



New York State Public Service Commission  
Office of Consumer Policy

Submetering Identification Form



Name of Entity: <u>RXR North Hills Phase 1</u>			Corporate Address: <u>625 RXR Plaza</u>		
City: <u>Uniondale</u>	State: <u>N.Y.</u>	Zip: <u>11556</u>	Web Site: <u>www-rxrreality.com</u>		
Phone: <u>516-506-6761</u>			Utility Account Number:		
Chief Executive:			Account Holder Name: <u>RXR North Hills</u>		
Phone:			E-mail:		
DPS Case Number:					

Primary Regulatory Complaint Contact

Name: <u>Frank Haftel</u>		
Phone: <u>516-506-6761</u>		
Fax:		
E-mail: <u>FHAFTEL@RXRReality.com</u>		
Address: <u>4000 Royal Court</u>		
City: <u>North Hills</u>	State: <u>NY</u>	Zip: <u>11040</u>

Secondary Regulatory Complaint Contact

Name: <u>Joseph Graziose</u>		
Phone: <u>516-486-6100</u>		
Fax:		
E-mail: <u>Jgraziose@rxrreality.com</u>		
Address: <u>4000 Royal Court</u>		
City: <u>North Hills</u>	State: <u>N.Y.</u>	Zip: <u>11040</u>

We do not send complaints to personal e-mail addresses. A shared e-mail address must be provided or the transmission will default to the fax number listed above. Please enter the e-mail address, if any, to which we should send complaints: \_\_\_\_\_

Name of Property: <u>1000 &amp; 2000 Royal Court</u>			Service Address: <u>1000 &amp; 2000 Royal Court</u>		
City: <u>North Hills</u>	State: <u>N.Y.</u>	Zip: <u>11040</u>			
Electric Heat? <u>Y/N</u>			Electric Hot Water? <u>Y/N</u>		
# Units Occupied by: Sr. Citizens <u>N/A</u> Disabled <u>N/A</u>			Total # of Units <u>124</u>		
Rent Stabilized <u>N/A</u>	# Rent Controlled <u>N/A</u>		# Rent-Regulated <u>N/A</u>	# Market Rate <u>124</u>	
Rental: <u>Y/N</u>	Condo: <u>Y/N</u>		Co-Op: <u>Y/N</u>		
# Low Income <u>N/A</u>	# Section 8 <u>N/A</u>		# Landlord Assist Program <u>N/A</u>	# Other <u>N/A</u>	
Submeter / Billing Agent: <u>Quadlogic Control</u>			Address: <u>3300 Northern Blvd.</u>		
City: <u>Long Island City</u>	State: <u>N.Y.</u>	Zip: <u>11101</u>	<u>2nd Floor</u>		
Contact Name: <u>Mendel Lipsky</u>		Contact Phone: <u>212-930-9300</u>	Contact Fax:		

Please return this form within 5 days to:

Hon. Kathleen H. Burgess, Secretary to the Commission  
NYS Public Service Commission  
3 Empire State Plaza  
Albany, NY 12223-1350  
E-mail: [secretary@dps.ny.gov](mailto:secretary@dps.ny.gov)

(Rev. 9/20/13)

Changes in contact  
information should  
be submitted within  
5 days of any  
personnel change.

**RXR North Hills Phase I Owner LLC**

c/o RXR Realty  
625 RXR Plaza  
Uniondale, NY 11556  
(516) 506-6761

Kathleen Burgess  
Secretary  
New York State Public Service Commission  
State of New York  
3 Empire State Plaza  
Albany, NY 12223

Re: Petition to submeter electricity at the buildings located at 1000 Royal Court, North Hills, NY 11040 and 2000 Royal Court, North Hills, NY 11040.

Dear Secretary Burgess,

RXR North Hills Phase I Owner LLC, is the owner of the above-mentioned new condominium buildings. The owner submits the petition pursuant to 16 NYCRR § 96.2 (c) to provide future sub-metering services for the buildings mentioned above which is located within the service territory of PSE&G, 1000 Royal Court, North Hills, NY 11040 and 2000 Royal Court, North Hills, NY 11040.

Construction began 6/2/2014 and expected completion is on 11/1/2015. The Building will consist of 124 units. All units will be fair market units. There are currently no residents in the buildings.

A description of the heating system is attached.

In addition, the Owner's sub-metering plan satisfies the requirements of 16 NYCRR § 96.2 (c). Accordingly, the Owner respectfully requests the Commission approve this petition.

Economic advantages of sub-metering over direct utility metering:

The sub-metering system to be installed in the Building will include remote reading capabilities utilizing Power Line Carrier. This communication will allow a more cost-effective sub-metering system due to the elimination of control wiring. Each of the meters will communicate daily over the existing power lines in the Building using a data collection device referred to as a Scan Transponder. The data that is sent will include the hourly usage of electricity for each apartment.

The QuadLogic sub-metering system has an advantage in that; it includes fair energy cost allocation based on actual resident consumption. The QuadLogic system also includes daily data availability for usage and the convenience of a remote reading system, which makes entry to the private residences and inconveniencing the tenants not required for meter reading.

Description of the sub-metering system to be installed:

Quadlogic Control Corporation's MCS-N meters measure usage in kilowatt-hours, VARs, VAs, Watts, Amps, and Power Factor. Other features of this meter include a non-volatile memory and an easy to read LCD 6-digit display. Additionally, the meter monitors and stores an apartment's hourly electric usage and retains this information for approximately 40 days. The submetering system meets ANSI C12.1 and C12.16 American National Standards Institute Code for Electricity Metering.

Remote reading capability is possible through the use of Quadlogic Controls Power Line Carrier system, which is installed in more than 60,000 apartment units in the New York Metropolitan area. The system also features sophisticated self-diagnostics to ensure reliable operations. It can also be upgraded to provide advanced data.

Method to be used to calculate rates to tenants:

The rate calculation to be used is the Consolidated Edison Service Classification SC-1 for direct metered service (the "SC-1 rate"). Specifically, a tenant's kilowatt hour (kWh) usage will be multiplied by the Consolidated Edison Service Classification SC-1 rate for a billing period, then sales tax (currently 4.5 %) will be added to arrive at the total tenant cost.

The Consolidated Edison Service Classification SC-1 rate is a combination of various items, including:

**Basic Charge:** This is a charge for basic system infrastructure and customer-related services, including customer accounting, meter reading, and meter maintenance.

**kWh Cost:** This energy charge is broken down into four separate components – market supply, monthly adjustment, delivery (transmission and distribution).

**Systems Benefit Charge (SBC)/Renewable Portfolio Standard (RPS):** This is an additional charge per kWh.

**Fuel Adjustment:** The sum of Market Supply Charge (MSC) and Monthly Adjustment Charge (MAC) adjustment factors.

**Utility Tax:** The sum of Commodity Gross Receipt Tax and Full Service Gross Receipt Tax.

**Sales Tax:** The current NYS sales tax.

The following is an example of the formula that will be used to derive a tenant's electricity charges based on the current Consolidated Edison Service Classification EL1 rate and a monthly use of 250 kWh:

		<b>Total</b>
Basic Charge		<b>\$YY.YY</b>
KWh	.XXXXX times 250	<b>\$YY.YY</b>
Systems Benefit Charge	.XXXXX times 250	<b>\$ Y.YY</b>
Fuel Adjustment Charge	.XXXXX times 250	<b>\$ Y.YY</b>
	Subtotal	<b>\$YY.YY</b>
Utility Tax	.XXXXX times YY.YY	<b>\$ Y.YY</b>
	Subtotal	<b>\$YY.YY</b>
Sales Tax	YY.YY times 4.5%	<b>\$ T.TT</b>
	YY.YY plus T.TT	<b>\$ZZ.ZZ</b>
<b>Tenant Cost</b>		<b>\$ZZ.ZZ</b>

In no event will the total monthly rates (including any monthly administrative charge) exceed the utility's tariff residential rate for direct metered service to such residents (see 16 NYCRR § 96.2 [b] (3))

QuadLogic Controls Corp. as the Building's electric billing company will read the meters monthly and process a bill based on the actual consumption of each tenant. The meter reading data and billing calculations will be documented and maintained for six (6) years, per the requirements set forth in 16 NYCRR §96.

Complaint procedures and Owner protection:

When an Owner has a question about electric bill or believes the electric bill is inaccurate, the following protocol will be followed: (the building is currently not occupied)

Owner should submit the complaint to the Condominium Association, including the action or relief requested and/or the reason for a complaint about a submetering charge. The Condominium Association shall investigate and respond to the complaint in writing within 15 days of the receipt of the complaint. **The Residences, North Hills Phase I Condominium Association, 4000 Royal Court North Hills, NY 11040 Attn: Frank Haftel or Joseph Graziose. Phone Number 516-506-6761 or 516-486-6100; email address [FHaftel@RXRRealty.com](mailto:FHaftel@RXRRealty.com) or [Jgraziose@rxrrealty.com](mailto:Jgraziose@rxrrealty.com).** If the Owner and the Condominium Association cannot reach an equitable agreement and Owner continues to believe the complaint has not been adequately addressed, then the Owner may file a complaint with the Public Service Commission through the Department of Public Service. Alternatively, Owner may contact the Department of Public Service at any time concerning submetered service in writing at New York State Department of Public Service, 3 Empire State Plaza, Albany, New York 12223, by telephone at 1-800-342-3377, in person at the nearest office at 90 Church Street, New York, New York 10007, or via the Internet at [www.dps.ny.gov](http://www.dps.ny.gov)

Electric bills from Quadlogic to Owner will contain, among other things, opening and closing meter reads and dates, usage during a current period, a breakdown of dollar amounts billed, sales tax, the total charge for the period, and the total amount due (see attached sample Quadlogic electric bill).

In the event of non-payment of electric charges, the Owner shall afford the owners all notices and protections available to such tenant's pursuant to the Home Energy Fair Practices Act ("HEFPA") before any action(s) based on such non-payment, including termination of service, is commenced (see attached HEFPA documents for the Building). Electric will not be treated as additional rent by the Owner.

Procedure for notifying Owners and PSE&G of the proposal to sub-meter; offering plan; test billing:

A section in the offering plan will notify each owner that their unit is submetered for electricity. (the submetering offering plan will be added as an addendum to the building's offering ) The provision will in plain language clearly enumerate the grievance procedures for the owner and will specify the rate calculation, rate caps, complaint procedures, and tenant protections and enforcement mechanisms and such provisions will be in compliance with the Home Energy Fair Practices Act. PSE&G will be notified at the time this petition is filed with the Public Service Commission under separate cover ( see attached letter to PSE&G)

Enforcement mechanism is available to Owners:

The complaint procedure constitutes the Owner standard enforcement program, which are in compliance with the Home Energy Fair Practices Act

Certification that the offering plan language shall be sufficient to describe all relevant information to the owner:

The Owner will certify that the method of rate calculation, rate cap, complaint procedures, owner protections, and enforcement mechanism will be incorporated in all offering language plan agreements for sub-metering (see attached submetering offering plan).

