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

COLUMBIA TERRACE CONDOMINIUM

Located at

Columbia Terrace
Huntington Station, Town of Huntington
Suffolk County, New York

14 Homes (8 2-Bedroom Homes, 6 1-Bedroom Homes)

TOTAL OFFERING - \$3,425,500

SPONSOR AND SELLING AGENT

HUNTINGTON COMMUNITY DEVELOPMENT AGENCY

100 Main Street
Huntington, New York 11743

SPONSOR'S ATTORNEYS

CERTILMAN BALIN ADLER & HYMAN, LLP.

90 Merrick Avenue
East Meadow, New York 11554

THE DATE OF ACCEPTANCE FOR FILING OF THE OFFERING PLAN IS OCTOBER 13, 2021. THE OFFERING PLAN MAY NOT BE USED AFTER OCTOBER 12, 2022, UNLESS AMENDED OR EXTENDED.

SEE PAGE iii FOR SPECIAL RISKS TO PURCHASERS. ALL OF THE HOMES ARE SUBJECT TO THE AFFORDABILITY REQUIREMENTS OF THE TOWN OF HUNTINGTON.

ALL HOMES IN THE CONDOMINIUM ARE SUBJECT TO AFFORDABILITY RESTRICTIONS SET FORTH IN SPECIAL RISK FACTOR 1 AT PAGE iii.

ALL HOMES WILL BE SOLD BY SPONSOR AND MUST BE OWNER OCCUPIED. AS A RESULT, THE HOMES CANNOT BE RENTED. SEE SPECIAL RISK FACTOR 1 AT PAGE iii.

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

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SPECIAL RISKS

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

1. Columbia Terrace Condominium (the “Condominium”) is being developed as an affordable housing project by the Huntington Community Development Agency (“Sponsor”). Sponsor is an agency of the Town of Huntington. The Affordability Guidelines are set forth in a Declaration of Covenants and Restrictions dated June 9, 2021, and recorded in the Suffolk County Clerk’s Office on July 9, 2021 in Liber D00013111, Page 711 (a copy of which is set forth in Part II, as Schedule L), and in Section 74(I) of the Huntington Town Code (“Affordable Housing Law”, a copy of which is set forth in Part II as Schedule M). The affordable restrictions applicable to this property do not require a regulatory agreement with any municipal agency. All Homes in the Condominium will remain affordable in perpetuity. No modifications may be made to the affordability requirements or Town Code except by the Town Board. Though the Sponsor is an agency of the Town, Sponsor does not have any right or authority to modify Town Code.

To be eligible to purchase a Home, a Purchaser must be a first time home-buyer and the annual household income from all sources may not exceed 80% of the Nassau/Suffolk County Median Family Income adjusted by family size at the time of the contract of sale. The Huntington Community Development Agency (“HCDA”) does not impose any limit on the amount of income that may be used for total housing costs. Notwithstanding, certain lenders may have requirements regarding the amount of income that may be used for purchasing a Home. Prospective purchasers are advised to consult with their lenders to determine what said requirements may be, if any. In all cases, applicants may not have assets which after deduction of the down payment and estimated closing costs exceed twenty-five (25%) percent of the contract of sale price.

All Homes must be owner occupied. As a result, the Homes may not be rented. In addition, Purchasers must use the Home as their primary residence. Pursuant to New York State requirements, a primary residence is the Home Owner’s permanent place of abode for more than eleven (11) months of the year and the dwelling in which the Home Owner resides for 184 days or more during the tax year. In the event the HCDA becomes aware that the owner of a Home in the Condominium is not utilizing the Home as their primary residence, the HCDA can assert that the Home Owner is in breach of their obligations under the primary residency requirements and can seek to have the Home Owner sell the Home to a qualified applicant.

A list of eligible purchasers for affordable Homes shall be created by a lottery system which will establish the order of eligibility for qualified purchasers. The initial sales price of a Home will be calculated based upon family income for a family of four at

the time of contract of sale. Prospective purchasers should refer to Section I of this Offering Plan regarding the lottery for the Homes. As of the date of this Offering Plan, neither the Sponsor nor any party on its behalf has conducted any sales activity, including but not limited to marketing, testing the market, or registering individuals interested in participating in the lottery, or holding the lottery. Sponsor will notify via email those individuals who have registered to be notified of lotteries after reviewing the Offering Plan. It is presently anticipated that the lottery will be held by December 1, 2021.

The price of the two (2) bedroom Homes will be calculated at eighty (80%) percent of the Nassau/Suffolk County Median Family Income for a family of four income multiplied by 2.5. The selling price for the one (1) bedroom Homes will be \$20,000 lower than the two (2) bedroom Homes.

Neither the Sponsor, Town, nor any of the respective principals or agents will discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law. See Section I.

All sales and resales of Homes shall be monitored for compliance by the Huntington Community Development Agency as specified in §74(I) of the Affordable Housing Law. The Huntington Community Development Agency calculates income based upon the Nassau/Suffolk County Median Family Income for the 80% Family Income level which for 2020 (the last Median Family income numbers available) as follows:

Family Size	80%
1	\$70,900
2	\$81,000
3	\$91,150
4	\$101,300

Ownership of affordable Homes may not be transferred by will, devise, intestacy, gift, purchase on the open market, or otherwise, except that an affordable Home may be conveyed by its owner to a trust, provided that the owner is a beneficiary of the trust and the terms of the trust require that the trustee, within one-hundred and twenty (120) days of the date of the beneficiary’s death, or the date when the Home is no longer being used as the beneficiary’s primary residence, notify the affordable housing program administrator and offer the Home for sale to the next eligible applicant. Prior to conveying an affordable Home to a trust, a copy of the trust instrument shall be provided to, and approved by the Director of Sponsor. Title may also be transferred to a court-appointed referee in mortgage foreclosure proceeding provided the Home is offered for sale and transferred to the next eligible applicant in accordance with the provisions of this legislation, and copy of the Order of Reference and Order of Sale is provided to the Director.

All Purchasers must be approved by the Huntington Community Development Agency and taken from a waiting list maintained by the Agency. Any individual interested in selling an affordable Home must notify the Huntington Community Development Agency in writing that the Home is for sale, and the Huntington Community Development Agency shall notify the prospective seller in writing of the next qualified applicant until a qualified Purchaser has agreed to purchase the available Home.

Resale prices shall be restricted and calculated using the initial sales price increased by the cumulative annual increase of the Consumer Price Index (CPI). Notwithstanding any other provision to the contrary, the resale price of an affordable Home may be increased by an amount not to exceed fifty (50%) percent of the documented capital improvements made by the seller, as approved by the Director, up to a maximum amount of ten thousand (\$10,000) dollars. Resales are limited equity. On a resale, the Purchaser's equity will be limited because the resale price will be lower than the price that the Home Owner could sell in an open market,

The Sponsor will advise the purchaser of the closing date by giving them written notice at least thirty (30) days prior to the closing date. Prior to closing, a copy of the executed contract of sale shall be provided to the Huntington Community Development Agency along with an executed and sworn affidavit by the seller and Purchaser, attesting that the contract of sale is true and accurate, that there are no agreements between seller and Purchaser, and that the Purchaser has not and will not pay any amounts to the seller which are not reflected in the contract of sale.

In order to qualify as an eligible Purchaser of an affordable Home, the annual household income may not exceed 80% of the median family income adjusted by family size at the time of the contract of sale. In all cases, applicants may not have assets which after deduction of the down payment and estimated closing costs exceed twenty-five (25%) percent of the contract sale price.

Applicants must have adequate resources and credit to qualify for a home mortgage if they are not able to establish that they have sufficient funds to pay the purchase price and estimated closing costs.

Applicants who meet the Town of Huntington's residency and first-time homebuyer criteria requirements have priority to purchase the affordable Homes. The following is the priority list of the Town of Huntington:

1st Priority:	Veterans who live or work in the Town of Huntington and are first-time homebuyers
2nd Priority:	Veterans who live or work outside of the Town of Huntington and are first-time homebuyers

3rd Priority:	Individuals who currently reside or work in the in the Town of Huntington or who have a parent, grandparent, child or grandchild residing in the Town of Huntington and are first-time homebuyers
4th Priority:	Individuals who are first-time homebuyers who do not meet the other priorities

Upon resale, the Huntington Community Development Agency shall receive a fee for monitoring compliance with the provisions set forth above which shall be equal to one (1%) percent of the contract sale price per transfer of owner-occupied affordable Home paid by the seller at or prior to closing.

There are no real estate tax benefits/exemptions or assistance being offered to Purchasers of affordable Homes. It is anticipated that each Home Owner will qualify for the Basic STAR Credit as set forth in the Footnotes to Schedule A since the annual household income to purchase an affordable Home is in accord with the maximum \$500,000 income level to qualify for the STAR Credit. Purchasers are individually responsible for applying for the Basic STAR Credit and in the event they do not qualify or in the event they fail to apply for the credit the real estate taxes applicable to each Home will be increased accordingly. The Basic STAR Credit requires only one (1) application and is applicable as long as the Home Owner owns their Home. Additional information including a detailed description of eligibility requirements can be accessed at: <https://www.tax.ny.gov/pit/property/star/>

There is no counseling provided or required to purchase an affordable Home.

If there are any material changes in the affordability requirements, an amendment to the Offering Plan will be filed in an expeditious manner.

2. The Sponsor will have the right to designate a majority of the Members of the Board of Managers of the Condominium until all of the Homes in the Condominium have been sold and title transferred to Home Owners other than the Sponsor, its Principals, successors, assignees and/or designees. Once Sponsor relinquishes control of the Board of Managers, the Members of the Board will be Home Owners who will then be able to control the affairs of their Homes and the Condominium. The Sponsor may control the Condominium Board in perpetuity and the Home Owners may never gain control of the Condominium Board. See Sections XVI and XVII of the Offering Plan.

3. In addition to the right of Sponsor to retain control of the Board of Managers as provided above, the Sponsor also has the right to retain control over certain expenditures and fiscal actions of the Board of Managers of the Condominium until the last Home in the Condominium is sold. During this period the Sponsor will have control of maintenance, facilities and services to be provided and will determine the Common Charges to be paid by all Home Owners, including the Sponsor and will also have control over the enforcement of the Sponsor's obligations. During this period, Sponsor will have the right to control all decisions including but not limited to the

determination of Common Expenses, management of the Condominium, the hiring and termination of employees of the Condominium, the placing of easements on the property and making improvements to Common Elements. Purchasers should also note that during the period of time the Sponsor maintains control of the Board of Managers the Home Owners individually will be unable to enforce Sponsor's obligations to the Condominium. Such obligations may, however, be enforced by the Board of Managers. Notwithstanding the foregoing, at such time as the Sponsor no longer owns any Home in the Condominium Sponsor will not be entitled to designate any Members to the Board of Managers. At no time may Sponsor exercise veto power over expenses described in Schedule B or over expenses required to (i) comply with applicable laws or regulations, or (ii) to remedy any notice of violation, (iii) to remedy any work order by an insurer, or (iv) necessary for the preservation or safety of the Condominium or for the safety of occupants of the Condominium or required to avoid the suspension of any necessary service to the Condominium. In addition the funds utilized for such actions will either have to be obtained by a Special Assessment of all Home Owners excluding the Sponsor or obtained through independent funds of the Home Owners. See Section XIX of the Offering Plan and Schedule B. Notwithstanding, the Board of Managers has a fiduciary duty to the Home Owners to enforce Sponsor's obligations. Sponsor's intentional refusal to allow the Board of Managers to pursue litigation against the Sponsor entity may constitute a breach of fiduciary duty to the Board of Managers. In addition the Home Owners may commence a lawsuit in the nature of a derivative action. See Section XVII of the Offering Plan.

4. The Declaration and By-Laws contain a provision requiring the written consent of the Board of Managers prior to a Home Owner making a structural alteration to the Home. This provision does not apply to the Sponsor. See Article Seventeenth of Schedule I and Article VIII of Schedule J.

5. Article 36-B of the General Business Law, which pertains to warranties on the sale of certain new homes, is applicable to all Homes offered for sale under this Plan. Pursuant to the terms of this law, the Sponsor is giving a Limited Warranty to Purchasers which provides for a Limited Warranty on certain items. Certain of the limitations contained in the Limited Warranty are noted as follows: the Limited Warranty provides coverage for the first Home Buyer only; Sponsor's liability is limited to 75% of the purchase price, exclusive of all options; incidental, special, indirect consequential or other similar damages are excluded; and detailed procedures must be followed for giving notice of a warranty claim to Sponsor, and for commencing a lawsuit against Sponsor. Any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or a locally accepted building practice, shall be void as contrary to public policy. See the complete terms of the Limited Warranty contained in the Rider to the Purchase Agreement set forth in Schedule D-1. Paragraph 7 of such Limited Warranty contains the requirement that written notice must be made on the "Notice of Warranty Claim Form" attached to the Limited Warranty within ten (10) days after the expiration of the applicable warranty period.

Regardless of the limitations in the warranty, Sponsor is committed to construct the premises in accordance with all applicable codes and filed plans and specifications, and that any conflict between the disclaimers and Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications will be resolved in favor of the latter. For details see Section XV of the Plan and the full text of the law set forth in Schedule H of the Offering Plan.

6. Purchasers shall be required to pay certain costs and adjustments at closing, including New York State Real Estate Transfer Taxes at the rate of \$2.00 per \$500 of consideration. Although the transfer tax is a Seller's obligation, as is common in Condominiums, it is being transferred to Purchaser. Pursuant to Section 1404(a) of the Tax Law, effective July 1, 2021, where New York State Real Estate Transfer Tax is paid by the Purchaser pursuant to contractual agreement, such tax will be excluded from the total calculation of consideration. This is permitted in transactions involving affordable Homes. See the Purchase Agreement set forth as Schedule D. See Section XIV.

7. The Purchase Agreement, set forth as Schedule D, provides that should Purchaser violate, repudiate or fail to perform any of the terms of the Agreement, after written notice is provided, Sponsor shall retain all of the monies paid on account as liquidated damages, and Sponsor may otherwise avail itself of any legal or equitable rights which it may have under the agreement. Sponsor must make written demand for payment after default at least thirty (30) days before forfeiture of the deposit may be declared. See Purchase Agreement in Part II Schedule D.

8. The Purchase Agreement set forth in Part II of the Offering Plan is contingent on a Purchaser obtaining a mortgage commitment from a Sponsor approved lender. An approved lender must be a regulated institution in the State of New York and must accept the covenants and restrictions without reservation and offer a thirty (30) year fixed rate mortgage. The mortgage contingency provision set forth in paragraph 41 of the Purchase Agreement (Schedule D to the Offering Plan) provides that in the event the Purchaser has not received a commitment or is denied within thirty (30) days of the date of the Purchase Agreement and Purchaser provides written notice of such fact to Sponsor, the downpayment will be returned and the Purchase Agreement terminated or Sponsor may extend the period in which Purchaser may secure such commitment. See paragraph 41 of the Purchase Agreement for complete details. Funding may be available from the State of New York Mortgage Agency ("SONYMA") which provides mortgage loans to low and moderate income New Yorkers. Purchasers should be aware that the financing commitment may expire, or the terms of the commitment may change prior to actual closing. If the financing commitment lapses or expires prior to closing, and the Purchaser has made a good faith effort to extend the commitment and the lending institution does not enter such commitment, the Purchaser will be offered the right to rescind. A good faith effort shall include accepting a commitment extension on the terms and rates offered by the Lender who issued the original commitment. See Section X.

9. The square footage of the Homes in Schedule A is measured to the outside face of exterior walls to center line of interior demising walls. As a result, the

usable square footage is significantly less than set forth in Schedule A. A decrease in a Home's area of five (5%) percent or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by five (5%) percent or less is not material. The Purchaser is entitled to an offer of rescission for any material and adverse change and/or variation. The measurements in Schedule A are approximate within reasonable tolerances. See Section V.

10. The Sponsor anticipates that the first closing of a Home will occur by January 1, 2022. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Home; or (ii) the projected date of closing of title to the first Home occurs later than December 31, 2022, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first closing occurs before December 31, 2022, the Sponsor may schedule the closings of title to other Homes significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your closing within any specified time frame or to ensure that closing of title to your Home will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A HOME. See Section X.

11. The Sponsor has no obligation to defend any suits or to indemnify the Board of Managers or Home Owners arising out of any act or occurrence occurring prior to the recording of the Declaration of Condominium except claims arising out of the acts, omissions or representations of the Sponsor. See Section XV.

12. In no event shall Purchaser take possession of the Home prior to the time of the delivery of the deed, nor shall Purchaser enter the Home or have their contractors or agents enter the Home to perform work prior to closing without the written authorization of the Sponsor. Sponsor will not enter into interim leases. Should the Purchaser violate this provision, Sponsor will have the right to remove Purchaser from the Home as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default of the Purchase Agreement and Sponsor may retain the funds being held in escrow to a maximum of ten (10%) percent of the sales price as liquidated damages. See Schedule D.

13. If the Purchaser is not ready to close title at the date and time fixed pursuant to the contract, any adjournment exceeding seven (7) days granted at the request of the Purchaser shall be upon the condition that (a) interest on the balance of the purchase price computed from the date originally fixed for closing to the actual date of closing, shall be paid to Seller at closing at a rate equal to the rate of interest charged to Seller on the building loan/acquisition loan mortgage, if any, or at 12% per annum, whichever is greater, and (b) all adjustments shall be made as of the date originally

fixed for the closing of title and the Purchaser also agrees to apportion with Seller such taxes, electricity, heating, security costs, insurance and Common Charges as may be determined to be due at the time of closing. The additional costs for delay are permitted in transactions involving affordable Homes. The per annum percentage will always comply within the limits of the usury law. See Schedule D.

14. Sponsor's offer to sell the Homes is contingent upon the Plan being declared effective and no closing to a Home will be held until the Plan is declared effective.

This Offering Plan will not become effective until bona fide purchasers have executed Purchase Agreements which have been accepted by Sponsor for at least 15% in number of the Homes offered under the Plan, i.e. 15% of 14 = 3 Homes.

The Sponsor will give written notice of such effectiveness to Purchasers. Notwithstanding the fact that not all purchasers used for purposes of declaring the plan effective may actually close, sponsor must re-declare the plan effective in order to consummate the offering plan in accordance with 13 N.Y.C.R.R. § 20.1(c)(6).

If all Purchase Agreements are either rescinded or terminated prior to the date of the first Home closing, regardless of whether the condominium declaration has been recorded, sponsor must re-declare the offering plan effective. See Section XII.

15. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of Homes in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the Sponsor has not sold a substantial percentage of the Homes in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or 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 a Home if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. See Section XI.

16. Pursuant to paragraph 20 of the Purchase Agreement, Purchasers agree to waive trial by jury in any action, proceeding or counterclaims, unless prohibited by law, arising out of or from the Purchase Agreement. See paragraph 20 of the Purchase Agreement set forth as Schedule D in Part II of Offering Plan.

17. If Purchaser fails to appear and close title in accordance with the Purchase Agreement on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under the Purchase Agreement, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such thirty

(30) day period, the Purchase Agreement shall, at Seller's option, be deemed canceled and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the Purchase Price, together with all interest credited thereon, if any, which total amount Purchaser acknowledges to be fair and reasonable. Prior to such funds being released to Seller the Escrow Agent shall send a notice to Purchaser of the Escrow Agent's intent to release the funds being held in escrow on behalf of the Purchaser pursuant to the provisions of the Attorney General's escrow regulations as described in Section X and Paragraph 11(i) of the Purchase Agreement.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH THIRTY (30) DAY PERIOD.

Upon cancellation of the Purchase Agreement for Purchaser's failure to timely cure any such default, Seller shall be released and discharged of all further liability and obligations to Purchaser under the Purchase Agreement. Thereafter the Home may be sold or disposed of as though the Purchase Agreement had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under the Purchase Agreement or at law for any default by Purchaser under the Purchase Agreement. If Seller prevails in any litigation arising out of the Purchase Agreement, it is entitled to recover from Purchaser all expenses of such litigation including but not limited to legal fees. See Purchase Agreement in Part II of the Offering Plan.

18. Sponsor is reserving the right to delay the collection of Common Charges until such time into the future. During any such period of delay, the Sponsor will timely pay all expenses of the Condominium, including, but not limited to, insurance premiums and any reserve fund payments where applicable. Such expenses shall not include individual Home owner expenses such as real estate taxes, utility charges, etc. Upon commencement of collection of Common Charges, there will not be an assessment for any item in the approved budget for the Condominium. Regardless of the delay in collection of Common Charges, Sponsor shall remain obligated to update the budget for the Condominium as required by the Department of Law governing regulations. In the event Sponsor elects to delay the collection of Common Charges, Sponsor shall disclose such fact in the closing notice or statement to Purchasers. Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan as a benefit to subsequent Purchasers. Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan as a benefit to subsequent Purchasers. Such amendment shall also disclose the anticipated period of delay. Prior to commencing the collection of Common Charges, Sponsor will notify all Home owners by written notice of the expiration of the delay period. Notice shall be given to owners in writing at least thirty (30) days prior to commencement of collection of Common Charges. Thereafter, Sponsor will disclose such fact in the next substantive amendment to the Offering plan as a benefit to subsequent Purchasers. See Section XVIII "Rights and Obligations of Home Owners and Board of Managers".

19. All deposits received from Purchaser will initially be deposited into an escrow account of the law firm of Bradford J. Martin, 434 New York Avenue, Huntington,

NY 11743 (the “Escrow Agent”), in Citibank, located at 349 Main Street, Huntington, NY 11743 as described in Section XI of the Offering Plan. The escrow account is an IOLA account consistent with Section 487 of the Judiciary Law of the State of New York. The maximum deposit insurance amount will be \$250,000. If an individual makes a downpayment in excess of said amount for the purchase of a Home, it is a Special Risk of this offer that such deposit will not be federally insured in excess of said amount. Purchasers should note that if the Purchaser has any accounts in the Bank, the funds in those accounts will count towards the \$250,000 FDIC insurance limit. See Section X.

20. Pursuant to the Federal Tax Cuts and Jobs Act of 2017 (the “Act”), which went into effect on January 1, 2018, the maximum mortgage in which an individual can deduct the interest on is \$750,000. In addition, the Act placed a maximum of \$10,000 on the amount an individual can deduct for the combined amount of real estate taxes and State income taxes. Purchasers are advised to consult with a tax expert regarding whether the Act will affect the Purchaser’s taxes. See the Opinion of Counsel set forth in Section XXI. Similarly, the Sponsor has been advised that certain Home Owners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their respective Homes. Purchasers may be eligible for the STAR tax credit. Purchasers should see the website <https://www.tax.ny.gov/pit/property/star/default.htm> for more information and to determine eligibility. Sponsor does not represent or warrant that any purchaser will be eligible to receive such tax credit. See Section XX.

21. Pursuant to paragraph 27 of the Purchase Agreement, in the event the Sponsor shall be unable to schedule the closing of title to the Home or convey title to the Condominium Home on or before twelve (12) months after the date of delivery of title set forth herein and except for delays due to strikes, acts of God, wars, lockouts, military operations, national emergencies, installation of public utilities, governmental restrictions preventing Sponsor from obtaining necessary supplies and/or materials, in which event the period shall be extended to eighteen (18) months, except for the Purchaser’s default, the Purchaser shall have the option to cancel this agreement and to have the down payment advanced by him returned to the Purchaser with interest, if any. Sponsor must receive Purchaser’s written notice of his intention to exercise such option to cancel no later than ten (10) days after twelve (12) or eighteen (18) months, whichever applicable, from the date set forth herein for the delivery of title. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of this Agreement. Purchasers may also have tolling rights. The Seller cannot limit any rights which the Purchaser may have pursuant to Article 23A of the GBL, regulations, and the Offering Plan, except as determined in a final decision or order by a court of competent jurisdiction or any governmental agency or by executive order. The Seller has the option not to close title to the Condominium Home described herein if less than 80% of all of the Condominium Homes to be constructed as part of the Condominium are sold, the Plan has not been declared effective except as provided in Section XII of the Offering Plan, title to any Condominium Home has not been conveyed, and the Declaration has not been filed at such time. In the event Sponsor exercises such option, it will file an Amendment to the Offering Plan and an RS-3 Form

with the Department of Law and will return the Purchaser's down payment within five (5) days after the abandonment Amendment has been accepted for filing.

Purchasers are advised that executing a purchase agreement that includes the foregoing provisions may delay the closing of the Purchaser's contracted-for Home and may limit the Purchaser's remedies for any such delay in the closing date. Purchasers are also advised that their obligations to perform under the Purchase Agreement may also be tolled. The Attorney General strongly recommends that Purchasers consult with their attorneys regarding any tolling rights Purchasers may have, and any risks associated with executing a purchase agreement containing the foregoing provision prior to executing the purchase agreement.

See Section X of the Offering Plan and the Purchase Agreement set forth as Schedule D in Part II.

22. Paragraph 30 of the Purchase Agreement (Schedule D to the Offering Plan) provides that "the placing of an advertisement for the sale of the Home in any newspaper prior to closing will constitute a material breach of this Agreement entitling Sponsor to retain all monies paid on account of this Agreement as liquidated damages." See paragraph 30 of the Purchase Agreement set forth as Exhibit D in Part II of the Offering Plan.

23. The plans for the Condominium, which have been approved by the Town of Huntington Department of Planning and Environment ("Planning Department"), include an open air pavilion which the Sponsor has determined will not be constructed. In a letter dated September 14, 2021, the Planning Department indicated that construction of said open air pavilion is not required for the project to move forward. As a result, the Condominium will not include an open air pavilion.

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COLUMBIA TERRACE CONDOMINIUM

PLAN OF CONDOMINIUM OWNERSHIP

I. INTRODUCTION

This is an Offering Plan (the “Plan”) for the sale of Condominium Homes (the “Homes”) in a Condominium to be known as Columbia Terrace Condominium located on Columbia Terrace, Huntington Station, Town of Huntington, Suffolk County, New York. The purpose of the Plan is to set forth all the terms of the offer for the benefit of prospective purchasers.

The Plan may be amended at any time and from time to time provided that the amendment is duly filed with the Department of Law of the State of New York and is served on purchasers and Home Owners.

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

The Sponsor of the Plan is the Huntington Community Development Agency, a Public Benefit Corporation, with an address at 100 Main Street, Huntington, NY 11743. Sponsor is an agency of the Town of Huntington and is the owner of the property having acquired title by deeds recorded in the Suffolk County Clerk’s Office on January 7, 2019 in Liber 12995, page 541. Sponsor intends to sell the fourteen (14) Homes in the Condominium. Since the Homes must be owner occupied, they may not be rented. The Offering Plan may be declared effective when Purchase Agreements for at least three (3) Homes have been entered into by Sponsor. See Section XII.

The builder (“Builder”) retained by Sponsor to oversee construction of the Homes and facilities in the Condominium is Lipsky Enterprises, Inc., 814 Montauk Highway, Bayport, NY 11705. The Builder is not affiliated with Sponsor.

The Condominium contains three (3) residential buildings containing fourteen (14) Homes. Construction of the Condominium was completed in September 2020 in one (1) overall phase. All Homes have been issued Permanent Certificates of Occupancy as of the date of this Offering Plan.

The Condominium contains twenty-one (21) parking spaces including two (2) ADA compliant spaces that are available to Home Owners and guests on a first-come, first-served basis.

