosure sale resulting from any action brought by the Board of Managers to foreclose a lien on the Home because of unpaid Common Charges. In the event of such purchase, the Board of Managers shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Home. A suit to recover a money judgment for unpaid Common Charges shall also be obtainable separately without waiving the lien on the Home. In either event the Homeowner shall be liable for all costs of suit, including reasonable attorney's fees.

Section 5. Statement of Common Charges and/or Special Assessments.

Upon the written request of any Homeowner or their mortgagee, the Board of Managers shall promptly furnish such Homeowner or their mortgagee with a written statement of the unpaid Common Charges and/or Special Assessments due from such Homeowner.

Section 6. Liability for Utilities and Cable Television Services.

Any cable television service or utility, including electricity and gas, individually consumed and individually allocated, metered or sub-metered to an individual Home or Homeowner shall be the sole expense of the applicable Homeowner.

Section 7. 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 Common Charges and Special Assessments as fixed and determined for all Homes. Disbursements from said account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and for the purchase, sale or other expenses resulting from the purchase of a Home.

Section 8. Other Accounts.

The Board of Managers shall maintain any other accounts it shall deem necessary to carry out its purpose including a reserve account and working capital account.

Section 9. Determination of Common Expenses and Fixing of Common Charges.

The Board of Managers shall from time to time, and at least annually, prepare a budget for the operation of the General Common Elements, Limited Common Elements that the Condominium is responsible to repair, maintain and replace as provided for in the Declaration of Condominium and/or these By-Laws as well as Common Expenses of the Condominium, determine the amount of the Common Charges payable by the Homeowner(s) to meet the Common Expenses and other expenses applicable thereto, and allocate and assess such Common Charges and Common Expenses among all the Homeowners pursuant to the provisions of Article Eighth of the Declaration so that the Common Charges are assessed in an equal amount, subject to the provisions of Section 339-m of the Real Property Law as provided herein. Notwithstanding the above, pursuant to Section 339-m of the Real Property Law, Common Charges, no matter how classified, may be adjusted based on allocations in accordance with sub-metering, contract allocations and usage (both projected and actual) for the Common Expenses, no matter how classified, based on special or exclusive use or availability or exclusive control of particular Homes or Common Elements by particular Homeowners. In the event of any dispute as to the allocation of Common Charges such dispute shall be submitted for arbitration pursuant to the provisions of Article XII of the By-Laws of the Condominium.

The Board of Managers shall, from time to time, fix and determine the monthly sum or sums necessary or appropriate to charge licensees for use of the parking and storage spaces at the Condominium, which amounts will be respectively apportioned amongst the applicable licensees on an equal pro rata basis. This proration of license fees shall remain constant regardless of the percentage of the building square footage included in each parking or storage space. Said license fees shall be payable monthly or such other manner as ordered by the Board of Managers. All income generated by the monthly license fees will be applied to reduce and defray the Common Expenses of the Condominium. The Board of Managers shall, in their sole discretion, have the right to increase or decrease license fee amounts.

The Common Expenses of the Condominium shall include but not be limited to the Common Expenses referred to in Article VI, Section 3 of these By-Laws.

The Board of Managers shall advise all Homeowners promptly, in writing, of the amount of Common Charges and Expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Expenses are based, to all Homeowners.

The Sponsor, its successor, assignee and/or designee shall be responsible for the Common Charges assessed against each Home owned by it until such Home is sold to a bona fide purchaser.

ARTICLE VII.

ARTICLE VIII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board of Managers.

The Board of Managers shall be required to obtain and maintain the following insurance, to the extent obtainable from generally acceptable insurance carriers permitted to do business in the State of New York, with a minimum AM Best Rating of A-VII or greater. The Board of Managers shall maintain the following forms of insurance: (A) Property insurance with "All-Risk" extended coverage including coverage for the building, the personal property of the Condominium, loss of rental income, coverage for the increased cost of construction, boiler and machinery, or equipment breakdown coverage; flood insurance (if the property is located in a Special Hazard Flood Area as defined by the Federal Emergency Management Agency is applicable); (B) Crime insurance/fidelity bond liability insurance; (C) General Liability Insurance; (D) Directors and Officers coverage including Employers Professional liability coverage; (E) New York State Disability Insurance including the New York Family Leave both as required by statute; and (F) Worker's Compensation.

The coverage shall include all of the Common Elements, Limited Common Elements and the Homes in the Building of the Condominium (except land, foundations, excavation and other items normally excluded from coverage) including fixtures, to the extent they are part of the Common Elements of the Condominium, building service equipment and supplies, and other common personal property belonging to the Condominium. In addition, any fixtures, equipment or other property within the Homes which are to be financed by a mortgage (regardless of whether or not such property is part of the Common Elements, but not including wall, ceiling or floor decoration, furniture, furnishings or other personal property supplied or installed by the Homeowners), contained therein, covering the interest of the Condominium, the Board of Managers and all Homeowners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building, exclusive of land, foundation, excavation and other items normally excluded from coverage. Each of such policies shall be in favor of the Condominium, and shall contain a New York standard mortgagee clause in favor of each mortgagee of a Home which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee as defined below, 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. Each Homeowner and each Homeowner's mortgagee, if any, shall be beneficiaries of the policy in the percentage of common ownership applicable to said Home.

The blanket property insurance as provided above will commence with the Closing of Title to the first Home. Until the first meeting of the Board of Managers following the first Homeowners meeting, such amount shall be at least in the sum as provided for in the estimated first year budget contained in the Offering Plan as it may be amended upon completion of the Buildings.

The building coverage will be in an amount equal to the full replacement cost value of all of the buildings (exclusive of foundations and footings) and it will cover the cost of repairing or replacing the damaged structures on a replacement cost basis with no deduction for depreciation. The building coverage shall be written on an "all-risk special form," and shall cover the perils typically covered by a condominium insurance policy such as fire, lightning, and wind.

The business personal property coverage shall be in an amount to replace the business property of the Condominium on a replacement cost basis, with no deduction for depreciation. The business personal property coverage shall be written on an "all-risk special form," and shall cover the perils typically covered by a condominium insurance policy such as fire and wind.

The business income, loss of rent coverage shall be in an amount to cover the income losses of the Condominium caused by partial, or complete cease of operations due to a loss covered under the building or business personal property coverages. The limit shall be in an amount equal to or greater than one year's annual income.

Boiler and Machinery or Equipment Breakdown coverage shall be in an amount equal to or greater than the building limit.

If at any time, any portion of any building is deemed to be in a special hazard flood area (SHFA) the Board of Managers will need to secure flood insurance through the National Flood Insurance Program in an amount required by the owners, and their lenders. If the maximum amount of flood insurance available from The Federal Emergency Management Agency (FEMA) is not sufficient, the Board of Managers shall secure additional flood insurance from the private marketplace.

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 Homeowners or of the invalidity arising from any acts of the insured or any Homeowners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of a Home. 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 a Home at least ten (10) days prior to expiration of the

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 Building, 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.