Statement on sub-metering system capability to individually terminate electricity from each unit:

The submetering system has the capability to disconnect manually any single owner unit from the Utility system. However, the system is not designed to remotely disconnect a owner unit from the Utility system.

Weatherization and other energy efficient measures:

The refrigerator and dishwashers are all energy star.

Installation of the sub-metering system:

The submetering system has not been installed.

Thank you for your attention to this matter.

Sincerely,



RXR North Hills Phase I Owner LLC

**Tag Data - Split System Air Conditioning Units (Small) (Qty: 124)**

Item	Tag(s)	Qty	Description	Model Number
A1	AC/CU-A*, AC/CU-A	48	4 Ton Unitary Split Systems (SSC)	4TTR7048A1000-TUH2B080A9-V4-4TXCC044B C3HC
A2	AC/CU-B*, AC/CU-B	76	3 Ton Unitary Split Systems (SSC)	4TTR7036A1000-TUH2B080A9-V3-4TXCD050B C3HC

**Product Data - Split System Air Conditioning Units (Small)****Item: A1 Qty: 48 Tag(s): AC/CU-A\*, AC/CU-A****Split System Cooling Outdoor Unit**

4 Ton Nominal Cooling Capacity

 200 - 230 Volt 1 Phase 60 Hertz
**Furnace unit**

80,000 Heating input BTUH

115 Volt/1 phase/60 hertz

2 - 4 Ton Airflow Cooling Capacity

**Cased upflow/dnflow/horiz left**

21.0"/19.8" cabinet

48,000 Nominal cooling capacity

TXV-Non bleed

Conv-upflow/dnflow, left airflow coil

Programmable, 5-1-1 day, 2 heating/2 cooling (Fld)

Concentric vent kit (Fld)

Section 238126

Sub # 4

8/28/14

**Item: A2 Qty: 76 Tag(s): AC/CU-B\*, AC/CU-B****Split System Cooling Outdoor Unit**

3 Ton Nominal Cooling Capacity

 200 - 230 Volt 1 Phase 60 Hertz
**Furnace unit**

80,000 Heating input BTUH

115 Volt/1 phase/60 hertz

1.5 -3 Ton Airflow Cooling Capacity

**Cased upflow/dnflow/horiz left**

24.5"/23.3" cabinet

48,000 Nominal cooling capacity

TXV-Non bleed

Conv-upflow/dnflow, left airflow coil

Programmable, 5-1-1 day, 2 heating/2 cooling (Fld)

Concentric vent kit (Fld)

**Performance Data - Split System Air Conditioning Units (Small)**

<b>Tags</b>	<b>AC/CU-A*, AC/CU-A</b>	<b>AC/CU-B*, AC/CU-B</b>
Design clg outdoor DB (F)	95.00	95.00
Cooling EDB (F)	75.00	75.00
Cooling EWB (F)	60.00	60.00
Rated gross capacity (AHRI) (Btuh)	46500.00	35000.00
Clg net total capacity (Btuh)	42554.00	32775.00
Clg net sensible capacity (Btuh)	35564.00	28537.00
Clg net latent capacity (Btuh)	6989.00	4237.00
Calc clg LDB (F)	51.30	52.80
Calc clg LWB (F)	48.50	49.70
SEER @ AHRI (btuh/watt)	16.00	16.75
EER @ AHRI (EER)	12.0	12.5
Cooling airflow (cfm)	1400	1200
Min system airflow clg (cfm)	1375	1000
Max system airflow clg (cfm)	1825	1400
Refrigerant line total length (ft)	0.00	0.00
Vertical refrigerant line length (ft)	0.00	0.00
AHRI airflow (cfm)	1365	1000
AHRI reference number ( )	5996301	5807319
Compressor power @ (specific Ambient) (W)	3187.0	2431.0
Condenser fan power @ (specific SP) (W)	187.0	139.0
Supply fan power @ (specified SP) (W)	501.0	230.0
ASHRAE 90.1 S6.4.1 compliant	Yes	Yes
80 to 90 second blower off delay	Not Required	Not Required
OD AHRI Model (Each)	-1.00	-1.00
Annual Fuel Utilization Efficiency (%)	97.00	97.00
Heating input @ sea level (Btuh)	80000.00	80000.00
Heating output @ sea level (Btuh)	77600.00	77600.00

**Mechanical Specifications - Split System Air Conditioning Units (Small)****Item: A1, A2 Qty: 124 Tag(s): AC/CU-A\*, AC/CU-A, AC/CU-B\*, AC/CU-B****Natural Gas Models - TUH2**

Central Heating furnace designs are certified to ANSI Z21.47 / CSA 2.3 for both natural and L.P. gas. Limit setting and rating data were established and approved under standard rating conditions using American National Standards Institute standards.

**Safe Operation - TUH2**

The Integrated System Control has solid state devices, which continuously monitor for presence of flame, when the system is in the heating mode of operation. Dual solenoid combination gas valve and regulator provide extra safety.

**Quick Operation - TUH2**

Durable, cycle tested, heavy gauge **aluminized steel heat exchanger** quickly transfers heat to provide warm conditioned air to the structure. **Low energy power vent blower**, to increase efficiency and provide a positive discharge of gas fumes to the outside.

**Burners - TUH2**

Multiport Inshot burners will give years of quiet and efficient service. All models can be converted to **L.P. gas** without changing burners.

**Integrated System Control - TUH2**

Exclusively designed operational pro-gram provides total control of furnace limit sensors, blowers, gas valve, flame control and includes self diag-nostics for ease of service. Also contains connection points for E.A.C./ Humidifier.

**Air Delivery - TUH2**

The variable speed blower motor, has sufficient airflow for most heating and cooling requirements, will switch from heating to cooling speeds on demand from room thermostat. The blower door safety switch will prevent or terminate furnace operation when the blower door is removed.

**Styling - TUH2**

**Heavy gauge steel and wrap-around cabinet construction** is used in the cabinet with baked-on enamel finish for strength and beauty. The heat exchanger section of the cabinet is completely lined with foil faced fiberglass insulation. This results in quiet and efficient operation due to the excellent acoustical and insulating qualities of fiberglass. Built-in bottom pan and alternate bottom, left or right side return air connection provision.

**Features and General Operation - TUH2**

The XV95 High Efficiency Gas Furnaces employ an Adaptive Heat Up Silicon Nitride Hot Surface Ignition system, which eliminates the waste of a constant burning pilot. The integrated system control lights the main burners upon a demand for heat from the room thermostat. Complete front service access.

- a. Low energy power venter
- b. Vent proving pressure switch.

**Concentric Vent Kit**

This field installed kit will allow vertical or horizontal termination of the direct vent furnaces. This kit can be used with 2, 2 1/2 and 3 inch [50.8, 63.5 and 76.2 mm] pvc pipe. This allows a single 5 inch [127.0 mm] hole for exiting the structure instead of two.



**General - 4TTR7**

The 4TTR6 is fully charged from the factory for matched indoor section and up to 15" of piping. This unit is designed to operate at outdoor ambient temperatures as high as 115 Degrees Fahrenheit. Cooling capacities are matched with a wide selection of air handlers and furnace coils that are AHRI certified. The unit shall be certified to UL 1995. Exterior is designed for outdoor application.

**Casing - 4TTR7**

Unit casing is constructed of heavy gauge, G60 galvanized steel and painted with a weather-resistant powder paint on all louvers and panels. Corrosion and weatherproof CMBP-G30 DuraTuff™ base.

**Refrigerant Controls - 4TTR7**

Refrigeration system controls include condenser fan, compressor contactor and high pressure switch. High and low pressure controls are inherent to the compressor. A factory installed liquid line drier is standard.

**Compressor - 4TTR7**

The Climatuff 2-stage compressor features internal over temperature and pressure protection and hermetic motor. Other features include: centrifugal oil pump and modular plugs for electrical connections.

**Condenser Coil - 4TTR7**

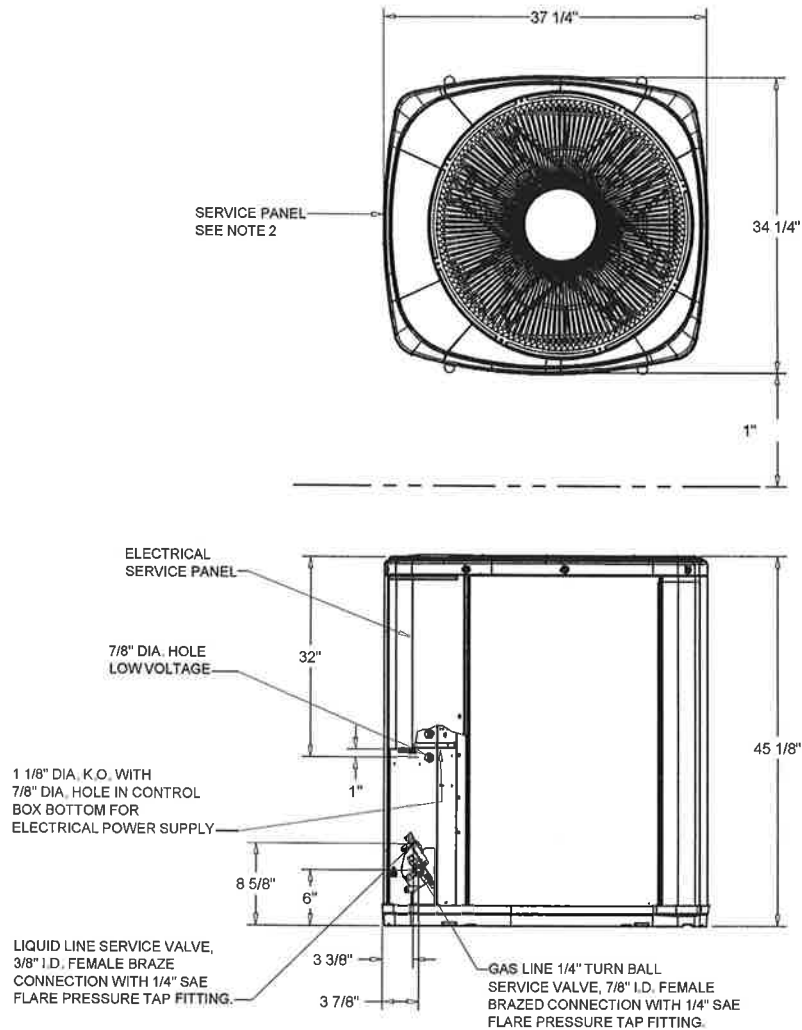
The outdoor coil provides low airflow resistance and efficient heat transfer. The coil is protected on all four sides by louvered panels.

**Low Ambient Cooling - 4TTR7**

As manufactured, this unit has a cooling capability to 55 Degrees Fahrenheit. For low ambient cooling below 55 Degrees Fahrenheit see Application Guide.