Columbia Terrace Condominium (the "Condominium") is being developed as an affordable housing project by the Huntington Community Development Agency ("Sponsor"). Sponsor is an agency of the Town of Huntington. The Affordability Guidelines are set forth in a Declaration of Covenants and Restrictions dated June 9, 2021, and recorded in the Suffolk County Clerk's Office on July 9, 2021 in Liber D00013111, Page 711 (a copy of which is set forth in Part II, as Schedule L), and in Section 74(I) of the Huntington Town Code ("Affordable Housing Law", a copy of which is set forth in Part II as Schedule M). The affordable restrictions applicable to this property do not require a regulatory agreement with any municipal agency. All Homes in the Condominium will remain affordable in perpetuity. No modifications may be made to the affordability requirements or Town Code except by the Town Board. Though the Sponsor is an agency of the Town, Sponsor does not have any right or authority to modify Town Code.

To be eligible to purchase a Home, a Purchaser must be a first time home-buyer and the annual household income from all sources may not exceed 80% of the Nassau/Suffolk County Median Family Income adjusted by family size at the time of the contract of sale. The Huntington Community Development Agency ("HCDA") does not impose any limit on the amount of income that may be used for total housing costs. Notwithstanding, certain lenders may have requirements regarding the amount of income that may be used for purchasing a Home. Prospective purchasers are advised to consult with their lenders to determine what said requirements may be, if any. In all cases, applicants may not have assets which after deduction of the down payment and estimated closing costs exceed twenty-five (25%) percent of the contract of sale price.

All Homes must be owner occupied. As a result, the Homes may not be rented. In addition, Purchasers must use the Home as their primary residence. Pursuant to New York State requirements, a primary residence is the Home Owner's permanent place of abode for more than eleven (11) months of the year and the dwelling in which the Home Owner resides for 184 days or more during the tax year. In the event the HCDA becomes aware that the owner of a Home in the Condominium is not utilizing the Home as their primary residence, the HCDA can assert that the Home Owner is in breach of their obligations under the primary residency requirements and can seek to have the Home Owner sell the Home to a qualified applicant.

A list of eligible purchasers for affordable Homes shall be created by a lottery system which will establish the order of eligibility for qualified purchasers. The initial sales price of a Home will be calculated based upon family income for a family of four at the time of contract of sale. As of the date of this Offering Plan, neither the Sponsor nor any party on its behalf has conducted any sales activity, including but not limited to marketing, testing the market, or registering individuals interested in participating in the lottery, or holding the lottery. Sponsor will notify via email those individuals who have registered to be notified of lotteries after reviewing the Offering Plan. It is presently anticipated that the lottery will be held by December 1, 2021.

When the Sponsor opens the application process to hold a lottery, an email will be sent to individuals who have previously registered to be notified of lotteries, and who meet the first-time homebuyer and Veteran status. There will also be an advertisement placed in newspapers and on the Town of Huntington website. Special notice will also be sent to the Town's Veterans Advisory Board, the VFWs in the Town, Suffolk County Office of Veterans Services, and other Veteran Service agencies. All materials and communications will include a link to access an online form and list of qualifications necessary to purchase a Home in the Condominium. Applications will be accepted online only, and will be open for thirty (30) days. Applicants will complete a lottery application form online and will be required to pay an entry fee of \$25. Once the deadline for submitting lottery entry forms is reached, registration will be closed, and Sponsor will no longer accept applications.

A public lottery will be held approximately two (2) weeks from the entry form deadline. Each applicant will be selected randomly and given a number, which will dictate the order in which applicants are contacted to purchase a Home. It shall be the obligation of the Applicant to update their contact information. Unless the applicant has specifically requested to not have their name publicized, the list will be posted on the Sponsor's website within twenty-four (24) hours of the lottery being held.

After the lottery has been held, Sponsor will contact individuals in the order in which they placed in the lottery to complete a formal application to purchase a Home. Applicants will be given a deadline by which the requisite application and accompanying income qualification documentation must be submitted to Sponsor. Once the applications and supporting documentation are reviewed, and Sponsor confirms that the applicant meets the affordable criteria, the applicant will then have the opportunity to purchase a Home. The applicant must provide Sponsor with proof that they have qualified for a mortgage, if necessary, prior to signing a purchase agreement for a Home.

Once all of the Homes are sold to qualifying purchasers, any applicants remaining on the lottery list will become part of the waiting list, and will be contacted and given the option to purchase a Home in the Condominium upon its resale.

No other lottery to purchase the Homes in the Condominium will be held unless the original lottery list is exhausted and the Homes have not been sold on initial sale or the list is exhausted for a resale. In the event an additional lottery is needed in the future due to a lack of applicants, the process for holding any additional lottery will be the same as described above.

The price of the two (2) bedroom Homes will be calculated at eighty (80%) percent of the Nassau/Suffolk County Median Family Income for a family of four income multiplied by 2.5. The selling price for the one (1) bedroom Homes will be \$20,000 lower than the two (2) bedroom Homes.

Neither the Sponsor, Town, nor any of the respective principals or agents will discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

All sales and resales of Homes shall be monitored for compliance by the Huntington Community Development Agency as specified in §74(l) of the Affordable Housing Law. The Huntington Community Development Agency calculates income based upon the Nassau/Suffolk County Median Family Income for the 80% Family Income level which for 2020 (the last Median Family income numbers available) as follows:

Family Size	80%
1	\$70,900
2	\$81,000
3	\$91,150
4	\$101,300

Ownership of affordable Homes may not be transferred by will, devise, intestacy, gift, purchase on the open market, or otherwise, except that an affordable Home may be conveyed by its owner to a trust, provided that the owner is a beneficiary of the trust and the terms of the trust require that the trustee, within one-hundred and twenty (120) days of the date of the beneficiary's death, or the date when the Home is no longer being used as the beneficiary's primary residence, notify the affordable housing program administrator and offer the Home for sale to the next eligible applicant. Prior to conveying an affordable Home to a trust, a copy of the trust instrument shall be provided to, and approved by the Director of Sponsor. Title may also be transferred to a court-appointed referee in mortgage foreclosure proceeding provided the Home is offered for sale and transferred to the next eligible applicant in accordance with the provisions of this legislation, and copy of the Order of Reference and Order of Sale is provided to the Director.

All Purchasers must be approved by the Huntington Community Development Agency and taken from a waiting list maintained by the Agency. Any individual interested in selling an affordable Home must notify the Huntington Community Development Agency in writing that the Home is for sale, and the Huntington Community Development Agency shall notify the prospective seller in writing of the next qualified applicant until a qualified Purchaser has agreed to purchase the available Home.

Resale prices shall be restricted and calculated using the initial sales price increased by the cumulative annual increase of the Consumer Price Index (CPI). Notwithstanding any other provision to the contrary, the resale price of an affordable Home may be increased by an amount not to exceed fifty (50%) percent of the documented capital improvements made by the seller, as approved by the Director, up to a maximum amount of ten thousand (\$10,000) dollars. Resales are limited equity. On

a resale, the Purchaser's equity will be limited because the resale price will be lower than the price that the Home Owner could sell in an open market,

The Sponsor will advise the purchaser of the closing date by giving them written notice at least thirty (30) days prior to the closing date. Prior to closing, a copy of the executed contract of sale shall be provided to the Huntington Community Development Agency along with an executed and sworn affidavit by the seller and Purchaser, attesting that the contract of sale is true and accurate, that there are no agreements between seller and Purchaser, and that the Purchaser has not and will not pay any amounts to the seller which are not reflected in the contract of sale.

In order to qualify as an eligible Purchaser of an affordable Home, the annual household income may not exceed 80% of the median family income adjusted by family size at the time of the contract of sale. In all cases, applicants may not have assets which after deduction of the down payment and estimated closing costs exceed twenty-five (25%) percent of the contract sale price.

Applicants must have adequate resources and credit to qualify for a home mortgage if they are not able to establish that they have sufficient funds to pay the purchase price and estimated closing costs.

Applicants who meet the Town of Huntington's residency and first-time homebuyer criteria requirements have priority to purchase the affordable Homes. The following is the priority list of the Town of Huntington:

1st Priority:	Veterans who live or work in the Town of Huntington and are first-time homebuyers
2nd Priority:	Veterans who live or work outside of the Town of Huntington and are first-time homebuyers
3rd Priority:	Individuals who currently reside or work in the in the Town of Huntington or who have a parent, grandparent, child or grandchild residing in the Town of Huntington and are first-time homebuyers
4th Priority:	Individuals who are first-time homebuyers who do not meet the other priorities

Upon resale, the Huntington Community Development Agency shall receive a fee for monitoring compliance with the provisions set forth above which shall be equal to one (1%) percent of the contract sale price per transfer of owner-occupied affordable Home paid by the seller at or prior to closing.

There are no real estate tax benefits/exemptions or assistance being offered to Purchasers of affordable Homes. It is anticipated that each Home Owner will qualify for the Basic STAR Credit as set forth in the Footnotes to Schedule A since the annual household income to purchase an affordable Home is in accord with the maximum

\$500,000 income level to qualify for the STAR Credit. Purchasers are individually responsible for applying for the Basic STAR Credit and in the event they do not qualify or in the event they fail to apply for the credit the real estate taxes applicable to each Home will be increased accordingly. The Basic STAR Credit requires only one (1) application and is applicable as long as the Home Owner owns their Home. Additional information including a detailed description of eligibility requirements can be accessed at: <https://www.tax.ny.gov/pit/property/star/>

There is no counseling provided or required to purchase an affordable Home.

If there are any material changes in the affordability requirements, an amendment to the Offering Plan will be filed in an expeditious manner.

As in the ownership of a private one-family home, the purchaser of a Home in a Condominium (the "Home Owner") owns their Home in fee simple absolute and is entitled to exclusive possession of their Home. Each purchaser will also own an undivided interest in and right to use the Common Elements and an exclusive right to use the limited Common Elements that pertain to their Home which includes the patio and/or deck adjacent to a Home and any heating or air conditioning unit located in the Common Elements and serving a Home. See page 3 of the Declaration of Condominium as to what constitutes limited Common Elements. All Home Owners will own in common all exterior walls, roofs and all of the land and improvements located outside of the Homes.

The Home basically includes the sheetrock and air space between the sheetrock of the Home and windows. For a detailed description of the Home to be conveyed see Schedule I, Article Third in Part II of the Plan.

The Common Elements forming the Condominium include without limitation the external walls, the roofs of the Buildings as well as all of the land, walks, internal roadways, and parking areas. For a detailed description of the Common Elements see Schedule I, Articles Fourth and Fifth in Part II of the Plan.

The Common Elements include Limited Common Elements which are Common Elements that are irrevocably restricted in use to all Home Owners and include any deck located adjacent to a Home and any heating and/or cooling unit, if located in the Common Elements adjacent to each Home and serving such Home. See Schedule A.

A Home Owner is required to pay monthly Common Charges assessed by the Board of Managers for the operation and maintenance of the Condominium pursuant to Sections 339(i) and (m) of the New York Condominium Act. Monthly Common Charges may commence with the closing of the first Home which is expected to be on or about January 1, 2022, however, see Section XVII as to the right of the first Board of Managers to commence the collection of Common Charges at a subsequent date. Until title to a Home has passed to a purchaser, the Sponsor will pay such Common Charges and special assessments as are assessed by the Board of Managers on Homes, built or

unbuilt, to which title has not passed. Once title has passed to a purchaser the purchaser will be responsible for all costs, including all Common Charge assessments associated with the Home. See Article VI of Schedule I in Part II of the Plan.

A Home Owner, upon acquiring title to their Home, will be obligated to comply with the Declaration of Condominium, Condominium By-Laws and rules and regulations and any other requirements of the Board of Managers of the Condominium. In addition, the Home Owners will be obligated to comply with the Declaration of Covenants and Restrictions,

The Homes can be purchased for all cash or may be purchased partly for cash and partly by mortgage. If the Home Owner desires to finance the purchase of the Home by obtaining a mortgage loan, the Purchase Agreement is subject to the issuance of a mortgage commitment. See Procedure to Purchase in Section X and Special Risk Factor 8, at page vii.

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

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of Homes in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the Sponsor has not sold a substantial percentage of the Homes in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or 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 a Home if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. See Section XI.

Primary responsibility for operating the Condominium rests with the Board of Managers who are elected by the Home Owners. See Schedule J, Article III in Part II of the Plan. For information concerning Sponsor's initial control of the Board of Managers, see Section XVI. Notwithstanding the foregoing, many of the responsibilities of operating the overall Community, including maintenance, repair and replacement of the Common Elements of the Condominium, will be provided by the Board of Managers.

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

Each Home will be taxed separately for real estate tax purposes and may be separately mortgaged. Therefore, no Home Owner is liable for the payment of real estate taxes or mortgage payment on any other Home. In the opinion of Counsel, a Home Owner is presently entitled to deductions for income tax purposes for their payments for real estate taxes on their Home. In addition, provided the Home will be the Purchaser's principal residence or one other residence selected pursuant to Section 163(h)(5)(A)(i)(II) of the Internal Revenue Code of 1986, as amended, he may also deduct on their income tax the interest on the mortgage he procures to finance the purchase of their Home. See Section XX.

Fire and liability insurance covering the Common Elements are included with other items as part of Common Charges but fire and liability insurance for the purchaser's personal effects and the interior of the Home should be carried by the individual purchaser. Common Charges are levied in proportion to the interest in the "Common Elements" appurtenant to each Home. For possible increases in Common Charges upon default in payment by a Home Owner see Section XVIII. Each Home Owner is responsible for the cost of their own interior repairs and decoration in their Home after closing.

The price of the Homes will include all the appliances and fixtures detailed in the Description of Property Report contained in Part II of the Plan.

The prices for the Homes are set forth in Schedule A beginning at page 11. THESE PRICES HAVE BEEN SET BY THE SPONSOR ALONE AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

This Offering Plan contains all of the material terms of this transaction. Parts I and II along with Parts A, B, C and D of the Exhibits submitted along with the Offering Plan together constitute the entire Offering Plan. Copies of the Plan and Parts A, B, C and D of the Exhibits will be available for inspection by prospective purchasers and their attorneys without charge and for copying at a reasonable charge at the Condominium site whenever the onsite sales office is open and at the office of the Sponsor or Selling Agent.

There are affordability restrictions pertaining to who may purchase a Home in the Condominium. This offer is made only to persons who meet the affordability requirements set forth in Special Risk Factor 1 at page iv.

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

WITH AN ATTORNEY BEFORE SIGNING AN AGREEMENT TO PURCHASE A CONDOMINIUM.

II. DEFINITIONS

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

1. "Board of Managers" - The governing body of the Condominium responsible for its affairs.
2. "Buildings" - The number of Homes all of which are constructed under a continuous roof.
3. "Common Charges" - Each Home's proportionate share of the Common Expenses in accordance with its Common Interest.
4. "Common Elements" - The Common Elements of the Community will consist of all of the Community, including, but without limitation, outside walls and roofs of the Buildings, the land, Buildings and improvements (other than the Homes) comprising the Community (including the land under the Homes and under the improvements), all utility or other pipes and material located outside of the Homes, roadways, street lights, grass areas, walks, and parking spaces.
5. "Common Expense" - (a) Expenses of operation of the Condominium, and (b) All sums designated Common Expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.
6. "Common Interest" - The proportionate, undivided interest each Home Owner has in the Common Elements.
7. "Community" - As used herein is equivalent in meaning to the term "Condominium" as same is used in Article 9-B of the Real Property Law.
8. "Condominium" - The Columbia Terrace Condominium which is composed of the Home Owners.
9. "Declaration of Condominium" - The instrument by which the property is submitted to the provisions of the Condominium Act, and such instrument as from time to time amended, consistent with the provisions of the Condominium Act and of the By-Laws.
10. "Declaration of Covenants, Restrictions, Easements, Charges and Liens" - The instrument recorded among the land records of the County Clerk of

Suffolk County, New York, which will encumber the Columbia Terrace Condominium.

11. "Equal or Better Quality" – Comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.
12. "Home Owners" - The owner of each Home in the Community.
13. "Homes" - As used herein is equivalent to the term "Units" as used in Article 9-B of the Real Property Law.
14. "Irrevocably Restricted Common Elements" - The portions of the Common Elements that are irrevocably restricted in use to specified Home Owners.
15. "Parking Spaces" – The twenty-one (21) parking spaces in the Condominium, which include two (2) ADA compliant spaces. The Parking Spaces shall be a General Common Element of the Condominium.
16. "Primary Residence" – Dwelling where individual(s) will live a majority of the time during the year.
17. "Purchase Agreement" – The document to be executed by the Purchaser which will obligate the Purchaser to acquire the Home in the Condominium and which will obligate the Seller to sell the Purchaser the Home in the Condominium.
18. "Purchaser" – The person(s) who have entered into a Purchase Agreement to acquire a Home in the Condominium.
19. "Rules and Regulations" – The Rules and Regulations contained in Article VIII of the By-Laws as the same may be amended, altered, waived or added to by the Board of Managers.
20. "Special Assessment" – A Common Expense of the Condominium that is not included in the monthly Common Charges applicable to a Home.
21. "Sponsor" – Town of Huntington Community Development Agency and its successors, assigns and designees.
22. "Untitled Home" - Any Home in which title is retained by the Sponsor and any successors or assigns until such time as the same has been sold and title conveyed to a third party. It shall not include a Home which is used for personal occupancy of the Sponsor, any of its principals or any of its successors or assigns or designees.

III. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Location and Acreage and Zoning

The Condominium is located at Columbia Terrace, Huntington Station, Town of Huntington, Suffolk County, New York. The Condominium is zoned as C-1, which permits construction of the Condominium. The overall zoning lot size of the Condominium is approximately 0.973 acres.

Parking Facilities

The Condominium includes twenty-one (21) parking spaces, which include two (2) ADA compliant spaces. The Parking Spaces are designated as General Common Elements and are available by Home Owners on a first-come, first-served basis. The parking for the Condominium complies with all applicable codes.

Improvements General Description

The Condominium consists of fourteen (14) Homes located in three (3) buildings as set forth in the Plot Plan attached hereto in Part II of the Plan. Building A contains two (2) Homes, Building B contains eight (8) Homes and Building C contains four (4) Homes. The layouts of the model Homes and a full description of the rooms are set forth in the Description of Property Report in Part II of the Plan. The Buildings are fully constructed and it is anticipated that the Closing of Title to the first Home will occur on or about January 1, 2022, subject to factors beyond Sponsor's control such as material shortages, acts of God and sales conditions.

The Building Plans have been filed with the Building Department of the Town of Huntington and are available for inspection at the Sponsor's Office.

The Homes, the Buildings containing them and all other improvements comply with all applicable rules, regulations, laws, and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction, and the Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules and regulations and other governmental requirements pertaining thereto. Construction of the Condominium complies with the Building Code of the Town of Huntington. Permanent Certificates of Occupancy have been issued for each Home. The Condominium has been constructed in one (1) phase.

Construction Data for Homes and Common Elements

The Buildings, the Homes and Common Elements have been constructed in accordance with the Building Plans filed with the Town of Huntington. All Homes have received Permanent Certificates of Occupancy. For a detailed description of such data see the Description of Property Report in Part II of the Plan. Closing of Title to the first

Home is expected to take place on or about January 1, 2022, barring any unforeseen delays beyond the control of the Sponsor such as weather conditions, strikes, material shortages, acts of God and sales conditions.

The Homes, the Buildings containing them and all other improvements will comply with all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof including those governing zoning and construction and the Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules, regulations and other governmental requirements pertaining thereto including but not limited to the Building Code of the Town of Huntington. Before the closing of title to a Home, a permanent Certificate of Occupancy will be issued for the Home or Building in which the Home is located. Landscaping will be completed prior to the time of closing of title to such Home or by the end of the following landscape season which is normally in October.

Allocation of Common Interest

The Common Interest of the Condominium establishes the Home Owners percentage of ownership in the Common Elements and percentage of liability for the payment of Common Charges subject to the provisions of 339-m of the Real Property Law of the State of New York. Each Home Owner has the Percentage of Common Interest in the Condominium set forth on Schedule A. The Percentage of Common Interest of each Home in the Common Elements has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Home, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Home. Said method of determining the percentage of common interest in a condominium complies with and is pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York.

Recreational Facilities

The Condominium does not contain any recreational facilities.

IV. LOCATION AND AREA INFORMATION

Location and Area Information

The Condominium is located on Columbia Terrace, Huntington Station, Town of Huntington, Suffolk County.

Municipal Services (all distances are approximate)

The Community will be serviced by the following municipal services:

Police

The Community will be serviced by the Suffolk County Police Department, Second Precinct, 1071 Park Avenue, Huntington, NY.

Fire

The Huntington Manor Fire Department is located at 1650 New York Avenue, Huntington Station, NY, approximately one (1) mile from the Condominium.

Water and Sewer

Sewage disposed in the Community will flow into the Town of Huntington sewer district system. Water will be supplied by Suffolk County Water Authority. Water for the Homes will be separately metered and is an individual expense of each Home Owner.

Electric & Gas

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

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

Telephone

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

Television Reception

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

Shopping

Local shopping is located one mile away.

Public Transportation

The Long Island Railroad, Huntington Train Station is located approximately .25 miles from the Condominium.

Medical, Educational and Religious Facilities

Hospitals

Huntington Hospital is located on 240 Meeting House Lane approximately 1.5 miles from the Condominium.

Schools

The Homes are located in the Huntington School District. The schools servicing the Community are as follows:

Huntington High School is located at 188 Oakwood Road, Huntington, approximately 1.3 miles from the Condominium.

J. Taylor Finley Middle School is located at 20 Greenlawn Road, Greenlawn, approximately 3.1 miles from the Condominium.

Flower Hill Elementary School, is located at 98 Flower Hill Road, Huntington, approximately 4.2 miles from the Condominium.

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

There are houses of worship of many major denominations in the vicinity of the Community.

Zoning

The Condominium parcel is zoned C-1 (Commercial), which permits construction of the Condominium. The property to the west is zoned R-3M, the property to the north is zoned C-1 (Commercial), the property to the south is zoned R-T (Single Family Homes) and to the south is an emergency squad building.

No representation is made in to the eventual use or zoning of any parcel surrounding the community.

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IV. SCHEDULE A
COLUMBIA TERRACE CONDOMINIUM
Estimated Individual Expenses for the First Year of Operation Commencing January 1, 2022 through December 31, 2022
14 Homes

Bldg. # / Floor #	Unit #**	Unit Square Feet (2)	Uninhabitable Space		Bedroom/B athrooms (2)	Percentage of Common Interest (3)	Estimated Offering Price (1)	Estimated Common Charges (4)		Estimated Real Estate Taxes without STAR Credit* (5)		Estimated Real Estate Taxes with STAR Credit* (5)		Total Estimated Carrying Charges without STAR Credit		Total Estimated Carrying Charges with STAR Credit	
			Deck	Patio				Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly
A/2	1	1,185	51	0	2/2	8.4618%	\$253,250	\$528.00	\$6,335.94	\$253.92	\$3,047.00	\$172.50	\$2,070.00	\$781.91	\$9,382.94	\$700.50	\$8,405.94
A/1	2	1,119	0	51	2/2	7.9906%	\$253,250	\$498.59	\$5,983.12	\$237.00	\$2,844.00	\$155.58	\$1,867.00	\$735.59	\$8,827.12	\$654.18	\$7,850.12
B/2	3	1,185	51	0	2/2	8.4618%	\$253,250	\$528.00	\$6,335.94	\$253.92	\$3,047.00	\$172.50	\$2,070.00	\$781.91	\$9,382.94	\$700.50	\$8,405.94
B/1	4	1,119	0	51	2/2	7.9906%	\$253,250	\$498.59	\$5,983.12	\$237.00	\$2,844.00	\$155.58	\$1,867.00	\$735.59	\$8,827.12	\$654.18	\$7,850.12
B/2	5	840	51	0	1/1	5.9983%	\$233,250	\$374.28	\$4,491.35	\$186.25	\$2,235.00	\$104.83	\$1,258.00	\$560.53	\$6,726.35	\$479.11	\$5,749.35
B/1	6	756	0	51	1/1	5.3985%	\$233,250	\$336.85	\$4,042.23	\$169.25	\$2,031.00	\$87.83	\$1,054.00	\$506.10	\$6,073.23	\$424.69	\$5,096.23
B/2	7	840	51	0	1/1	5.9983%	\$233,250	\$374.28	\$4,491.35	\$186.25	\$2,235.00	\$104.83	\$1,258.00	\$560.53	\$6,726.35	\$479.11	\$5,749.35
B/1	8	756	0	51	1/1	5.3985%	\$233,250	\$336.85	\$4,042.23	\$169.25	\$2,031.00	\$87.83	\$1,054.00	\$506.10	\$6,073.23	\$424.69	\$5,096.23
B/2	9	1,185	51	0	2/2	8.4618%	\$253,250	\$528.00	\$6,335.94	\$253.92	\$3,047.00	\$172.50	\$2,070.00	\$781.91	\$9,382.94	\$700.50	\$8,405.94
B/1	10	1,119	0	51	2/2	7.9906%	\$253,250	\$498.59	\$5,983.12	\$237.00	\$2,844.00	\$155.58	\$1,867.00	\$735.59	\$8,827.12	\$654.18	\$7,850.12
C/2	11	1,185	51	0	2/2	8.4618%	\$253,250	\$528.00	\$6,335.94	\$253.92	\$3,047.00	\$172.50	\$2,070.00	\$781.91	\$9,382.94	\$700.50	\$8,405.94
C/1	12	1,119	0	51	2/2	7.9906%	\$253,250	\$498.59	\$5,983.12	\$237.00	\$2,844.00	\$155.58	\$1,867.00	\$735.59	\$8,827.12	\$654.18	\$7,850.12
C/2	13	840	51	0	1/1	5.9983%	\$233,250	\$374.28	\$4,491.35	\$186.25	\$2,235.00	\$104.83	\$1,258.00	\$560.53	\$6,726.35	\$479.11	\$5,749.35
C/1	14	756	0	51	1/1	5.3985%	\$233,250	\$336.85	\$4,042.23	\$169.25	\$2,031.00	\$87.83	\$1,054.00	\$506.10	\$6,073.23	\$424.69	\$5,096.23
		14,004	357	357		100.0000%	\$3,425,500.00	\$6,239.75	\$74,877.00	\$3,030.17	\$36,362.00	\$1,890.33	\$22,684.00	\$9,269.92	\$111,239.00	\$8,130.08	\$97,561.00

*It is assumed that all Home Owners will qualify for Basic STAR Exemption of \$977.