All policies must also provide for the following: recognition of any, Insurance Trust Agreement; a waiver of the right of subrogation against Homeowners individually; that the insurance is not prejudiced by any act or neglect of individual Homeowners which is not in the control of such Homeowners collectively; and that the policy is primary in the event the Homeowner has other insurance covering the same loss. All policies shall include the standard form of a “Special Condominium Endorsement” or its equivalent. All policies shall include an “Agreed Amount Endorsement” and, if available, an “Inflation Guard Endorsement”.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering the Common Elements, each Member and Officer of the Board of Managers, the managing agent and each Homeowner. 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 Homeowners meeting, such public liability insurance shall be a minimum of $1,000,000 covering all claims for bodily injury, deaths and property damage arising out of one occurrence in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Condominium. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least 10 days' prior written notice to the Condominium and to each holder of a first mortgage on any Home in the Condominium which is listed as a scheduled holder of a first mortgage in the insurance policy. Such coverage may also include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and use, including, but not limited to, host liquor liability, employer’s liability insurance, contractual and all-written contract insurance, and comprehensive automobile liability insurance. Such public liability insurance shall commence on the closing of title to the first Home.

In addition to the above, blanket fidelity bonds shall be required to be maintained by the Condominium for all officers, directors and employees of the Condominium and all other persons handling or responsible for, funds of or administered by the Condominium. In the event a management agent has the responsibility for handling or administering funds of the Condominium, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of the Condominium. Such fidelity bonds shall name the Condominium as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Condominium or the management agent, as the case may be, at any given time during the term of each bond. In no event may the aggregate amount of such bonds be less than a sum equal to 3 months aggregate assessments on all Homes plus reserve funds.

The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Condominium as a Common Expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Condominium or Insurance Trustee. Such bonds shall also provide that, if applicable, the Federal National Mortgage Association, ("Fannie Mae") Servicers on behalf of Fannie Mae, also receive such notice of cancellation or modification.

Homeowners shall not be prohibited from carrying other insurance for their own benefit.

Section 2. The Insurance Trustee.

The Board of Managers on behalf of the Condominium, shall name an authorized representative, including any trustee with whom the Condominium may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee") who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose subject to the adjustment of loss provision contained in the first paragraph of this Section 1 of Article VII. The Insurance Trustee shall be a bank or trust company located in the State of New York, designated by the Board of Managers and costs associated with the Insurance Trustee 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. The Insurance Trustee shall have a capital, surplus and undivided profits of $5,000,000 or more.

Section 3. Restoration or Reconstruction After Fire or Other Casualty.

In the event of damage to or destruction of any of the Building as a result of fire or other casualty (unless seventy-five [75%] percent or more of the Homes are destroyed or substantially damaged and seventy-five [75%] percent or more of the Homeowners 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 damaged Building (including any damaged Home, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Homeowners in the Homes), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common

Expense and the Board of Managers may assess all the Homeowners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Homes are destroyed or substantially damaged and seventy-five (75%) percent or more of the Homeowners 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 Homeowner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Homeowners in proportion to the irrespective common interests, after first paying out of the share of each Homeowner the amount of any unpaid liens on his or her Home, in the order of the priority of such liens.

Section 4. Homeowner Insurance.

Each Homeowner is required to carry insurance covering their contents, fixtures, personal property and improvements and betterments (collectively "Contents") and liability insurance covering their Home and extended to include the Board of Managers, the Condominium, any Managing Agent and other Homeowners as additional insured's. Such insurance is subject to the approval of the Board of Managers in advance of the purchase of a Home, in the Board of Manager's sole discretion. The policy shall be extended to include any additional insured including but not limited to the Board of Managers of the Condominium, Managing Agent, Sponsor, other Homeowners and any Mortgagees. All such insurance must be provided by a carrier that is recognized as a licensed admitted carrier in the State of New York with a rating equal to a Best Rating Guide of AV or better. The Board of Managers reserves the right to alter or increase the coverage required hereunder at any time and from time to time. In addition to the foregoing, Homeowners are instructed to carry coverage for loss of rents (if rentals are permitted), water damage, sanitary and drain back up and such other coverage for their contents as they may determine to be in their best interests.

Section 5. General.

Under no circumstances shall a Homeowner permit or suffer anything to be done or left in a Homeowner's Home which will increase the insurance rates on the Home or any other Home or on the Common Elements.

ARTICLE IX. RULES AND REGULATIONS

Section 1. General

In addition to the other provisions of these By-Laws, the following 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 Home and the conduct of all residents and occupants thereof.

(a) All Homes shall be used for residential purposes only in conformance with applicable zoning.

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

(c) The Common Elements shall not be obstructed, littered, defaced, or misused in any manner.

(d) Every Homeowner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be caused by said Homeowner, the Homeowner's permitted lessees, occupants of Homes, their respective family members, employees and guests and such other person for whose conduct the Homeowner is legally responsible.

(e) Maintenance.

(i) Each Homeowner shall maintain and keep their Home and its appurtenant Limited Common Element in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

(ii) Every Homeowner must perform promptly all maintenance and repair work to their own Home and any Limited Common Element for the Homeowner's exclusive use which is their sole responsibility that if not performed would affect the Condominium in its entirety or in a part belonging to other Homeowners, or the Building of which the Home forms a part, the Homeowner being expressly responsible for the damages and liabilities that the failure to do so may engender.

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

(f) Structural Changes.

(i) No Homeowner shall make any structural addition, alteration or improvement (of either a temporary or permanent nature) in or to their Home, or any Limited Common Element for its exclusive use, 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 Homeowner for approval of a proposed structural addition, alteration or improvement in such Homeowner's Home within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed structural addition, alteration or improvement. No Homeowner shall make any structural addition, alteration or improvement in or to any Home 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 of Managers 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 of Managers, its Members and Officers, and all Homeowners 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 Town of North Hempstead, Nassau County or any other governmental agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect or engineer, the Homeowner shall pay the charges of such architect or engineer. The Homeowner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements.

Any application to any department of the Town of North Hempstead, Nassau County or any other governmental authority for a permit to make a structural addition, alteration or improvement in or to any Home or Limited Common Element for its exclusive use shall be completed by the Homeowner 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 materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

The Board of Managers of the Condominium shall not use the above provisions in any way that would violate any rights a Homeowner may have pursuant to the Federal Fair Housing Act or New York State Human Rights Law.

These provisions shall not apply to Homes owned by the Sponsor or its designee until such Homes shall have been conveyed to a bona fide purchaser by the Sponsor or such designee.

(ii) No alteration, addition or change to any part of the General Common Elements or Limited 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.

(iii) The Board of Managers shall have the right to designate or approve a contractor to do any such work pursuant to this Article VIII, Section 1 (f).