**Unit Dimensions - Split System Air Conditioning Units (Small)****Item: A1 Qty: 48 Tag(s): AC/CU-A\*, AC/CU-A****NOTES**

1. TOP DISCHARGE AREA SHOULD BE UNRESTRICTED FOR AT LEAST 60" ABOVE UNIT. UNIT SHOULD BE PLACED SO ROOF RUN-OFF WATER DOES NOT POUR DIRECTLY ON UNIT, AND SHOULD BE AT LEAST 12' FROM WALL AND ALL SURROUNDING SHRUBBERY ON TWO SIDES. OTHER TWO SIDES UNRESTRICTED.
2. ELECTRICAL AND REFRIGERANT COMPONENT CLEARANCES PER PREVAILING CODES.
3. VERIFY WEIGHT, CONNECTION, AND ALL DIMENSION WITH INSTALLER DOCUMENTS BEFORE INSTALLATION



AIRHANDLER - 4TTR7048

OUTLINE DRAWING

**RXR NORTH HILLS PHASE I OWNER LLC**

**c/o RXR Realty  
625 RXR Plaza  
Uniondale, NY 11556  
(516) 506-6761**

Mr. Michael Brown  
Lead Account Manager  
PSE&G  
175 E. Old Country Road  
Hicksville, NY 11801

Re: Petition to sub-meter electricity at building located at 1000 Royal Court, North Hills, NY 11040 and 2000 Royal Court, North Hills, NY 11040


Dear Michael Brown,

Please be advised that RXR North Hills Phase I Owner LLC, submitted to the New York State Public Service Commission a petition for an order to sub-meter electricity at the above-referenced property, which is located within the service territory of Consolidated Edison Company, Inc.

Thank you,

Sincerely,

RXR North Hills Phase I Owner LLC



Signature

FRANK HAFTEL

Name

RXR NORTH HILLS PHASE I OWNER LLC

Company Name

## **BUDGET BILLING PLAN**

Resident(s) Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

Account No.: \_\_\_\_\_

As set forth below, **RXR Realty, 625 RXR Plaza, Uniondale, NY 11556 (1000 Royal Court, North Hills, NY 11040 and 2000 Royal Court, North Hills, NY 11040)** agrees to provide services in return for your agreement to make payments according to the terms of this Budget Billing Plan (the "Plan").

The Plan requires that you pay **\$XX.XX** per month for the 12-month period starting with the billing cycle commencing on **MM/DD/YYYY** and ending on **MM/DD/YYYY**.

This monthly payment is based on an estimate of your annual billing, which has been calculated by multiplying the average monthly consumption by the current estimate of commodity prices over the above-referenced 12-month period. Your average monthly consumption is \_\_\_\_\_ kWh, based on your or the premises' last 12 months of actual consumption.

The Plan shall be subject to regular review for conformity with actual billing. 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 reserves the right to recalculate the monthly payment to reflect either (a) an increase in consumption beyond the average monthly consumption, and/or (b) an increase in commodity prices.

Each month, you will be billed the equal monthly payment and you will be required to pay that amount. Your bill will inform you what your consumption for the period was, as well as the actual charge you would have incurred if you were not on the Plan. If you fail to pay the bill when due, you may be subject to a final termination notice pursuant to the Home Energy Fair Practices Act or other collection remedies.

In the last month of the Plan, 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 Street shall true up your account based on a comparison of the billing under the Plan and the amount you would have been charged for the 12-month period if you were not on the Plan. If you owe 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 Street a sum of money due to the true up, you will be billed for the amount due. If you have been over billed, you will be issued a credit to be applied to the next plan year.

**[ ] Yes! I would like budget billing and agree to the terms of the Plan.**

### **Acceptance of Agreement:**

**Resident(s) Signature(s):** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Owner Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Return one signed copy to 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 by MM/DD/YYYY.**

## **NOTIFICATION OF RIGHTS AND PROCEDURES**

As a residential customer for electricity, you have certain rights assured by New York's Home Energy Fair Practices Act ("HEFPA"). This notification is an overview of those rights and certain policies and procedures regarding the service and billing of your electricity. A copy of this notification of rights and procedures will be available in the management office for your convenience. For a full explanation of HEFPA, you can go to the Department of Public Service's website at [www.dps.ny.gov](http://www.dps.ny.gov), or you may review a copy of the regulations in the property manager's office.

The building at 1000 Royal Court and **2000 Royal Court, Uniondale, New York 11556** will be a submetered facility. **RXR North Hills Phase 1 Owner LLC** is the owner of these buildings. The administration of submetering will be performed by an outside vendor, Quadlogic Controls Corporation ("Quadlogic"), located at 33-00 Northern Blvd., Long Island City, NY 11101. Quadlogic is a third-party agent under contract with RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556 to invoice/bill tenants for their monthly utility usage. Tenants will receive monthly bills from Quadlogic for their respective electric usage, (meters are read daily) which amounts are payable to RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556 Management could also be contacted at **516-506-6761**.

When a tenant has a question about electric bill or believes the electric bill is inaccurate, the following protocol will be followed:

Tenant should submit the complaint to the property manager of the Building, including the action or relief requested and/or the reason for a complaint about a submetering charge. The Property Management: RXR Company Property Management, 625 RXR Plaza, Uniondale, NY 11556. Property Manager; Frank Haftel can be contacted at 516-506-6761. The property manager shall investigate and respond to the complaint in writing within 15 days of the receipt of the complaint. If the tenant and the property manager cannot reach an equitable agreement and tenant continues to believe the complaint has not been adequately addressed, then the tenant may file a complaint with the Public Service Commission through the department of Public Service. Alternatively, tenants may contact the Department of Public Service at any time concerning submetered service in writing at New York State Department of Public Service, 3 Empire State Plaza, Albany, New York 12223, by telephone at 1-800-342-3377, in person at the nearest office at 90 Church Street, New York, New York 10007, or via the Internet at [www.dps.ny.gov](http://www.dps.ny.gov)

The electric bills that you receive show the amount of kilowatt hours ("kWh") that you used. The bills you receive shall provide, in clear and understandable form and language, the charges for service. In no event will the total monthly charges (including any administrative charges) exceed the utility's (Consolidated Edison Company of New York, Inc.) direct metered residential rate.

You have the right to request messages on bills and notices in Spanish. To make such a request, contact a representative by telephone at **(516-506-6761)** or by mail at c/o RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556 Usted tiene el derecho de solicitar informacion en facturas e informativos en Espanol. Para solicitar informacion en Espanol, por favor contacte a un representante marcando el telefono 516-506-6761 o por

correo escrito a la siguiente direccion: c/o RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556

You may request balanced billing for the payment of electric charges. This plan shall be designed to reduce fluctuations in customers' bills due to seasonal patterns of consumption. Balanced billing divides your electric costs into twelve (12) equal monthly payments. Periodically, 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 will review and adjust the balanced billing amount as necessary. At the end of one (1) year, you shall be responsible to pay for any electric costs in excess of your balanced billing amount paid. You may contact 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 to discuss the details of this plan, if you are interested.

Your meter is read because it measures and records the actual amount of electric you use; this enables an accurate bill to be sent to you. Making sure your electric bills are accurate and correct is important to 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 and to you. That is why every effort is made to read your meter regularly.

You may qualify for a rate reduction the equivalent of which is provided by Con Edison to customers who are enrolled in its low-income program pursuant to its tariff (see P.S.C. No. 9 – Electricity, Thirtieth Revised Leaf No. 202). If you receive benefits under Supplemental Security Income, Temporary Assistance to Needy Persons/Families, Safety Net Assistance, or Food Stamps, or have received a Home Energy Assistance Program grant in the preceding twelve (12) months, please alert a 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 representative by phone or in writing and he/she will work with you.

If you are having difficulty paying your electric bill, please contact us by telephone or by letter in order to arrange for a deferred payment agreement, whereby you may be able to pay the balance owed over a period of time. A deferred payment agreement is a written agreement for the payment of outstanding charges over a specific period of time, signed by both the submeterer and customer. If you can show financial need, 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 can work with you to determine the length of the agreement and the amount of each monthly payment. You may not have to make a down payment, and installment payments may be as little as \$10.00 per month. 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 will make reasonable efforts to help you find a way to pay your bill.

Regardless of your payment history relating to your electric bills, your electric service will be continued if your health or safety is threatened. When 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 becomes aware of such hardship, 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 can refer you to the Department of Social Services. Please notify 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 Street if the following conditions exist:

- (a) **Medical Emergencies.** You must provide a medical certificate from your doctor or local board of health; or
- (b) **Life Support Equipment.** If you have life support equipment and a medical certificate.

Special protections may be available if you and/or those living with you are age

eighteen (18) or younger or sixty-two (62) and older, blind, or disabled.

To ensure that you receive all of the protections that you are eligible for, please contact and identify yourself.

You can also designate a third party as an additional contact to receive notices of past due balances.

Every submeterer shall permit a residential customer to designate a third party to receive all notifications relating to disconnection of service or other credit actions sent to such residential customer, provided that the designated third party agrees in writing to receive such notices. The submeterer shall inform the third party that the authorization to receive such notices does not constitute acceptance of any liability on the third party for service provided to the customer. The submeterer shall promptly notify the residential customer of the refusal or cancellation of such authorization by the third party. If you are interested in Voluntary Third-Party Notice, notify 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 with the party's contact information and written agreement of the third party to receive copies of all notifications relating to disconnection of service or other credit actions sent to you.

Please review the attached "Special Protections Registration Form" relating to some of the rights discussed above. Although you are not required to do so, it is requested that you please fill it out if you qualify for any special protection described on the form. You may return the completed form to 1000 Royal Court and 2000 Royal Court, North Hills, NY 11040 at the address above.

## **Past Due Reminder Notice**

RESIDENT(S) NAME(S): \_\_\_\_\_

ADDRESS: \_\_\_\_\_

ACCOUNT NO.: \_\_\_\_\_

On **MM/DD/YYYY**, you signed a Residential Deferred Payment Agreement (DPA), which obligated you to make a down payment of **\$XX.XX** by **MM/DD/YYYY** and regular payments of **\$XX.XX** (in addition to your current electricity charges) in order to avoid termination of electricity service. Our records indicate that you have failed to comply with the terms of the DPA. As a result, we are hereby notifying you that you must meet the terms of the existing DPA by making the necessary payment within twenty (20) calendar days of the date payment was due or a final termination notice may be issued to terminate your electricity service.

If you are unable to make payment under the terms of the DPA because your financial circumstances have changed significantly due to events beyond your control, you should immediately contact RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556 because a new payment agreement may be available. Further, assistance to pay utility bills may be available to recipients of public assistance or supplemental security income from your local social services office.