**All Homes in the Condominium are subject to Affordability Restrictions.

FOOTNOTES TO SCHEDULE A

1. No change in the sales prices will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the Offering where a reduction in sales price does not constitute a general offering but is rather the result of an individually negotiated Home purchase. See Section IX of the Offering Plan as to other terms of the offering which are negotiable. See Section XIV of the Offering Plan for estimated Closing Costs and Adjustments, which costs are in addition to the sale prices set forth herein.
2. Purchasers should refer to the floor plans in Schedule G of Part II of the Plan for details of each type of Home. The approximate physical dimensions of each Home consists of the area measured horizontally from the outside face of the exterior walls to the center line of interior demising walls and vertically from the lower surface of the concrete slab or sub-floor forming the floor of the Home up to the exterior surface of the sheetrock or other material forming the ceiling of the Home. The center of wall is used as division line when computing square foot separations calculated above. As such, the areas are not based upon measurements from interior surfaces of interior walls and the actual living area comprising the Home is significantly less than the area listed in Schedule A. The measurements in Schedule A are approximate within reasonable tolerances.
3. The Percentage of Common Interest of each Home has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Home, the availability of Common Elements for exclusive or shared use, and overall dimensions of the particular Home. Said method of determining the Percentage of Common Interest in a condominium complies with and is pursuant to Section 339-i(1) (iv) of the Real Property Law of the State of New York. This percentage determines the amount each of said Home Owners will pay for their Common Charges except as may be permitted pursuant to Section 339-m of the Real Property Law of the State of New York.
4. Common Charges have been estimated by the Sponsor and include fire and liability insurance for the Homes and Common Elements and maintenance and operation of the General Common Elements and Limited Common Elements that are the obligation of the Condominium to maintain, repair and/or replace as provided for in the Declaration and/or the By-Laws. Common Charges exclude repair and decoration to the inside of a Home, utilities for each Home and insurance for personal belongings. See Schedule C for estimated heating and electrical costs for the Homes.

5. Real estate tax estimates are based upon a letter dated December 9, 2020 received from the Tax Assessor of the Town of Huntington, with offices located at 100 Main Street, Huntington, New York using the 2020/2021 tax rate of \$406.2730 per \$1,000 of assessed valuation and based upon the following:

Unit No.	Total Assessment	Estimated Annual Tax		2020/21 Basic STAR	Estimated Net Annual Real Estate Tax
1	750	\$3,047.05	Less	\$977	\$2,070
2	700	\$2,843.91	Less	\$977	\$1,867
3	750	\$3,047.05	Less	\$977	\$2,070
4	700	\$2,843.91	Less	\$977	\$1,867
5	550	\$2,234.50	Less	\$977	\$1,258
6	500	\$2,031.37	Less	\$977	\$1,054
7	550	\$2,234.50	Less	\$977	\$1,258
8	500	\$2,031.37	Less	\$977	\$1,054
9	750	\$3,047.05	Less	\$977	\$2,070
10	700	\$2,843.91	Less	\$977	\$1,867
11	750	\$3,047.05	Less	\$977	\$2,070
12	700	\$2,843.91	Less	\$977	\$1,867
13	550	\$2,234.50	Less	\$977	\$1,258
14	500	\$2,031.37	Less	\$977	\$1,054

It is anticipated that each Home Owner will qualify for the Basic STAR since the annual household income to purchase an affordable Home is in accord with the maximum \$500,000 income level to qualify for the STAR Credit. Purchasers are individually responsible for applying for the Basic STAR Credit and in the event they do not qualify or in the event they fail to apply for the credit the real estate taxes applicable to each Home will be increased accordingly. The Basic STAR Credit requires only one (1) application and is applicable as long as the Home Owner owns their Home. Home Owners will pay the full tax amount upfront and Home Owners who qualify and properly apply to receive the STAR Credit will receive a reimbursement check. Additional information including a detailed description of eligibility requirements and the STAR check delivery schedule can be accessed at: <https://www.tax.ny.gov/pit/property/star/>

The Condominium has been divided into individual tax lots. The Homes are taxed as separate tax lots for real estate tax purposes and the Home Owner will not be responsible for the payment of, nor will the Home be subject to, any lien arising from the non-payment of taxes on other Homes.

Purchasers should note the following:

In no event will Sponsor, Sponsor's Counsel, or any offeror hereunder be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind Purchaser's Purchase Agreement, in the event the actual taxes differ from those projected. In addition, pursuant to the provisions of the Internal Revenue Code of 1986, the real estate taxes payable by a Home Owner which are assessed against the Home Owner's Home by any governmental taxing authority, are a proper deduction in connection with Federal and State Income Taxes payable by

such Home Owner. Purchasers should further note that any projected tax deduction (where applicable) may vary in future years due to changes in the interest rate on the Home Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property. Purchasers should further note that the assessed valuation of a Home and therefore the resultant taxes associated with a Home may vary depending on the type of improvements added to a Home such as a pool etc.

It is anticipated that the Closing of Title to the first Home in the Condominium will occur on January 1, 2022 barring any unforeseen circumstances such as weather conditions, possible strikes, material shortages, acts of God or other unforeseen delays beyond the control of the Sponsor.

See Section XIX for a full discussion of the real estate taxes applicable to the Homes.

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VI. SCHEDULE B

COLUMBIA TERRACE CONDOMINIUM PROJECTED BUDGET FOR FIRST YEAR OF OPERATION

*Beginning January 1, 2022 through December 31, 2022

INCOME

(1) 14 Homes

Total Income **\$ 74,877**

EXPENSES

2) Common Area Electric	\$ 1,040
3) Common Area Water	\$ 2,680
4) Insurance	\$ 18,130
5) Refuse Removal (8 Yard)	\$ 9,034
6) Management Fees	\$ 12,000
7) Landscape Maintenance	\$ 7,400
8) Lawn Sprinkler Maintenance	\$ 900
9) Snow Clearing	\$ 6,030
10) Repair Monitoring & Inspection	\$ 1,000
11) Alarm Monitoring & Inspection	\$ 1,956
12) Fire Sprinkler Inspection	\$ 3,800
13) Telephone	\$ 480
14) Printing & Postage	\$ 250
15) Accounting	\$ 2,200
16) Legal Fees	\$ 1,000
17) Franchise & Corporate Taxes	\$ 170
18) Reserves (8 %)	\$ 6,807

TOTAL EXPENSES **\$ 74,877**

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

FOOTNOTES TO PROJECTED BUDGET

1. **INCOME**

The estimate of the Annual Common Charges to be collected during the first year of Condominium operation is based upon a projection of the total amount of Common Charges that will be levied against the Homes (based upon full occupancy of the condominium).

2. **COMMON AREA ELECTRIC**

The budgeted figure is based on a written estimate provided by Jeffrey A. Hartman, P.E., 41 Lakeside Lane, Bay Shore, New York dated June 25, 2021. The estimated number of kilowatt hours of electricity to be consumed during the first year of Condominium operation is 5525.5. A projected electric rate of \$0.265 per kilowatt hour (inclusive of delivery charges, surcharges and taxes) has been used to estimate the cost of electric. Calculations are based on numbers from comparable/similar buildings.

Although Sponsor is under the obligation to provide accurate information to prospective Purchasers, factors beyond its control may substantially affect the cost of common electricity after the purchase of a Home or in subsequent years. Sponsor has added a five (5%) percent inflationary factor to the estimate.

The projection does include the cost of electricity for each Residential Home which will be individually metered and billed directly to each Home Owner. Purchasers should refer to Schedule C as to estimated individual electrical costs for the Residential Home.

3. **COMMON AREA WATER**

The budgeted figure is based on a written estimate provided by Jeffrey A. Hartman, P.O. , 41 Lakeside Lane, Bay Shore, New York dated June 25, 2021. The estimated number of cubic feet of water to be consumed by the irrigation system during the first year of Condominium operation is 652.5. A projected water rate of \$1.518 per CCF (inclusive of delivery charges, surcharges and taxes) has been used to estimate the cost of water. Calculations are based on numbers for comparable projects with similar lawn areas.

Although Sponsor is under the obligation to provide accurate information to prospective Purchasers, factors beyond of a Home or in subsequent years. Sponsor has added a five (5) percent inflationary factor to the estimate.

The projection does include the cost of water for each Residential Home which will be individually metered an billed directly to each Home Owner. Purchasers should refer to Schedule C as to estimated individual water costs for the Residential Home.

4. **INSURANCE – Property & Liability**

The budgeted figure for insurance is based upon an estimate provided by Messinger Insurance, 198 New York Avenue, #4, Huntington, NY 11743 dated May 20, 2021.

Blanket All Risk Insurance Policy \$3,400,000 for the residential Homes.

Fidelity Bond: \$50,000

Directors and Officers: \$500,000

General Liability: \$1,000,000 per occurrence, \$2,000,000 aggregate

Umbrella Liability: \$3,000,000

The Condominium Board of Managers should review said amount annually. The coverage amount limit stated above for casualty insurance is based on full replacement value and should be sufficient to avoid the effects of co-insurance. The insurance policies will provide the at (i) each Home Owner is an additional insured; (ii) there will be no cancellation without notice to the Condominium Board and/or their legal representatives; (iii) the right to subrogation against Home Owners is waived; (iv) the defense of invalidity because of acts of defense of pro-rata reduction in liability if Home Owners obtain additional coverage is waived; and (v) policy will follow perimeters set forth by the First Amendment to the Declaration and By Laws of Condominium.

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

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

IN RECENT YEARS, PREMIUMS FOR INSURANCE (ESPECIALLY FIRE AND LIABILITY INSURANCE) HAVE INCREASED SUBSTANTIALLY. IT IS NOT POSSIBLE TO PREDICT WHETHER FUTURE PREMIUMS WILL CONTINUE TO INCREASE OR WILL LEVEL OFF. NO REPRESENTATION IS MADE REGARDING THE ACTUAL COST OF INSURANCE AT THE TIME OF CLOSING. PURCHASERS ARE ADVISED TO PROCURE THEIR OWN FIRE AND LIABILITY COVERAGE FOR THE INTERIOR OF THEIR HOME AND THE PURCHASER'S PERSONAL AFFECTS.

5. **REFUSE REMOVAL**

The budgeted figure is based on an estimate from Winter Brothers Waste Systems; 1198 Prospect Avenue, Westbury, NY 11590 dated July 1, 2021. Service includes an 8 yard dumpster collected twice a week.

6. **MANAGEMENT FEES**
Based on a proposal with Alexander Wolf & Company, One Dupont Street, Suite 200, Plainview, New York to include billing and receiving common charge payments, bookkeeping services, record keeping, homeowner relations maintenance liaison and scheduling preparation of contract specifications, negotiation of contracts, and generally performing the administrative and clerical duties of a managing agent of a condominium. The Managing Agent is not affiliated with the Sponsor, the Builder, their affiliates or principals.
7. **LANDSCAPE MAINTENANCE**
Based on an estimate dated June 16, 2021 from Quality Island Landscaping, PO Box 20087, Huntington Station, New York. Weekly maintenance April - October cutting and edging of beds, trimming, hedges, annual mulch and fall clean ups.
8. **LAWN SPRINKLER MAINTENANCE:**
Based on an estimate from June 16, 2021 from Quality Island Landscaping, PO Box 20087, Huntington Station, New York the includes Suffolk County Testing, turn on water supply in the spring and blow lines and turn off water supply in the fall.
9. **SNOW CLEARING**
Based on an estimate dated June 16, 2021 from Quality Island Landscaping, PO Box 20087, Huntington Station, New York.
10. **GENERAL REPAIRS, MAINTENANCE & SUPPLIES**
The budgeted figure is based on an estimate received from Jeffrey A. Hartman, P.E. As the Condominium is newly constructed, it is estimated that the amount budgeted should be sufficient to provide for general repairs and maintenance to the Common Areas for the first year of operation of the Condominium. Inasmuch as the Building is a new construction, no major interior or exterior repairs are anticipated. The estimate includes the cost of various general supplies (such as cleaning supplies and materials, bulbs, and hardware supplies). The budgeted figure does not include improvements and repairs to, maintenance of, or supplies for individual Homes. Each individual Home Owner is responsible for improvements and repairs to, maintenance of, and supplies for their Home restricted to their use.
11. **ALARM MONITORING AND INSPECTION:**
The residential Buildings will be equipped for central station monitoring. The Fire Alarm System will require monitoring and periodic inspection as required by local codes.

12. **FIRE SPRINKLER INSPECTION**

The fire Sprinkler System in the Buildings will require periodic inspection as required by local codes. Estimate is from the Town of Huntington Engineering Department.

13. **TELEPHONE**

Based on Verizon's estimate for the operation of a telephone line, for the central station monitoring, of the fire alarm and fire sprinkler system.

14. **PRINTING & POSTAGE**

Based on estimate from the Huntington Community Development Agency, 100 Main Street, Huntington N.Y. 11743.

15. **ACCOUNTING**

Based on an estimate from Robert C. Polizzo, Jr. CPA, Esq. provides for the preparation of the annual audited financial statement.

16. **LEGAL FEES**

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

17. **FRANCHISE & CORPORATE TAX**

Provides for the minimum amount of taxes in the event the Condominium is required to pay a state franchise and corporate tax.

18. **RESERVES**

Annual reserve to be set aside for improvements to the Condominium is \$6,807. The Annual reserve is responsible to repair and/or replace (i.e., roadways, roof, etc.) note: this estimate is based on the approximately 10% of the annual Condominium operating budget prior to funding reserves. There is no obligation for a Condominium with affordable Homes to establish and maintain a Reserve Fund.

IN THE OPINION OF ALEXANDER WOLF AND COMPANY WITH ADDRESS OF ONE DUPONT STREET, SUITE 200, PLAINVIEW, NEW YORK (SET FORTH IN "CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET," IN PART II OF THIS PLAN), THE PROJECTED RECEIPTS APPEAR REASONABLE AND ADEQUATE BASED ON PRESENT PRICES (ADJUSTED TO REFLECT CONTINUED INFLATION AND PRESENT LEVELS OF CONSUMPTION FOR COMPARABLE HOMES SIMILARLY SITUATED) TO MEET THE ESTIMATED EXPENSES FOR THEIR FIRST YEAR

OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE YEAR COMMENCING JANUARY 1, 2022. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A WARRANTY THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM BOARD WILL BE AS SET FORTH IN SAID BUDGET.

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

The Sponsor anticipates that the first closing of a Home will occur by January 1, 2022. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Home; or (ii) the projected date of closing of title to the first Home occurs later than December 31, 2022, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, Purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first closing occurs before December 31, 2022, the Sponsor may schedule the closings of title to other Homes significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your closing within any specified time frame or to ensure that closing of title to your Home will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A HOME.

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VII. SCHEDULE C

ESTIMATED GAS AND ELECTRICAL COSTS (1)

Home Type	Estimated Annual Therms	Estimated Annual Costs for Gas	Estimated Annual KWH	Estimated Annual Costs for Electric Usage	Total Annual Estimated Utility Costs
1 Br	268.8	\$1,183	2,985	\$870	\$2,053
2 Br	357.0	\$1,571	3,646	\$1,063	\$2,634

The above estimates of the cost of gas and electricity for the Homes, hot water and cooking is made on the basis of the average use of such fuels as provided by Jeffrey A. Hartman, P.E., 41 Lakeside Lane, Bay Shore, New York, by estimate dated June 25, 2021, using the average current rate of \$4.00 per Therm and \$.265 per KWH, an inflation factor of 10% and includes sales tax. It must be expected that this rate may increase with the passage of time.

Actual costs will vary depending on weather conditions, quality of construction, and the habits of the occupants, etc. Calculations are based on numbers of comparable/similar sized Homes.

In view of the fact that these averages may include the use of energy by persons of varying need, with different standards of comfort, or with families of different sizes, the amount of energy used by the purchaser may vary substantially from the average estimates herein provided. In addition, the effect of inflation, fuel shortages and other factors may raise the cost of electricity and gas substantially higher than the current or projected rate.

Although the Sponsor is under obligation to provide accurate information to prospective purchasers, factors beyond its control may substantially affect the cost of electricity and gas after the purchase of a Home or in subsequent years.

RICHARD HERZBACH
PARTNER
DIRECT DIAL 516.296.7006
rherzbach@certilmanbalin.com

VIII. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)

October 11, 2021

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

Re: **Columbia Terrace Condominium**

Gentlepeople:

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

Our experience includes the preparation of hundreds of Condominium Offering Plans in the State of New York for over forty (40) years.

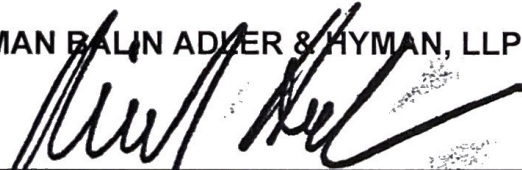
In reviewing said Schedule A, the Percentage of Common Interest for each Unit as contained therein has been determined based upon the floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium the uniqueness of the Home, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Home. Said method of determining the percentage of Common Interest in a Condominium complies with and is pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York.

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

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP

By: _____


Richard Herzbach, Partner

IX. CHANGES IN PRICES OR HOMES

Unless an affected Purchaser consents, no material change will be made in the Home size, layout, or percentage of common interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Home and the Purchaser is not in default. However, Sponsor reserves the right to change the model mix (1 or 2 bedroom models) of the Untitled Homes without consent of any Home Owner as long as the percentage of Common Interest for the Homes is not affected, there is no purchase agreement in effect for said Home and as long as the Sponsor does not change the total number of Homes being offered for sale, nor substantially change the size of the Home.

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

A decrease in a Home's area of five (5%) percent or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that an area is diminished by five (5%) percent or less is not material.

The prices for these condominium interests may be changed from those set forth in this Offering Plan so that purchasers may pay different prices for similar interests. No such change will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the offering where a reduction in sales prices does not constitute a general offering but is rather the result of an individually negotiated Home purchase. All changes in prices which are an across the board increase or decrease affecting one or more lines of Homes or models, or is to be advertised or is a price increase for an individual purchaser will be done by a duly filed amendment to the Offering Plan. In accordance with the affordability restrictions, the initial price of a two (2) bedroom Home is calculated at 80% of the Nassau/Suffolk Median Family Income for a family of four (4) multiplied by 2.5. The selling price of the one (1) bedroom Homes will be \$20,000 than the two (2) bedroom Homes.

The Sponsor further reserves the right, but not the obligation, to negotiate with a purchaser on an individual basis in connection with all aspects of the purchase price, including but not limited to: upgrades to the Home or the fixtures or equipment contained therein or credits or allowances therefor; financing contingency; extension of period to secure financing; payment of all or part of a purchaser's acquisition or financing costs such as, but not limited to: origination fees and commitment fees; any and all other costs relating to the cost of acquiring title to the Home; maintenance subsidies, rebates or other costs associated with maintaining a Home as a credit against the purchase price or payable on a periodic basis or any other manner as is negotiated between the parties; promotional gifts on purchase of a Home and application of rent toward the purchase price. As a result, a purchaser may receive different terms as a prior or subsequent purchaser for a similar Home. Furthermore, the Sponsor reserves the right to amend the Plan from time to time to add and/or delete

negotiable terms or at its sole option to expand the applicability of such negotiable terms to some or all purchasers pursuant to Section 352-e of the General Business Law.

INTERIM LEASES

The Sponsor does not intend to enter into interim leases with Purchasers for Homes prior to closing. In no event shall Purchaser take possession of the Home prior to the time of the delivery of the deed, nor shall Purchaser enter the Home or have their contractors or agents enter the Home to perform work prior to closing without the written authorization of the Sponsor. Should the Purchaser violate this provision, Sponsor will have the right to remove Purchaser from the Home as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default of the Purchase Agreement and Sponsor may retain the funds being held in escrow to a maximum of ten (10%) percent of the sales price as liquidated damages after written demand for payment thirty (30) days after default. Purchasers should refer to Paragraph 25 of the Purchase Agreement.

X. PROCEDURE TO PURCHASE

Columbia Terrace Condominium (the "Condominium") is being developed as an affordable housing project by the Huntington Community Development Agency ("Sponsor"). Sponsor is an agency of the Town of Huntington. The Affordability Guidelines are set forth in a Declaration of Covenants and Restrictions dated June 9, 2021, and recorded in the Suffolk County Clerk's Office on July 9, 2021 in Liber D000131111, Page 711 (a copy of which is set forth in Part II, as Schedule L), and in Section 74(I) of the Huntington Town Code ("Affordable Housing Law", a copy of which is set forth in Part II as Schedule M). The affordable restrictions applicable to this property do not require a regulatory agreement with any municipal agency. All Homes in the Condominium will remain affordable in perpetuity. No modifications may be made to the affordability requirements or Town Code except by the Town Board. Though the Sponsor is an agency of the Town, Sponsor does not have any right or authority to modify Town Code.

To be eligible to purchase a Home, a Purchaser must be a first time home-buyer and the annual household income from all sources may not exceed 80% of the Nassau/Suffolk County Median Family Income adjusted by family size at the time of the contract of sale. The Huntington Community Development Agency ("HCDA") does not impose any limit on the amount of income that may be used for total housing costs. Notwithstanding, certain lenders may have requirements regarding the amount of income that may be used for purchasing a Home. Prospective purchasers are advised to consult with their lenders to determine what said requirements may be, if any. In all cases, applicants may not have assets which after deduction of the down payment and estimated closing costs exceed twenty-five (25%) percent of the contract of sale price.

All Homes must be owner occupied. As a result, the Homes may not be rented. In addition, Purchasers must use the Home as their primary residence. Pursuant to New York State requirements, a primary residence is the Home Owner's permanent place of abode for more than eleven (11) months of the year and the dwelling in which the Home Owner resides for 184 days or more during the tax year. In the event the HCDA becomes aware that the owner of a Home in the Condominium is not utilizing the Home as their primary residence, the HCDA can assert that the Home Owner is in breach of their obligations under the primary residency requirements and can seek to have the Home Owner sell the Home to a qualified applicant.

A list of eligible purchasers for affordable Homes shall be created by a lottery system which will establish the order of eligibility for qualified purchasers. The initial sales price of a Home will be calculated based upon family income for a family of four at the time of contract of sale. As of the date of this Offering Plan, neither the Sponsor nor any party on its behalf has conducted any sales activity, including but not limited to marketing, testing the market, or registering individuals interested in participating in the lottery, or holding the lottery. Sponsor will notify via email those individuals who have registered to be notified of lotteries after reviewing the Offering Plan. It is presently anticipated that the lottery will be held by December 1, 2021.

When the Sponsor opens the application process to hold a lottery, an email will be sent to individuals who have previously registered to be notified of lotteries, and who meet the first-time homebuyer and Veteran status. There will also be an advertisement placed in newspapers and on the Town of Huntington website. Special notice will also be sent to the Town's Veterans Advisory Board, the VFWs in the Town, Suffolk County Office of Veterans Services, and other Veteran Service agencies. All materials and communications will include a link to access an online form and list of qualifications necessary to purchase a Home in the Condominium. Applications will be accepted online only, and will be open for thirty (30) days. Applicants will complete a lottery application form online and will be required to pay an entry fee of \$25. Once the deadline for submitting lottery entry forms is reached, registration will be closed, and Sponsor will no longer accept applications.

A public lottery will be held approximately two (2) weeks from the entry form deadline. Each applicant will be selected randomly and given a number, which will dictate the order in which applicants are contacted to purchase a Home. It shall be the obligation of the Applicant to update their contact information. Unless the applicant has specifically requested to not have their name publicized, the list will be posted on the Sponsor's website within twenty-four (24) hours of the lottery being held.

After the lottery has been held, Sponsor will contact individuals in the order in which they placed in the lottery to complete a formal application to purchase a Home. Applicants will be given a deadline by which the requisite application and accompanying income qualification documentation must be submitted to Sponsor. Once the applications and supporting documentation are reviewed, and Sponsor confirms that the applicant meets the affordable criteria, the applicant will then have the opportunity to purchase a Home. The applicant must provide Sponsor with proof that they have

qualified for a mortgage, if necessary, prior to signing a purchase agreement for a Home.

Once all of the Homes are sold to qualifying purchasers, any applicants remaining on the lottery list will become part of the waiting list, and will be contacted and given the option to purchase a Home in the Condominium upon its resale.

No other lottery to purchase the Homes in the Condominium will be held unless the original lottery list is exhausted and the Homes have not been sold on initial sale or the list is exhausted for a resale. In the event an additional lottery is needed in the future due to a lack of applicants, the process for holding any additional lottery will be the same as described above.

The price of the two (2) bedroom Homes will be calculated at eighty (80%) percent of the Nassau/Suffolk County Median Family Income for a family of four income multiplied by 2.5. The selling price for the one (1) bedroom Homes will be \$20,000 lower than the two (2) bedroom Homes.

Neither the Sponsor, Town, nor any of the respective principals or agents will discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

All sales and resales of Homes shall be monitored for compliance by the Huntington Community Development Agency as specified in §74(l) of the Affordable Housing Law. The Huntington Community Development Agency calculates income based upon the Nassau/Suffolk County Median Family Income for the 80% Family Income level which for 2020 (the last Median Family income numbers available) as follows:

Family Size	80%
1	\$70,900
2	\$81,000
3	\$91,150
4	\$101,300

Ownership of affordable Homes may not be transferred by will, devise, intestacy, gift, purchase on the open market, or otherwise, except that an affordable Home may be conveyed by its owner to a trust, provided that the owner is a beneficiary of the trust and the terms of the trust require that the trustee, within one-hundred and twenty (120) days of the date of the beneficiary's death, or the date when the Home is no longer being used as the beneficiary's primary residence, notify the affordable housing program administrator and offer the Home for sale to the next eligible applicant. Prior to conveying an affordable Home to a trust, a copy of the trust instrument shall be provided to, and approved by the Director of Sponsor. Title may also be transferred to a court-appointed referee in mortgage foreclosure proceeding provided the Home is

offered for sale and transferred to the next eligible applicant in accordance with the provisions of this legislation, and copy of the Order of Reference and Order of Sale is provided to the Director.

All Purchasers must be approved by the Huntington Community Development Agency and taken from a waiting list maintained by the Agency. Any individual interested in selling an affordable Home must notify the Huntington Community Development Agency in writing that the Home is for sale, and the Huntington Community Development Agency shall notify the prospective seller in writing of the next qualified applicant until a qualified Purchaser has agreed to purchase the available Home.

Resale prices shall be restricted and calculated using the initial sales price increased by the cumulative annual increase of the Consumer Price Index (CPI). Notwithstanding any other provision to the contrary, the resale price of an affordable Home may be increased by an amount not to exceed fifty (50%) percent of the documented capital improvements made by the seller, as approved by the Director, up to a maximum amount of ten thousand (\$10,000) dollars. Resales are limited equity. On a resale, the Purchaser's equity will be limited because the resale price will be lower than the price that the Home Owner could sell in an open market,

The Sponsor will advise the purchaser of the closing date by giving them written notice at least thirty (30) days prior to the closing date. Prior to closing, a copy of the executed contract of sale shall be provided to the Huntington Community Development Agency along with an executed and sworn affidavit by the seller and Purchaser, attesting that the contract of sale is true and accurate, that there are no agreements between seller and Purchaser, and that the Purchaser has not and will not pay any amounts to the seller which are not reflected in the contract of sale.

In order to qualify as an eligible Purchaser of an affordable Home, the annual household income may not exceed 80% of the median family income adjusted by family size at the time of the contract of sale. In all cases, applicants may not have assets which after deduction of the down payment and estimated closing costs exceed twenty-five (25%) percent of the contract sale price.

Applicants must have adequate resources and credit to qualify for a home mortgage if they are not able to establish that they have sufficient funds to pay the purchase price and estimated closing costs.