(iv) The provisions contained in (f) i, ii and iii above shall not apply to Homes owned by the Sponsor or its designee until such Homes have been conveyed to a bona fide purchaser by the Sponsor or such designee. The Sponsor or its designee shall have the absolute right to make any and all structural alterations, additions or improvements to a Home, Individual Home's Limited Common Element or General Common Elements without the necessity of obtaining the approval of the Board of Managers.

(g) No Homeowner shall paint the exterior surfaces of the windows, walls or doors opening out of their Home.

(h) No exterior portion of the Condominium or interior public area of the Condominium is permitted to be decorated or furnished by any Homeowner in any manner.

(i) No vehicle belonging to a Homeowner, to a family member of a Homeowner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Homeowner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from the Building.

(j) The sidewalks, entrances, passages, vestibules, corridors, elevators and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress and egress from the Homes located within the Building.

(k) The following rules and regulations shall be applicable to the elevators in the Building:

(i) The elevators shall be used exclusively by the Homeowners, all occupants of the Home, all tenants, licensees and guests of the Home and all permitted individuals and service personnel permitted by the Homeowner.

(ii) The elevators of the Condominium may not be obstructed or used for any other purpose other than ingress to and egress from the Homes or halls and floors of the Condominium.

(iii) No article (including, but not limited to, garbage cans, bottles, or mats) may be placed in an elevator.

(iv) Homeowners, residents, guests, tenants, clients, employees, licensee, or occupants are not permitted to play in or exercise in the elevators of the Condominium.

(v) The elevators or elevator cabs are not permitted to be decorated or furnished by any Homeowner in any manner.

(vi) All vendors, contractors, sub-contractors and other personal transporting of any equipment, appliances, furniture, plants, or other fixtures to a Home must utilize the elevator at times designated for such purpose by the Board of Managers. All Homeowners, tenants or other residents of the Building moving in or out or transporting any equipment, appliances, furniture or plants or other fixtures must utilize the elevator at times designated for such purpose by the Board of Managers. The Board of Managers may charge a move in and/or move out fee.

(vii) Repairs and maintenance of the elevators, elevator cabs, elevator machines and any other equipment or facility servicing an elevator regardless of how classified, will be a Common Expense of the Condominium.

(viii) The Board of Managers shall be authorized to adopt separate rules and regulations regarding the elevators for use as a service elevator including hours of operation, a move in and move out fee and such other rules and regulations to insure the efficient operation of the elevators.

(l) No baby carriages, strollers, bicycles, scooters, or similar apparatus shall be allowed to stand in the outside entrances, walkways, or other public areas of the Building.

(m) No resident of the Condominium shall post any signs, advertisement, or posters of any kind in or on the Condominium or their Homes including “For Sale” and “For Rent” signs except as authorized and approved by the Board of Managers.

(n) Nothing shall be hung or shaken from any doors, windows, or placed upon the exterior windowsills, of the Building and no Homeowner shall sweep or throw, or permit to be swept or thrown, any dirt, debris, or other substance

therefrom. The Common Elements and Limited Common Elements shall be kept free and clear of rubbish, debris, and other unsightly materials.

(o) The Board of Managers or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements that may be devoted to storage, recreation, or service purposes in the Building.

(p) Nothing shall be done or kept in any Home or in the Limited Common Elements that are designated for the exclusive use of an individual Home that will increase the rate of insurance of the Building or the contents thereof, without the prior written consent of the Board of Managers. No Homeowner shall permit anything to be done or kept in their Home or in the Limited Common Elements that are designated for the exclusive use of an individual Home that will result in the cancellation of insurance on the Building or the contents thereof, or that would be in violation of any Law. No Homeowner or any of the Homeowner's family members, tenants, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in their Home or Common Elements (General or Limited) any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Home or the Limited Common Elements that are designated for the exclusive use of an individual Home.

(q) No Homeowner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from their Home or the Limited Common Elements that are designated for the exclusive use of an individual Home or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Homeowner. No Homeowner shall be permitted to smoke in public areas directly outside of Homes. No Homeowner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a Compact Disk Player, IPod, computer, phonograph, radio, television set, or other similar equipment in such Homeowner's Home between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Homeowner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M.

No construction, repair work, or other installation involving noise shall be conducted in any Home except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or approved by the Board of Managers.

(r) No Homeowner shall install any plantings in the Common Elements or the Limited Common Elements that are for the exclusive use of an individual Home without the prior written approval of the Board of Managers. It shall be the responsibility of the Homeowner to maintain all plantings in the

Homes and Limited Common Elements to prevent any damage to floors, walls or any other part of the Building. Homeowners shall pay for the cost of any repairs rendered necessary, or damage caused, by such plantings. Suitable weep holes shall be provided in the boxes to draw off water. It shall be the responsibility of the Homeowner to maintain the containers in good condition, and weep holes in operating condition to prevent any damage to floors and walls. The Homeowner shall pay the cost of any repairs rendered necessary by or damage caused by said plantings.

(s) No Homeowner shall install any lawn decorations in the Common Elements or the Limited Common Elements that are for the exclusive use of an individual Home without the prior written approval of the Board of Managers.

(t) Homeowners will only be permitted to move in and out of their Homes Monday through Friday between the hours of 9:00 A.M. and 5:00 P.M.

(u) In the event that any Home shall be used for Home occupation or professional purposes in conformance with the Declaration and the By-Laws and applicable zoning, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

(v) No enclosure of any kind, by permanent or temporary structure, window guards, shades, blinds, awnings or similar structures, or materials shall be made or used in or about any Home unless otherwise required by law, except as approved in writing by the Board.

(w) No cellular, radio, television or satellite antenna or dish shall be attached to or hung from the exterior or placed on the roof of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, “For Sale”, “For Lease”, or “For Rent” signs) shall be inscribed or attached thereto, without the prior approval of the Board.

(x) No exercise equipment that is the personal property of a Homeowner shall be placed in or on any Common Element of the Condominium.

(y) No hot tub, pool or similar type of equipment that is the personal property of a Homeowner shall be placed or permitted in or on any Common Element of the Condominium.

(z) There shall be no barbecuing, including electric grills, on any part of the Condominium Property, except in areas which might be specifically designated for such purpose, unless permitted by the Board of Managers of the Condominium and as long as such barbecuing is not in violation of any municipal requirements, local law or fire codes.

(aa) No ventilator or air conditioning device shall be installed in any Home without the prior written approval of the Board of Managers, which

approval may be granted or refused in the sole discretion of the Board of Managers.

(bb) All radio, television, or other electrical equipment of any kind or nature installed or used in each Home shall fully comply with all rules, regulations, requirements, or recommendations as may be required by the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Homeowner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

(cc) Water-closets and other water apparatus in the Building shall not be used for any purpose other than those, for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Home shall be repaired and paid for by the owner of such Home.

(dd) All repairs, maintenance and any replacement and all costs associated therewith to any sump pump and drain appurtenant to or in a first floor Homeowner's Home shall be the sole responsibility of the Homeowner of said first floor Home.