**The total amount owed to RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556 for this account as of MM/DD/YYYY is: \$XX.XX.**



**SPECIAL PROTECTIONS  
REGISTRATION FORM**

Please complete this form if any of the following applies. Return this form to:

RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556  
Tel: 516-506-6761

**ACCOUNT INFORMATION**

(Be sure to complete before mailing)

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Apartment

\_\_\_\_\_  
Town/City

\_\_\_\_\_  
Zip

\_\_\_\_\_  
Telephone # Daytime

\_\_\_\_\_  
Evening

\_\_\_\_\_  
Account Number (as shown on bill)

**I would like to be considered for Special Protections.**

In my household (Check):

- ☐ Unit Owner is 62 years of age or over, and any and all persons residing therewith are either 62 years of age or under 18 years of age.
- ☐ Unit Owner is blind (Legally or Medically)
- ☐ Unit Owner has a permanent disability
- ☐ Unit Owner/resident of my house has a Medical Hardship (type):

- \_\_\_\_\_  
☐ Unit Owner/resident of my house has a Life Support Hardship (type):
- \_\_\_\_\_

**I receive government assistance.**

- ☐ I receive Public Assistance (PA). My case number is:

---

- ☐ I receive Supplemental Security Income (SSI). Note: SSI benefits are not the same as Social Security Retirement Benefits. My Social Security Number (optional) is:

---

**Please send me more information about:**

- ☐ Balanced billing

**To be Completed by Third Party**

Please let me know if this customer's bill is overdue. As a "caregiver," I understand that I am not responsible for payment of this bill.

---

Caregiver/Agency

---

Address

Apartment

---

Town/City

Zip

---

Telephone # Daytime

Evening

---

Designee Signature

## **Residential Payment Agreement**

Resident(s) Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

Account No.: \_\_\_\_\_

The total amount owed to RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556 on this account as of **MM/DD/YYYY** is **\$XX.XX**.

Subject to 16 NYCRR § 11.10 (a-b) of the Home Energy Fair Practices Act ("HEFPA"), RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556 is required to offer a payment agreement that you are able to pay considering your financial circumstances. **This agreement should not be signed if you are unable to keep the terms.** Alternate terms may be available if you can demonstrate financial need. Alternate terms may include no down payment and payments as low as \$10 per month above your current bills. **If you sign and return this form, along with a down payment of \$XX.XX, by MM/DD/YYYY, you will be entering into a payment agreement and, by doing so, will avoid termination of electricity service.**

Assistance to pay utility bills may be available to recipients of public assistance or supplemental security income from your local social services office. This agreement may be changed if your financial circumstances change significantly because of conditions beyond your control. If after entering into this agreement, you fail to comply with the terms, RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556 may terminate your electricity service. If you do not sign this agreement or pay the total amount due of **\$XX.XX** by **MM/DD/YYYY**, RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556 may seek to terminate your electricity service. **If you are unable to pay these terms, if further assistance is needed, or if you wish to discuss this agreement, please call RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556**  
**Tel: 516-506-6761**

### **Payment of Outstanding Balance:**

**Your current monthly budget amount is: \$XX.XX (in addition to your current electricity charges)**

If you are not already enrolled in our Budget Billing Program, which allows you to pay for your service in equal monthly installments, and wish to enroll, check the box below and we will start you on this process.

**Yes! I would like Budget Billing:** ☐

### **Acceptance of Residential Payment Agreement:**

Resident(s) Signature(s): \_\_\_\_\_ Date: \_\_\_\_\_

This agreement has been accepted by RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556. If you and RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556 cannot negotiate a payment agreement, or if you need any further assistance, you may contact the Public Service Commission at 1-800-342-3377.

**Return one copy of this agreement signed, along with the down payment of \$XX.XX, by MM/DD/YYYY to the RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556. If this is not done, your electricity service may be terminated.**

**FAILURE TO MAKE PAYMENT NOTICE DATED:**

Resident(s) Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

Account No.: \_\_\_\_\_

Dear [customer name]:

Your account is now ninety (90) days overdue. Please make payment of **\$XX.XX** by **MM/DD/YY** or we shall institute termination of your electricity service.

**PLEASE REMIT \$XX.XX BY MM/DD/YY TO AVOID INITIATION OF TERMINATION OF YOUR ELECTRICITY SERVICE.**

If you are unable to make payment because your financial circumstances have changed significantly due to events beyond your control, please contact RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556 at 516-506-6761. If you or anyone in your household meets any of the following conditions please contact us: medical emergency, elderly, blind, or disabled.

Sincerely,

RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556

**FINAL TERMINATION NOTICE DATED:**

Resident(s) Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

Account No.: \_\_\_\_\_

Dear [customer name]:

By letter dated **MM/DD/YY**, we notified you that your failure to remit the past due amount of **\$XX.XX** by **MM/DD/YY** would result in our terminating your electricity service. Our records indicate that we have not received your payment. Please remit **\$XX.XX** or your service will be terminated after **MM/DD/YY**.

If you disagree with the amount owed, you may call or write RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556 (telephone # 516-506-6761) or you may contact the Public Service Commission at 1-800-342-3377.

**THIS IS A FINAL TERMINATION NOTICE. PLEASE BRING THIS NOTICE TO OUR ATTENTION WHEN PAYING THIS BILL.**

**PLEASE REMIT \$XX.XX BY MM/DD/YY TO AVOID TERMINATION OF YOUR ELECTRICITY SERVICE.**

If you are unable to make payment because your financial circumstances have changed significantly due to events beyond your control, please contact RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556. If you or anyone in your household meets any of the following conditions please contact RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556: medical emergency, elderly, blind, or disabled.

Sincerely,

RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556

**NOTIFICATION TO SOCIAL SERVICES OF CUSTOMERS**  
**INABILITY TO PAY**

RXR Realty, 625 RXR Plaza, Uniondale, New York, 11556  
Tel: 516-506-6761

Resident(s) Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

Account No.: \_\_\_\_\_

The above resident/customer has been sent a final notice of termination of electricity service. If the total payment due of **\$XX.XX** is not paid by **MM/DD/YYYY**, termination of their electricity service may occur anytime after **MM/DD/YYYY**.

MAKE PAYMENT TO →

PLEASE PAY BY:

USAGE - KWH

AMOUNT DUE - \$

TENANT

Q L C

RETAIN THIS PORTION FOR YOUR RECORDS

Q L C

RETURN THIS STUB WITH PAYMENT

## DIVISION 16 ELECTRICAL SPECIFICATIONS

### ELECTRIC SUBMETERING

Available in MS Word format:  
[www.quadlogic.com](http://www.quadlogic.com)  
Click "Support" then  
Submetering Specifications

#### PART 1 – GENERAL

##### 1.01 DESCRIPTION

- A. Provide electric submetering to meter electric consumption for each tenant in accordance with the Contract Documents.

##### 1.02 ELECTRONIC POWER METERING

- A. Provide electronic power metering where indicated complying with all requirements below. Meter(s) shall be Quadlogic Controls Corp. or approved equal.
- B. The meters shall be manually readable using local Liquid Crystal Display (LCD) via push-button and automatically readable utilizing Frequency Hopping Spread Spectrum Power Line Carrier Communication ("PLC").
- C. The metering system shall consist of the Quadlogic MiniCloset-5, MiniCloset-5c, RSM-5, RSM-5c, S-20, S-10 & Transponder(s) or equal.
- D. Meter shall be configured for [residential] [commercial] application and applied on [120/240V] [120/208V] [277/480V] [347/600V] [480V delta 3P3W] [600V delta 3P3W] nominal systems or as indicated on the drawings.
1. Residential Use (kWh):
    - a. 120/208V single phase, 3 wire (2 pole)
    - b. 120/240V split phase, 3 wire
  2. Commercial/Industrial Use (kWh and Demand):
    - a. 120/208V, 277/480V and 347/600V, 3 phase/4 wire
    - b. 480V and 600V Delta, 3 phase/3 wire
- E. **NOTE TO SPECIFIER: DELETE FOLLOWING PARAGRAPH IF METER IS CONFIGURED FOR RESIDENTIAL APPLICATION.** [kW Demand shall be measured and recorded every [15] minutes. (Demand is factory configured in block intervals. Rolling (overlapping) time interval demand shall also be configurable as an option.) Demand shall be recorded along with the time and date at which it occurs. The meter shall be classed as a mass memory interval meter (meters which record and store the energy use by time). The demand interval and optional time-of-use schedules shall be factory programmed and stored in each meter. Daily peak demands shall be capable of being read by a remote computer.]
- F. **NOTE TO SPECIFIER: DELETE FOLLOWING PARAGRAPH IF METER IS CONFIGURED FOR COMMERCIAL APPLICATION.** [kW Demand shall be measured and recorded every [60] minutes. (Demand is factory configured in block intervals. Rolling (overlapping) time interval demand shall also be configurable as an option.) Demand shall be recorded along with the time and date at which it occurs. The meter shall be classed as a mass memory interval meter (meters which record and store the energy use by time). The demand interval and optional time-of-use schedules shall be factory programmed and stored in each meter. Daily peak demands shall be capable of being read by a remote computer.]



## DIVISION 16 ELECTRICAL SPECIFICATIONS

- G. The Meter shall have the following Testing and Certification:
  - 1. UL/CUL recognized
  - 2. Meets or exceeds requirements of ANSI C12.1, ANSI/IEE C37.90.2. ANSI/IEEE C37.90.1, and Measurement Canada.
- H. Each meter shall interface to the electrical load being measured with a direct voltage tap, up to 600 VAC, and with 0.1Amp or 5.0A secondary for split and solid core current transformers.
- I. Monitoring
  - 1. Provide true RMS measurement of current, volts, %THD, kW, kVA, kVAR, kWh, power factor.
  - 2. The Meter shall have an accuracy of  $\pm 0.5\%$  or better.
- J. User Interface
  - 1. Reading shall be accessible on a local LCD display. The display shall consist of two rows of 16 characters on each row. The consumption reading shall be up to six (6) digits.
  - 2. Provide an IEC type optical port capable of direct connection to a laptop.
- K. The system shall be a fully automated, microprocessor-based electric utility measurement system. The system shall be capable of measuring and recording the usage of electricity and shall be capable of communicating the reading to an optional on-site or remote computer (i.e. the billing computer) via modem or other means of communications.
- L. The meter shall not depend on battery power for maintaining functionality. Meter shall monitor all metering parameters and perform communication tasks using a non-volatile flash memory. On-board battery shall only be used in power failure to maintain time, log incoming pulses (if applicable) and to store the data acquired within the incomplete interval at the time of the power failure.
- M. Each meter shall be capable of reading minimum of four (4) dry contact, Form A pulse inputs to automate the reading of other utilities such as gas, water or BTU's. MiniCloset-5 and MiniCloset-5c shall be capable of reading up to 48 pulses.
- N. Each meter shall be equipped with a clock/calendar that automatically accommodates leap years. The clock/calendar shall be backed up by battery and continue operating during power outages. The time and date shall be automatically synchronized by the Scan Transponder(s) and capable of being reset by a remote computer.
- O. Each meter shall be complete with internal CT termination and shorting and fuse block <where applicable>.
- P. Revenue related metering parameters (i.e. demand intervals) shall be permanent and stored in each individual meter. It shall not be possible to change metering parameters through unauthorized access to the system.