Applicants who meet the Town of Huntington's residency and first-time homebuyer criteria requirements have priority to purchase the affordable Homes. The following is the priority list of the Town of Huntington:

1st Priority:	Veterans who live or work in the Town of Huntington and are first-time homebuyers
2nd Priority:	Veterans who live or work outside of the Town of Huntington and are first-time homebuyers
3rd Priority:	Individuals who currently reside or work in the in the Town of Huntington or who have a parent, grandparent, child or grandchild residing in the Town of Huntington and are first-time homebuyers
4th Priority:	Individuals who are first-time homebuyers who do not meet the other priorities

Upon resale, the Huntington Community Development Agency shall receive a fee for monitoring compliance with the provisions set forth above which shall be equal to one (1%) percent of the contract sale price per transfer of owner-occupied affordable Home paid by the seller at or prior to closing.

There are no real estate tax benefits/exemptions or assistance being offered to Purchasers of affordable Homes. It is anticipated that each Home Owner will qualify for the Basic STAR Credit as set forth in the Footnotes to Schedule A since the annual household income to purchase an affordable Home is in accord with the maximum \$500,000 income level to qualify for the STAR Credit. Purchasers are individually responsible for applying for the Basic STAR Credit and in the event they do not qualify or in the event they fail to apply for the credit the real estate taxes applicable to each Home will be increased accordingly. The Basic STAR Credit requires only one (1) application and is applicable as long as the Home Owner owns their Home. Additional information including a detailed description of eligibility requirements can be accessed at: <https://www.tax.ny.gov/pit/property/star/>

There is no counseling provided or required to purchase an affordable Home.

If there are any material changes in the affordability requirements, an amendment to the Offering Plan will be filed in an expeditious manner.

The Purchase Agreement provides that the Purchaser will purchase from the Sponsor a designated Home in The Columbia Terrace Condominium described in the Declaration creating such Condominium. A purchaser will be afforded a minimum of three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement. Any conflict between the Offering Plan and the Purchase Agreement shall be resolved in favor of the Offering Plan. Upon signing the Purchase Agreement, the Purchaser shall make a down payment of 10% of the purchase price of their Home. Because this is an affordable Condominium, optional customer work is not being offered by Sponsor. Upon full payment of the balance of the purchase price at the closing, in cash or by mortgage, Purchaser will receive a bargain and sale deed with covenant against grantor's acts and containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey good and

marketable title to them of fee ownership in the Home and such percentage of Common Interest in the Common Elements as is set forth on Schedule A, free and clear of all liens and encumbrances other than those set forth on in Section XIII. The Purchase Agreement may be modified with the consent of Purchaser and Sponsor in a manner not inconsistent with law, subject to the terms of this Offering Plan. Sponsor must either return a fully executed Purchase Agreement within twenty (20) days to the Purchaser or reject the Purchase Agreement and refund the deposit monies. The Power of Attorney attached to the Purchase Agreement must be executed by Purchaser at the closing of title. The Power of Attorney provides for the Board of Managers to acquire Homes in the Condominium if they are abandoned, etc. and for the Sponsor to amend the Declaration to file as built floor plans, create utility easements, or carry out provisions of the Offering Plan. Failure to execute the Power of Attorney will result in a default under the Purchase Agreement.

It is anticipated that the closing to the first Home will occur on or about January 1, 2022.

Sponsor will grant the right of rescission for all Purchasers who have entered into Purchase Agreements should the Closing of the first Home be delayed by twelve (12) months or more from the estimated date of the first Closing set forth in Schedule B. If a Purchaser enters into a Purchase Agreement subsequent to an amendment disclosing a revised estimated date of the first Closing such Purchaser will be offered a right of rescission if the estimated date of the commencement date of the first year of operation of the Condominium is delayed by twelve (12) months or more from the estimated date in the amendment.

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

The Purchase Agreement may not be assigned by Purchaser without the written consent of Sponsor. The Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

The risk of loss or damage to the Home by fire or any other cause until the delivery of the deed is assumed by the Sponsor.

The Purchase Agreement may not contain, or be modified to contain, a provision waiving purchaser's rights or abrogating Sponsor's obligations under the Offering Plan or under Article 23- A of the General Business Law. Any conflict between the Purchase Agreement and the Plan will be resolved in favor of the Plan.

If Purchaser fails to appear and close title in accordance with the Purchase Agreement on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by

Purchaser under the Purchase Agreement, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such thirty (30) day period, the Purchase Agreement shall, at Seller's option, be deemed canceled and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the Purchase Price, together with all interest credited thereon, if any, which total amount Purchaser acknowledges to be fair and reasonable. Sponsor must make written demand for payment after default at least 30 days before forfeiture of the deposit may be declared. Prior to such funds being released to Seller the Escrow Agent shall send a notice to Purchaser of the Escrow Agent's intent to release the funds being held in escrow on behalf of the Purchaser pursuant to the provisions of the Attorney General's escrow regulations as described in Paragraph 11(i) of the Purchase Agreement.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH THIRTY (30) DAY PERIOD.

Upon cancellation of the Purchase Agreement for Purchaser's failure to timely cure any such default, Seller shall be released and discharged of all further liability and obligations to Purchaser under the Purchase Agreement. Thereafter the Home may be sold or disposed of as though the Purchase Agreement had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under the Purchase Agreement or at law for any default by Purchaser under the Purchase Agreement. If Seller prevails in any litigation arising out of the Purchase Agreement, it is entitled to recover from Purchaser all expenses of such litigation including but not limited to legal fees. See Purchase Agreement in Part II of the Offering Plan.

The Purchase Agreement set forth in Part II of the Offering Plan is contingent on a Purchaser obtaining a mortgage commitment from a Sponsor approved lender. An approved lender must be a regulated institution in the State of New York and must accept the covenants and restrictions without reservation and offer a thirty (30) year fixed rate mortgage. The mortgage contingency provision set forth in paragraph 41 of the Purchase Agreement (Schedule D to the Offering Plan) provides that in the event the Purchaser has not received a commitment or is denied within thirty (30) days of the date of the Purchase Agreement and Purchaser provides written notice of such fact to Sponsor, the downpayment will be returned and the Purchase Agreement terminated or Sponsor may extend the period in which Purchaser may secure such commitment. See paragraph 41 of the Purchase Agreement for complete details. Funding may be available from the State of New York Mortgage Agency ("SONYMA") which provides mortgages loans to low and moderate income New Yorkers. Purchasers should be aware that the financing commitment may expire, or the terms of the commitment may change prior to actual closing. If the financing commitment lapses or expires prior to closing, and the Purchaser has made a good faith effort to extend the commitment and the lending institution does not enter such commitment, the Purchaser will be offered the right to

rescind. A good faith effort shall include accepting a commitment extension on the terms and rates offered by the Lender who issued the original commitment. A complete copy of the Purchase Agreement is set forth as Schedule D in Part II of the Plan.

ESCROW AND TRUST FUND PROVISIONS

The Escrow Agent:

The law firm of Bradford J. Martin, 434 New York Avenue, Huntington, NY 11743, telephone number (631) 427-9500, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated Bradford J. Martin, who is admitted to practice law in the State of New York, as the signatory on the account. Neither the Escrow Agent nor its authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account:

The Escrow Agent has established the escrow account at Citibank, located at 349 Main Street, Huntington, NY 11743 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Bradford J Martin Huntington Community Development Agency" ("Escrow Account"). An IOLA or Interest on Lawyers Account means that any interest earned would go to a fund earmarked by the State of New York. The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured. If a Purchaser maintains an account at the bank where the escrow account is held, the funds in such account, together with the deposit, may be aggregated by the escrow bank for purposes of determining the \$250,000 limit on federal deposit insurance. No fees of any kind may be deducted from the account principal or interest earned thereon. Sponsor shall bear any administrative cost for maintenance of the account.

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

The Escrow Account is an Interest-on-Lawyer Account ("IOLA") account consistent with Section 497 of the Judiciary Law of the State of New York. Pursuant to said law, all interest earned on the IOLA account will be paid to the State of New York. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

The Purchase Agreement:

The Purchase Agreement is set forth as Schedule D in Part II of the Plan. The relevant escrow trust fund provisions are included in Paragraph 11 of the Purchase Agreement, which must be executed by the Escrow Agent.

Notification to Purchaser:

Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of the placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number.

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

Release of Funds:

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

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan. *Consummation of the Plan* means filing the Declaration of Condominium and the first transfer of title to a Condominium Home to at least one purchaser under the Plan following a declaration of effectiveness by the Sponsor and acceptance of the Amendment by the Department of Law confirming or declaring that the Plan is effective. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

- (a) pursuant to the terms and conditions set forth in the Purchase Agreement upon closing of title to the Home; or
- (b) in a subsequent writing signed by both Sponsor and Purchaser; or
- (c) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor

prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Home is located and shall give written notice to both parties of such deposit.

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

- (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or
- (b) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

Waiver Void:

Any provision of any Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

General

Before funds are transferred to a new escrow account, or if the Escrow Agent is replaced, the Offering Plan must be amended to provide the same full disclosure with respect to the new account, the Escrow Agent and the Escrow Agreement as was originally provided.

Purchasers should note that it shall be an express condition of Closing of Title that the Purchaser sign the forms set forth as Schedules D-3 and D-4 to this Offering Plan which will enable the Escrow Agent to release the escrow funds, if not previously released as provided above.

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

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

Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to General Business Law Section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser. Consummation of the plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h. Funds from any Escrow Account remain the property of the Purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of either the Sponsor or the Escrow Agent upon any bankruptcy, incapacity or death.

XI. FINANCING FOR QUALIFIED PURCHASERS

THIS PLAN DOES NOT CONTAIN ANY FINANCING ARRANGEMENTS FOR PURCHASERS. PROSPECTIVE PURCHASERS WHO ARE INTERESTED IN SUCH FINANCING SHOULD CONTACT LENDING INSTITUTIONS, SUCH AS MUTUAL SAVINGS BANKS AND COMMERCIAL BANKS, MANY OF WHICH HAVE ADVERTISED THAT THEY OFFER FINANCING TO PURCHASERS OF CONDOMINIUM HOMES.

Any applications for such financing with lending institutions must be done on an individual basis by prospective Purchasers and will involve negotiations exclusively between the lending institution and the applicant. The Sponsor should not be construed hereunder as offering any such financing or representing the availability or terms of such financing.

The Purchase Agreement set forth in Part II of the Offering Plan is contingent on a Purchaser obtaining a mortgage commitment from a Sponsor approved lender. An approved lender must be a regulated institution in the State of New York and must accept the covenants and restrictions without reservation and offer a thirty (30) year fixed rate mortgage. The mortgage contingency provision set forth in paragraph 41 of the Purchase Agreement (Schedule D to the Offering Plan) provides that in the event the Purchaser has not received a commitment or is denied within thirty (30) days of the date of the Purchase Agreement and Purchaser provides written notice of such fact to Sponsor, the downpayment will be returned and the Purchase Agreement terminated or Sponsor may extend the period in which Purchaser may secure such commitment. See paragraph 41 of the Purchase Agreement for complete details. Funding may be available from the State of New York Mortgage Agency ("SONYMA") which provides mortgages loans to low and moderate income New Yorkers. Purchasers should be aware that the financing commitment may expire, or the terms of the commitment may change prior to actual closing. If the financing commitment lapses or expires prior to closing, and the Purchaser has made a good faith effort to extend the commitment and

the lending institution does not enter such commitment, the Purchaser will be offered the right to rescind. A good faith effort shall include accepting a commitment extension on the terms and rates offered by the Lender who issued the original commitment.

NO REPRESENTATION IS MADE BY THE SPONSOR AS TO WHETHER ANY PURCHASER WILL QUALIFY FOR FINANCING OR AS TO THE TERMS, COST OR AVAILABILITY OF SUCH FINANCING. THE SPONSOR SHALL HAVE NO LIABILITY OR RESPONSIBILITY TO ANY APPLICANT IF THEIR APPLICATION FOR FINANCING IS NOT ACCEPTED.

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

XII. EFFECTIVE DATE OF THE PLAN

Sponsor's offer to sell the Homes is contingent upon the Plan being declared effective and no closing to a Home will be held until the Plan is declared effective. This Offering Plan will not become effective until bona fide purchasers, including investors, have executed Purchase Agreements which have been accepted by Sponsor for at least 15% in number of the Homes offered under the Plan, i.e. 15% of 14 = 3 Homes. The Sponsor will give written notice of such effectiveness to purchasers. Sponsor will within five (5) business days of said notice submit for filing an amendment to the Plan disclosing the Plan's effectiveness and will file an affidavit of service of the notice on all purchasers. Sponsor will not close title to the first Home until the Amendment disclosing the effectiveness of the Condominium has been accepted for filing by the Attorney General. The Plan will not be declared effective based on Purchase Agreements:

- (i) signed by purchasers who have been granted a right of rescission that has not yet expired or been waived; or
- (ii) based on purchase agreements where the Purchaser has not had at least three (3) business days to review the Offering Plan and all filed amendments; or
- (iii) with any purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is a Principal of the Sponsor, the Selling Agent or the Managing Agent or is related to the Sponsor, the Selling Agent or the Managing Agent or to any Principal of the Sponsor or the Selling Agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a purchaser other than the Sponsor or a Principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the purchaser is bonafide.

Further, the Sponsor has the option not to close title to the Homes and to abandon the Plan at any time before the Plan is declared effective if less than 80% (ie., 12 Homes) in number of the Homes offered hereby are sold and title to any Home has not been conveyed. In the event Sponsor exercises such option, it shall forthwith return to the Purchaser all monies paid with interest, if any, within five (5) days of the abandonment of the Plan, as set forth below.

When purchase agreements for 80% of the Homes have been entered into the Sponsor must declare the Plan effective.

Once the Plan has been declared effective, it may not be abandoned except for (i) a defect in title which cannot be cured for less than 1/2% of the total amount of the offering or (ii) work orders of a mortgagee or violations that cannot be cured for less than one-half of one percent of the total amount of the offering, or (iii) substantial damage or destruction of the Buildings by fire or other casualty which cannot be cured for less than 1/2% of the total offering, or (iv) the taking of any material portion of the property by condemnation or eminent domain. Any stated dollar amount relied upon as basis for abandonment after effectiveness must exclude any attorney's fees or any such title defects or determinations of any authority or regulatory Association which exist on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record.

In the event Sponsor abandons the Plan, it shall do so by means of a filed amendment to the Plan and will file an RS-3 Form with the Department of Law. All monies advanced by Purchasers will be returned to them within five (5) days after the abandonment Amendment has been accepted for filing by the Department of Law.

Notwithstanding the fact that not all purchasers used for purposes of declaring the Plan effective may actually close, Sponsor must re-declare the Plan effective in order to consummate the Offering Plan. If all Purchase Agreements are either rescinded or terminated prior to the date of the first Home closing, regardless of whether the Condominium Declaration has been recorded, Sponsor must re-declare the Offering Plan effective.

XIII. TERMS OF SALE

A date for the closing of title will be set by the Sponsor in accordance with the Purchase Agreement upon at least thirty (30) days written notice to the Purchaser. Said notice will also include notice of the obligation to pay the balance of the purchase price. On the closing date fee title to the Home will be conveyed to the Purchaser together with the Home's undivided interest in the Common Elements. The closing of title to the first Homes are expected to commence by approximately January 1, 2022. Such closing, however, will only take place after or simultaneously with the happening of the following events:

1. The delivery to the Home Owner of a Bargain and Sale Deed with covenants against grantor's acts.
2. The Sponsor's repair of any damage from a casualty or other cause that occurs before the closing of purchaser's Home.
3. The issuance of a temporary or permanent Certificate of Occupancy to the Home or Building in which the Home is located and any other necessary permits.
4. If so requested by the purchaser, Advantage Title Agency, Inc., licensed to do business in New York State shall agree to insure that such purchaser has good and marketable fee title in the Home, free and clear of all liens, encumbrances and title exception, except those set forth in Section XIII of this Offering Plan, the Deed, and subject to the provisions of the Declaration and By-Laws and any mortgage executed by the purchaser and that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law. **Each purchaser is free to use a title company other than Advantage Title Agency, Inc. without incurring a penalty.**
5. All articles of personal property, fixtures and equipment as set forth in the Offering Plan for the Home being purchased are to be included in the sale of such Home.
6. The Declaration, By-Laws, floor plans and engineers and tax authority certification required by Section 339-p of Article 9-B of the Real Property Law of the State of New York shall be recorded or filed in the Suffolk County Clerk's Office as required by law prior to the first Home closing in the Condominium.
7. The Home and its undivided interest in the Common Elements shall not be subject to the lien of any mortgage at the time of closing except any mortgage requested by the purchaser at the time of closing representing a purchase money mortgage or mortgages taken by the purchaser. The Home will be released from the Lien of any construction or land mortgage on the Property prior to the closing of such Home.
8. The Sponsor will give each purchaser who entered into a Purchase Agreement before the Plan was declared effective not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to their Home unless a Purchaser waives such thirty (30) days notice. A form of such waiver is contained as Schedule D-2 to the Plan.
9. The filing of an amendment to the Offering Plan disclosing that the Plan has been declared effective and that the terms of this Section XIII will be met, that the Homes to be closed have been constructed in accordance

with the plans and specifications filed with the Town of Huntington and that the Sponsor has complied with the requirements of this Section.

10. Purchaser shall receive any manufacturers' warranty certificates with respect to equipment and appliances installed in the Home and Sponsor shall assign any warranties with respect to equipment and appliances installed in Common Elements to the Board of Managers.
11. The purchaser shall execute an instrument in the form annexed to the Purchase Agreement designating the Board of Managers as their attorneys-in-fact, coupled with an interest for the sole purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Homes acquired by the Board of Managers in accordance with any of the provisions of the By-Laws and designating the Sponsor as their attorney-in-fact to file an amendment to the Declaration of Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Homes as built or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Tenth, Section (c) of the Declaration of Condominium.
12. Purchasers shall be required to pay certain costs and adjustments at closing, including New York State Real Estate Transfer Taxes at the rate of \$2.00 per \$500 of consideration. Such tax is normally the obligation of Seller but as is common in the sale of Condominiums, this obligation has been transferred to Purchaser. Pursuant to Section 1404(a) of the Tax Law, effective July 1, 2021, where New York State Real Estate Transfer Tax is paid by the Purchaser pursuant to contractual agreement, such tax will be excluded from the total calculation of consideration. This is permitted in transactions involving affordable Homes. See the Purchase Agreement set forth as Schedule D.

Title to the Home will be subject to the following:

1. Any state of facts an accurate survey may show; and any state of facts a more current survey to be made prior to the closing of title would show provided such facts would not render title unmarketable.
2. Any sewer, water, gas, electric, drainage, telephone, cable television or utility easements granted or to be granted hereafter.
3. All of the terms, covenants and conditions of the Declaration, the By-Laws of the Condominium and the Building Plans, as they are subsequently filed or recorded, the Offering Plan and any amendment thereto.

4. All easements set forth in the By-Laws and Declaration of the Condominium as they are subsequently recorded in the Offering Plan and Purchase Agreement, including:
 - (a) Easements in favor of the Owners of other Homes to use the pipes, wires, conduits, cable television, and public utility lines located in the Common Elements or in the Home itself servicing such other Homes and/or the Common Elements.
 - (b) Easements in favor of the Board of Managers, its agents, contractors or employees to have a right of access to the Home and to the Common Elements to inspect, maintain or repair or to make repairs to the Home to prevent damage to the Common Elements or any other Homes, to make repairs to the Common Elements, to any wires, pipes, conduits or cable television system servicing any of the Homes or to make repairs to any other Home.
 - (c) Easements in favor of those Homes having restricted use to portions of the Common Elements; and
 - (d) Easements for the continuance of encroachments on the Home and on the Common Elements by other Homes or portions of the Common Elements, now existing by reason of the construction of the Homes, or hereafter occurring by reason of the settling or shifting of the Homes, or by reason of the repair and/or restoration by the Board of Managers of the Homes or such other Homes or such Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the Common Elements made by the Board of Managers, so that any such encroachments may remain as long as the Homes stand.
5. All of the terms, covenants, and conditions of the Declaration of Covenants, Restrictions, Easements, Charges, Liens and By-Laws of The Columbia Terrace Condominium and any amendments or supplements thereto.
6. Declaration of Covenants and Restrictions recorded in Liber 12674 at page 728.
7. Declaration of Covenants and Restrictions recorded in Liber 11166 at page 349.
8. Easement recorded in Liber 12636 at page 624.
9. Development Agreement recorded in Liber 12636 at page 626.
10. Any additional declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or

appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Home as a one (1) family residence.

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

XIV. CLOSING COSTS AND ADJUSTMENTS

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

(a) Fee title insurance is available from Advantage Title Agency, Inc., 201 Old Country Road, Suite 200, Melville, NY 11747 (631) 424-6100, or any other title company licensed in New York selected by Purchaser.

(b) Mortgage title insurance at the estimated rates set forth below.

In the event a purchaser obtains both, mortgage and fee title insurance, the simultaneous fee rate is based on the full rate of the mortgage and a reduced rate of the fee title.

Each Purchaser will be free to obtain title insurance from a title insurance company other than Advantage Title Agency, Inc. without incurring a penalty, Sponsor, however, makes no representation or warranty as to cost, terms or availability of such other title insurance.

(c) Fees for the recording of the deed and power of attorney are approximately \$110.00 per document.

(d) In the event the purchaser shall obtain a purchase money first mortgage, he shall pay recording fees for the mortgage of approximately \$200.00 and mortgage tax of 3/4 of 1.05% of the full amount of the mortgage requested by purchaser less \$25.00 and lending institution's attorney's fees. In addition the purchaser will be required to pay any mortgage origination fees, bank credit and appraisal fees, bank attorney fees and other expenses that the lending institution may charge incident to the making of the permanent loan. A portion of the mortgage recording tax set forth above will be computed in accordance with Section 339-ee subsection 2, of the New York Condominium Act, and shall be paid to the Sponsor in reimbursement of mortgage recording taxes which the Sponsor will have previously paid in connection with existing mortgages on the Community. There will be no mortgage closing costs pursuant to this Sub-Section (d) on Homes which are not covered by mortgages.

(e) New York State transfer tax of \$2.00 per \$500 of the purchase price.

(f) Two months (2) months Common Charges to be paid to the Condominium to be paid to the Board of Managers as initial working capital. While Sponsor is in control of the Board of Managers, the working capital fund will not be used to reduce the Common Charges of the Condominium. If any portion of the working capital fund is used during this period to pay for items in the budget set forth, such amounts will be repaid to such fund out of Common Charges or maintenance charges collected.

(g) Each purchaser shall pay \$1,250.00 to Sponsor's counsel representing a fee for services in connection with preparing the Deed, Power of Attorney and coordinating and attending the closing.

(h) Each Purchaser will pay an equal pro-rata share of the total insurance for the Condominium for the first year of operation.

As an example, a purchaser of a Home in which the purchase price is \$253,250 whose percentage of common interest equals 8.4618% and who procures a first mortgage in the amount of \$202,600 will pay the following approximate closing costs:

Fee Title Insurance	\$1,167.00
Mortgage Insurance (simultaneous rate)	\$293.00
Deed Recording Fee	\$465.00
Power of Attorney Recording Fee	\$335.00
Mortgage Recording Fees	\$720.00
New York State Transfer Tax	\$1,013.00
Mortgage Tax	\$1,590.80
Condominium Working Capital Contribution	\$1,056.00
Sponsor's Counsel	\$1,250.00
Pro-rata share of Condominium Insurance	\$1,534.00
TOTAL	\$9,423.80

In addition, if a closing takes place, at the request of Purchaser, at any location other than the office of Sponsor's attorney, Purchaser shall pay to Sponsor's attorney a travel fee in the sum of \$250. A closing may not take place in any other location without Sponsor's prior written consent.

In the event a closing is adjourned with Sponsor's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of \$750.00.

In the event the Homes have not been separately assessed for real estate tax purposes prior to the closing of title to the first Home, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against said Home for the six month period following the first closing. Said amount is to be paid by Purchaser. Alternatively, the Sponsor may place in escrow, in the name of Board of Managers, an amount equal to the real estate taxes attributable to the Untitled Homes for such six month period and may collect at each closing the estimated amount of taxes attributable to such Home for the balance of the

six month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from Home Owners to the extent of the actual assessment.

If through no fault of Sponsor, Purchaser fails for any reason to close title within seven (7) days after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of midnight of the day preceding the date originally scheduled for Closing. In addition, Purchaser shall pay to Sponsor interest on the balance of the purchase price, as set forth in Paragraph 2 of the Purchase Agreement, for each day beyond such originally scheduled or Sponsor adjourned Closing date, to and including the date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs and other charges.

The fee title policy premiums and the recording charges set forth above are estimates based on the rates in effect as of the date of this Offering Plan. If said premiums, charges or rates are subsequently revised by the title company, the State, or Municipality, each purchaser shall be required to pay the title policy premiums, recording charges and closing costs in effect as of the date of the closing of title to their Home.

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

xv. RIGHTS AND OBLIGATIONS OF THE SPONSOR

No bond or other security has been furnished to secure performance of the following obligations. All obligations pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Home Owners and not by the individual Home Owners. The Board has a fiduciary duty to act in the best interest of the Condominium even during the control period. During the time the principals of the Sponsor control the Board, it is within their sole power to enforce the obligations of the Sponsor pertaining to the Common Elements. If there is a vote to compel the Sponsor to enforce its obligations, the Sponsor may not participate in such vote. Sponsor is obligated to perform the following:

1. The Sponsor has no obligation to defend any suits or to indemnify the Board of Managers or Home Owners arising out of any act or occurrence occurring prior or after the recording of the Declaration of Condominium except claims arising out of the acts, omissions or representations of the Sponsor.

2. All representations under the Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.

3. Until title to a Home is passed to a purchaser, the Sponsor will pay such Common Charges, special assessments and real estate taxes, as are assessed by the Board of Managers of the Condominium and the municipality on Homes, whether built or unbuilt, to which title has not passed. Once title is passed to a Purchaser the Purchaser shall be solely responsible for all Common Charges, special assessments, real estate taxes and all other costs applicable to the Home, as are assessed by the Board of Managers of the Condominium and the municipality. No bond or other security has been posted to secure such obligations. Sponsor will fund its financial obligations to the Condominium from the income derived from the sale of Homes, Sponsor's assets and construction loan proceeds. Sponsor presently has the resources to fund such obligations.

4. The Sponsor is obligated to repair any damage from a casualty or other cause that occurs before the closing of a purchaser's Home. After the closing of title to a Home, the Purchaser is responsible for damage to the interior of the Home and the Board of Managers will be responsible for damage to the exterior.

5. Sponsor will initially procure fire and casualty insurance for the Condominium on the terms set forth in the budget. In the event there is insufficient funds in the Condominium to pay for such insurance, Sponsor may lend the Condominium such funds and will be repaid out of subsequent Common Charges collected. No Board or Home Owner approval is required to make such a loan.

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

7. The Sponsor will be obligated to pay off and otherwise comply with the terms of the construction loan mortgage on the entire Community. The Sponsor has procured a construction loan from People's United Bank which will enable it to construct the Condominium. After the recording of the Declaration and before the closing of title to the first Home, the construction loan mortgage will be satisfied, or released, or subdivided, extended and consolidated with the individual permanent mortgages which will be placed on the Homes of those purchasers obtaining a purchase money mortgage. In addition, at the closing of title to the first Home, all liens and mortgages affecting the Home shall be paid and satisfied or the Home being conveyed and its appurtenant Common Interest shall be released therefrom by partial release duly recorded.