(ee) The agents of the Board of Managers or the Managing Agent, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room in a Home at any reasonable hour of the day, on at least one day's prior notice to the Homeowner, for the purpose of inspecting such Home 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, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Home for its permitted purposes.

(ff) The Board of Managers or the Managing Agent may retain a passkey to each Home for emergency access to the Home. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Homeowner is not personally present to open and permit an entry to their Home at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an Officer of the Condominium or an Officer of the Managing Agent) may forcibly enter such Home without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Homeowner's property).

(gg) If any key or keys are entrusted by a Homeowner, by any family member thereof, or by their agent, tenant, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Homeowner's Home or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Homeowner, and neither the Board of Managers nor the Managing Agent shall (except as provided in Rule (ee) above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

(hh) No Homeowner of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

(ii) Any Homeowner who mortgages, sells or leases their Home shall immediately notify the Board of Managers, providing the name and address of the new mortgagee, new Homeowner or tenant within thirty (30) days of the closing of the mortgage, within thirty (30) days of the execution of the Purchase Agreement of the sale of the Home for the new Purchaser or thirty (30) days prior to any tenant occupying the Home, whichever is applicable.

(jj) The Board of Managers shall, at the request of the mortgagee of the Home, report any delinquent Common Charges and/or Special Assessments due from the Owner of such Home.

(kk) Every Homeowner shall be liable for any and all damage to the Common Elements, which shall be caused by said Homeowner, the Homeowner's permitted lessees and occupants of Home, their respective family members and guests and such other person for whose conduct the Homeowner is legally responsible.

(ll) Homeowners will faithfully observe the procedures established from time to time by the Board of Managers or the Managing Agent with respect to services provided and the management of the Building.

(mm) No animals or reptiles of any kind shall be raised, bred, or kept in any Home or in the Common Elements or Limited Common Elements, except that dogs, cats or other common household pets may be kept in Homes, subject to the Rules and Regulations adopted by the Board of Managers, 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 fifteen (15) days written notice from the Board of Managers. All Homeowners shall advise the Board of Managers of any household pet intended to be kept in their Home prior to the household pet residing therein. The Board of Managers shall

have the right to limit the number, size and type of pet permitted to be kept in a Home. All dogs, cats, and other pets must be leashed and shall not be permitted to run loose outside the Homes. In no event shall any animal be permitted in any common areas of the Condominium unless carried or on leash and in compliance with the local and municipal rules and regulations regarding pets. All Homeowners shall be responsible for picking up and disposing of their pets' waste and for any damage caused by their pets to any Common Elements of the Condominium. In addition, all pets are subject to any and all local municipality rules, regulations and ordinances regarding dogs, cats or other animals.

(nn) All Homeowners shall keep their thermostats at a minimum of 60 degrees Fahrenheit to prevent freezing of pipes. Any Homeowner failing to adhere to this requirement shall be responsible for any damage done to the Common Elements of the Condominium and/or any other Home.

(oo) No window guards or window decorations (other than curtains and window treatments which conform to the By-Laws) are permitted to be used in or about any Home, unless otherwise required by law, except such as will have been approved in writing by the Board of Managers. The Board of Managers shall have the right to designate or approve a contractor to do any of such work at the Homeowner's sole expense. In no event, however, shall any exterior glass surface of any windows of a Home be colored or painted. In the event window guards are required in a Home, the cost of installing the window guards shall be the sole responsibility of the Homeowner.

(pp) Exterior doors are required to be kept closed at all times except when in actual use for ingress or egress to and from a Home.

(qq) Homeowners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees are not permitted at any time or for any reason whatsoever to enter upon or attempt to enter upon the roofs of the Building.

(rr) No group tour or exhibition of any Home or its contents may be conducted, nor will any auction sale or other sale of contents be permitted to be held in any Home, without the prior consent of the Board of Managers of Managers.

(ss) No open house for the sale or lease of a Home shall be permitted without the consent of the Board of Managers. The Board of Managers shall have the right to promulgate rules regarding the time and days of the week for an open house.

(tt) Commercial license plate vehicles may not be parked in or on the Condominium Property for a period in excess of twenty-four (24) hours nor

may any boat, trailer, off-track vehicle, camper, bus, truck, snow mobile or other commercial or recreational vehicle be stored or kept in any area of the Condominium Property.

(uu) No person shall park an automobile on any Common Elements of the Condominium, except in designated parking spaces, or obstruct any Homeowner's use of ingress or egress to any parking space. Automobiles shall include SUV's, station wagons or other similar types of automobiles. Any person parking an automobile illegally shall be subject to their automobile being towed and/or the Condominium imposing a fine. In the event any automobile is towed, all costs associated with removal of the automobile shall be paid for by the owner of the automobile and the Condominium shall not be held responsible for any damage to said automobile.

(vv) No repair of an automobile as referred to in (tt) above shall be made in any of the roadways, driveways or parking areas of the Condominium.

(ww) The Board of Managers shall have the perpetual right to assign parking spaces should the need arise due to compliance with ADA requirements. At no time can one Homeowner utilize more than one handicap space. No more than one vehicle per parking space is permitted at any one time.

(xx) All Homeowners will be required to register each of their vehicles with the Board of Managers upon occupying or when requested by the Board of Managers. The Board of Managers shall have the right to adopt such other rules and regulations regarding parking as it deems appropriate for the Condominium.

(yy) Homeowners are limited to a maximum of two (2) parking spaces per Home owned, and the Board will license available parking spaces in its discretion on a first come first served basis. No automobile shall be parked in a marked handicapped space unless proper up to date handicapped parking permits are displayed in or on the automobile.

(zz) No Homeowner shall make any changes, additions or alteration to a Home prior to the issuance of a Permanent Certificate of Occupancy for the Building and/or Home. No Homeowner shall make any changes, additions or alterations to a Home that will prevent the renewal or extension of a Temporary Certificate of Occupancy and/or a Permanent Certificate of Occupancy for the Home or Building. Any Homeowner making such change, addition and/or alteration shall be solely liable and responsible and shall pay all costs and expenses required to replace and/or repair the Home as may be required by the Town of North Hempstead or County, State or Municipal agency so that the Home and/or Building shall obtain a renewal or extension of a Temporary Certificate of Occupancy and/or the issuance of a Permanent Certificate of Occupancy. In the event the

Homeowner fails to replace and /or repair the Home so as to obtain an extension or renewal of a Temporary Certificate of Occupancy and/or issuance of a Permanent Certificate of Occupancy, the Board of Managers of the Condominium shall have the right to enter into and upon the Home upon reasonable notice and make all necessary changes required to obtain an extension or renewal of a Temporary Certificate of Occupancy or the issuance of a Permanent Certificate of Occupancy. All costs and expenses, including reasonable legal fees, incurred by the Condominium shall be charged to the Homeowner and additional Common Charge to the Homeowner.

(aaa) The Board of Managers shall have the right to require that a Homeowner utilize a contractor or sub-contractor of the Board of Manager's choosing for any repairs, maintenance and/or replacement of a Limited Common Element that is a Homeowner's obligation at the Homeowner's sole cost and expense.