## DIVISION 16 ELECTRICAL SPECIFICATIONS

- Q. Provide Phase Diagnostic Registers that include multipliers for amperage, voltage, watts, and line frequency. On a per-phase basis Phase Diagnostics shall include voltage, VAR phase shift, accumulated kWh and kVARh and instantaneous amps, watts, VAR's, VA's, phase angle (degrees displacement between current and voltage waveforms), and Power Factor.
- R. Provide Event Diagnostic Registers that include time and date and the number of times the time has been changed, number of power downs, power ups and start ups with time and date of last occurrence, and the number of times the accumulated peak demand has been reset, also with the time and date of the last occurrence. Meters that communicate by Power Line Carrier Communications shall also include counts of properly received messages, rejected messages and the numbers of transmissions without replay.
- S. On-board Memory Storage
  - 1. The meter shall maintain a minimum of 60-day log of daily Time-of-Use consumption, interval data and peak demand readings along with the time and date at which the daily peak demands occur. The consumptions recorded shall be the reading at the end of the Time-of-Use period of the end of the day. The peak demand recorded in the log shall be the peak demand for the Time-of-Use period for that day.
  - 2. Each meter shall maintain a minimum of 60-day date logging capacity consisting of fifteen (15) minute or hourly demands with time and date stamp.
  - 3. Memory shall be non-volatile.
- T. Control power for the meter shall be obtained via the monitored voltage connections. A separate control power input is not allowed.
- U. Communications Interface
  - 1. Where indicated in the drawings, the system shall communicate with a remote computer using one or more of the methods noted below. Preferred method communications method shall be Power Line Carrier Communications.
    - a. The meter shall communicate over the electrical power wiring to a Scan Transponder via bi-directional, frequency hopping, spread spectrum power line carrier communications. These signals shall be capable of passing through a single 600/120V or 480/120V transformer. The Scan Transponder and each meter shall select the best available combination of phase, frequency range and baud rate for communication at any given time.
    - b. RS-485. Install per manufacture's guidelines and recommended wire specification.
  - 2. All meters shall have as an option a local RS-485 serial port for direct connection to the PC.
  - 3. Individual meters shall be capable of being equipped with a modem for direct connection to a telephone line if necessary.

## **DIVISION 16 ELECTRICAL SPECIFICATIONS**

### **1.03 SCAN TRANSPONDER**

- A. Scan Transponders shall be installed to collect data from meters on a daily basis and provide a centralized data access point.
- B. All communication shall be direct between a Scan Transponder and each meter, and under the control of the Scan Transponder. Meters will not repeat messages from other meters nor will message routing be determined by meters.
- C. A Scan Transponder shall be provided for every 240 electric metering points and one Scan Transponder shall be provided per utility transformer or electrical service. Contractor shall provide required location, quantities and voltage connections for Transponders based on manufacture's specifications and instructions.
- D. Scan Transponder shall begin each communication with a meter with verification of clock and meter ID to ensure date integrity.
- E. The Scan Transponder shall store downloaded meter values in flash memory and shall hold at least 30 days worth of records.
- F. All communication shall be direct between a Scan Transponder and each meter, and under the control of the Scan Transponder.
- G. Multiple Scan Transponders shall be connected by Data Link (RS-485).
- H. Where indicated on manufacturer's shop drawings, meter shall be connected to the Scan Transponder by Data Link (RS-485).
- I. Where indicated on manufacturer's shop drawings, provide a modem on a Scan Transponder for phone line connection to remote computer.
- J. Scan Transponder locations shall be approved by manufacture and installed per manufactures' guidelines. Upon request, manufacture shall provide a project specific design for Scan Transponder system.
- K. Owner shall provide a dedicated telephone line for remote access to the Transponder.

### **1.04 SOFTWARE**

- A. Quadlogic's IQ software or comparable system shall be capable of reading the system, downloading the metered data, and generating energy bills for electricity. (System must also be capable of compiling data from other utility meters such as BTU, gas, water and steam.)
- B. Quadlogic's IQ software or comparable system shall be capable of producing graphs and charts for load profiling including intervals ranging from 5 through 60 minute time periods.
- C. Data collected through IQ software or comparable must be able to be uploaded to spreadsheet programs for analysis such as Microsoft Excel.

## **DIVISION 16 ELECTRICAL SPECIFICATIONS**

### **PART 2 – EXECUTION**

#### **2.01 INSTALLATION**

- A. A circuit breaker shall be provided at the metering location to allow safe access to metering components without powering down the entire panel. Where utilized, S-20 200A meters require tenant disconnect to be on the line side of the electric meter.
- B. All meters shall be installed to manufacture's installation instructions.

#### **2.02 SYSTEM COMISSIONING AND START-UP**

- A. Contractor to provide third party testing of power metering system or "commissioning". The owner's submetering service company or manufacturer's qualified service organization can provide third party testing. Testing shall be performed prior to tenant occupancy through the following process:
  - 1. Have the installation contractor record the "cross reference" or the meter serial number (unique ID), meter point, to apartment/unit relationship.
  - 2. Check for power to the meter.
  - 3. Check the serial number inside the meter.
  - 4. Open the panel so that all CT's are visible.
  - 5. Verify the CT ratio and write up the cross reference information for the meter.

***NOTE TO SPECIFIER: ITEMS 6-8 BELOW APPLY TO RESIDENTIAL APPLICATIONS ONLY. DELETE IF METER/SYSTEM IS CONFIGURED FOR A COMMERCIAL APPLICATION.***

- 6. Confirm the "cross reference". This can be accomplished by having one technician turn on a known load in the respective unit on each phase (hair dryer, electric heater, electric stove, etc)
  - 7. Have a second technician at the meter verify the meter's phase diagnostics for the assigned apartments/units. Confirm that there is a significant increase on the load for each phase of the meter point.
  - 8. Once all phases have been checked and loads are still running, turn off the breaker serving the apartment and confirm that all loads in the apartment are disconnected. This completes the verification of the cross-reference list.
- B. Test Results:
  - 1. Submit two draft copies of test results to the Owner for review.
  - 2. After approval by the Owner, submit the test results in two final printed copies and one computer readable copy.

## **DIVISION 16 ELECTRICAL SPECIFICATIONS**

- C. Third party testing shall include testing of Power Line Carrier Communications between power meters and Transponders referred to as "start up".
  - 1. Testing shall confirm that all power meters included in cross reference are properly communicating with the Transponders.
  - 2. Testing shall confirm that remote connection system via phone line is complete.
  - 3. Testing shall confirm that all Transponders on the RS-485 network are communicating properly.

END OF SECTION

## ENERGY SAVING IDEAS

*Conserve Energy. Save Money. Protect the Environment.*

What can you do to lower your electric bill? Quadlogic has put together the following guidelines to help you conserve energy and lower your electric bill. This information was collected from various sources\*, and is intended to show you how easy it can be to make a few changes that won't have a big impact on your lifestyle but *will* have a big impact on your electric bill.

### LIGHTING

- ❖ Replace ordinary light switches with dimmers. Dimmers let you set bulb brightness to suit different needs. Whenever lights are set at less than full brightness, you save energy.
- ❖ Replace ordinary incandescent bulbs with new compact fluorescent bulbs. Compact fluorescent bulbs give the same light levels as the ordinary bulbs they replace, but use 40-60% less energy.
- ❖ Use timers to turn off lights when you're away from home. That saves energy and adds security to your home.
- ❖ Use lower wattage bulbs whenever you can. Wattage isn't a measure of brightness, it's a measure of energy usage. The lower the wattage, the less energy used.
- ❖ Replace ordinary switches with motion sensors. Motion sensors monitor a room for the presence of people. When someone enters the room, lights go on automatically so you don't light an unoccupied room.

### APPLIANCES

- ❖ Choose Energy Star appliances, which use considerably less energy than other appliances.
- ❖ Use your refrigerator as efficiently as possible by keeping the condenser coils clean.
- ❖ Use washers, dryers and dishwashers efficiently. Every time these appliances go through a cycle, they use very nearly the same amount of energy whether empty or full. So cleaning with full loads makes for best efficiency and best value on your energy dollars.
- ❖ Switch off the "instant on" feature in electronic devices. Many electronic products have an "instant on" circuit that uses energy continuously, even when the device is turned off. On some electronic devices, you can choose to turn it off.

### COMPUTER & HOME OFFICE EQUIPMENT

- ❖ Turn your computer off when it is not in use. Much of the energy use associated with computer is wasted because PC's are often left on when not in use, including nights, weekends, and even extended periods of inactivity during the day.

- ❖ Turn off your display device or monitor. Monitors consume a significant portion of the energy used by PC's.
- ❖ Use a laptop. A typical laptop computer has a maximum power consumption of 15 watts, and extensive power management capabilities. A typical desktop PC, with display consumes about 10 times that or 150 watts, and has limited power management features. The potential energy savings from substituting PC's with portable laptops are large, up to 90% or more.
- ❖ Select a printer with power management capabilities. Printers with automatic "power down" features can reduce electricity use by over 65%.
- ❖ Select a fax machine with power management capabilities. Fax machines are generally turned on 24 hours-a-day to receive incoming faxes. However, they are typically in use for only 5% of the total time they are turned on. Fax machines with power management features can reduce energy costs by almost 50%.

AVERAGE ANNUAL ENERGY CONSUMPTION			
Equipment	Conventional Products	Energy Saving Products	Potential Energy Savings
Desktop PC's	500 kWh	250 kWh	50%
Fax Machines	300 kWh	135 kWh	55%
Laser Printers	750 kWh	270 kWh	65%
Copier (Medium)	1200 kWh	535 kWh	55%
Copier (Large)	2800 kWh	1200 kWh	55%

You may find "Energy Star" appliances at your local retail stores.

#### **USEFUL LINKS**

[www.sears.com](http://www.sears.com)  
[www.circuitcity.com](http://www.circuitcity.com)  
[www.bestbuy.com](http://www.bestbuy.com)  
[www.pcrichard.com](http://www.pcrichard.com)  
[www.allcityappliance.com](http://www.allcityappliance.com)

#### **OTHER HELPFUL HINTS**

- ❖ Stop drafts coming in near doors, windows, or air conditioners. Drafts make the heating and cooling systems work harder therefore costing you more money.
- ❖ Stop leaks at faucets, toilets, tubs, and showers. If the leak is from hot-water faucets, it wastes the energy from your hot water heater and costing you more money.

\* Sources: Con Edison, LIPA, Orange and Rockland, NYSEDA, Niagra Mohawk, Southern California Edison.