8. The Sponsor has completed construction of the Community in accordance with the plans and specifications described herein and will diligently perform all of its

obligations set forth in this Offering Plan and will deliver to the Board of Managers a copy of the “as built” plans filed with the recording of the Declaration or any amendment thereto and in addition will provide the Board with a full set of building plans filed with the local Municipality. All Homes have received Permanent Certificates of Occupancy.

9. The Housing Merchant Implied Warranty Law (Article 36-B) of the General Business Law applies to the Homes in this Condominium. In accordance with the provisions of such law, the Sponsor will give a Limited Warranty to the Purchaser which provides the following warranty coverages regarding the Homes:

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

- (a) defective workmanship by the Sponsor, or an agent, employee or subcontractor of the Sponsor;
- (b) defective materials furnished by the Sponsor, or an agent, employee or subcontractor of the Sponsor;
- (c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Sponsor; or
- (d) defective installation of appliances sold as part of the Home by the Sponsor or an agent, employee or subcontractor of the Sponsor.

TWO YEAR MAJOR SYSTEM COVERAGE: for two years from the Effective Date of the Warranty, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Home which have been installed by the Sponsor are warranted to be free from latent defects resulting from defective installation by the Sponsor.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six years from the Effective Date of the Warranty, the Home will be free from latent Major Structural Defects that result from:

- (a) defective workmanship by the Sponsor, or an agent, employee or subcontractor of the Sponsor;
- (b) defective materials furnished by the Sponsor, or an agent, employee or subcontractor of the Sponsor; or
- (c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Sponsor.

Paragraph 7 of such Limited Warranty contains the requirement that written notice must be made on the “Notice of Warranty Claim Form” attached to the Limited Warranty within ten (10) days after the expiration of the applicable warranty period.

The Sponsor excludes the Housing Merchant Implied Warranty set forth in Article 36-B of the General Business Law, and all other warranties, express or implied, other than the Limited Warranty. The Warranty limits Sponsor's liability to 75% of the purchase price and excludes incidental, special, indirect or consequential damages. Any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or a locally accepted building practice, shall be void as contrary to public policy. See the complete terms of the Limited Warranty contained in the Rider to the Purchase Agreement set forth in Schedule D. Article 36-B of the General Business Law is set forth in Schedule H.

To the extent any coverage under this warranty applies to Common Elements of the Condominium, such coverage shall be deemed given to the Board of Managers of the Condominium. Regarding the Common Elements other than Common Elements comprising the Homes or Buildings the Sponsor will correct any defects in the construction of the Common Elements, or in the installation or operation of any mechanical equipment therein, due to improper workmanship or material substantially at variance with this Offering Plan provided and on condition that Sponsor is notified in writing by certified mail of such defect(s) within twelve (12) months from the date of substantial completion of the defective portion(s) of the Common Elements. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications. In no event shall the Sponsor be responsible for the partial or total death of any trees, shrubs, bushes or other landscape improvements; damage to walkways or other concrete areas caused by the application of salt or deicers; normal settlement cracks on patios, sidewalks or other flat work; porches, balconies or sidewalks, leaks resulting from acts of God or alteration of landscaping or grading (whether performed by the Condominium or Home Owner); leakage resulting from "ice dams" forming on roofs; spilling or flaking of concrete surfaces if ice melting compounds have been used; shading variations of the exterior siding and shading variations on fascias from staining. The Sponsor has no obligation to make any repair to the Common Elements except as expressly set forth in the Offering Plan.

Sponsor's obligation, regardless of any limitations in the warranty or in this Offering Plan, is to construct the premises in accordance with all applicable codes and filed plans and specifications, and any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

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

11. The Sponsor will pay all contractors, subcontractors and materialmen and all others involved in the construction of the Community for work performed and fixtures,

material and equipment supplied or installed in the construction of the Community and will cause all mechanics' liens arising out of the construction of the Community or the furnishing or installation of fixtures or equipment, to be discharged or bonded promptly after the liens are filed.

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

12. No bond or other security has been posted to secure Sponsor's obligations pursuant to this Offering Plan. Such obligations include completing construction of the Homes and Common Elements and payment of Common Charges when the Condominium is created. If Sponsor does not perform its obligations, a Purchaser may commence litigation to enforce such obligations.

13. The Sponsor reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of completing construction and sale of Homes and facilities in the Condominium and, towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. Sponsor also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the Common Elements. Sponsor will be obligated to pay for the cost of any utilities it uses as a result of its use of the easements, licenses, rights and privileges of a right-of-way. Finally, the Sponsor reserves the right to continue to use the Common Elements and any facilities, sales offices, model homes, signs, and parking spaces located on the Common Elements of the Condominium, in its efforts to market Homes constructed in the Condominium and to use the same for exhibitions or other promotional functions until all Homes are sold (including Homes on the Phase II Property). Sponsor will be obligated to repair any damages to the Common Elements and Homes caused as a result of its use of the easements, licenses, rights and privileges of a right-of-way to complete the Condominium.

14. Pursuant to Section 352-e (9) of the General Business Law, copies of all documents mentioned in this Offering Plan, including without limitation the following, are and will be kept on file at the office of Sponsor set forth on the cover page of this Offering Plan for six (6) years from the date the Declaration is recorded for examination by any person who has purchased a condominium interest offered by this Plan or otherwise has participated in this offering: This Offering Plan; the proposed Declaration and By-Laws of the Condominium; public liability, fire and casualty policy, and Exhibits

submitted to the Department of Law in conjunction with this Plan. A copy of the form of Home Owner's purchase agreement is submitted with this Offering Plan.

15. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the declaration are an accurate copy of portions of the plans of the Buildings as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of Buildings.

16. Sponsor represents that it will endeavor in good faith to sell Homes in a reasonably timely manner.

17. Sponsor represents that it does not have disclaimers or limitations of liability on the part of the Sponsor or its principals for failure to perform any obligation imposed by applicable statute or regulation. The plan does not include financial limitation on Sponsor's ability to perform its obligations under the Offering Plan.

XVI. CONTROL BY THE SPONSOR

The Sponsor, as the owner of Untitled Homes, will be entitled to designate a majority of the members of the Board of Managers until the closing of title to all Homes in the Condominium. As a result the Sponsor will have voting control of the Board of Managers during this period. The Sponsor, during this indeterminate period, thus will have control of maintenance, facilities and services to be provided and will determine the Common Charges to be paid by all Home Owners, including the Sponsor and the enforcement of the Sponsor's obligations. Once Sponsor relinquishes control of the Board of Managers the Members of the Board will be Home Owners who will then be able to control the affairs of their Homes and the Condominium. The Sponsor may control the Condominium Board in perpetuity and the Home Owners may never gain control of the Condominium Board.

The first Board of Managers of the Condominium will be the Director of the Sponsor, Deputy Director of the Sponsor, and Supervisor of the Town of Huntington. As of the date of this Offering Plan, the Director of Sponsor is Leah-Michelle Jefferson, the Deputy Director of Sponsor is Timothy R. Francis and the Supervisor of the Town of Huntington is Chad A. Lupinacci. In the event that the aforementioned individuals are replaced for any reason, the new Director, Deputy Director, and/or Supervisor will replace the prior Director, Deputy Director, and/or Supervisor. The Sponsor shall retain the right to substitute other persons in the place of the above-named individuals until the resignation of the First Board as set forth below. The first Board of Managers will call for the First Annual Meeting of the Home Owners to elect and designate a new Board within one (1) year of the closing of the first Home. Said Board will consist of Sponsor designees and elected Home Owners. At such time as all of the Homes are closed, Sponsor must relinquish control of the Board of Managers. Upon the election and designation of the new Board, the members of the first Board will resign. Members of

the Board of Managers shall not be compensated for their services. Members of the Board of Managers may be removed for cause by an affirmative vote of a majority of the Home Owners. Officers of the Condominium may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers.

If Sponsor voluntarily gives up control of the Board of Managers prior to the time period set forth above, then, for a period ending five (5) years from the first closing, or until Untitled Homes constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner, the Board of Managers may not, without the Sponsor's prior written consent, (i) make any additions, alterations or improvements to the Common Elements or to any Home costing cumulatively more than \$5,000, the foregoing not to include necessary repairs and maintenance work; or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the reserve for contingencies provided in Schedule B; or (iii) hire any employee in addition to the employees referred to in the Plan; or (iv) enter into any contracts not in existence on the date of the first closing of title to a Home; or (v) borrow money on behalf of the Condominium; or (vi) reduce the services or maintenance set forth in Schedule B; (vii) charge any special assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the condominium; or (viii) increase the Common Charges of the Condominium more than ten (10%) from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates evidencing the need for an increase greater than ten (10%) percent; or (ix) utilize Condominium funds to commence a lawsuit against the Sponsor or any of its Principals in connection with a matter pertaining to this Condominium.

The Sponsor may not exercise veto power over expenses described in Schedule B or over expenses required: (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer.

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

Sponsor will transfer control of the Board of Managers of the Condominium to the Home Owners upon the closing of title to the last Home in the Condominium. See Section XVII.

Notwithstanding the above, the Board of Managers has a fiduciary duty to the Home Owners to enforce Sponsor's obligations. Sponsor's intentional refusal to allow the Board of Managers to pursue litigation against the Sponsor entity may constitute a

breach of fiduciary duty to the Board of Managers. In addition the Home Owners may commence a lawsuit in the nature of a derivative action. In the event a Sponsor-controlled Board does not undertake the enforcement of the Sponsor's obligations, the Home Owners may have to independently raise funds to pursue such enforcement and any other causes of action against the Sponsor. At no time may Sponsor exercise veto power over expenses described in Schedules B or B-1 or over expenses required to (i) comply with applicable laws or regulations, (ii) to remedy any notice of violation, (iii) to remedy any work order by an insurer, or (iv) necessary for the preservation or safety of the Condominium or for the safety of occupants of the Condominium or required to avoid the suspension of any necessary service to the Condominium. During this period Purchasers individually or as a group may take legal or administrative action to enforce the Sponsor's obligations to the Condominium, however, they will be unable to do so in the name of the Condominium. In addition the funds utilized for such actions will either have to be obtained by a Special Assessment of all Home Owners, excluding the Sponsor, or obtained through independent funds of the Home Owners.

Any provisions that give the Sponsor control of the enforcement of the Sponsor's obligations are not lawful. In addition, if there are non-Sponsor members of the Board, and there is a vote on whether to sue the Sponsor, the Sponsor's Board representatives cannot lawfully vote on that issue.

XVII. BOARD OF MANAGERS

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

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

Board of Managers

The affairs of the Condominium shall be governed by a Board of Managers (the "Board"). Until the first annual meeting the first Board shall consist of three (3) Managers designated by the Sponsor. Thereafter the Board of Managers shall consist of a total of three (3) Managers who shall be elected or designated for staggered terms. See Section XVI as to Sponsor's right to designate a majority of the Board of Managers until all Homes in the Condominium are closed. All members of the Board of Managers serve without compensation.

Every Home Owner shall be entitled to cast one vote on each ballot for each Home he owns. All Managers other than designees or nominees of the Sponsor shall be Home Owners and shall be elected by the Home Owners. At the expiration of the initial term of office of each respective Manager, their successor shall be elected to serve a term of three (3) years. Elections are to be held annually. See Section XVI for details concerning Sponsor control of the Board of Managers.

Removal of Members of the Board of Managers

Managers may be removed for cause by an affirmative vote of a majority of the Home Owners. No manager other than a member of the first Board of Managers or Sponsor's designees or nominees shall continue to serve on the Board if, during their term of office, he shall cease to be a Home Owner. In the event a Sponsor designee is removed for cause, the Sponsor shall have the sole right to designate a replacement.

Powers and Duties of Board of Managers

The property and business of the Condominium shall be managed by its Board of Managers. Absent said assignment, the powers of the Board of Managers include, but are not limited to, the following items:

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of Common Expenses, payable in advance.
2. To collect, use, and expend the assessments collected to maintain, care for and preserve the Homes, Buildings, and other Common Elements;
3. To make repairs, restore or alter any Home or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;
4. To enter into and upon the Homes when necessary and at as little inconvenience to the Home Owners as possible in connection with the maintenance, care and preservation of the property;
5. To insure and keep insured the Common Elements and Homes;
6. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Home Owners of the property for violations of the house rules or rules and regulations herein referred to;
7. To make reasonable rules and regulations;
8. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters hereinabove set forth;
9. To bring and defend actions by or against more than one Home Owner and pertinent to the operation of the Condominium and to levy special assessments to pay for the cost of such litigation;
10. To acquire Homes in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Home so acquired

and to vote as a Home Owner, offer such Home for sale or lease or take any other steps regarding such Home as shall be deemed proper by the Board of Managers;

11. To make additions, alterations, or improvements to the Common Elements of the Community.

12. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of at least 66-2/3% in number of all Home Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of \$100,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Home or its appurtenant interest in the Common Elements without the written consent of the Owners of said Home;

13. Pursuant to Section 339-y(4) of the New York Real Property Law, the Board of Managers may (but is not obligated to) act as an agent for one or more Home Owners who have given their written authorization to file a single complaint and bring a special proceeding on behalf of Home Owners who wish to contest the real estate tax assessments of their Homes. In such event, the Board could retain counsel on behalf of such Home Owners and charge each Home Owner for whom it is acting a pro rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Home; and

14. To grant utility or other easements over or to the Common Elements as may, at any time, be required for the benefit of the Condominium and the Home Owners without the necessity of the consent thereto, or joinder therein, by the Home Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Home Owners who have the right to use such Common Elements to the exclusion of any other Home Owners, the consent of all such affected Home Owners shall be required in writing before such easement shall be granted).

Liability of Board of Managers and Home Owners

In order to limit the liability of the Home Owners, any contract, agreement or commitment made by the Board of Managers or Officers of the Condominium shall state that it is made by the Board of Managers as agent for the Home Owners as a group only and that no member of the Board of Managers or Officers of the Condominium nor individual Home Owner shall be liable for such contract, agreement or commitment except that every Home Owner shall be liable to the extent that their proportionate interest in the Common Elements bears to the total liability under such commitment. The Board of Managers and Officers of the Condominium shall have no liability to the Home Owners in the management of the Community except for willful misconduct or bad faith and the Home Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the

Board of Managers in accordance with their duties except acts of willful misconduct or acts made in bad faith. Such several liability of the Home Owners shall, however, be limited to the extent that their proportionate interest in the Common Elements bears to the total liability of the member of the Board of Managers.

Officers

The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. All officers must be Home Owners or members of the first Board of Managers.

The President shall be the chief executive officer of the Condominium, shall preside at all meetings, shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Board are carried into effect.

The Vice President shall take the place of the President and perform their duties whenever the President is unable to do so.

The Secretary shall record all votes and the minutes of all proceedings in a book.

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

He shall disburse the funds of the Condominium.

He shall keep detailed financial records and books of account of the Condominium, including a separate account for each Home which, among other things, shall contain the amount of each assessment of Common Charges against such Home, the date when due, the amounts paid thereon and the balance remaining unpaid.

Repairs, Alterations and Improvements to Common Elements

All maintenance, repairs and replacements to the Common Elements of the property including but not limited to exterior walls of the Buildings, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Home and services another Home or more than one Home or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but serve one or more Homes shall be made by the Board of Managers and the cost thereof shall be a Common Expense. In addition, all costs and maintenance associated with a limited

common element appurtenant to a Home shall be the sole responsibility of the Board of Managers and the cost thereof shall be a Common Expense, except for minor repairs and general cleaning which shall be the sole responsibility of the Home Owners. All repairs to the exterior of any door, fence, building, open area or other generally visible portion of the Community must be in conformation with the style and colors initially installed by the Sponsor. The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the Common Elements. The Board of Managers shall have a right of access to any Home and to all portions of the Common Elements for the purpose of carrying out any of its obligations under this Offering Plan, the By-Laws or the Declaration of the Condominium.

Restoration or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of the Buildings as a result of fire or other casualty, the Board of Managers shall arrange for the prompt repair and restoration of the Building and the Board of Managers or the Insurance Trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Home Owners for such deficit as part of the Common Charges.

If 75% or more of the Homes are destroyed or substantially damaged and 75% or more of the Home Owners do not resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Home Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceed of insurance policies shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Home Owners in proportion to their respective Common Interests, after first paying out of the share of each Home Owner the amount of any unpaid liens on their Home, in the order of the priority of such liens.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the Buildings, including all of the Homes and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Home Owners and their mortgagees, as interest may appear, in an amount equal to the full replacement value of the Buildings. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Home which shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine.

Reports to Home Owners

All Home Owners will receive within four (4) months of the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement prepared by an independent public accountant, a statement regarding any taxable income attributable to the Home Owners, and a notice of the holding of the annual Home Owners meeting. All Home Owners shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month. During such time as the Sponsor retains a majority of the Board of Managers, the Board shall provide a certified annual statement at the cost of the Condominium. See Schedule B for details.

Amendments

The Declaration may be amended upon a vote of sixty-six and two-thirds (66 $\frac{2}{3}$ %) percent of the Home Owners in number held at a duly called meeting of the Home Owners, provided however, that:

- (i) No amendment shall change any condominium parcel, nor a Home Owner's proportionate share of the Common Charges, nor the voting rights appurtenant to any home, unless all of the record owner(s) in number and Common Interest thereof and the first mortgagees, if any, of each of these same homes agree to such revocation by recorded instrument.
- (ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees.

The By-Laws may be amended at any duly called Home Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty-six and two thirds percent (66 $\frac{2}{3}$ %) of the Home Owners in number and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Home Owners' interest and the interests of holders of a mortgage encumbering a Home or Homes.

Homes Acquired by the Board of Managers

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

Termination of Condominium

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

Covenant Against Partition of Common Elements

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

XVIII. RIGHTS AND OBLIGATIONS OF HOME OWNERS AND BOARD OF MANAGERS

Sale or Lease of Homes

Homes can be sold by a Home Owner, provided that the occupancy, ownership and affordability restrictions set forth in Special Risk 1, at page iv are met and he is not in arrears on the payment of Common Charges and maintenance charges (except where the payment of such unpaid Common Charges and maintenance charges is paid by the Grantee or provided for out of the proceeds of the sale). Homes may not be rented or leased and must be owner occupied. See Special Risk Factor 1, at page iv. A purchaser is free to devise their Home by will, or to have it pass by intestacy provided the occupancy, ownership and affordability restrictions set forth in Special Risk 1, at page iv, are met. No Home can be sold without a simultaneous sale of the undivided interest in the Common Elements.

Restrictions on Occupancy and Use

Columbia Terrace Condominium (the "Condominium") is being developed as an affordable housing project by the Huntington Community Development Agency ("Sponsor"). Sponsor is an agency of the Town of Huntington. The Affordability Guidelines are set forth in a Declaration of Covenants and Restrictions dated June 9, 2021, and recorded in the Suffolk County Clerk's Office on July 9, 2021 in Liber D00013111, Page 711 (a copy of which is set forth in Part II, as Schedule L), and in Section 74(I) of the Huntington Town Code ("Affordable Housing Law", a copy of which is set forth in Part II as Schedule M). The affordable restrictions applicable to this property do not require a regulatory agreement with any municipal agency. All Homes in the Condominium will remain affordable in perpetuity. No modifications may be made to the affordability requirements or Town Code except by the Town Board. Though the Sponsor is an agency of the Town, Sponsor does not have any right or authority to modify Town Code.

To be eligible to purchase a Home, a Purchaser must be a first time home-buyer and the annual household income from all sources may not exceed 80% of the Nassau/Suffolk County Median Family Income adjusted by family size at the time of the contract of sale. The Huntington Community Development Agency (“HCDA”) does not impose any limit on the amount of income that may be used for total housing costs. Notwithstanding, certain lenders may have requirements regarding the amount of income that may be used for purchasing a Home. Prospective purchasers are advised to consult with their lenders to determine what said requirements may be, if any. In all cases, applicants may not have assets which after deduction of the down payment and estimated closing costs exceed twenty-five (25%) percent of the contract of sale price.

All Homes must be owner occupied. As a result, the Homes may not be rented. In addition, Purchasers must use the Home as their primary residence. Pursuant to New York State requirements, a primary residence is the Home Owner’s permanent place of abode for more than eleven (11) months of the year and the dwelling in which the Home Owner resides for 184 days or more during the tax year. In the event the HCDA becomes aware that the owner of a Home in the Condominium is not utilizing the Home as their primary residence, the HCDA can assert that the Home Owner is in breach of their obligations under the primary residency requirements and can seek to have the Home Owner sell the Home to a qualified applicant.

A list of eligible purchasers for affordable Homes shall be created by a lottery system which will establish the order of eligibility for qualified purchasers. The initial sales price of a Home will be calculated based upon family income for a family of four at the time of contract of sale. As of the date of this Offering Plan, neither the Sponsor nor any party on its behalf has conducted any sales activity, including but not limited to marketing, testing the market, or registering individuals interested in participating in the lottery, or holding the lottery. Sponsor will notify via email those individuals who have registered to be notified of lotteries after reviewing the Offering Plan. It is presently anticipated that the lottery will be held by December 1, 2021.

When the Sponsor opens the application process to hold a lottery, an email will be sent to individuals who have previously registered to be notified of lotteries, and who meet the first-time homebuyer and Veteran status. There will also be an advertisement placed in newspapers and on the Town of Huntington website. Special notice will also be sent to the Town’s Veterans Advisory Board, the VFWs in the Town, Suffolk County Office of Veterans Services, and other Veteran Service agencies. All materials and communications will include a link to access an online form and list of qualifications necessary to purchase a Home in the Condominium. Applications will be accepted online only, and will be open for thirty (30) days. Applicants will complete a lottery application form online and will be required to pay an entry fee of \$25. Once the deadline for submitting lottery entry forms is reached, registration will be closed, and Sponsor will no longer accept applications.

A public lottery will be held approximately two (2) weeks from the entry form deadline. Each applicant will be selected randomly and given a number, which will dictate the order in which applicants are contacted to purchase a Home. It shall be the

obligation of the Applicant to update their contact information. Unless the applicant has specifically requested to not have their name publicized, the list will be posted on the Sponsor’s website within twenty-four (24) hours of the lottery being held.

After the lottery has been held, Sponsor will contact individuals in the order in which they placed in the lottery to complete a formal application to purchase a Home. Applicants will be given a deadline by which the requisite application and accompanying income qualification documentation must be submitted to Sponsor. Once the applications and supporting documentation are reviewed, and Sponsor confirms that the applicant meets the affordable criteria, the applicant will then have the opportunity to purchase a Home. The applicant must provide Sponsor with proof that they have qualified for a mortgage, if necessary, prior to signing a purchase agreement for a Home.

Once all of the Homes are sold to qualifying purchasers, any applicants remaining on the lottery list will become part of the waiting list, and will be contacted and given the option to purchase a Home in the Condominium upon its resale.

No other lottery to purchase the Homes in the Condominium will be held unless the original lottery list is exhausted and the Homes have not been sold on initial sale or the list is exhausted for a resale. In the event an additional lottery is needed in the future due to a lack of applicants, the process for holding any additional lottery will be the same as described above.

The price of the two (2) bedroom Homes will be calculated at eighty (80%) percent of the Nassau/Suffolk County Median Family Income for a family of four income multiplied by 2.5. The selling price for the one (1) bedroom Homes will be \$20,000 lower than the two (2) bedroom Homes.

Neither the Sponsor, Town, nor any of the respective principals or agents will discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law. See Section I.

All sales and resales of Homes shall be monitored for compliance by the Huntington Community Development Agency as specified in §74(I) of the Affordable Housing Law. The Huntington Community Development Agency calculates income based upon the Nassau/Suffolk County Median Family Income for the 80% Family Income level which for 2020 (the last Median Family income numbers available) as follows:

Family Size	80%
1	\$70,900
2	\$81,000
3	\$91,150
4	\$101,300

Ownership of affordable Homes may not be transferred by will, devise, intestacy, gift, purchase on the open market, or otherwise, except that an affordable Home may be conveyed by its owner to a trust, provided that the owner is a beneficiary of the trust and the terms of the trust require that the trustee, within one-hundred and twenty (120) days of the date of the beneficiary's death, or the date when the Home is no longer being used as the beneficiary's primary residence, notify the affordable housing program administrator and offer the Home for sale to the next eligible applicant. Prior to conveying an affordable Home to a trust, a copy of the trust instrument shall be provided to, and approved by the Director of Sponsor. Title may also be transferred to a court-appointed referee in mortgage foreclosure proceeding provided the Home is offered for sale and transferred to the next eligible applicant in accordance with the provisions of this legislation, and copy of the Order of Reference and Order of Sale is provided to the Director.

All Purchasers must be approved by the Huntington Community Development Agency and taken from a waiting list maintained by the Agency. Any individual interested in selling an affordable Home must notify the Huntington Community Development Agency in writing that the Home is for sale, and the Huntington Community Development Agency shall notify the prospective seller in writing of the next qualified applicant until a qualified Purchaser has agreed to purchase the available Home.

Resale prices shall be restricted and calculated using the initial sales price increased by the cumulative annual increase of the Consumer Price Index (CPI). Notwithstanding any other provision to the contrary, the resale price of an affordable Home may be increased by an amount not to exceed fifty (50%) percent of the documented capital improvements made by the seller, as approved by the Director, up to a maximum amount of ten thousand (\$10,000) dollars. Resales are limited equity. On a resale, the Purchaser's equity will be limited because the resale price will be lower than the price that the Home Owner could sell in an open market,

The Sponsor will advise the purchaser of the closing date by giving them written notice at least thirty (30) days prior to the closing date. Prior to closing, a copy of the executed contract of sale shall be provided to the Huntington Community Development Agency along with an executed and sworn affidavit by the seller and Purchaser, attesting that the contract of sale is true and accurate, that there are no agreements between seller and Purchaser, and that the Purchaser has not and will not pay any amounts to the seller which are not reflected in the contract of sale.

In order to qualify as an eligible Purchaser of an affordable Home, the annual household income may not exceed 80% of the median family income adjusted by family size at the time of the contract of sale. In all cases, applicants may not have assets which after deduction of the down payment and estimated closing costs exceed twenty-five (25%) percent of the contract sale price.

Applicants must have adequate resources and credit to qualify for a home mortgage if they are not able to establish that they have sufficient funds to pay the purchase price and estimated closing costs.

Applicants who meet the Town of Huntington’s residency and first-time homebuyer criteria requirements have priority to purchase the affordable Homes. The following is the priority list of the Town of Huntington:

1st Priority:	Veterans who live or work in the Town of Huntington and are first-time homebuyers
2nd Priority:	Veterans who live or work outside of the Town of Huntington and are first-time homebuyers
3rd Priority:	Individuals who currently reside or work in the in the Town of Huntington or who have a parent, grandparent, child or grandchild residing in the Town of Huntington and are first-time homebuyers
4th Priority:	Individuals who are first-time homebuyers who do not meet the other priorities

Upon resale, the Huntington Community Development Agency shall receive a fee for monitoring compliance with the provisions set forth above which shall be equal to one (1%) percent of the contract sale price per transfer of owner-occupied affordable Home paid by the seller at or prior to closing.