(bbb) The Board of Managers shall have the right to promulgate specific rules and regulations regarding any recreational facilities that may be established at the Condominium. All Homeowners, tenants, their families and guests shall faithfully observe all rules and regulations.

(ccc) No exterior portion of the Condominium or interior public area of the Condominium is permitted to be decorated or furnished by any Homeowner in any manner, without the written permission of the Board of Managers.

(ddd) No Homeowner is permitted to send any employee of the Condominium or of the managing agent thereof or utilize any employee of the Condominium or the managing agent on any private business.

(eee) Homeowners, their families, guests, servants, employees, agents, visitors, tenants are not permitted at any time or for any reason whatsoever to enter upon or attempt to enter upon the roofs of any Building.

(fff) Planting of fruits or vegetables is absolutely prohibited in or on any Common Element, General or Limited.

(ggg) Any interior alterations or improvements made to a Home shall be made in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof.

(hhh) 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.

(iii) 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.

(jjj) Each Homeowner, at the Homeowner's sole cost and expense shall be required: (i) to maintain and repair the Homeowner's Home, including all items included in the Home, and its appurtenant Limited Common Elements (other than the portions of the Limited Common Elements expressly stated to be maintained and repaired by the Condominium) in good and proper working order, first-class condition and appearance, free of water leaks and undue air penetration, free and clear of snow, ice, water accumulation, debris and objects, and otherwise in clean, neat and sanitary condition in keeping with the high quality, character, standards and dignity of the Condominium, in accordance with all applicable laws and governmental codes, regulations, restrictions and requirements; and (ii) to perform all work: (ii-1) in a good and workmanlike manner with a quality of workmanship that meets or exceeds any relevant specific standards required by applicable law or governmental requirements, as well as locally accepted construction practices for projects comparable to the Condominium; and (ii-2) utilizing materials compatible with, and of at least equal or better quality to, those used in the original construction of the Home.

(kkk) No structural additions, alterations or improvements to any storage space will be permitted.

(lll) Storage spaces may only be utilized by the licensee of the Storage Space and, if applicable, tenants or other occupants of a Homeowner-licensee's Home.

(mmm) Storage spaces are to be used for storage of general household items. Licensees of the storage spaces, their occupants and tenants, will not be permitted to store any combustible material or other items in the storage spaces that may be illegal or cause the Condominium insurance to be increased or is not in compliance with all applicable laws.

Section 2. Violations of Rules and Regulations.

(a) Upon receipt, by the President of the Board of Managers or by the Managing Agent, of a signed written complaint alleging violation of any of the Rules and Regulations or other provisions of the By-Laws or the Declaration of Condominium as herein established or hereafter established or adopted by the Board of Managers, the Board of Managers shall make a determination as to the validity of the complaint.

(b) If, it is determined that the complaint is valid and justified the Managing Agent, if any, or the Board of Managers if no Managing Agent, shall be

directed to send written notice to the violator levying a fine or up to one hundred and fifty ($150) dollars upon the violator and instructing the violator to stop, curtail, correct or eliminate the violation, if applicable, within a period of three (3) days from the date of receipt of such notice. Such fine is to be considered as an additional Common Charge obligation 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 or By-Laws. If the violation is not stopped, curtailed, corrected or eliminated, the Board of Managers may assess additional fines of up to one hundred and fifty ($150) dollars each and may continue to levy additional fines of up to one hundred and fifty ($150) dollars every 30 days thereafter until the violation is curtailed, corrected or eliminated. The initial fine and any additional fines shall be cumulative. If the violation results in loss of or damage to property classified as a Common Element, the Board of Managers shall itself or direct the Managing Agent, 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.

(c) In addition to the right to issue fines for violations of the Rules and Regulations as provided above the Board of Managers shall be entitled to any other remedies that may be available to the Board of Managers to enforce the Declaration of Condominium, the By-Laws and/or the Rules and Regulations of the Condominium.

Section 3. Costs.

Any costs incurred by the Board of Managers to remedy or cure any violation of the Rules and Regulations, By-Laws or Declaration of Condominium as herein or hereafter established, shall be an additional Common Charge charged to the violator in addition to the fine(s) levied upon the violator as described in Article VIII, Section 2 of the By-Laws. In the event a Homeowner's tenant violates the provisions of any Rule and Regulation or any other provision of the Declaration of Condominium or the By-Laws, fines may be levied against a Homeowner's tenant, and the Homeowner shall be jointly and severally liable with the Homeowner's tenant for the payment of same.

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 4. Board of Managers Right to Change Rules and Regulations.

(a) The Board of Managers reserves the right to add to, amend, rescind, repeal, modify, alter or waive, as to one or more or all Homeowners, occupants, lessees, guests and any other person residing in the Building, any Rule or Regulation at any time prescribed for the Condominium when, in the reasonable judgment of the Board of Managers, the Board of Managers deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium or the preservation of good order therein, or for the operation or maintenance of the Condominium or the equipment thereof, or the comfort of the Homeowners, occupants or others in the Condominium. No addition, amendment, rescission, repeal, modification, alteration or waiver of any Rule or Regulation in respect of one Homeowner, occupant lessee, guest or other person residing in the Buildings will operate as a rescission, alteration or waiver in respect of any other Homeowner or other occupant.

(b) Any consent or approval given under these Rules and Regulations may be added to, amended, modified, rescinded, repealed, altered or waived at any time by resolution of the Board of Managers. Further, any such consent or approval may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature.

(c) The Board shall have the right to increase the maximum amount of a fine imposed on the Homeowners. If the Board increases the maximum amount of a fine as it applies to all Homeowners it shall do so only after a notice has been sent to the Homeowners advising them of the increase.

Section 5. Sponsor.

The above provisions shall not apply to the Sponsor unless required: (a) to comply with applicable laws or regulations, or (b) to remedy any notice of violation.

Section 6. Complaints.

Complaints regarding the service of the Condominium shall be made in writing to the Board of Managers or to the Managing Agent, if applicable.

ARTICLE X. DEFAULT

In the event a Homeowner does not pay any Common Charges, Special Assessments, monthly parking or storage space license fees, fines, late fees or any other sums, charges or assessments required to be paid when due, as determined by the Board of Managers, the Board of Managers, acting on behalf of the Condominium

shall notify the Homeowner and the mortgagee, if any, of such Home and may place a lien on such Home pursuant to the provisions of Section 339-z of the Real Property Law of the State of New York.

In the event a Homeowner does not remit payment of their Common Charges, Special Assessments, monthly parking or storage space license fees, or any other sums, charges or assessments required to be paid when due the Homeowner shall be required to pay all late fees and other fees as provided for in Article VI, Section 2 of these By-Laws.