**Submetering Offering Plan**  
**1000 and 2000 Royal Court, North Hills, NY 11040**

1. You acknowledge that Consolidated Edison Company of New York (Con Edison), will be the provider of electricity to the building and that Owner will be paying the charges for such electricity directly to this entity (or its successor), You will be required to pay Owner for the use of electricity at the Apartment on the basis of a separate (submetered) charge that will be billed to You by Owner (or its agent) on a monthly basis. The charges to You for electricity are due without offset or abatement on the first day of each and every month for which a bill is rendered. In the event of non-payment of electric charges, the Owner shall afford You all notices and protections available to You pursuant to the Home Energy Fair Practices Act (HEFPA) before any action(s) based on such non-payment, including termination of service, is commenced. Electricity will not be treated as additional rent.
2. Method to be used to calculate rates to residents

The rate calculation to be used is the Consolidated Edison Service Classification SC-1 for direct metered service (the "SC-1 rate"). Specifically, a tenant's kilowatt hour (kWh) usage will be multiplied by the Consolidated Edison Service Classification SC-1 rate for a billing period, then sales tax (currently 4.5 %) will be added to arrive at the total tenant cost.

The Consolidated Edison Service Classification SC-1 rate is a combination of various items, including:

**Basic Charge:** This is a charge for basic system infrastructure and customer-related services, including customer accounting, meter reading, and meter maintenance.

**kWh Cost:** This energy charge is broken down into four separate components – market supply, monthly adjustment, delivery (transmission and distribution).

**Systems Benefit Charge (SBC)/Renewable Portfolio Standard (RPS):** This is an additional charge per kWh.

**Fuel Adjustment:** The sum of Market Supply Charge (MSC) and Monthly Adjustment Charge (MAC) adjustment factors.

**Utility Tax:** The sum of Commodity Gross Receipt Tax and Full Service Gross Receipt Tax.

**Sales Tax:** The current NYS sales tax.

The following is an example of the formula that will be used to derive a tenant's electricity charges based on the current Consolidated Edison Service Classification EL1 rate and a monthly use of 250 kWh:

		<b>Total</b>
Basic Charge		\$YY.YY
KWh	.XXXX times 250	\$YY.YY
Systems Benefit Charge	.XXXX times 250	\$ Y.YY
Fuel Adjustment Charge	.XXXX times 250	\$ Y.YY



	Subtotal	\$YY.YY
Utility Tax	.XXXXX times YY.YY	\$ Y.YY
	Subtotal	\$YY.YY
Sales Tax	YY.YY times 4.5%	\$ T.TT
	YY.YY plus T.TT	\$ZZ.ZZ
<b>Tenant Cost</b>		<b>\$ZZ.ZZ</b>

In no event will the total monthly rates exceed the utility's rate for direct metered service to residents (per 16 NYCRR § 96.2 (b)).

The electric rates are listed under the heading "PSC No. 10" – Electric: Full Service.

Quad Logic Controls Corp. as the Building's electric billing company will read the meters monthly and process a bill based on the actual consumption of each tenant. The meter reading data and billing calculations will be documented and maintained for six (6) years, per the requirements set forth in 16 NYCRR §96.

3. When a unit owner has a question about an electric bill or believes the electric bill is inaccurate, the following protocol will be followed:

Unit owner should submit the complaint to the property manager of the Building, including the action or relief requested and/or the reason for a complaint about a submetering charge. The property manager shall investigate and respond to the complaint in writing within 15 days of the receipt of the complaint. **The Property Management; can be contacted via telephone at 718-593-8907, via email at gventura@metromanagementdev.com or by mail at Metro Management Development, Inc. 42-25 21<sup>st</sup> Street, Long Island City, NY 11101.** If the unit owner and the property manager cannot reach an equitable agreement and the unit owner continues to believe the complaint has not been adequately addressed, then the unit owner may file a complaint with the Public Service Commission through the Department of Public Service. Alternatively, Unit owners may contact the Department of Public Service at any time concerning submetered service in writing at New York State Department of Public Service, 3 Empire State Plaza, Albany, New York 12223, by telephone at 1-800-342-3377, in person at the nearest office at 90 Church Street, New York, New York 10007, or via the Internet at [www.dps.ny.gov](http://www.dps.ny.gov)

Electric bills from Quadlogic to unit owners will contain, among other things, opening and closing meter reads and dates, usage during a current period, a breakdown of dollar amount billed, sales tax, the total charge for the period, and the total amount due.

4. You will be afforded rights and protections available to residential energy consumers in New York State under HEFPA, including the ability to file a complaint with the PSC. The nearest office of the PSC is at: NYS Public Service Commission, 90 Church Street, New York, NY 10007, 212-417-2234, 800-342-3377, **[www.dps.ny.gov](http://www.dps.ny.gov)**. You may contact the PSC at any time if You are dissatisfied regarding management's response to Your complaint or at any time regarding submetered service.
5. You may request balanced billing for Your electric charges. Balanced billing divides the electric costs into equal monthly payments. Periodically, the balanced billing amounts will be reviewed and adjusted

as necessary. At the end of one year, You shall be responsible to pay for any electric costs in excess of the balanced billing amount paid.

6. If You have difficulty paying the electric bill, You may contact the management company for the Building by telephone or by letter in order to arrange for a deferred payment agreement, whereby You may be able to pay the balance owed over a period of time. If You can show financial need, the management company for the Building can work with You to determine the length of the agreement and the amount of each monthly payment.
7. Regardless of Your payment history, the management company and submeterer of the Building will continue electric service if Your health or safety is threatened. When You become aware of such hardship, the management company for the Building can refer You to the Department of Social Services. Please notify the management company for the Building if the following conditions exist:
  - a. **Medical Emergencies.** You must provide a medical certificate from a doctor or local board of health; or
  - b. **Life Support Equipment.** If You have life support equipment and a medical certificate.
8. Special protections may be available if You and/or those living with You are age eighteen (18) or younger or sixty-two (62) and older, blind, or disabled.
9. If You are age sixty-two (62) or older, You may be eligible for quarterly billing for Your electrical charges.
10. You can designate a third party as an additional contact to receive notices of past due balances for your electrical charges.
11. As a residential customer for electricity, You also have certain additional rights assured by HEFPA.
12. You agree that at all times the use of electricity in the Apartment shall never exceed the capacity of existing feeders to the Building or the risers, wiring or electrical installations serving the Apartment. You shall not make any alterations, modifications or additions to the electrical installations serving the Apartment.
13. Owner shall have the right to suspend electric service to the Apartment when necessary by reason of accident or for repairs, alterations, replacements or improvements necessary or desirable in Owner's judgment for as long as may be reasonably required by reason thereof and Owner shall not incur any liability for any damage or loss sustained by You or any other occupant of the Apartment as a result of such suspension. Owner shall not in any way be liable or responsible to You or any other occupant for any loss, damage, cost or expense that You or any occupant of the Apartment may incur if either the quantity or character of electric service is changed or is no longer available or suitable for Your requirements or if the supply or availability of Electricity is limited, reduced, interrupted, or suspended by the public utility company serving the Building or for any reason or circumstances beyond the control of Owner. Except as may be provided by applicable law, You shall not be entitled to any rent reduction because of a stoppage, modification, interruption, suspension, limitation, or reduction of electric service to the Apartment.
14. If Owner (or its agent) fails to deliver a bill to You for the use of electricity at the Apartment for any given month, then such failure shall not prejudice or impair Owner's right to subsequently deliver or cause its agent to deliver such a bill to You, nor shall any such failure relieve or excuse You from having to pay such bill, except as may otherwise be provided by applicable law.
15. You may qualify for a rate reduction the equivalent of that which is provided by Con Edison to customers who are enrolled in its low-income program pursuant to its tariff (see P.S.C. No. 10 –

Electricity, Thirtieth Revised Leaf No. 202). If you receive benefits under Supplemental Security Income, Temporary Assistance to Needy Persons/Families, Safety Net Assistance, or Food Stamps, or have received a Home Energy Assistance Program grant in the preceding twelve (12) months, please alert a management company representative by phone or in writing and he/she will work with you.

FILING RECEIPT

ENTITY NAME: THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

DOCUMENT TYPE: INCORPORATION (NOT-FOR-PROFIT)

TYPE: A COUNTY: NASS

FILED:12/18/2013 DURATION:PERPETUAL CASH#:131218000407 FILM #:131218000388

FILER:

EXIST DATE

FARRELL FRITZ, P.C.  
1320 RXR PLAZA

12/18/2013

UNIONDALE, NY 11556-1320

ADDRESS FOR PROCESS:

THE CORPORATION  
C/O RXR REALTY LLC  
UNIONDALE, NY 11556

625 RXR PLAZA

REGISTERED AGENT:



SERVICE COMPANY: GERALD WEINBERG, INC. - 14

SERVICE CODE: 14

FEES	160.00
FILING	75.00
TAX	0.00
CERT	0.00
COPIES	10.00
HANDLING	75.00

PAYMENTS	160.00
CASH	0.00
CHECK	0.00
CHARGE	0.00
DRAWDOWN	160.00
OPAL	0.00
REFUND	0.00

***STATE OF NEW YORK***  
***DEPARTMENT OF STATE***

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the  
Department of State, at the City of Albany,  
on December 19, 2013.

*Anthony Giardina*

Anthony Giardina  
Executive Deputy Secretary of State

**CERTIFICATE OF INCORPORATION  
OF  
THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.**

***Under Section 402 of the Not for Profit Corporation Law***

We, the undersigned, desiring to associate ourselves together to form a membership corporation under the New York Not-For-Profit Corporation Law, do hereby certify:

**FIRST:** The name of the Corporation is: **THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.**

**SECOND:** The Residences, North Hills, Homeowners Association, Inc. (hereinafter, the "Corporation") is a corporation as defined in Subparagraph (a)(5) of Section 102 (Definitions) of the New York Not-for-Profit Corporation Law.