There are no real estate tax benefits/exemptions or assistance being offered to Purchasers of affordable Homes. It is anticipated that each Home Owner will qualify for the Basic STAR Credit as set forth in the Footnotes to Schedule A since the annual household income to purchase an affordable Home is in accord with the maximum \$500,000 income level to qualify for the STAR Credit. Purchasers are individually responsible for applying for the Basic STAR Credit and in the event they do not qualify or in the event they fail to apply for the credit the real estate taxes applicable to each Home will be increased accordingly. The Basic STAR Credit requires only one (1) application and is applicable as long as the Home Owner owns their Home. Additional information including a detailed description of eligibility requirements can be accessed at: <https://www.tax.ny.gov/pit/property/star/>

There is no counseling provided or required to purchase an affordable Home.

If there are any material changes in the affordability requirements, an amendment to the Offering Plan will be filed in an expeditious manner.

The By-Laws of the Condominium contain the following use restrictions: No immoral, improper, offensive or unlawful use shall be made of the Community nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Home Owners, their families,

employees, guests and any permitted pets shall not use or permit the use of the Homes and Common Elements in any manner that would be illegal, disturbing or a nuisance to other Home Owners. No resident shall put any advertisement, poster, or signs, including for-sale signs of any kind in or on the Community without the consent of the Board of Managers. It is prohibited to hang garments, rugs, etc. from the windows or from the building or to string clothes lines on or over the Common Elements or to use any of the Common Elements for storage. No Home Owner shall paint the exterior surfaces of the windows, walls or doors opening out of their Home. The interior roadways or parking areas of the Condominium shall not be used for storage or long-term parking of any boat, trailer, camper, bus, truck or commercial vehicle. Any such parking shall be subject, in addition, to any restriction due to zoning or local ordinance requirements. See Schedule J, Article VIII for complete details.

Mortgage of Homes by Home Owners

The Home Owner may mortgage their Home at any time after he acquires title to the Home in whatever amount and under whatever terms he can obtain. A Home Owner may mortgage their Home only if all arrears for Common Charges, if any, are provided for at the closing of the mortgage.

Common Charges Assessment and Collection

The Board of Managers will prepare and furnish its budget to the Home Owners and their mortgagees annually. Based upon such budget and any modification thereof approved by the Board of Managers, the Home Owners will be charged for the cost of insurance for the Condominium in accordance with their interest in the Common Elements. Any special assessments will be charged to the Home Owners in accordance with their interest in the Common Elements. The charges assessed by the Board of Managers ("Common Charges"), in addition to the cost of repairing and maintaining the Common Elements, assessments and other normal operational costs, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of the Condominium. In addition Common Charges may have to be increased as a result of Home Owners not paying their Common Charges.

The estimate of Condominium expenditures in Schedules B and B-1 were made by the Sponsor and passed upon by Alexander Wolf and Company, Inc. Although the Sponsor is of the opinion that such estimates are accurate and reasonable, they are not intended and cannot be construed as an assurance of the actual expenses and are merely based upon information available at this time. Actual costs may be lesser or greater than as set forth herein.

It is presently anticipated that the Common Charges are to be used primarily to pay for fire and other casualty insurance on the Buildings and the Common Elements, public liability and property damage insurance as set forth in Section XVIII, and legal and accounting expenses. The Common Charges do not include maintenance, repairs or decoration of interior of the Homes or portions thereof, payments required pursuant

to the terms of Home Owners' mortgages or real estate taxes covering the individual Homes.

The Common Charges which may be collected monthly by the Board of Managers and other costs of maintenance of the Homes are set forth on Schedule A. See Schedule C for estimated heating and other utility costs for each model Type Home. However, additional services which the Home Owners may desire or other factors can increase these charges. The initial Board of Managers may commence the collection of Common Charges upon the closing of title to the first Home or at any subsequent date as in its sole discretion it may determine. Prior to the collection of Common Charges, sponsor shall be obligated to provide all the services disclosed in the first year budget at its sole expense. The Board's collection of Common Charges will be in an amount necessary to carry out the duties of the Board of Managers as is set forth in this Offering Plan and such Common Charges shall be paid by the Home Owners and the Sponsor as owner of the Untitled Homes in accordance with the Common Interest set forth herein. The Common Charges will be placed in a local bank.

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

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

Liens for the Non-Payment of Common Charges

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

The Board of Managers may foreclose the lien in the same manner as a mortgage on real property and in doing so shall be entitled to recover all costs incurred including reasonable attorney's fees. The liability of each Home Owner for the payment

of Common Charges thereafter assessed against their Home shall terminate upon a sale, transfer or conveyance of such Home in accordance with the provisions of the Condominium Declaration and By-Laws. Further, any Home Owner may convey their Home to the Board of Managers or its nominee, on behalf of all other Home Owners, without any compensation and in accordance with the Declaration and By-Laws, and in such event he shall be exempt from any Common Charges thereafter assessed, but not relieved of their obligation to pay their mortgage. However, a Home Owner may not exempt themselves from liability for their Common Charges by waiver of the use or enjoyment of any of the Common Elements or by abandonment of their Home.

Upon a resale, the purchaser of a Home shall be liable for the payment of unpaid Common Charges assessed against such Home prior to the acquisition of such Home by the purchaser, except that a mortgagee who acquires title to a Home or a purchaser at a foreclosure sale shall not be liable and the Home shall not be subject to a lien for the payment of Common Charges assessed prior to the acquisition of title to such Home by the mortgagee or purchaser at a foreclosure sale. In such event and in the event of a foreclosure by the Board of Managers of its lien on any Home for unpaid Common Charges where the proceeds of the foreclosure sale are not sufficient for the payment of such unpaid Common Charges, the unpaid balance shall be charged to all Home Owners as a Common Expense.

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

Section 339-kk of the Real Property Law

Pursuant to the provisions of Section 339-kk of the Real Property Law of the State of New York, any non-occupying owner who rents any Home in the Condominium to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Home within sixty (60) days of the expiration of any grace period after they are due is subject to the following: Upon notice in accordance with the statute, all rental payments from the tenants shall thereafter be directly payable to the condominium Board of Managers. Annexed hereto as Schedule L, is a complete copy of Section 339-kk of the Real Property Law. Purchasers are advised however that all Homes must be occupied by the Owner as their main domicile and therefore the Homes cannot be rented. See Special Risk Factor 1 at page iv.

Repairs, Alterations and Improvements to Homes

The Home Owner can make any interior alterations or improvements to the Home he desires without obtaining the consent of the Condominium so long as such alterations or improvements do not affect the Building in which the Home is located or any other common element. Repairs to the Common Elements shall be the responsibility of the Board of Managers and the cost of such repairs shall be a Common Expense, except that a Home Owner shall be responsible for damaged Common

Elements due to their acts. Minor repairs, general cleaning and snow removal of any limited common element that is appurtenant to a Home shall be the sole responsibility of the Home Owner. All other costs associated with the limited Common Elements shall be the responsibility of the Board of Managers and the cost of such repair shall be a Common Expense. See page 59 for repairs, alterations and improvements to Common Elements. In the event such alterations or improvements affect the structural soundness of the Building in which the Home is located, the Home Owner must first obtain the written consent of the Board of Managers. All maintenance (including electrical repairs and plumbing stoppages in the Homes, painting and decorating of the Homes), repairs and replacements to the Homes including windows and doors abutting a Home (except painting or maintenance of the exterior surface of windows and doors which open from a Home, which are performed by the Board of Managers) and repairs to the heating/air conditioning system, pipes, wires and conduits located within and without the Home and servicing the same Home other than as set forth in the Condominium By-Laws shall be made by the respective Home Owners at their own expense.

In the event that the Home Owner fails to make any repair or creates any condition which affects the Building in which their Home is located, the Common Elements, the Limited Common Elements, or any other Home, the Board of Managers, may, upon notice given in accordance with the provisions of the By-Laws, make such repair or correct such condition and charge the Home for the cost of such service.

In the event it becomes necessary for the Board of Managers to bring any lawsuit or other proceeding to enforce its right to make such repair or correct such condition or to collect any sum due on account thereof, the Board of Managers shall also be entitled to collect reasonable attorney's fees in connection with such suit or proceeding.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the Building, including all of the Homes and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Home Owners and their mortgagees, as interest may appear, in an amount equal to the full replacement value of the Buildings. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Home which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine.

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

The proceeds of all policies of physical damage insurance carried by the Board shall be payable to the Board of Managers in the event of a loss amounting to \$100,000 or less, and to the Insurance Trustee if the loss shall amount to more than \$100,000 to be applied for the purpose of repairing, restoring or rebuilding the Buildings unless otherwise determined by the Home Owners, as hereinafter set forth.

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

The fire insurance to be maintained on the Condominium upon the transfer of title to all Homes and until the first meeting of the Board of Managers following the first annual meeting of the Home Owners will be issued in an agreed amount replacement cost basis. The Board of Managers shall review the amount of fire insurance annually.

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

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

The public liability insurance policy to be maintained until the first meeting of the Board of Managers following the first annual meeting of the Home Owners will be a limit of \$1,000,000 per occurrence covering all claims for bodily injury and for property damage arising out of any one occurrence in the Common Elements.

Home Owners shall not be prohibited from carrying other insurance for their own benefit provided such policies contain waivers of subrogation and further provided that

the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Home Owner's other insurance.

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

The insurance the Sponsor will initially procure for the Condominium will contain officers and directors' liability or fidelity bond insurance.

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

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

Access by Board of Managers

The Board of Managers and its agents, employees and contractors shall have a right of access to any Home upon reasonable notice to the Home Owner and to all portions of the Common Elements for the purpose of carrying out any of its obligations under the Declaration and By-Laws. The cost of any repairs or damage caused by such entry shall be a common expense.

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

Ownership of a Home in the Condominium subjects the Home Owner to compliance with the provisions of the Declaration and By-Laws as well as any rules and regulations contained in the Declaration or By-Laws or established by the Condominium in accordance therewith. The rules and regulations set forth in the By-Laws and Declaration can be found in Part II of the Plan Schedule I, Article Seventeenth and Schedule J, Article VIII for the Condominium and in Schedules K-2. The Board of Managers can institute legal actions to enforce compliance with the provisions of the Declaration and By-Laws as well as the rules and regulations established therewith.

The provision of the Declaration and By-Laws that requires written consent of the Board of Managers prior to a Home Owner making an alteration that would impair the structural soundness of the Building does not apply to the Sponsor.

The provisions of the By-Laws which requires members of the Board of Managers to be Home Owners will not apply to the first Board of Managers or any Sponsor designees to the Board of Managers.

Easements

Each Home Owner will have an easement in common with all other Home Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the Common Elements or located in other Homes and servicing their Home. Further, each Home Owner will have an easement for the continuance of any encroachment by their Home on any adjoining Home or common element now existing or which may come into existence hereafter as a result of the settling of the Homes or repair or alteration of the Home by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceedings, or by reason of an alteration made by the Board to the Common Elements so that any such encroachment may remain undisturbed so long as the Home stands. Each Home will be subject to such encroachments and easements in favor of all other Homes.

The Board of Managers, its agents and employees shall have a right of access to the Homes and to the Common Elements (irrespective of the restricted nature of such common element) to inspect, maintain or repair the Common Elements or any pipe, wire, or conduit therein or to make repairs to the Home to prevent damage to the Common Elements or any other Home.

Allocation of Common Interest

The Percentage of Common Interest of each Home has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Home, the availability of Common Elements for exclusive or shared use, and overall dimensions of the particular Home. Said method of determining the Percentage of Common Interest in a condominium complies with and is pursuant to Section 339-i(1) (iv) of the Real Property Law of the State of New York. This percentage determines the amount each of said Home Owners will pay for their Common Charges except as may be permitted pursuant to Section 339-m of the Real Property Law of the State of New York.

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

Copies of both the Declaration and By-Laws are contained in Part II of the Offering Plan.

XIX. REAL ESTATE TAXES

In accordance with the New York State Condominium Act, real estate taxes applicable to each Home will be separately assessed. The estimated monthly costs and charges to be incurred by the owner of each Home in the first year in which the property will be fully subject to real estate taxes together with estimated insurance costs for the fire and liability insurance on each Home and the monthly mortgage and other carrying costs are set forth on Schedule A. Estimated assessed valuation is based upon a letter dated December 9, 2020 received from the Tax Assessor of the Town of Huntington, with offices located at 100 Main Street, Huntington, New York using the 2020/2021 tax rate of \$406.2730 per \$1,000 of assessed valuation and based upon the following:

Unit No.	Total Assessment	Estimated Annual Tax		2018/19 Basic STAR	Estimated Net Annual Real Estate Tax
1	750	\$3,047.05	<i>less</i>	\$977	\$2,070
2	700	\$2,843.91	<i>less</i>	\$977	\$1,867
3	750	\$3,047.05	<i>less</i>	\$977	\$2,070
4	700	\$2,843.91	<i>less</i>	\$977	\$1,867
5	550	\$2,234.50	<i>less</i>	\$977	\$1,258
6	500	\$2,031.37	<i>less</i>	\$977	\$1,054
7	550	\$2,234.50	<i>less</i>	\$977	\$1,258
8	500	\$2,031.37	<i>less</i>	\$977	\$1,054
9	750	\$3,047.05	<i>less</i>	\$977	\$2,070
10	700	\$2,843.91	<i>less</i>	\$977	\$1,867
11	750	\$3,047.05	<i>less</i>	\$977	\$2,070
12	700	\$2,843.91	<i>less</i>	\$977	\$1,867
13	550	\$2,234.50	<i>less</i>	\$977	\$1,258
14	500	\$2,031.37	<i>less</i>	\$977	\$1,054

See Footnote to Schedule A for details regarding the assessed valuation, the tax rates and the total taxes payable.

The Homes have been separately assessed. Each Home is taxed as a separate tax lot for real estate tax purposes and the Home Owner will not be responsible for the payment of, nor will the Home be subjected to, any lien arising from the non-payment of taxes on other Homes.

In the event the Homes have not been separately assessed for real estate tax purposes prior to the closing of title to the first Home, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to the Untitled Homes for such six month period and may collect at each closing the estimated amount of taxes attributable to such Home for the balance of the six month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and will be entitled to reimbursement from Home Owners to the extent of the actual assessment. There are no tax certiorari proceedings pending for the property. The By-Laws empower the Board of Managers to bring such proceedings on behalf of the Home Owners.

The Sponsor anticipates that the real estate tax rate will vary in future years rather than remain constant. The estimates of projected real estate taxes in this Offering Plan cannot be construed as an assurance of the final tax costs, but are merely estimates based upon information available to the Sponsor at this time. In no event will the Sponsor or Sponsor's Counsel be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind their Purchase Agreement, in the event the amount of the taxes differ from those projected.

XX. INCOME TAX DEDUCTIONS TO HOME OWNERS AND TAX STATUS OF THE CONDOMINIUM

The Sponsor has been advised by its counsel, Certilman Balin Adler & Hyman, LLP, that each Home Owner will be entitled under present law to a deduction for Federal and New York State income tax purposes for the real estate taxes paid by them covering their Home and, provided the Home is used as the Home Owners primary residence or one (1) other residence that he selects pursuant to Section 163(h) of the Internal Revenue code of 1986, for the interest paid by them on any mortgage in the principal amount up to \$750,000. Purchasers should note that pursuant to the Federal Tax Cuts and Jobs Act of 2017 (the "Act") which went into effect in January 1, 2018, the Act placed a maximum of \$10,000 on the amount an individual can deduct for the combined amount of real estate taxes and state income taxes covering their Home. See the Opinion of Counsel in Section XXI. Purchasers are advised to consult a tax expert regarding whether the Act will affect a Purchaser's tax deductions. Similarly, the Sponsor has been advised by counsel that certain Home Owners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their respective Homes. Purchasers are advised to consult with their own tax expert regarding the tax consequences of purchasing a Condominium Home.

There are no real estate tax benefits/exemptions or assistance being offered to Purchasers of affordable Homes. It is anticipated that each Home Owner will qualify for the Basic STAR Credit as set forth in the Footnotes to Schedule A since the annual household income to purchase an affordable Home is in accord with the maximum \$500,000 income level to qualify for the STAR Credit. Purchasers are individually responsible for applying for the Basic STAR Credit and in the event they do not qualify or in the event they fail to apply for the credit the real estate taxes applicable to each Home will be increased accordingly. The Basic STAR Credit requires only one (1) application and is applicable as long as the Home Owner owns their Home. Additional information including a detailed description of eligibility requirements can be accessed at: <https://www.tax.ny.gov/pit/property/star/>

There are no tax increases that are pending that Sponsor, its principals and/or affiliates know of or should know.

The Sponsor has been advised by its counsel that the Condominium will be taxed on any excess of income over expenses from unrelated sources. Examples of

unrelated source income include interest earned on reserve and other invested funds, income from concessions and income from dues or fees received from persons other than the Home Owners. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional Common Charge.

Sponsor has also been advised that pursuant to Section 528 of the Internal Revenue Code, certain Condominiums, substantially all of whose Homes are used for residences, are afforded the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty (60%) percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Home Owners and ninety (90%) percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium Properties, which properties, as defined in Section 528 of said Code, include property held by the Condominium, property commonly held by the Home Owners of the Condominium, or property within the Condominium held by the Home Owners of the Condominium. This Condominium has been structured so that it will meet the requirements of Section 528 of the Internal Revenue Code and as a result the Condominium will be eligible to be treated as a tax-exempt organization under Section 528 of the Internal Revenue Code. Purchasers should refer to the Opinion of Counsel in Section XXI of the Offering Plan.

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RICHARD HERZBACH
PARTNER
DIRECT DIAL 516.296.7006
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XXI. OPINION OF COUNSEL

October 11, 2021

Huntington Community Development Agency
100 Main Street
Huntington, NY 11743

Re: COLUMBIA TERRACE CONDOMINIUM

Gentlemen:

We note that the Offering Plan for the above captioned Condominium states that it is believed that the monthly payments of interest on any mortgage in the principal amount of up to \$750,000 which becomes a lien on a Home and real estate taxes payable by a Home Owner which are assessed against their Home by any governmental taxing authority, up to a maximum of \$10,000 for the combined real estate taxes and state income taxes are a proper deduction in connection with Federal and New York State Income Taxes payable by the Home Owner of such Home.

We have given this matter careful study, and it is our opinion that, pursuant to the provisions of the Internal Revenue Code of 1986 (the "Code") (See Revenue Ruling 64 31, C.B. 1964 300) and the corresponding provision of the New York State Law (See Section 615 of the Tax Law), as amended by the Federal Tax Cuts and Jobs Act of 2017 (the "Act") which went into effect on January 1, 2018 such interest payments and the aforesaid real estate payments are proper deductions by the Owner of a Home, in connection with their Federal and New York State income taxes with the limitations set forth above. Similarly, we are of the opinion that each Home Owner whose Home is either their principal residence or the one other residence he selects pursuant to Section 163(h)(5)(A)(i)(II) of the Code will be entitled, under Section 216(a)(2) of the Code and Section 615(a) of the State Law, to deduct interest paid or accrued by them on any mortgage with a principal amount up to \$750,000 which becomes a lien on a Home. The Home may be so selected if the Home Owner either uses it as a residence within the meaning of Code Section 280A(d)(1) (i.e., he uses it for personal purposes for a number of days which exceed the greater of 14 days, or 10% of the number of days during the year for which the Home is rented at a fair rental), or neither rents certain Home Owners who are veterans of the United States Armed Forces may be entitled to deductions

covering part of the real estate taxes applicable to their Homes. Under present law, it is our opinion that Home Owners will not be entitled to deduct any portion of the common charges for Federal and New York State Income tax purposes. Purchasers are advised to consult a tax expert regarding whether the Act will afford a Purchaser's tax deduction.

In adding a new Section 528 to the Code, the Tax Reform act of 1976 affords certain Condominiums, substantially all of whose Homes are used for residences, the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty (60%) percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Home Owners and ninety (90%) percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium properties, which properties, as defined in 528 of the Code, include property held by the Condominium, or property within the Condominium. Based upon our examination of the Offering Plan and subject to the Condominium, actually satisfying the minimum percentage income and expenditure criteria set forth above, it is our opinion that the Condominium will be eligible to be treated as a tax exempt organization under Section 528 of the Code.

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

We have considered the relevant cases and rulings on the tax status of the Condominium including Revenue Rulings 74-17, 74-99, 75-370 and 75-371. These rulings, under certain circumstances, permit assessments for capital replacements and new or replacement equipment to be excluded from the Condominium's income and be treated for tax purposes as additional capital contributions. In such case each Home Owner's assessment for such purposes would add to their tax basis. Although the Condominium described in the Plan may be deemed a taxable entity under such Rulings, assuming that all expenses are designated and accounted for, and that certain other special purpose assessments are properly treated as trust funds, the Condominium should not realize any significant amount of taxable income, other than with respect to incidental investment income, such as interest earned on reserve funds deposited in bank accounts.

We have examined the exceptions to title set forth in Section XV of the Offering Plan, and we are of the opinion that none of such exceptions of title are contrary to the terms of the Purchase Agreement nor do they interfere with the quiet use or enjoyment of the Purchaser's Home as set forth in the Offering Plan.

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

In addition, we note that the Percentage of Common Interest for each Home as contained in Schedule A has been determined based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Home, the availability of Common Elements for exclusive or shared use, and overall dimensions of the particular Home. In our opinion, this is a proper method of determining the percentage of common interest in a Condominium and complies with Section 339-i(1)(iv) of the Real Property Law.

In our opinion, the Condominium will be eligible for tax exempt status, if it so elects, and Home Owners will be entitled to the above-mentioned income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the given facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium, any selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the Condominium to cease to meet the requirements of Section 528 of the Code or the New York State tax law as amended and Home Owners not to be entitled to income tax deductions.

It is our understanding that this letter will be made a part of the Offering Plan of the Columbia Terrace Condominium.

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP.

By: 

Richard Herzbach, Partner

XXII. RESERVE FUND

The Condominium budget for 14 Homes includes as a line item a reserve fund of \$6,807 to be collected out of the Common Charges paid by the Home Owners. The reserve fund is to be used for future capital improvements of both the Common Elements of the Condominium. There is no obligation for a Condominium with affordable Homes to establish and maintain a reserve fund.

No representation is made that the reserve fund will be adequate for future expenses including repairs or replacements of such improvements. If additional funds are required over and above the reserve fund, it may be necessary to increase the Common Charges or Common Charges payable by the Home Owners or to collect a special assessment from each Home Owner.

During the period Sponsor is in control of the Board of Managers, the reserve fund will not be used to reduce the estimated Common Charges.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of the reserve fund.

XXIII. WORKING CAPITAL FUND

At closing the Sponsor will collect two (2) months' Common Charges from each purchaser to be paid to the Condominium as initial working capital. While Sponsor is in control of the Board of Managers of the Condominium, the working capital funds will not be used to reduce the Common Charges. If any portion of the working capital funds are used during this period to pay for items in the budgets set forth as Schedule B and B-1, such amounts will be repaid to such fund out of Common Charges collected.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of such funds.

XXIV. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Condominium may enter into a Management Agreement with Alexander Wolf and Company Inc., One Dupont Street, Suite 200, Plainview, New York, has submitted a proposal to act as Managing Agent for a term of five (5) years from the closing of title to the last Home in the Development to manage the Condominium for the amount set forth in Schedule B. There is no provision for early termination of the agreement by either party with or without cause. The Agreement may not be assigned by either party without the written consent of the other party. The Agreement provides for indemnification of the Managing Agent and for reimbursement of out-of-pocket expenses. The agreement may not be assigned without the consent of the other party. The Managing Agent is not affiliated with the Sponsor.

The Managing Agent shall perform the following services: bill and collect Condominium assessments; prepare budgets/cash-flow analysis and long range planning; bookkeeping; records keeping; generate contract specifications; negotiation of contracts; schedule maintenance activities; plan and organize membership meetings; channel customer service inquiries to the Sponsor; channel routine maintenance requests; and generally perform the duties of a Managing Agent of a Condominium.

The Sponsor reserves the right to substitute another firm as Managing Agent and will amend the Offering Plan accordingly if that substitution should occur or if the terms of the management agreement deviate from what has been previously disclosed.

XXV. IDENTITY OF PARTIES

Sponsor and Selling Agent

The Sponsor and Selling Agent is the Huntington Community Development Agency with an address at 100 Main Street, Huntington, New York 11743. The Principal of the Sponsor is Leah-Michelle Jefferson who is the Director of the Huntington Community Development Agency and is responsible for the daily management of Sponsor. Sponsor has experience as a Selling Agent for affordable Homes.

The Sponsor and its Principal do not own more than 10% of the units in any other condominium, cooperative or home owners Association in the State of New York.

Sponsor or its principal have no prior public offerings.

Sponsor or its principal have no prior felony convictions. There are no prior bankruptcies, convictions, injunctions and judgements against the Sponsor, or any principals of the Sponsor, and/or entities in which the principal of the Sponsor was a principal, that may be material to the Offering Plan or to an offering of securities generally and that occurred within fifteen (15) years prior to the subjection of the proposed Offering Plan.

Builder

The Builder retained by Sponsor to oversee the construction of the Homes and facilities in the Condominium is Lipsky Enterprises, Inc., with an address at 814 Montauk Highway, Bayport, NY 11705. The shareholders of the Builder are Barry Lipsky and Eric Lipsky, both with the same address as the Builder. The Builder is a full-service general contracting and construction management company. Builder has constructed commercial buildings, school renovations, office fit-outs, healthcare facilities, police stations, fire stations, and religious institutions such as the St. Charles Resurrection Cemetery Welcoming and Information Center. **The Builder is not the Sponsor of this Offering Plan and has no responsibility for the representations set forth.**

Attorneys

All legal matters in connection with the establishment of the Condominium, the tax opinion of counsel contained herein and the preparation of this Offering Plan have been passed upon for the Sponsor by Certilman Balin Adler & Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554. The individual partner in said firm responsible for the preparation of the Offering Plan is Richard Herzbach.

Bradford J. Martin, Esq., 434 New York Avenue, Huntington, NY 11743, will represent the Sponsor at the individual closings and will act as escrow agent for down payments as disclosed in Section XII of the Plan. The fact that Sponsor's Attorney will act as closing agent and Escrow Agent will not affect the attorney's ability to carry out its obligations as Escrow Agent and such dual role will not create any conflict of interest.

Neither Certilman Balin Adler & Hyman, LLP nor Bradford J. Martin, Esq. are affiliated with the Sponsor.

Insurance

The estimated insurance rates have been passed upon by the A.I. Messinger Insurance, 198 New York Avenue, Huntington, NY 11743. The aforementioned estimate has been included in this Offering Plan in reliance upon the opinions of said agency and upon its authority as an expert but the Sponsor has no knowledge that this estimate is not correct.

Managing Agent

The Managing Agent is Alexander Wolf & Company, Inc., One Dupont Street, Suite 200, Plainview, NY 11803. The managing agent is not affiliated with Sponsor and is experienced in the management of condominiums and Homeowners Associations. The Managing Agent is also the Managing Agent of Marina Pointe Condominium, East Rockaway, NY.

Engineer

The Engineer who prepared the report in Part II and who executed the Certification is Jeffrey Hartman, PE, 41 Lakeside Lane, Bay Shore, New York. The Engineer is not affiliated with Sponsor and is experienced in the preparation of plans for residential developments. A representative list of projects for which the Engineer has acted in a similar capacity are as follows:

Cortland Square Condominium, Bay Shore, NY
Highview Condominium, Huntington, NY
Whitman Village Condominiums, Huntington, NY

XXVI. REPORTS TO HOME OWNERS

It is the obligation of the Board of Managers of the Condominium to give all Home Owners annually:

- (i) a financial statement of the Condominium prepared by a certified public accountant or public accountant within four (4) months of the end of each fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;
- (ii) prior notice of at least ten (10) days of the annual Home Owners' meeting; and
- (iii) a copy of the proposed annual budget of the Condominium. A Certification on the adequacy of the budget will be provided so long as the Sponsor is in control of the Board of Managers.