The Board of Managers may take action to foreclose any lien for past due Common Charges, Special Assessments, late fees, fines or any other sums, charges or assessments required to be paid, in accordance with Section 339-aa of the Real Property Law or otherwise. In any such foreclosure the Homeowner shall be required to pay a reasonable rental for the Home for any period prior to sale pursuant to judgment of foreclosure and sale and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. During the period of time the Sponsor retains a majority of the seats of the Board of Managers, the Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Homes in which Sponsor is more than thirty (30) days in arrears of Common Charges and/or Special Assessments.

The Board of Managers (on behalf of the Homeowners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges, Special Assessments, fines, late fees or any other sums, charges or assessments determined by the Board of Managers at the option of the Board of Managers, without foreclosing or waiving the lien securing such Common Charges Special Assessments, fines, late fees or any other sums, charges or assessments determined by the Board of Managers at the option of the Board of Managers. In such an event the Homeowner shall be liable for the reasonable costs and reasonable attorney's fee incurred by it incident to the collection of the delinquent Common Charges Special Assessments, fines, late fees or any other sums, charges or assessments determined by the Board of Managers at the option of the Board of Managers.

Notwithstanding anything contained herein regarding the Common Charges, Special Assessments, fines, late fees or any other sums, charges or assessments as determined by the Board of Managers, any foreclosure by a holder of an Institutional Mortgage shall be subject to the provisions of Article VI, Section 2 of these By-Laws.

ARTICLE XI. AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Homeowners meeting; provided: (a) that the notice of the meeting shall contain a full statement of the proposed amendment; (b) that the amendment shall be approved by sixty-six and two-thirds (66⅔%) percent of the Homeowners in number and common

interest and (c) said amendment shall be set forth in a duly recorded amendment to the Declaration. In addition, the following shall apply to amendments to the By-Laws:

(i) No amendment shall be passed which will affect or impair the validity of the Homeowner's interest in a Home.

(ii) 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 Sponsor or its designee, assignee or successor or any Unsold Home, as long as the Sponsor, its designee, assignee or successor owns an Unsold Home in the Condominium unless Sponsor, its designee, assignee or successor has given its prior written consent thereto. This provision is not subject to amendment.

(iii) The Board of Managers shall have the right to amend these By-Laws without the consent of the Homeowners to make corrections to the By-Laws that are patent errors, inconsistencies, scrivener's errors and technical errors and to comply with any federal, state or local law regulation that may affect the Condominium.

(iv) No amendment to the By-Laws shall be passed which shall impair or prejudice the validity, interest, rights and priorities of a mortgagee.

(v) The Sponsor shall have the right to amend the By-Laws without the consent of the Homeowners or the Board of Managers to (a) make corrections that are patent errors, inconsistencies, scrivener's errors or technical errors, to conform to other documents, or (b) to make changes or revisions to comply with the requests, guidelines and/or requirements of any major participant in the secondary market for mortgages, including but not limited to the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal Housing Association ("FHA") of the Housing and Urban Development ("HUD"), the Veterans Administration ("VA") and/or any State or Local Funding Agencies, or (c) to reduce the Sponsor control period of the Board of Managers, or (d) to comply with any federal, state or local law or regulation that may affect the Condominium.

(vi) In addition, in the case of material changes, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Homes that are subject to first mortgages. A change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of common elements; responsibility for maintenance and repairs; reallocation of interests in the general or limited common elements, or rights to their use; boundaries of any Home; convertibility of Homes into Common Elements or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; revisions to the

leasing provisions of Homes contained in Article XI; imposition of any restrictions on a Homeowner's right to sell or transfer his or her Home; a decision by the Condominium to establish self-management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors. An addition or amendment to these By-Laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request by certified or registered mail, return receipt requested, to approve amendments who does not deliver to the Condominium a negative written response within sixty (60) days of the receipt of the request shall be deemed to have approved such amendment.

ARTICLE XII. SELLING, MORTGAGING AND LEASING HOME

Section 1. Selling and Leasing Homes.

Any Home may be conveyed or leased, subject to the leasing requirements contained in Section 2 and subject to local zoning ordinances, by its Homeowner free of any restrictions except that no Homeowner shall convey, mortgage, pledge, hypothecate or sell their Home unless and until all unpaid Common Charges, Special Assessments and any other fees or charges owed the Condominium that have been assessed against the Homeowner's Home shall have been paid to the Board of Managers of the Condominium. However, such unpaid Common Charges can be paid out of the proceeds of the sale of a Home, or by the Grantee. Notwithstanding the above any Homeowner who wishes to enter into a lease for the Homeowner's Home shall be required to provide the Board of Managers of the Condominium with a copy of the lease at least thirty (30) days prior to its execution. All Homeowners who wish to enter into a new lease for the Homeowner's Home shall be required to submit all documentation required by the Board of Managers as set forth in Section 2 below to the Managing Agent or the Board of Managers in the absence of a Managing Agent. All leases must comply with all the requirements contained in Section 2 below. Failure to comply will be deemed an automatic violation of the By-Laws of the Condominium.

Any Homeowner may convey the Homeowner's Home and common interest appurtenant thereto, to the Board of Managers on behalf of all Homeowners free of any cost to the Board of Managers or the Homeowners and upon such conveyance such Homeowner shall not be liable for any Common Charges thereafter accruing against such Home.

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

Whenever the term "Home" is referred to in this section, it shall include the Home, the Homeowner's undivided interest in the Common Elements and the Homeowner's interest in any Homes acquired by the Board of Managers.

Any sale or lease of any Home in violation of this section shall be voidable at the election of the Board of Managers.

Section 2. Leasing Requirements for Homes.

Except as noted in Sections 3, 4 and 5, every lease by a Homeowner on every Home in the Condominium is subject to the following rules and regulations, regardless of whether stated in the lease:

(a) No later than thirty (30) days prior to execution of a lease, the Homeowner must provide the Board of Managers of the Condominium with a copy of the lease, name of the proposed tenant and terms of the lease;

(b) the lease must be in writing;

(c) the lease must be for the entire Home;

(d) the lease must be for a minimum term of twelve (12) months. Renewal terms shall also be for a minimum of twelve (12) months.

(e) the form of the lease and any renewal lease must contain a provision that the tenant has thoroughly read and agrees to be subject to the Declaration, the By-Laws and Rules and Regulations of the Condominium and agrees to accept the power of attorney of the Condominium to evict the tenant for any violation by the tenant of the Declaration, the By-Laws and the Rules and Regulations of the Condominium and agrees to be jointly and severally liable with the Homeowner for any and all fines and costs levied against the tenant for any violation of the provisions of the Rules and Regulations, By-Laws and/or Declaration of Condominium;

(f) the use of the premises is subject to the Declaration, the By-Laws and the Rules and Regulations of the entire Condominium;

(g) 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 executed lease, must be furnished to the Managing Agent or if no

Managing Agent to a Member of the Board of Managers of the Condominium;

(h) within thirty (30) 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 Managing Agent or if no Managing Agent to the Board of Managers of the Condominium;

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

(j) no Homeowner, resident or tenant shall be permitted to place any signs for rent in or on the Home or the Common Elements of the Condominium;

(k) all leases and tenants are subject to all municipal requirements applicable to rentals, if any; and

(l) if any Homeowner (landlord) or tenant is in violation of any of the provisions of the 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 Homeowner, or both, to have the tenant evicted or to recover damages, or both.