**THIRD:** The exclusive purposes for which the Corporation is formed are to:

1. Associate its members together for their mutual benefit as homeowners of the Corporation;
2. To maintain and administer the property and improvements owned by the Corporation;
3. To administer and enforce the covenants and restrictions set forth in the Declaration of Covenants, Restrictions, Easements, Charges and Liens by the Corporation to be recorded in the office of the Nassau County Clerk, as amended from time to time (the "Declaration"), a copy of which shall be available for inspection at the offices of the Corporation following the recording thereof;
4. To open bank accounts on behalf of the Corporation, and to designate the signatories to such bank accounts.
5. To impose, collect and disburse the Assessments and charges imposed by the Corporation upon its members pro-rata according to their respective common interest;
6. To bring and defend actions by or against one or more Members and pertinent to the operation of the Corporation, and to levy special assessments to Class 2 Members to pay for the cost of such litigation;
7. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter

into contracts, and generally to have the powers of a manager in connection with the matters hereinabove set forth;

8. To enter into management contracts for the management of the Corporation and its property;

9. To have duties and responsibility as set forth in the Declaration;

10. To make repairs, restore or alter the Corporation's property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

11. To provide its members with information relating to their rights as homeowners;

12. To promote good will and cooperation among its members and to generally to do any and all acts suitable, proper and conducive to the successful conduct of a homeowner's association;

13. To promulgate rules and regulations for the use and enjoyment of the Common Areas;

14. To make reasonable rules and regulations (and to amend the same from time to time), with such rules and regulations and amendments to be binding upon all Class 2 Members upon the Board of Director's approval of them in writing;

15. To insure and keep insured the Association and its property.

16. To suspend the enjoyment rights of any Class 2 Member for a period during which any Assessment remains unpaid; provided, however, that the rights of the Class 1 Members may not be subject to said suspension;

17. To suspend the enjoyment rights of any Class 2 Member for a period not to exceed thirty (30) days for any infraction of its published rules and regulations; provided, however, that the rights of the Class 1 Members may not be subject to said suspension;

18. To dedicate or transfer all or any part of the real property of the Corporation and improvements located therein, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof; shall be effective unless an instrument signed by Members and their

mortgagees entitled to cast eighty percent (80%) of the eligible votes has been recorded agreeing to such dedication, transfer, purpose or condition and unless written notice of the action is sent to every Member at least ninety (90) days in advance of any action taken;

19. To grant and reserve easements and rights-of-way, in, through, under, over, upon and across the property owned by the Corporation (the "Association Property"), for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, gas and other utilities; and the right of Phase I Developer (defined below) and/or Phase II Developer defined below to grant and reserve easements and rights-of-way, in, through, under, over, upon and across the Association Property for the completion of the work of Phase I Developer and/or Phase II Developer, as the case may be;

20. To promulgate rules and regulations regarding the property owned by the Corporation;

The Corporation may do any act or thing incidental to or connected with the foregoing purposes and/or in advancement thereof, but not for the pecuniary profit or financial gain of its members, directors or officers, except as permitted under Article 5 of the New York Not-For-Profit Corporation Law. The property and business of the Corporation shall be managed by its board of directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute, or by the Corporation's by-laws directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to the foregoing.

The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to include at least one (1) director which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Directors in the management of the business affairs of the Condominiums and may share power to sign all papers which may be required, provided the said resolution shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Committees established by resolution of the Board of Directors shall keep regular minutes of their proceedings and shall report the same to the Board, as required.

Nothing herein contained shall authorize the Corporation, directly or indirectly, to engage in or include among its purposes any of the activities mentioned in Section 404 of the New York Not-For-Profit Corporation Law or Section 460-a of the New York Social Services Law.



Nothing herein contained shall authorize or empower the Corporation, directly or indirectly, to engage in or include among its purposes any activity prohibited by Section 340 of the New York General Business Law or any other New York anti-monopoly law, and the Corporation is not authorized so to engage.

FOURTH: The Corporation shall be a Type A corporation pursuant to Section 201 of the New York Not-for-Profit Corporation Law.

FIFTH: Midtown North Hills LLC, following the execution and recording of the Declaration and in order to effect the phased development of "The Ritz Carlton Residences" on its property at 85-95 Long Island Expressway, North Hills, New York, shall transfer of its right, title and interest in said property: (a) to RXR North Hills Phase I Owner LLC with respect to a portion of its property known as the "Phase I Property"; (b) to RXR North Hills Phase II Owner LLC with respect to a portion of its property known as the "Phase II Property"; and (c) to the Corporation with respect to the balance of said property (the "Association Property").

SIXTH: The Corporation shall have two (2) classes of Members, Class 1 which shall exclusively be Phase I Developer and Phase II Developer and Class 2 which shall be the owner of a Condominium Unit, other than Phase I Developer and Phase II Developer. "Phase I Developer" shall mean RXR North Hills Phase I Owner, a Delaware Limited Liability Company and its successors and assigns, including, without limitation, any Permitted Mortgagee which has foreclosed or acquired by other means the interest of Phase I Developer, and any person that acquires Phase I Developer's interest in a foreclosure sale instituted by a Permitted Mortgagee (with the meaning ascribed to such term in the Corporation's By-Laws, as same shall be amended from time to time) or from the Permitted Mortgagee. "Phase II Developer" shall mean RXR North Hills Phase I Owner, a Delaware Limited Liability Company and its successors and assigns, including, without limitation, any Permitted Mortgagee which has foreclosed or acquired by other means the interest of Phase II Developer, and any person that acquires Phase II Developer's interest in a foreclosure sale instituted by a Permitted Mortgagee (with the meaning ascribed to such term in the Corporation's By-Laws, as same shall be amended from time to time) or from the Permitted Mortgagee. Owners of Condominium Units, other than Phase I Developer and Phase II Developer shall be referred to as "Unit Owner Members" herein.

Class 1 Members:

Phase I Developer and Phase II Developer shall be Class 1 members and there shall be no other members of Class 1 other than Phase I Developer and Phase II Developer. Phase I Developer and Phase II Developer shall hold all voting rights and membership interests in Class 1 until the end of the Initial Control Period. Class 1 shall have six (6) members on the Board of Directors of the Corporation, three (3) of which shall be designated by Phase I Developer and

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CERTIFICATE OF INCORPORATION

OF

THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC.

Section 402 of the Not-for-Profit Corporation Law

RECEIVED

2013 DEC 18 AM 11:03

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STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED DEC 18 2013

TAXS

BY:

1-6

Filed by:

Farrell Fritz, P.C.  
1320 RXR Plaza  
Uniondale, New York 11556-1320

2013 DEC 18 PM 2:50

FILED

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**Gerald Weinberg, P. C.**

**1-(800)342-9856**

It has come to my attention that many practitioners are unaware of the range of services performed by Gerald Weinberg, P.C. Consequently, please be advised that in addition to the incorporating services in New York and throughout the country, we offer the following:

1. Obtaining corporate reinstatements as well as other kinds of documents through the NYS Dept. of Taxation & Finance,
2. Obtaining gains tax clearance through the Gains Tax Processing Unit in connection with real estate transfers,
3. Obtaining Releases of Liens & Waivers from the Estate & Gift Tax Unit in connection with decedents' estates in certain circumstances,
4. Obtaining tax exempt status by drafting, processing, and completing 501 (C) (3) applications for submission to the IRS in connection with Not-For-Profit corporations,
5. Obtaining & expediting various real estate applications for licenses through the Division of Licensing Services of the Secretary of State's Office,
6. Handling of various matters, applications and documents through NYS agencies and departments,
7. Obtaining judicial approval in connection with Orders To Show Cause,
8. Drafting and filing orders to show case to reverse, cancel, and negate mergers, dissolutions, and certain other corporate filings.
9. Processing, filing & handling calendar and motion practice & related matters in all local Courts, including acting as co-counsel in minor matters & proceedings and
10. Document retrieval in local courts, departments and agencies.

The above list is representative but not exhaustive of the types of services that we are able to provide. In the event that you do not see a desired service listed, I invite you to call and discuss your needs with us. We welcome the opportunity to assist you with your practice, however, in the event that you cannot avail yourself of these services, please pardon my initiative.

three (3) of which shall be designated by Phase II Developer, and/or their respective successors and/or assigns. Phase I Developer and Phase II Developer shall collaterally assign its Class 1 membership interests as follows: (A) Phase I Developer shall collaterally assign three (3) of its Class 1 membership interests to Phase I Lender, for so long as Phase I Lender holds a mortgage on the Phase I Property and (B) Phase II Developer shall collaterally assign three (3) of its Class 1 membership interests to Phase II Lender, its successors and/or assigns, for so long as Phase II Lender, its successors and/or assigns holds a mortgage on the Phase II Property.

**Class 2 Members:**

Following the end of the Initial Control Period, there shall be a total of up to six (6) directors elected by Class 2 Members on the Board of Directors of the Corporation. Each purchaser of a Condominium Unit in The Phase I Condominium and The Phase II Condominium shall be a Class 2 Member.

**SEVENTH:** Unit Owner Members shall automatically become Class 2 members upon acquisition of a fee simple title to their respective condominium unit. The Class 2 membership of a Unit Owner shall automatically terminate upon conveyance or other divestment of title to his/her Unit, except that nothing herein contained shall be construed as terminating the membership of any member who may own two or more Units so long as such member owns at least one Unit.

The board of directors of the Corporation (the "Board of Directors" shall consist initially of six (6) members designated by the Class 1 Member. Initially, so long as Phase I Lender holds a mortgage on the Phase I Property, three (3) of the members may be designated by Phase I Lender, and so long as Phase II Lender, its successors and/or assigns holds a mortgage on the Phase II Property, three (3) of the members may be designated by Phase II Lender.

The interest of a Class 2 Member in the funds and assets of the Corporation may not be assigned, hypothecated, or transferred in any manner, except as an appurtenance to the Condominium Unit which is a basis of his/her membership in the Corporation.

The Secretary of the Corporation shall maintain a list of the members of the Corporation.

**SEVENTH:** All income and earnings of such Corporation shall be used exclusively for its corporate purposes.

**EIGHTH:** No part of the income of the Corporation shall inure to the benefit or profit, nor shall any distribution of its property or assets be made to, any member, or private person, corporate or individual, or any private interest (except for the repayment of loans and contributions, other than dues, and reasonable compensation may be paid for services rendered to or for the

Corporation affecting one or more of its purposes). Notwithstanding any other provisions of this document, the Corporation shall not carry on any activities not permitted to be carried on by an organization exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code, or corresponding section of any future federal tax code.

**NINTH:** The Corporation shall have perpetual existence, but, in the event of dissolution, all of the remaining funds, assets and property of the Corporation shall, after payment of all debts and liabilities of the Corporation of whatsoever kind and nature, be paid and/or distributed to its members in accordance with a plan of dissolution and distribution of assets adopted by the Board of Directors and, during the Initial Control Period, approved solely by the Class 1 Member, or, if no members, to those persons whom the Corporation holds itself out as benefiting and serving, subject to an order of a Justice of the Supreme Court of the State of New York pursuant to Section 1008 of the New York Not-For-Profit Corporation Law.

**TENTH:** No part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

**ELEVENTH:** The office of the Corporation shall be located in the County of Nassau, State of New York.

**TWELFTH:** The names and addresses of the initial directors until the first annual meeting, each of whom is at least eighteen (18) years of age, are as follows:

<u>Name</u>	<u>Address</u>
Scott Rechler	625 RXR Plaza, Unlondale, New York 11556
Jason Barnett	625 RXR Plaza, Unlondale, New York 11556
Michael Maturo	625 RXR Plaza, Unlondale, New York 11556

**THIRTEENTH:** The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The address with or without this State to which the Secretary of State shall mail a copy of any process accepted on behalf of the Corporation is: The Residences, North Hills Homeowners Association, Inc., c/o RXR Realty LLC, 625 RXR Plaza, Unlondale, New York 11556.

**FOURTEENTH:** During the Initial Control Period, the Class 1 Members shall have full power and authority to amend the Certificate of Incorporation or the By-Laws of the Corporation, without a vote of the Class 2 Members, provided that the number of directors to be elected by Class 2 Members and the voting rights of the Class 2 Members shall not be reduced without the vote of a majority of the Class 2 Members in attendance, in person or by proxy, at a duly called meeting of the Class 2 Members.