XXVII. DOCUMENTS ON FILE

Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge and copying at a reasonable charge at Sponsor's office for six years from the date of first closing. The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the closing of the first Home.

XXVIII. GENERAL

Pending Litigation

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

Prior Offerings

This property was not the subject of a prior public offering. Sponsor represents that no contracts or agreements have been entered into and no deposits or advances of funds accepted as of the date of acceptance for filing of this Offering Plan. All of the Homes offered in the Plan are vacant.

Non-Discrimination

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

Amendment of Plan

The Plan may be amended at any time and from time to time provided that, if the amendment is a material and substantial modification of the Plan which adversely affects Purchasers, then anyone who has theretofore executed a Purchase Agreement shall be given not less than thirty days after a copy of the duly filed amendment is mailed or otherwise delivered to them by written notice to the Sponsor to cancel the Purchase Agreement and to obtain a refund, in full, of the down payment made therewith with interest, if any. No person has been authorized to make any representation which is not expressly contained herein. This Plan may not be changed or modified orally.

XXIX. SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

Sponsor has no knowledge of any material defects or need for major repairs to the property except as set forth in the Description of Property in Part II of the Offering Plan which Sponsor adopts.

Dated: October 13, 2021
East Meadow, New York

**HUNTINGTON COMMUNITY
DEVELOPMENT AGENCY
SPONSOR**

OFFERING STATEMENT

COLUMBIA TERRACE CONDOMINIUM

Columbia Terrace
Huntington Station, Town of Huntington
Suffolk County, New York

PART II

SCHEDULE D

PURCHASE AGREEMENT

COLUMBIA TERRACE CONDOMINIUM

PURCHASE AGREEMENT

AGREEMENT made and dated _____, between HUNTINGTON COMMUNITY DEVELOPMENT AGENCY, a municipal corporation, having an office at 100 Main Street, Huntington, New York 11743, hereinafter called the Seller or Sponsor and _____ having an address at _____ hereinafter called the Purchaser.

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

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

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

2. Delivery of Deed: Adjustments. The Closing of Title shall take place at an office to be designated by Seller or by the lending institution at 10 o'clock A.M. on or about _____ or at another date and time designated by the Seller upon thirty (30) days' written notice mailed to the Purchasers at their address hereinabove set forth. The Seller shall be entitled to a reasonable adjournment in the closing of title as set forth in Paragraph 27 in the event of delay by reason of weather conditions, strikes or material shortages, or delays in inspections, construction and reports thereon, or other requirements. If the Purchaser is not ready to close title at the date and time fixed pursuant to the contract, any adjournment exceeding seven (7) days granted at the request of the Purchaser shall be upon the condition that (a) interest on the balance of the purchase price computed from the date originally fixed for closing to the actual date of closing, shall be paid to Seller at closing at a rate equal to the rate of interest charged to Seller on the building loan/acquisition loan mortgage, if any, or at 12% per annum, whichever is greater, and (b) all adjustments shall be made as of the date originally fixed for the closing of title and the Purchaser also agrees to apportion with Seller such taxes, electricity, heating, security costs, insurance and Common Charges as may be determined to be due at the time of closing. Nothing herein

contained shall be construed to require Seller to grant any adjournment beyond seven (7) days from the date originally fixed for closing.

3. Purchase Price. The purchase price is \$ _____ payable as follows:

\$ on the signing of this Agreement, the receipt of which is hereby acknowledged (10%);

\$ certified or bank cashier's check drawn on a New York bank (payable directly to the order of Seller or Sellers designee) on closing of title;

Any payment made by check is accepted by Seller subject to collection. If any check tendered is not honored, Purchaser shall provide a certified check or bank cashiers check payable directly to Seller within 72 hours after demand for replacement therefore.

Notwithstanding the foregoing, if for any reason whatsoever the check given by Purchaser as the downpayment hereunder is dishonored, Seller shall have the right to cancel this Agreement. Seller's election to cancel shall not be deemed a waiver by Seller of its right to pursue other remedies.

ALL PAYMENTS AT CLOSING, INCLUDING ADJUSTMENTS TO SELLER PURSUANT TO THIS PURCHASER AGREEMENT, ARE TO BE MADE BY GOOD UNENDORSED CERTIFIED CHECK OR BANK CASHIER'S OR OFFICIAL CHECK PAYABLE DIRECTLY TO THE ORDER OF SELLER OR SELLER'S DESIGNEE AND DRAWN ON A BANK WHICH IS A MEMBER OF THE NEW YORK CLEARINGHOUSE. UNCERTIFIED CHECKS OF A FUNDING COMPANY OR ATTORNEYS ESCROW ACCOUNT WILL NOT BE ACCEPTED BY SELLER ON ACCOUNT OF PROCEEDS DUE FROM PURCHASER.

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

5. Seller's Failure to Convey. It is specifically understood and agreed that in the event the Seller shall be unable to deliver or cause to be delivered a deed to the premises to the Purchaser in accordance with this Agreement because of the inability of the Seller to complete the filing of the premises as part and parcel of a Condominium

plan in accordance with the Offering Plan of Columbia Terrace Condominium and any amendments thereto, and/or to complete the intended improvements or deliver title for any reason, then the Seller shall immediately notify the Purchaser and thereupon this agreement shall terminate and the sole liability between the parties shall be the return by the Seller to the Purchaser of the Purchaser's down payment with interest, if any, under this agreement. Seller shall not be required to bring any action or proceeding or otherwise incur any expense to render title to the premises marketable or to cure any objections to title.

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

7. Purchaser Bound by Offering Plan, etc. The Seller has exhibited and delivered to the Purchaser and the Purchaser acknowledges receipt of the Offering Plan at least 72 hours prior to the execution of this Purchase Agreement and has read and agrees to be bound by the proposed Declaration, By-Laws and Offering Plan of the said Condominium (and the Schedules, Plans and Exhibits attached thereto) all of which are incorporated by reference and made a part of this agreement with the same force and effect as if set forth in full herein. Defined terms not defined within this Purchase Agreement but defined in the offering Plan shall have the meaning ascribed in the offering Plan. Any conflict between the Offering Plan and the Purchase Agreement is to be resolved in favor of the Offering Plan. The Purchaser acknowledges that he is purchasing a Condominium Home in a Condominium that is to be formed, and that, except as stated in this agreement (and as set forth in the Declaration, By-Laws, Exhibits and Offering Plan), he has not relied on any representations or other statements of any kind or nature made by the Seller, any representatives of Seller, or otherwise, including but not limited to any relating to the description, size or dimensions of the Home or rooms therein, and the estimated common charges or other expense in connection herewith.

8. Closing Costs and Adjustments. The Purchaser shall pay the fee of his own attorney and a travel fee to Seller's attorneys in the amount of \$250.00 if the closing of title is held at an office other than that of Seller's attorney, and \$1,250 to Seller's Attorney for preparation and review of Unit Deed, Power of Attorney, and for coordinating and attending the closing. The Purchasers further agree to pay at the closing of title, the actual cost of title examination, cost of mortgage title insurance, bank attorneys' fees for preparation of the documents necessary for the mortgage loan, bank credit and appraisal fees, origination fee, commitment fees, New York State transfer taxes, recording and filing charges paid or payable to public officials, private mortgage insurance premiums, if applicable, mortgage recording taxes and other bank or governmental charges assessed on the loan or on the transfer of title and pro-rata share of first year Condominium insurance.

9. Additional Closing Costs and Adjustments. The Purchaser agrees to pay two months Common Charges to the Condominium at the closing of title, as initial working capital. The Purchaser also agrees to apportion with Seller such taxes, gas, electricity, sewer charges and Common Charges as may be determined to be due at the time of closing.

10. Sellers Right to Mortgage Tax Credit. The Purchaser agrees that any mortgage tax credit received pursuant to Section 339-ee of the Real Property Law will inure to the benefit of the Seller.

11. Trust Fund/Escrow Provisions - The Downpayment and all other deposits or advances made by Purchaser prior to Closing shall initially be held in a segregated escrow account held by Bradford J. Martin, Esq., the Escrow Agent, whose address is 434 New York Avenue, Huntington, NY 11743 and whose telephone number is (631) 427-9500, (the "Escrow Agent") pursuant to the following:

- (a) The law firm of Bradford J. Martin, Esq., with an address at 434 New York Avenue, Huntington, NY 11743 and whose telephone number is (631) 427-9500, shall serve as escrow agent ("Escrow Agent") for Seller and Purchaser. Escrow Agent has designated Bradford J. Martin, Esq. as signatory on the account. Said signatory is admitted to practice law in the State of New York. Neither the Escrow Agent nor its authorized signatory on the account are the Seller, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.
- (b) Escrow Agent and its authorized signatory hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance or release of the Deposit from escrow.
- (c) The Escrow Agent has established the escrow account at Citibank, located at 349 Main Street, Huntington, NY 11743, ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Bradford J Martin Huntington Community Development Agency" ("Escrow Account"). The Escrow Account is an IOLA account pursuant to Judiciary Law § 497. The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured.
- (d) All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments approved by Seller, and shall be made payable to or endorsed by the Purchaser to the order of Bradford J. Martin, Esq., as Escrow Agent.
- (e) Pursuant to Judiciary Law §497, all interest earned on the IOLA account will be paid to the State of New York. No fees of any kind may be

deducted from the Escrow Account, and the Seller shall bear all costs associated with the maintenance of the Escrow Account.

- (f) Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. With ten (10) business days of the placing the Deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Seller, confirming the Deposit. The notice shall provide the account number.
- (g) The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to the Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, NY 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.
- (h) Under no circumstances shall Seller seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan. *Consummation of the Plan* means filing the Declaration of Condominium and the first transfer of title to a Condominium Home to at least one purchaser under the Plan following a declaration of effectiveness by the Sponsor and acceptance of the Amendment by the Department of Law confirming or declaring that the Plan is effective. Consummation of the Plan does not relieve the Seller of its obligations pursuant to GBL §§ 352-e (2-b) and 352-h.
- (i) The Escrow Agent shall release the Deposit if so directed:
 - (i) pursuant to terms and conditions set forth in this Purchase Agreement, upon closing of title to the Home; or upon a default by Purchaser as set forth in Paragraph 28; or
 - (ii) in a subsequent writing signed by both Seller and Purchaser; or
 - (iii) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (i) through (iii) above, and the Escrow Agent receives a

request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Seller prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (i) through (iii) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Home is located and shall give written notice to both parties of such deposit. Escrow Agent shall disburse the Purchaser's deposit(s) escrowed under this Purchase Agreement within twenty (20) business days after the escrowed funds are permitted to be released in accordance with this Purchase Agreement.

The Seller shall not object to the release of the Deposit to:

- (i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or
- (ii) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

- (j) Any provision of any Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.
- (k) Escrow Agent shall maintain the Escrow Account under its direct supervision and control.
- (l) A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).
- (m) Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase

Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

- (n) No disbursement need or will be made by Escrow Agent until the deposit has actually and finally cleared Escrow Agent's account.
- (o) Escrow Agent shall only be responsible for monies actually received and cleared, and monies earned thereon, if any.
- (p) Escrow Agent undertakes to perform only such duties as are expressly set forth in this Purchase Agreement and the Escrow Regulations as amended on November 14, 2012 promulgated by the New York State Attorney General's Office, and no implied duties or obligations shall be read into this Purchase Agreement against Escrow Agent.
- (q) Seller agrees that Seller and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the Home to a designated attorney who is a member of or employed by Escrow Agent, within three (3) business days of tender of the Deposit by Purchaser.
- (r) Seller agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.
- (s) The following record keeping provisions shall apply:
 - (i) Escrow Agent shall maintain all records concerning the Escrow Account for seven (7) years after the release of the funds.
 - (ii) Upon dissolution of a law firm which was the Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.
- (t) Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Seller from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.
- (u) Seller agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses, demands, causes of action, liability, judgments and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's

duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

- (v) Escrow Agent shall not be liable for Seller's failure to tender the Purchasers' funds to Escrow Agent within five (5) business days, for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence.
- (w) Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner or execution, or validity of any written instructions delivered to it, nor as to the identity, authority, or rights of any person executing the same.
- (x) The duties of Escrow Agent shall be limited to the safekeeping of the deposits and for disbursements of same in accordance with the written instructions described in this Agreement.
- (y) This Paragraph 11 of the Purchase Agreement shall remain in effect unless and until the following:
 - (i) Written notice given by Seller to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or
 - (ii) The resignation of Escrow Agent upon giving notice to Seller of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or
 - (iii) All Homes offered pursuant to the Plan have been sold and all sales transactions have been consummated.
 - (iv) Escrow Agent shall have no responsibility to verify qualifications of any successor escrow agent.
- (z) Upon termination of the duties of Escrow Agent, Escrow Agent shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by Escrow Agent to the new escrow agent designated in the duly filed amendment related thereto.

- (aa) Upon delivery of all funds held by the Escrow Agent to the new escrow agent, this provision of the Purchase Agreement shall be terminated and the Escrow Agent shall be released from all liability hereunder.
- (bb) Upon Escrow Agent disbursing the deposit of Purchaser in accordance with the provisions of Paragraph 11 of the Purchase Agreement, the Escrow Agent's obligations shall terminate as regards to said Purchaser's deposit, and Escrow Agent shall thereafter be released of all liability in connection with said Purchaser.
- (cc) In the event of a good faith disagreement about the interpretation of this Paragraph 11 of the Purchase Agreement, or about the rights and obligations, or the propriety, of any action contemplated by Escrow Agent hereunder, Escrow Agent may, at its sole discretion, retain purchaser's deposits and payments in escrow and file an action and deposit any applicable funds in court to resolve said disagreement. Escrow Agent shall be indemnified by Seller for all costs, including reasonable attorneys' fees or reasonable value of services rendered by Escrow Agent's litigation attorneys representing Escrow Agent pro se, in connection with the aforesaid action. No such action shall be filed where the Escrow Agent's required course of action is clearly dictated within this Paragraph 11 of the Purchase Agreement.
- (dd) Any provision of any contract or agreement, whether oral or in writing, by which Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of the regulations pertaining to escrow funds as amended on November 14, 2012 shall prevail over any conflicting or inconsistent provision in the Offering Plan, an amendment to the Offering Plan or in the Purchase Agreement.
- (ee) This Paragraph 11 of the Purchase Agreement shall be construed in accordance with and governed by the laws of the State of New York.
- (ff) It is an express condition of the Closing of Title that the Purchaser sign the forms set forth as Schedules D-3 and D-4 to the Offering Plan which will enable the Escrow Agent to release the escrow funds not previously released, as set forth above.

In the event the Seller cannot convey title to the Home, all moneys advanced by the Purchaser hereunder shall be returned to the Purchaser with interest, if any.

12. Subordination of Purchase Agreement to Mortgages. The Purchaser agrees that all terms and provisions of this agreement are and shall be subject and subordinate to the lien of any institutional mortgages on the Condominium property heretofore or hereafter made and any advances heretofore or hereafter made thereon, and any payments or expenses already made or incurred or which may hereafter be

made or incurred, and any purchase money mortgages, pursuant to the terms thereof, to the full extent thereof without the execution of any further legal documents by the Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the schedule of payments or accelerated thereunder by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments. The Seller shall satisfy all such mortgages or obtain a release of the Home from the lien of such mortgages at or prior to the closing date, except for the individual mortgage of Purchaser thereon.

13. Construction of Home by Seller. The Seller agrees, at its own cost and expense to erect and complete the aforementioned Home in accordance with the requirements as to materials and workmanship of the Building Department of the Town of Huntington and further agrees that when completed, same will be in substantial accordance with the plans as filed with the Building Department. Seller will also grant the right of rescission to Purchaser should the Closing of the first Home in the Condominium be delayed by twelve (12) months or more from the estimated date of the first Closing set forth in Schedule B in the Offering Plan. If Purchaser has entered into this Purchase Agreement subsequent to an amendment disclosing a revised estimated date of the first Closing such Purchaser will be offered a right of rescission if the estimated date of the commencement date of the first year of operation of the Condominium is delayed by twelve (12) months or more from the estimated date in the amendment. The issuance of a temporary or permanent Certificate of Occupancy shall mean that the Home is substantially complete, in which event the Purchaser agrees to accept a letter agreement from the Seller wherein the Seller shall agree to complete all unfinished items within ninety (90) days from the date of the closing of title, weather permitting. Any such incomplete items shall not constitute an objection to closing provided Seller executes and delivers to Purchaser, a letter agreement in accordance with the foregoing. Purchaser shall permit Seller, its agents, servants and/or employees to enter upon the Premises and shall provide reasonable access thereto subsequent to closing to complete any incomplete items. In the event a Permanent Certificate of Occupancy is not issued as of the date of closing, the Seller will obtain the Permanent Certificate of Occupancy within two (2) years after the issuance of the First Temporary Certificate of Occupancy for the Home.

Purchaser shall permit Seller, its agents, servants and/or employees to enter upon the Premises and shall provide reasonable access thereto subsequent to closing to complete any incomplete items. In the event Seller is required to make any repair or complete any item of work to be performed by Seller after closing, the limit of Seller's liability shall be to make said repair and/ or to complete such item. This Paragraph shall survive the delivery of the deed.

14. Personal Property Included in Sale: Excluded Items. All articles of personal property, fixtures and equipment as set forth in the Offering Plan for the Model Type Condominium Home referred to herein are included in this sale, and same will be delivered free and clear of all liens and encumbrances except the lien of the mortgage applied for by Purchasers herein. Decorative fixtures, furniture, furnishings, paint, wall paper, carpeting, ceramic floors, mirrors, shelves, wall and window treatments, built-ins,

burglar alarm system, electric fixtures on site lighting, intercom systems, mirrored bar cabinet doors, wooden bar cabinet doors, wood vanity doors, mirrored vanity doors, high back splash on kitchen cabinets, ceiling high kitchen cabinets, radius ends on vanities and kitchen cabinet counters, wall mounted vanities, special landscaping installed at the model homes, special kitchen cabinets, central vacuum systems, whirlpool bathtubs, fireplace, high hat lighting, additional fixtures and switches added for decorative purposes exhibited in the Model Homes, excepting those specifically set forth herein or in the Offering Plan, are for display purposes only and are not included in this sale.

15. Selection of Colors. It is further agreed that wherever the Purchaser has the right to make a selection of colors, fixtures and/or materials from Seller's designated samples, he shall do so within thirty (30) days after execution of this Purchase Agreement. The selections are to be made at Seller's sales and display offices. Monday thru Friday excluding holidays all between the hours of 10:00 a.m. and 5:00 p.m. In the event the Purchaser fails to make such selection within such period, the Seller shall have the right to use its own judgment in the selection of colors, fixtures and materials and the Purchaser shall accept the same. Such written demand shall be by ordinary mail addressed to the Purchaser at the address herein set forth. Seller shall not be responsible for variations in the color of siding, appliances, plumbing fixtures, carpeting or tiles from the samples due to manufacturer variations, nor shall such variations constitute an objection to closing or entitle Purchaser to compensation therefor.

16. Sellers Right to Make Changes in Materials, etc. The Seller reserves the right to: (a) make changes or substitutions of materials or construction for items as set forth in the Offering Plan or Building Plan, provided any such changes are of equal or better quality and design; (b) determine the exterior color and design, location of buildings, landscaping, grading, elevation and design (including reversal of the Home and building layout) of all plots and dwellings to fit into the general pattern of the Community; and (c) determine elevation of front, rear and sides of buildings, and elevation, size and location of foundations, walkways, stairs, patios, balconies, windows and roadway; (d) determine the ultimate house mix and color of Homes in the Condominium; (e) modify entry walks, relocate parking stalls and garbage dumpsters, etc.; (f) determine location of electric and gas meters, air conditioning units, electric transformers, heat pump units, mail boxes, speed bumps, hose bibs, and leaders and gutters. In addition to the foregoing, the building exteriors, exterior elevations and location of foundations, entrances, window fenestration, balconies and buildings may vary; (g) alter the elevation and roof details where elevation of adjacent lot warrants such change; (h) alter the exterior materials or placement thereof where alignment of adjacent homes so warrant; (i) to fix the location of buildings (including setbacks); (j) determine the ultimate number of Homes to be constructed in the Community; (k) add or remove retaining walls where required by grade conditions; (l) determine the size of porches, if any, to be constructed on a particular Home; (m) vary the number of steps into house from front, rear due to topographical conditions; (n) relocate parking spaces; (o) make any other changes required by the Town of Huntington; (p) change appliances

as long as they are equal to or better than originally offered; (q) determine the type of siding to be used on the exterior of the Home.

17. Closing Deed: Power of Attorney. The closing deed shall be in proper statutory form for recording; shall be Bargain and Sale with covenant; shall be duly executed and acknowledged by the Seller at the Seller's expense and shall contain such a description of the premises as shall be acceptable and/or approved so as to validly convey under the Condominium Act, the Home and the undivided interest in the common elements referred to herein and shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. At the closing of title the Purchaser agrees to execute and deliver to Seller the Power of Attorney in the form annexed hereto (and made a part hereof) and designated "Schedule A".

18. Marketable Title, Subject To. The Seller shall give and Purchaser shall accept a good and marketable title (subject to the terms of the Declaration and By-Laws as filed and of the Offering Plan), free and clear of all liens and encumbrances except the lien of the mortgage applied for by Purchaser herein and except as set forth in the Offering Plan; and such title as Advantage Title Agency, Inc. or any other title company licensed in New York and selected by Purchaser will approve and insure for mortgages and/or fee title insurance. Fee title insurance, if ordered by Purchaser, shall be purchased at Purchasers own cost and expense. Purchaser shall deliver to Sellers attorney at least ten (10) days prior to closing, a written notice setting forth each objection to title, if any (other than those specifically set forth herein subject to which the Premises are being sold), and a copy of Purchasers title report. Seller shall have the right to a reasonable adjournment of Closing not to exceed sixty (60) days for the purpose of curing any title defect; however, no such action taken by Seller shall be deemed an admission by Seller that such defect is one that would entitle Purchaser to cancel this Agreement.

19. Completion of Construction - Purchaser's Inspection. Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Home or the building in which it is located or (b) other Homes or (c) the landscaped areas or (d) the open parking spaces or (e) recreational facilities or (f) other portions of the Common Elements or Common Areas have not been completed. Purchaser will inspect his Home with a representative of the Seller during normal business hours prior to the closing date and will sign and deliver to Seller on or before closing date a Pre-Title Inspection Statement supplied by Seller, acknowledging the condition in which he has received his Home.

20. Acceptance of Deed - Full Compliance by Seller: Waiver of Jury Trial. Anything to the contrary herein contained notwithstanding, it is specifically understood and agreed by the parties hereto that the acceptance of the delivery of the deed at the time of the closing of title hereunder shall constitute full compliance by the Seller with the terms of this agreement and none of the terms hereof, except as otherwise herein expressly provided, shall survive the delivery and acceptance of the deed. All representations contained in the Offering Plan shall survive delivery of the deed. The

parties hereto do hereby agree that trial by jury in any action, proceeding or counterclaim arising out of or from this Agreement is hereby waived.

21. LIMITED WARRANTY. SELLER HEREIN MAKES NO HOUSING MERCHANT IMPLIED WARRANTY OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE PURCHASE AGREEMENT OR HOME COVERED HEREBY AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS PROVIDED IN THE LIMITED WARRANTY SET FORTH AS SCHEDULE D-1 TO THE OFFERING PLAN. THE TERMS OF THE LIMITED WARRANTY ARE HEREBY INCORPORATED INTO THIS PURCHASE AGREEMENT AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE THEREOF. PURCHASER HEREBY ACKNOWLEDGES THAT A WRITTEN COPY OF THE TERMS OF THE ANNEXED LIMITED WARRANTY HAS BEEN PROVIDED BY SELLER TO PURCHASER FOR PURCHASER'S EXAMINATION AND THAT A REASONABLE PERIOD OF TIME FOR ITS EXAMINATION BY PURCHASER HAS BEEN AFFORDED TO PURCHASER PRIOR TO THE TIME OF PURCHASER'S EXECUTION OF THE PURCHASE AGREEMENT. PURCHASER UNDERSTANDS AND ACCEPTS THE ANNEXED WARRANTY TO THE PURCHASE AGREEMENT IN LIEU OF ANY OTHER EXPRESS OR IMPLIED WARRANTIES IN CONNECTION WITH THIS TRANSACTION. THE ANNEXED WARRANTY WILL BE FULLY EFFECTIVE WITHOUT THE EXECUTION OF ANY OTHER DOCUMENT BY EITHER PURCHASER OR SELLER ON THE DATE THAT PURCHASER OR ITS FAMILY SHALL FIRST OCCUPY THE HOME WHICH IS THE SUBJECT OF THIS AGREEMENT AS A RESIDENTIAL HOME OR THE DATE THAT THE DEED TO SUCH HOME SHALL BE DELIVERED TO PURCHASER, WHICHEVER OCCURS FIRST. IN ADDITION TO THE ANNEXED LIMITED WARRANTY, PURCHASER WILL RECEIVE ANY MANUFACTURERS' WARRANTIES APPLICABLE TO THE APPLIANCES INSTALLED IN THE HOME.

The provisions of this Paragraph shall survive the delivery of the deed.

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

23. Lien of Deposit; Risk of Loss. All sums paid on account of this Agreement and the reasonable expense of the examination of the title to the Home are hereby made liens hereon, but such liens shall not continue after default by the

Purchasers under this Agreement. The risk of loss or damage to the Home by fire or any other cause until the delivery of the deed or possession by the Purchaser is assumed by the Seller. In the event a substantial portion of the Home or Community shall be destroyed or damaged prior to closing, Seller shall be entitled to cancel this Agreement by written notice to Purchaser, together with a check in the full amount paid by Purchaser, with interest, if any. The parties shall thereafter be released from any further liability hereunder.

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

25. Possession Prior to Closing. It is expressly understood and agreed that the Purchaser shall in no event take possession of the premises prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Agreement nor shall Purchaser enter the home or have their contractors or agents enter the home to perform work prior to closing without prior authorization of Seller and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove them from the premises as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and upon such election, the amount paid hereunder shall belong to the Seller as liquidated damages. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the property on or after the closing of title herein.