The Board of Managers, in its sole discretion, may add or change any of the criteria in this Section 2 with respect to the requirements of leasing Homes with the exception of any requirements of the Town of North Hempstead, Nassau County, or other Federal, State or local municipality or agency or as required by applicable zoning.

In order to carry out the provisions of this Article XI and pursuant to the provisions of Article Fourteenth of the Declaration of Condominium each Homeowner shall upon becoming a Homeowner grant an irrevocable power of attorney, to nominate, designate, constitute and appoint the Members of 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) that may be residing in a Homeowner's Condominium Home 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 the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium. The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies available to the Board of Managers of the Condominium. If permitted by present or future law, the Condominium may recover all of its costs, including court costs and reasonable attorney's fees, and these costs shall be a continuing lien on the Home that shall bind the Home in the hands of the then Homeowner and the Homeowner's successors and assigns. The Board of Managers of the Condominium shall give the tenant and the Homeowner written notice of the nature of the violation of the Rule and Regulation, and thirty (30) days from the mailing of the

notice in which to cure the violation before the Board of Managers of the Condominium may file for eviction.

Section 3. Waiver of Partition Rights.

The Homeowners waive all of their voting rights concerning partition respecting any Home acquired by the Board of Managers in accordance with this Article.

Section 4. Gifts, etc.

Any Homeowner may convey or transfer their Home by gift during the Homeowner's lifetime or devise their Home by will or pass the same by intestacy subject to applicable zoning.

Section 5. Tenant Bound by Declaration.

By becoming a tenant, each tenant agrees to be bound by the Declaration, the By-Laws and the other Rules and Regulations of the Condominium, and recognizes and accepts the right and the power of the Condominium to evict the tenant for any violation by the tenant of the Declaration, the By-Laws and the other Rules and Regulations of the Condominium.

Section 6. Lenders.

To protect mortgagees of an Institutional Mortgage and to encourage mortgagees of Institutional Mortgages to make loans on Homes in the Condominium any mortgagee of an Institutional Mortgage who acquires a Home by foreclosure or deed in lieu of foreclosure shall have the right to lease the Home subject to the provisions contained in Article XI, Section 2 (a), (c), (f), (g), (h), (i), (j), (k) and (l) of these By-Laws. Any subsequent purchaser from the first mortgage lender is subject to all the terms of this Article XI. In addition, the provisions of Article Twelfth of the Declaration of Condominium regarding an Institutional Mortgage shall be applicable regarding unpaid Common Charges accrued before acquisition of title of a Home by the mortgagee.

Section 7. Sponsor.

The foregoing restrictions of Sections 1 and 2 of this Article XI regarding sales shall not apply to Sponsor-owned Homes. The Sponsor, its successors, assignees or designees shall have the right to freely sell or lease their Homes without any interference or any restrictions by the Board of Managers as long as the Sponsor is in compliance with applicable zoning.

Section 8. Section 339-kk of the Real Property Law.

Pursuant to the provisions of Section 339-kk of the Real Property Law of the State of New York, any non-occupying Homeowner who rents any Home in the Condominium to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Home within sixty (60) days of the expiration of any grace period after they are due is subject to the following: Upon notice in accordance with the statute, all rental payments from the tenants shall thereafter be directly payable to the condominium association. The provisions of Section 339-kk of the Real Property Law shall control any dispute pursuant to this provision of the By-Laws.

ARTICLE XIII. ARBITRATION

Section 1. Procedure.

Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the local jurisdiction of the Condominium in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the local jurisdiction of the Condominium before one arbitrator appointed, upon the application of any party by the Real Estate Board of Managers of New York.

Section 2. Variation by Agreement.

The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 of this Article XII with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as “New York Simplified Procedure for Court Determination of Disputes”.

Section 3. Binding Effect.

The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 of this Article XII shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. Costs and Expenses.

The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the

disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

All costs and expenses paid or incurred by the Condominium Board of Managers in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses.

ARTICLE XIV. 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 $50,000 and to the Board of Managers if the award is $50,000 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 the General Common Elements, to the Homeowners pro rata according to the respective common interest appurtenant to the Home owned by such Homeowners.

(b) So much of the award as is applicable to a Limited Common Element to the Homeowner having general use of such Limited Common Element.

In such eminent domain or condemnation proceeding the Board of Managers shall request that the award shall set forth the amount allocated to General Common Elements and to each Limited 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. Any condemnation or eminent domain award shall require that any proceeds applicable to a Home be applied first to a first mortgagee of a Home as its interest may appear.

ARTICLE XV. SPONSOR RIGHTS

Section 1. Sales.

The Sponsor, 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 Homes 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 Homes to prospective purchasers, to utilize the Common Elements, and without limitation, to do any and all things necessary incident to the sale of the Homes, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein. Sponsor shall also have the right, until all Unsold Homes are sold, to use all or any of the Condominium Property without charge for exhibitions or other promotional functions

with respect to Sponsor's sales programs. Sponsor shall also have the right to use any part of the Condominium Building as; (i) offices for the promotion, sale, rentals, management and/or operation of the Unsold Homes; (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, Sponsor with respect to the Condominium Property and/or the Homes or Unsold Homes; and/or (iii) for any other purpose. In no event, however, shall Sponsor be entitled to use any portion of the Condominium Properties in such a manner as will unreasonably interfere with the use of the same or of any Home for its permitted purposes. This provision regarding Sponsor may not be amended without the written consent of the Sponsor.

The Sponsor shall not be prohibited from leasing any Unsold Homes in the Condominium.

Section 2. Signs/Ingress/Egress.

The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to construct, sell the Homes, or any other property, development or community the Sponsor, its successors, assigns or designees so prescribe. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium. The Sponsor shall further have the right to access any area of the Condominium for as long as said Condominium is in existence as necessary to market other communities in which the Sponsor, its successor, assignee and/or designee is engaged in the sale and/or leasing of housing to prospective purchasers and/or lessees of such other communities. This Article XIV may not be modified or amended without the written consent of the Sponsor so long as the Sponsor continues to own one (1) or more unsold Homes.

Section 3. Additional Rights.

The Sponsor, its successor, assignees, designees, nominees and agents shall, in addition to the above, have any additional rights afforded to the Sponsor, its successors, assignees, designees, nominees and agents in these By-Laws, Rules and Regulations and the Declaration of Condominium.

Section 4. Amendment.

This Article XIV may not be modified or amended without the written consent of the Sponsor so long as the Sponsor continues to own one (1) or more unsold Home.

ARTICLE XVI. MISCELLANEOUS

Section 1. Insurance.

Under no circumstances shall a Homeowner permit or suffer anything to be done or left in a Homeowner's Home which will increase the insurance rates on the Home or any other Home or on the Common Elements.