**FIFTEENTH:** This Certificate of Incorporation is intended to conform as closely as practicable to the provisions of the Declaration and the By-Laws of the Corporation. The provisions of the Declaration and said By-Laws shall control in the event of any inconsistency or conflict between the provisions thereof and the provisions of this Certificate of Incorporation.

IN WITNESS WHEREOF, this certificate has been subscribed by the undersigned on this 17<sup>th</sup> day of December, 2013, and the statements made herein are affirmed as true under penalties of perjury.



---

John Racanelli  
Incorporator  
Farrell Fritz, P.C.  
1320 RXR Plaza  
Unlondale, New York 11556-1320  
Phone: (516) 227-0705



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

## THE RESIDENCES, NORTH HILLS PHASE I CONDOMINIUM

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

(See Part I, Section D-1)

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

**124 Residential Condominium Units – \$242,000,000**

**124 Storage Bin Licenses - \$2,480,000**

**Total Offering - \$244,480,000**

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

**SPONSOR AND SELLING AGENT**

**RXR NORTH HILLS PHASE I OWNER LLC**

**625 RXR PLAZA**

**UNIONDALE, NEW YORK 11556**

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**DATE OF ACCEPTANCE OF THIS OFFERING PLAN FOR FILING IS MAY 21, 2014.**

**THIS OFFERING PLAN MAY NOT BE USED AFTER MAY 20, 2015**

**UNLESS EXTENDED BY AMENDMENT.**

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**FILE NUMBER CD-14-0036**

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

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

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

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

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## TABLE OF CONTENTS

SPECIAL RISKS .....	V
PART I .....	1
A. DEFINITIONS OF TERMS USED IN THIS OFFERING PLAN.....	2
B. INTRODUCTION.....	19
C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS .....	41
D. LOCATION AND AREA INFORMATION.....	56
D-1. THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION .....	61
E. OFFERING PRICES OF UNITS AND RELATED INFORMATION .....	73
SCHEDULE A.....	73
F. BUDGET FOR FIRST YEAR OF OPERATIONS.....	84
SCHEDULE B .....	84
FOOTNOTES TO SCHEDULE B .....	85
G. BUDGET FOR INDIVIDUAL ENERGY COSTS - SCHEDULE C .....	112
H. COMPLIANCE WITH REAL PROPERTY LAW § 339-I.....	116
I. CHANGES IN PRICES AND UNITS .....	117
J. INTERIM LEASES.....	119
K. PROCEDURE TO PURCHASE.....	123
L. FINANCING FOR QUALIFIED PURCHASERS .....	136
M. EFFECTIVE DATE OF THE PLAN .....	137
N. TERMS OF SALE .....	139
O. UNIT CLOSING COSTS AND ADJUSTMENTS .....	147
P. RIGHTS AND OBLIGATIONS OF SPONSOR .....	154
Q. CONTROL BY SPONSOR .....	166
R. BOARD OF MANAGERS .....	172

S. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS .....	180
T. REAL ESTATE TAXES .....	193
U. INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM.....	205
V. OPINION OF COUNSEL – INCOME TAX OPINION LETTER .....	208
W. RESERVE FUND .....	213
X. WORKING CAPITAL FUND.....	215
Y. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES .....	217
Z. IDENTITY OF PARTIES .....	223
AA. REPORTS TO THE UNIT OWNERS.....	228
BB. DOCUMENTS ON FILE .....	229
CC. GENERAL.....	230
DD. SPONSOR’S STATEMENT OF SPECIFICATIONS OF BUILDING CONDITION...	233
PART II.....	234
EE. PURCHASE AGREEMENT .....	235
FF. INSPECTION STATEMENT / PUNCHLIST .....	278
GG. UNIT POWER OF ATTORNEY.....	280
HH. FORM OF UNIT DEED .....	285
II. DESCRIPTION OF PROPERTY AND SPECIFICATIONS.....	292
JJ. HOUSING MERCHANT LIMITED WARRANTY .....	400
KK. NOTICE OF WARRANTY CLAIM FORM.....	414
LL. DECLARATION OF CONDOMINIUM .....	475
MM CONDOMINIUM BY-LAWS .....	527
NN-1. DECLARATION OF COVENANTS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS.....	559

NN-2. BY-LAWS OF THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC. ....	695
NN-3. DEED TO THE ASSOCIATION .....	749
OO. CERTIFICATIONS .....	764
OO-1. CERTIFICATION BY SPONSOR AND PRINCIPALS OF SPONSOR .....	764
OO-2. CERTIFICATION BY ARCHITECT OR ENGINEER PURSUANT TO 13 NYCRR 20.4(C) (1).....	766
OO.3 CERTIFICATION BY SPONSOR’S EXPERT CONCERNING THE ADEQUACY OF BUDGET .....	768
PP. ESCROW AGREEMENT.....	771
QQ. MANAGEMENT AGREEMENT WITH THE RITZ CARLTON HOTEL COMPANY, LLC WHO WILL MANAGE THE CONDOMINIUM AND THE HOMEOWNER’S ASSOCIATION UNDER THE RITZ-CARLTON MARKS.....	777
RR. APPROVAL OF INCENTIVE ZONING PERMIT, SUBDIVISION AND SITE PLAN AND ARCHITECTURAL REVIEW .....	848
SS. DECLARATION OF COVENANTS AND RESTRICTIONS IN ACCORDANCE WITH THE APPROVAL OF INCENTIVE ZONING PERMIT, SUBDIVISION AND SITE PLAN AND ARCHITECTURAL REVIEW .....	852
TT. CERTIFICATE OF INCORPORATION OF THE RESIDENCES, NORTH HILLS HOMEOWNERS ASSOCIATION, INC. ....	865
UU. DECLARATION CREATING EASEMENT FOR THE BENEFIT OF THE GREATER NEW YORK CORPORATION OF SEVENTH DAY ADVENTISTS .....	877
VV. RECIPROCAL EASEMENT AGREEMENT .....	882
WW. STORAGE BIN LICENSE .....	891

EXHIBIT “1” - PROPERTY DESCRIPTION OF ASSOCIATION COMMON AREAS.....	896
EXHIBIT “2” - PHASE I PROPERTY DESCRIPTION .....	902
EXHIBIT “3” - PHASE II PROPERTY DESCRIPTION.....	907
EXHIBIT “4” – ENTIRE PROPERTY DESCRIPTION (PHASE I AND PHASE II INCLUDING ASSOCIATION COMMON AREAS).....	913
EXHIBIT “5” – ADDITIONAL SERVICES .....	924

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.**

## **SPECIAL RISKS**

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

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

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

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

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

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

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

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

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

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

### **3. PAYMENT OF COMMON CHARGES.**

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

## **25. INCREASE OR DECREASE IN COMMON INTEREST**

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

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

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

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

## **26. MEASUREMENTS OF INTERIOR OF UNIT**

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

## **27. RESTRICTIVE COVENANTS APPLICABLE TO THE CONDOMINIUM**

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **30. PURCHASER TO PAY LATE FEES FOR DELAYED CLOSINGS**

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

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

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

### **32. SPONSOR MAY USE COMMON ELEMENTS FOR SELLING PURPOSES**

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

### **33. PURCHASER TO REIMBURSE OR PAY CERTAIN COSTS TO SPONSOR**

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

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

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

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

1. Street rights of way shall be graded between property lines;
2. Traveled ways within the boundaries of the site shall be paved in accordance with the requirements of law and cross-sections shown on the application submitted to the Village of North Hills;
3. Sidewalks, curbs and driveway aprons shall be installed on all streets as shown on the application, in accordance with law;
4. Water mains shall be installed, as shown on the application, in accordance with the specifications of any public agency or private water company which will be responsible for supply of water to the area shown on the application;
5. Storm drains and catch basins, including impounding and recharge basins, if any, of size and design as shown on the application and as approved by the Nassau County Commissioner of Public Works shall be installed;
6. Street signs and monuments shall be installed, as directed by the Village Code Official;
7. The site Plan improvements (excluding landscaping and lighting, and the recreational facilities) to be installed in the site, shall be accomplished in accordance with the approval of the Board of Trustees of the Village of North Hills and in accordance with applicable law;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

**38. WINDOW TREATMENTS.**

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

**39. OBSTRUCTION OF VIEWS.**

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

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

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

- (a) The sum of twenty percent (20%) of the Purchase Price upon execution of the Purchase Agreement, or
- (b) Down Payment paid over a period of time as follows:
  - (i) A first installment payment equal to five percent (5%) of the Purchase Price due upon the execution of the Purchase Agreement;

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

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

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

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

#### **41. PROHIBITION ON RESALE BY CONTRACT VENDEE.**

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

#### **42. INSURANCE REQUIRED TO BE OBTAINED BY UNIT OWNERS.**

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

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

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

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

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

#### **43. WARRANTIES**

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

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

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

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

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

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

**46. BALCONIES AND TERRACES MUST REMAIN OPEN AS BUILT.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**54. MEMBERSHIP RIGHTS IN ASSOCIATION MAY BE SUSPENDED.**

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

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

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

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

#### **4. PAYMENT OF ASSOCIATION COMMON MAINTENANCE CHARGES.**

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

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

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

**5. DEFICIENCY CONTRIBUTION TO THE ASSOCIATION BY SPONSOR.**

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

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

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

**6. SPONSOR'S RIGHT TO LEASE UNITS**

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



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

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

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

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

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

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

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

## **7. MATERIALS, WORKMANSHIP, ETC.**

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

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

## **WARRANTIES**

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

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

## **8. MANAGEMENT OF THE CONDOMINIUM AND HOMEOWNERS ASSOCIATION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **9. CONTRIBUTIONS TO WORKING CAPITAL FUNDS**

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

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

#### **10. BONDING BY SPONSOR**

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

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

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

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

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

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

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

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

#### **11. SPONSOR DECLARING PLAN EFFECTIVE**

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

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

#### **12. LENDER INFORMATION REGARDING CONDOMINIUMS IN GENERAL**

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

#### **13. ESCROW OF PURCHASER'S FUNDS**

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



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

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

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

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

## **14. SPONSOR'S RETAINED VOTING POWERS**

### **The Condominium**

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

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

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

### **The Homeowners Association**

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

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

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

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

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

#### **15. MORTGAGE TAX CREDIT**

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

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

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

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

#### **17. PURCHASER'S PAYMENT OF TRANSFER TAXES**

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

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

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

#### **18. PAYMENT OF MANSION TAX**

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

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

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

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

## **19. SPONSOR'S LIABILITY LIMITATIONS**

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

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

## **20. CERTIFICATE OF OCCUPANCY**

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

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

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

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

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

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

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

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

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

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

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

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

### **24. SPONSOR MAY SEEK SPECIFIC PERFORMANCE OF THE PURCHASE AGREEMENT**

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