Section 2. Severability.

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

Section 3. Notice to Condominium.

A Homeowner, who mortgages the Homeowner's Home, shall notify the Condominium through the management agent, if any, or the Board of Managers in the event there is no management agent, of the name and address of the Homeowner's mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Home".

Section 4. Notice of Unpaid Common Charges/Special Assessments.

The Board of Managers shall at the request of a mortgagee of a Home, report any unpaid Common Charges and/or Special Assessments due from the Homeowners of such Home.

Section 5. Examination of Books and Records.

Every Homeowner or Homeowner's representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board at convenient hours on weekdays (except legal holidays) but not more often than once a month. Said hours are to be determined by the Board of Managers or Managing Agent.

Section 6. Costs of Legal Action

In the event the Board of Managers institutes any legal action for the enforcement of any of the provisions of the Declaration of the Condominium, 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 Board of Managers on behalf of the Condominium, plus interest and costs of suit.

Section 7. Report to Homeowners

It is the obligation of the Board of Managers of the Condominium to give all

Homeowners annually:

(i) a financial statement of the Condominium prepared by a certified public accountant or public accountant by a specific date; such statement shall be certified while the Sponsor retains a majority of the Members of the Board of Managers and such statement shall be provided within four (4) months of the end of each fiscal year;

(ii) prior notice of the annual Homeowners meeting; and

(iii) 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. While Sponsor is in control of the Board of Managers such budget will be certified in accordance with the regulations of the Department of Law.

During the period Sponsor retains control of the Board of Managers of the Condominium, the Sponsor shall be required to provide certified financial statements for the Condominium. The cost of such reports shall be a Condominium expense. In addition, during said period the Sponsor will be required to provide a Certification of Adequacy of the budget for the Condominium from a Managing Agent or other expert who is unaffiliated with the Sponsor.

Section 8. 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 9. 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.

SCHEDULE K

HOUSING MERCHANT IMPLIED WARRANTY LAW (ARTICLE 36-B OF GBL)

HOUSING MERCHANT IMPLIED WARRANTY LAW

ARTICLE 36-B

WARRANTIES ON SALE OF NEW HOMES

Section 777. Definitions.
777-a. Housing Merchant Implied Warranty.
777-b. Exclusion or Modification of Warranties.

Section 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 home.

2. "Building code" means the 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, and the building code of the city of New York, as defined in titled twenty-seven of the administrative code of the city of New York.

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 home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home 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 home" or "home" 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 regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided in 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 home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home 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 home as a residence, whichever first occurs.

Section 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 home 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 home 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 home 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 home 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 home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, 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 home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home 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 home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home 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 home 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.

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 home 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 home 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 home 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 home.

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 home 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 home; 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 home 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 home 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 home is habitable, by permitting conditions to exist which render the home 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 home 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 home 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.

SCHEDULE L-1

SPONSOR CERTIFICATION

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO 13 NYCRR 20.4 (b)

State of New York
Department of Law
28 Liberty Street, 5th Floor
New York, NY 10005

RE: **THE ROSE CONDOMINIUM**

Gentlepeople:

We are the Sponsor and 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 Attorney General in Part 20 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 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. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

MCKINLEY ROSE LLC

By: _____
JINSONG YANG, Principal

SPONSOR'S PRINCIPAL:

Sworn to before me this
27th day of May, 2021

_____
NOTARY PUBLIC

_____
JINSONG YANG



SCHEDULE L-2

SPONSOR'S ENGINEER OR ARCHITECT CERTIFICATION

MOJO • STUMER ASSOCIATES

SPONSOR'S ENGINEER OR ARCHITECT CERTIFICATION PURSUANT TO 13 NYCRR 20.4 (c)

Date: 11.17.2021

Office of the Attorney General
Real Estate Finance Bureau
28 Liberty Street, 21st Floor
New York, NY 10005-1413

RE: The Rose

Gentlepeople:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me/our firm to prepare a report describing the construction and/or renovation of the property (the "Report"). I examined the building plans and specifications that were prepared by **Mojo Stumer Associates,** dated **08.30.2016 (revised 10.07.2021)** and prepared the Report dated **06.09.2021, and revised on 11.17.2021,** 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/licensed engineer in the state in which the property is located.

I understand that I am 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 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 construction, provided that renovation and construction is in accordance with the plans and specifications that I/we 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/we 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;

MOJO • STUMER ASSOCIATES

(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/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; (d) or did not have knowledge concerning the representation or statement made.

I/We further certify that I am/we are not owned or controlled by and have no beneficial interest in the sponsor and that my/our 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,

Mark D. Stumer, AIA / Mojo Stumer Associates
Signature of Individual or Name of Firm

By: _____
Signature of Individual if prepared by Firm

Principal
Title or Position if prepared by Firm

Sworn to before me this
17 day of November, 2021.

_____
Notary Public

Andrew Reiben
01RE5064872
State Of New York
Nassau County
8/20/22

(INSERT PROFESSIONAL SEAL)

REGISTERED ARCHITECT
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STATE OF NEW YORK

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PRINCIPAL
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SENIOR ASSOCIATES
Michael Doyle, AIA
Jessica Licalzi
Joe Yacobellis, AIA

OFFICE MANAGER
Jo Ann Burgreen
CONTROLLER
Alisha Reiben

SCHEDULE L-3

SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

Black Diamond Realty

401 Franklin Avenue, Suite 104
Garden City, New York 11530
Tel: (516) 334-2146
Fax: (516) 493-9162

CERTIFICATION OF ADEQUACY OF OPERATING BUDGET PURSUANT TO 13 NYCRR 20.4 (d)

Date: November 19, 2021

State of New York
Department of Law
120 Broadway - 23rd Street
New York, NY 10271

RE: The Rose Condominium

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property retained our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes twenty years experience as a real estate broker, and property manager of commercial property and residential condominium associations.

The principal of Black Diamond Realty has previously been involved with the management of the following residential projects: Doubleday Court Condominium, The Bel Aire Condominium, The Seasons at Seaford Condominium and The Seasons at Elwood Homeowners Association.

We understand that 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 insofar as they are applicable to Schedule B.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B 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.

We certify that the Schedule:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operations;

(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 we: (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.

We further certify that we are not owned or controlled by the Sponsor. We 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. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: _____
Richard Cohn, President

Sworn to before me this
19th day of November, 2021

_____
Notary Public

Dina Garfield
Notary Public, State of New York
No. 01GA6214753
Qualified in Nassau
Commission Expires 12/21/2021

SCHEDULE M

SECTION 339-KK OF THE REAL PROPERTY LAW

The Real Property Law is amended by adding a new Section 339-kk to read as follows:

"§ 339-kk. Rents. (a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association 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 association.

(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 association 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 may elect not to require that rental payments be made payable to the condominium association. 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.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent."

This act may be enforced by any party by means of a special proceeding brought pursuant to Article 4 of the Civil Practice Law and Rules.