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

27. Delay in Closing; Purchaser's Option to Cancel. In the event the Seller shall be unable to schedule the closing of title to the home or convey title to the Condominium Home on or before twelve (12) months after the date of delivery of title set forth herein and except for delays due to strikes, acts of God, wars, lockouts, military operations, national emergencies, installation of public utilities, governmental restrictions preventing Sponsor from obtaining necessary supplies and/ or materials, in which event the period shall be extended to eighteen (18) months, except for the Purchaser's default, the Purchaser shall have the option to cancel this agreement and to have the down payment advanced by him returned to the Purchaser with interest, if any. Seller must receive Purchaser's written notice of his intention to exercise such option to cancel no later than ten (10) days after twelve (12) or eighteen (18) months, whichever applicable, from the date set forth herein for the delivery of title. Failure to so

notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of this Agreement. Purchasers may also have tolling rights. . The Seller cannot limit any rights which the Purchaser may have pursuant to Article 23A of the GBL, regulations, and the Offering Plan, except as determined in a final decision or order by a court of competent jurisdiction or any governmental agency or by executive order. The Seller has the option not to close title to the Condominium Home described herein if less than 80% of all of the Condominium Homes to be constructed as part of the Condominium are sold, the Plan has not been declared effective except as provided in Section XII of the Offering Plan, title to any Condominium Home has not been conveyed, and the Declaration has not been filed at such time. In the event Seller exercises such option, it will file an Amendment to the Offering Plan and an RS-3 Form with the Department of Law and will return the Purchaser's down payment within five (5) days after the abandonment Amendment has been accepted for filing.

28. Breach of Purchase Agreement. If Purchaser fails to appear and close title in accordance with this Purchase Agreement on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this Purchase Agreement, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such thirty (30) day period, this Purchase Agreement shall, at Seller's option, be deemed canceled and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the Purchase Price, together with all interest credited thereon, if any, which total amount Purchaser acknowledges to be fair and reasonable.

Prior to such funds being released to Seller the Escrow Agent shall send a notice to Purchaser of the Escrow Agent's intent to release the funds being held in escrow on behalf of the Purchaser pursuant to the provisions of the Attorney General's escrow regulations as described in Section XII to the Offering Plan and Paragraph 11(i) of this Purchase Agreement.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH THIRTY (30) DAY PERIOD.

Upon cancellation of this Purchase Agreement for Purchaser's failure to timely cure any such default, Seller shall be released and discharged of all further liability and obligations to Purchaser under this Purchase Agreement. Thereafter the Unit may be sold or disposed of as though this Purchase Agreement had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under this Purchase Agreement or at law for any default by Purchaser under this Purchase Agreement. If Seller prevails in any litigation arising out of this Purchase Agreement, it is entitled to recover from Purchaser all expenses of such litigation including but not limited to legal fees.

29. Binding Nature of Purchase Agreement, Assignability: The parties agree that the stipulations and agreements herein contained shall be binding upon them, their respective heirs, executors, administrators and/or assigns. The Purchasers agree that they will not record or assign this Agreement or any of their rights hereunder without the written consent of the Seller. In the event Seller, in its discretion, permits an assignment of this Purchase Agreement it may elect to impose an assignment fee. In no way should this be construed as a requirement that Seller must consent to an assignment and Seller reserves the right to refuse to permit an assignment of this Purchase Agreement.

30. Prohibition Against Advertising of Home for Sale. The placing of an advertisement for the sale of this Home in any newspaper prior to closing will constitute a material breach of this Agreement entitling Sponsor to retain all monies paid on account of this Agreement as liquidated damages.

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

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

33. Delivery of Purchase Agreement. This Purchase Agreement shall not be binding on Purchaser until it is accepted, by endorsement hereon by the Seller, and a fully signed copy thereof shall have been delivered or mailed to Purchaser. If this Agreement shall not be accepted within twenty (20) days of the date hereof by the delivery or mailing to Purchaser of such endorsed and fully signed copy, this Purchase Agreement shall be deemed to be rejected and canceled and Purchasers deposit shall be promptly refunded within ten (10) days thereafter, provided Purchaser returns the Offering Plan to Seller in good condition.

34. Municipal Certificates. At the closing of title the Seller will deliver a temporary or permanent certificate of occupancy covering the Home and a New York State Board of Fire Underwriters Certificate covering the electrical installation.

35. Purchaser's Income. Purchaser hereby represents that their annual income is _____, not including overtime and they make this representation knowing that Seller herein relies upon the truth thereof.

36. Purchaser May Not Erect Signs on Home. Purchasers shall not place any sign, other than a house number sign, anywhere on the Home or Property at any time without Seller's prior written consent. This paragraph shall survive delivery of the deed.

37. Inspection During Construction. Unless specifically agreed to by Seller, Purchaser shall not visit the construction site except the Sales Office. Purchaser acknowledges that unsupervised visits to the construction site present a dangerous circumstance and could incur liability to Seller. Purchaser hereby releases and agrees to indemnify, defend and hold Seller harmless for all claims and liabilities incurred by Seller resulting from the presence of Purchaser or Purchaser's family members or invitees on the Premises or Seller's other property during the term of this Agreement.

38. Notices. Any notices, statements, certificates, requests or demands required or permitted to be given or delivered under this Purchase Agreement shall be in writing and may be sent by mail, nationally recognized overnight courier or personal delivery, addressed to Purchaser or to Seller, as the case may be, at their respective addresses shown at the beginning of this Purchase Agreement, or to such other address as Purchaser or Seller may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given:

- (a) upon personal delivery actually being made, and
- (b) upon receipt, notice of first refusal of delivery or when returned as undeliverable if delivered by: (i) the United States Post Office with proper postage prepaid, if sent by regular mail, registered or certified mail return receipt requested; or (ii) nationally recognized overnight courier service.

Notwithstanding the foregoing, any notice of default must be delivered only by nationally recognized overnight courier service, personal delivery, or certified mail return receipt requested. Notice given by an attorney for a party shall be deemed effective notice as if given by such party.

39. Acknowledgment of Occupancy Requirements. The Purchasers represent and warrant that Purchasers will occupy the Home as his or her main domicile and meet the Affordability requirements as set forth in Special Risk Factor No.1 of the Offering Plan for the Columbia Terrace Condominium.

The Purchasers acknowledge, understand and agree that in the event the Purchasers desire to sell the dwelling they will be restricted to sell to such persons complying with the restrictions set forth in Special Risk Factor No. 1 as set forth in the Offering Plan for the Columbia Terrace Condominium

Purchasers agree to provide proof of compliance with the restrictions set forth in Special Risk Factor No. 1 in the Offering Plan for the Columbia Terrace Condominium and provide additional updated proof upon written request. The foregoing shall survive the delivery of the deed and conveyance of title.

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

agreements made by Seller, its agents, or representatives. Any conflict between this Purchase Agreement and the Plan shall be resolved in favor of the Plan.

41. Mortgage Contingency. This Purchase Agreement is subject to and conditioned upon issuance of a written commitment (the "Commitment") for a conventional mortgage loan encumbering the Premises from an Institutional Lender approved by the Town of Huntington, (as herein defined) (the "Lender"), for a term of thirty (30) years, at the prevailing rate of interest in an amount as applied for by Purchaser not to exceed \$_____ (the "Loan"). Purchaser shall make prompt application to Lender for the Loan no later than seven (7) days from the date hereof and shall diligently, truthfully and in good faith pursue the Loan. Purchaser shall furnish and execute all documents and shall pay all costs and expenses required by Lender to process the application and issue a Commitment.

Purchaser shall, at Seller's request, furnish Seller with a copy of its application for the Loan, along with the name and address of the Lender.

Purchaser represents that he/she/they has/have no judgments outstanding or proceedings pending against Purchaser in any Court, nor has Purchaser ever been adjudicated as bankrupt. Purchaser has inquired and is familiar with the requirements to obtain the Commitment and believes it has sufficient income and assets to qualify for same.

Upon issuance of a Commitment, Purchaser shall provide Seller with a copy of same and the provisions of this paragraph shall be deemed satisfied and of no further force and effect and the Purchase Agreement shall be deemed firm and unconditional and equivalent to an "all cash" deal. Any risk that the Commitment may be revoked, cancelled or may expire shall be borne solely by Purchaser (i.e., should Purchaser lose such Commitment after obtaining it, Purchaser shall be obligated to close hereunder in accordance with the terms of the Purchase Agreement or be deemed in default hereunder). In the event the Commitment contains a provision that it is conditioned upon the sale of any real estate or other assets owned by Purchaser or upon the occurrence of any other events, then such conditions in the Commitment shall not be grounds for Purchaser to cancel this Purchase Agreement, and to that extent, the Commitment shall be deemed unconditional.

Upon receipt by Purchaser of a written denial of Purchaser's application for the Loan (the "Denial"), Purchaser shall promptly notify Seller of such Denial, but in no event later than five (5) days from the date of such Denial, and shall enclose a copy of the denial letter.

Provided Purchaser has complied with the terms herein, in the event Purchaser has not received a Commitment or a Denial within thirty (30) days from the date hereof (the "Contingency Period"), then Purchaser may elect to cancel this Purchase Agreement by providing notice to Seller no later than thirty (30) days from the date hereof. Should Purchaser provide notice of cancellation to Seller, as set forth in this Paragraph, and provided Purchaser shall have complied with all of the provisions contained herein, the

Downpayment made hereunder shall be returned to Purchaser, and all rights and obligations between the parties shall cease and terminate, except for those herein which expressly survive termination of this Purchase Agreement. Notwithstanding the foregoing, in the event Purchaser sends a notice of cancellation within the Contingency Period, Seller may, in its sole discretion, extend Purchaser's time to obtain the Commitment for a period not to exceed thirty (30) days, and Purchaser's notice of cancellation shall not be deemed effective until the expiration of such additional time. In the event Seller elects to extend Purchaser's time to obtain the Commitment, then Purchaser shall continue to diligently pursue the issuance of the Commitment within such additional time. Notwithstanding the foregoing, if Purchaser does not provide Seller with the notice of cancellation, as provided in this Paragraph, the provisions of this paragraph shall be deemed satisfied and of no further force and effect, and the Purchase Agreement shall be deemed firm and unconditional.

In the event Purchaser elects to terminate the Purchase Agreement pursuant to the terms of this Purchase Agreement, Seller shall have the right but not the obligation to require Purchaser to make application with another lender of Seller's choice within seven (7) days from the date Seller receives notice of the Denial or Purchaser's notice of cancellation, or obtain a loan commitment letter for Purchaser from a lender licensed to do business in the State of New York or a licensed mortgage banker, upon similar terms and conditions as set forth herein (the "Loan Commitment Letter"). In the event that a Loan Commitment Letter is obtained pursuant to the terms of this Paragraph, Purchaser shall be obligated to accept such Loan Commitment Letter, comply with its requirements and close title hereunder.

In the event the Loan is approved in a reduced amount, Purchaser agrees to accept the Loan on the condition that it can be reduced no more than \$10,000.00, and Purchaser shall pay the difference at closing in cash or certified check.

If the Purchase Agreement is terminated in accordance with the above and Purchaser receives a refund of the Downpayment, said refund shall not include any monies deposited by Purchaser with Seller or any of Seller's sub-contractors for payment towards extras and/or options ordered by Purchaser. Seller or its sub-contractors shall retain such monies notwithstanding the termination of the Purchase Agreement pursuant to the terms of this paragraph.

42. Invalid Provisions to Affect No Others. In the event that any of the agreements, terms or provisions contained in the Purchase Agreement shall be invalid, illegal or unenforceable in any respect, the validity of the remaining agreements, terms or provisions contained herein shall be in no way affected, prejudiced or disturbed thereby.

THIS AGREEMENT STATES THE ENTIRE UNDERSTANDING OF THE PARTIES AND THE SELLER SHALL NOT BE BOUND BY ANY ORAL REPRESENTATIONS AND/ OR AGREEMENTS MADE BY SELLER, ITS AGENTS, OR REPRESENTATIVES.

THIS PURCHASE AGREEMENT IS EXPRESSLY SUBJECT TO FINAL APPROVAL OF THE SUBDIVISION BY THE PLANNING AUTHORITY HAVING JURISDICTION THEREOF WHICH APPROVAL MAY RESULT IN THE CHANGING, ALTERATION OR MODIFICATION OF THE PROPOSED SUBDIVISION.

SELLER:

PURCHASER:

HUNTINGTON COMMUNITY
DEVELOPMENT AGENCY

By: _____
(Type name)

By: _____
Leah-Michelle Jefferson, Director

By: _____
(Type name)

AGREED AS TO PARAGRAPH 11 BY ESCROW AGENT
BRADFORD J. MARTIN, ESQ.

By: _____
Bradford J. Martin, Esq.

“YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.”

SCHEDULE D-1

LIMITED WARRANTY

RIDER TO PURCHASE AGREEMENT DATE _____, 20 BY AND
BETWEEN HUNTINGTON COMMUNITY DEVELOPMENT AGENCY, AS SELLER
AND _____, AS PURCHASER.

LIMITED WARRANTY

NAME OF PURCHASER(S): _____

ADDRESS OF PURCHASER(S): _____

DESIGNATION OF HOME WARRANTED: _____

NAME OF SELLER: **HUNTINGTON COMMUNITY**
DEVELOPMENT AGENCY

ADDRESS OF SELLER: 100 Main Street
Huntington, New York 11743

EFFECTIVE DATE OF THIS LIMITED WARRANTY: The date that Purchaser or its family shall first occupy the home warranted or the date of delivery of the deed to such home to Purchaser, whichever occurs first.

SELLER'S LIMIT OF TOTAL LIABILITY: Seventy-five (75%) percent of the purchase price of the home set forth in the Purchase Agreement to which this Warranty is annexed as a rider less any insurance proceeds received by Purchaser.

THIS LIMITED WARRANTY EXCLUDES AND PRECLUDES ALL CONSEQUENTIAL, INCIDENTAL, SPECIAL, AND INDIRECT DAMAGES.

THIS LIMITED WARRANTY IS IN LIEU OF AND REPLACES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE HOME AND ITS COMPONENTS, BOTH EXPRESS AND IMPLIED (INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE). THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THE PURPOSE OF THIS LIMITED WARRANTY IS TO IDENTIFY THE SELLER'S RESPONSIBILITIES FOR CONSTRUCTION DEFECTS OF A LATENT OR HIDDEN NATURE THAT COULD NOT HAVE BEEN FOUND OR DISCLOSED ON FINAL INSPECTION OF THE HOME.

1. To Whom Given. This Limited Warranty is given to the Purchaser named on page I while the Purchaser owns the Home. IT DOES NOT EXTEND TO SUBSEQUENT OWNERS, HEIRS, TENANTS OR MORTGAGEES IN POSSESSION OF THE HOME, ANY ONE WHO MAY SUCCEED TO THE RIGHTS OF PURCHASER OR ANY OTHER PERSONS.

2. By Whom Made. This Limited Warranty is made exclusively by the Seller whose name and address appear on page I.

3. Final Inspection of the Home. Before the Purchaser moves into the Home or accepts the deed, the Seller will schedule an appointment for final inspection of the Home with the Purchaser. The purpose of this final inspection is to discover any defects of a visible, obvious or patent nature, or any other unfinished work.

All defects found on final inspection of the Home will be itemized on a Final Inspection Sheet, which will be signed by the Purchaser and the Seller before occupancy of the Home or delivery of the deed.

4. Warranty Coverages and Periods. The Warranty Period for all of the following coverage begins on the Effective Date of this Warranty shown on page I of this warranty.

FIRST YEAR BASIC COVERAGE: for one year from the Effective Date of this warranty, the Home will be free from latent defects that constitute:

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

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

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

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

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

TWO YEAR MAJOR SYSTEM COVERAGE: for two years from the Effective Date of this warranty, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Home which have been installed by the Seller are warranted to be free from latent defects resulting from defective installation by the Seller.

The Plumbing System refers to the gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system.

The Electrical System refers to all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System refers to all duct work, steam, water and refrigerant lines, registers, convertors, radiation elements and dampers.

Except by reason of a defect in installation by Seller, this major system coverage does not include defects in appliances, fixtures and items of equipment.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six years from the Effective Date of this warranty, the Home will be free from latent Major Structural Defects that result from:

- (a) defective workmanship by the Seller, or an agent, employee or subcontractor of the Seller;
- (b) defective materials furnished by the Seller, or an agent, employee or subcontractor of the Seller; or
- (c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Seller.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions which affects their load-bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

Damage to the following non-load bearing portions of the Home are not covered by this six-year coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Home; electrical, plumbing, heating, cooling and ventilation systems;

appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; and insulation.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

In all coverages under this Paragraph 4, workmanship, materials, design and installation will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the applicable building code of the municipality in which the Home is located, in effect on the date that the building permit for the Home was issued, as supplemented by the annexed locally accepted building standards and practices.

ALL TIME PERIODS FOR THESE COVERAGES ARE OF THE ESSENCE AND WILL NOT BE EXTENDED.

5. Exclusions From All Coverages. The following are not covered by this warranty:

(a) patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Home prior to the Effective Date of this warranty ought to have revealed;

(b) defects in detached garages and carports; swimming pools and other recreational facilities, if any; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); and any other improvements not a part of the Home itself;

(c) raised butt joints; ridging, scuffing on kitchen cabinet or vanity surfaces; variations of wood grain or staining of kitchen cabinets or vanities; shading variations of the exterior siding staining (on the face surface or grooves), and on facias from staining; doors and windows sticking because of weather; adjustment of bi-fold doors; chips, scratches, marks, breaks, or other blemishes in windows, sliding doors, screens, electric fixtures and globes, woodwork and doors; dented appliances; broken screens; and minor chips (nicks) to cultured marble floors and countertops;

(d) defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors and for incidental or consequential damages resulting from such work or materials;

(e) damage caused by the failure by the Purchaser or anyone other than the Seller, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment;

(f) damage caused by the misuse, abuse, or interference by Purchaser or anyone other than Seller or its employees, agents and subcontractors with the Seller's original construction or installations;

(g) additional damage caused by the failure of the Purchaser to give notice to the Seller of any defects or damage in a timely manner as provided in this warranty;

(h) damage caused by changes in grade made by anyone other than the Seller, its employees, agents or subcontractors and damage caused by changes in grade made by Seller's agents and subcontractors if such work was ordered directly by Purchaser;

(i) damage caused by changes, alterations or additions made to the Home by anyone other than Seller or its employees, agents or subcontractors after the Effective Date of this warranty;

(j) damage caused by changes, alterations or additions made to the Home by Seller's agents and subcontractors if such work was ordered directly by Purchaser after the Effective Date of this warranty;

(k) damage caused by dampness or condensation due to the failure of the Purchaser to maintain adequate ventilation;

(l) loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, acts of God, lightning, windstorm, hail, flood, mud slide, earthquake, volcanic eruption, wind-driven water, soil movement and changes in the underground water table;

(m) loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect;

(n) any damage which Purchaser has not taken timely action to minimize;

(o) normal wear and tear and normal deterioration;

(p) insect, vermin and/or rodent damage and infestation, or damage caused by other animals or pests;

(q) bodily injury, death, or damage to personal property;

(r) costs of shelter, transportation, food, moving, storage or other expenses related to relocation during repair or replacement;

(s) consequential, incidental, special and indirect damages;

(t) any claim not filed in a manner set forth in paragraph 7 of this warranty;

(u) damage which arises while the home is being used for nonresidential purposes; and

(v) damage due to abnormal loading on floors which exceeds design loads as mandated by the applicable building code or building standards.

6. What Seller Will do in the Event of a Defect Covered by This Warranty. If a defect occurs in an item covered by this warranty, the Seller will repair, replace, or pay the Purchaser the reasonable cost of repairing or replacing the defective item(s), within sixty (60) days after the Seller's inspection or testing discloses the problem, subject to weather conditions, acts of God, availability of materials, and other events beyond Seller's control. The choice among repair, replacement or payment is solely that of the Seller. In making any repairs or replacements, Seller shall have the right to select the method and materials to be used in performing such repairs or replacements.

Seller's liability under this warranty is limited in the aggregate to the amount listed on page I of the warranty.

Repair of damage to the load-bearing portions of the Home will be limited to that which is necessary to restore their load-bearing function. Repair of other Major Structural Defects will be limited to repair of those defects which made the Home unsafe, unsanitary or otherwise unlivable.

7. Step by Step Claims Procedures. (a) Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and must be received by the Seller no later than the tenth (10th) day after the expiration of the applicable warranty period. Such notice must be sent by Purchaser to Seller by certified or express mail, return receipt requested. If this form shall not properly be completed and received by the Seller by that deadline, the Seller will have no duty to respond to any complaint or demand contained in such form, and any or all claims may be rejected. COMPLETION AND DELIVERY OF SUCH NOTICE OF WARRANTY CLAIM IN A TIMELY MANNER IS NECESSARY TO PROTECT THE RIGHTS OF THE PURCHASER UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Seller, Purchaser or any other person to inspect, test or correct defects will extend any time period under this Warranty. No steps taken by the Seller in response to an improperly completed or untimely notice of a warranty claim will give rise to any liability of Seller to Purchaser in connection with such claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Seller and the Seller's agents will have the right to inspect and test the portion of the Home to which the claim, complaint or request relates. The Purchaser and occupants of the Home must provide reasonable access to the Seller and the Seller's agents during normal business hours, Monday through Friday, to complete

inspection, testing and repair or replacement. Failure by Purchaser to provide such access shall invalidate this warranty with respect to the defect(s) set forth on the Notice of Warranty Claim.

(d) The Seller will complete inspection and testing within a reasonable time under the circumstances after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Seller will determine whether to accept or reject the claim. If the Seller rejects the claim, the Seller will give written notice of that decision to the Purchaser at the address shown on the Notice of Claim Form. If the Seller accepts the claim, the Seller will take corrective action within a reasonable time under the circumstances. The Seller will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessary are subject to weather conditions, availability of materials, and other events beyond the Seller's control.

8. Legal Actions. (a) No claim under this warranty may be commenced or asserted against Seller in any lawsuit unless a properly completed Notice of Warranty Claim Form has been received by the Seller in the time period set forth in paragraph 7 of this warranty.

(b) No lawsuit against the Seller under this warranty may be commenced more than thirty (30) days after the expiration date of the applicable warranty coverage, or thirty (30) days after Seller has given written notice of its rejection of Purchaser's claim with respect to such claim, or thirty (30) days after Builder has substantially completed corrective action for a defect with respect to such defect.

9. Miscellaneous Provisions. (a) To the extent any coverage under this warranty applies to common elements of a condominium, such coverage shall be deemed given to the Board of Managers of the condominium.

(b) This warranty may not be amended in any way without Seller's prior written consent in each instance.

(c) If any provision of this warranty will not be enforced by an appropriate court, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this warranty includes the other gender, and use of the plural includes the singular, as may be appropriate.

(e) This warranty shall be governed in accordance with the laws of the State of New York.

(f) The annexed Building Standards, as the same may be amended by the Long Island Builders Institute, establishes the standards by which it will be determined whether the home has a problem which is covered by this Limited Warranty and the obligation of the Seller to correct such problem.

NOTICE OF WARRANTY CLAIM FORM

Dear Purchaser:

To ask the Seller to correct a defect in your Home that you think is covered by the Seller's Limited Warranty, you must complete this form and deliver it to the Seller. This is necessary to protect your rights to warranty performance under the Limited Warranty.

The information you will need to fill out the form will be on page 1 of the Limited Warranty. However, if you do not know the answers to any questions, write "Don't know." Please do not leave any items blank.

Your Name: _____

Mailing Address: _____

Phone: _____

Home No.: _____

Effective Date of the Warranty: _____

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem:

(date)

(signature)

(date)

(signature)

This completed and signed form must be sent to Seller at its address listed on the first page of the Warranty by certified or express mail, return receipt requested.

**ACCEPTED BUILDING
STANDARDS
EFFECTIVE JANUARY 1, 2007**



Long Island Builders Institute, Inc.

1757-8 Veterans Memorial Highway
Islandia, NY 11749
Tel: 631-232-2345 Fax: 631-232-2349
www.libi.org Email: evp@libi.org

Purchaser: _____

Address: _____

Builder: _____

Job No: _____

Date: _____

Receipt of the Long Island Builders Institute's Accepted Building Standards January 1, 2007 Booklet is Hereby Acknowledged.

Acknowledgements

The Long Island Builders Institute (LIBI) gratefully acknowledges the leadership and commitment of the National Association of Home Builders (NAHB) in developing their Residential Construction Performance Guidelines for Professional Builders & Remodelers (Third Edition). The LIBI Standards are closely modeled after the NAHB Guidelines but have been adjusted for local practices.

We also acknowledge the contribution of the LIBI Accepted Building Standards Committee: Richard L. Raskin, Chairman, Ray Accettella, John Barrows, Gary Cannella, Larry Davis, Cliff Fetner, Paul Martino and Robert Wieboldt, LIBI EVP.

Purpose of the Book

A Level of Expectation

Homeowners, contractors, builders and remodelers are constantly seeking a measurable benchmark that deals with the quality and their expectations of performance in the goods and services provided by the residential construction industry. Quality is a term that is often used but is seldom defined, particularly in relation to construction; these Standards are an attempt to supply a benchmark for quality. Building codes and local regulations address matters of health, safety, and welfare and are the mandated responsibility of those codes and regulations but there is a greater likelihood of matching the “other” dimension of a consumer’s expectations by the acceptance of objective criteria regarding performance and building standards. On this premise, the two prior editions of LIBI Accepted Building Standards were developed to offer achievable minimum levels of workmanship and quality for the products delivered. LIBI first developed its own standards in 1988 and this current effort represents the second time that we have updated, refined and expanded our Standards.

It should be noted that the core of these standards were first established as a basis of coverage under insured warranty programs, which were initially offered some 30 years ago. More than 20 years ago, the Remodelers Council of the National Association of Home Builders embraced a similar compilation of guidelines, which led to the published editions of Quality Standards for the Professional Remodeler. The joint effort of the Remodelers Council and the Single Family Small Volume Builders Committee of NAHB culminated in their first edition in 1996. As such, many of the individual guidelines have remained as time-honored measures. LIBI’s Standards are closely modeled after the NAHB Guidelines but have been adjusted for local conditions and practices.

In certain geographical locations across the country the Residential Construction Performance Guidelines of NAHB have grown in acceptance to become the basis for evaluating performance by parties under residential construction contracts when dispute may lead to litigation or arbitration. Here on Long Island LIBI’s Standards have been accepted by many of the towns and villages for evaluating quality and performance and are acknowledged by Nassau and Suffolk counties as important benchmarks.

Review Procedure

The 2007 edition of the LIBI Standards not only follows the 3rd edition of the NAHB’s guidelines but was also reviewed by over 200 Long Island builders, remodelers and many specialty trades people and by consumer groups including the Long Island Housing Partnership. Advertisements to the trade were published in “Builders and Remodelers” and “Hammer” magazines and to the public and consumers in “Newsday” soliciting comments on the Standards.

Written comments were received by Mr. Peter Elkowitz, President of the Long Island Housing Partnership and Mr. Joseph Valdini, Valdini Drywall Corp. Those comments were carefully reviewed and evaluated and some Guidelines were modified as a result of these comments. We thank the commentators for their time and effort and their thoughtful contributions.

The review has resulted in a manual that builders, remodelers, sub contractors and homeowners can reference with confidence in their communications.

Scope of the Accepted Building Standards

These standards are intended for use as a reference and should be interpreted with common sense. They should be applied only within the scope of the particular project to which they apply and are not intended to answer all questions pertaining to quality of construction that might arise in the course of a typical construction project. The guidelines published herein deal with the most frequently raised issues between contractors and homeowners. Although many contractors routinely build to higher standards, this is a collection of generally accepted performance criteria and should be interpreted as such.

The Accepted Building Standards construction performance guidelines do not constitute a warranty, nor are they intended as a substitute for a warranty. However, both parties may agree to incorporate them by reference within a warranty. They are separate and distinct from any manufacturer's warranty that may apply to materials and products used in the project.

The use and applications of these standards with regard to residential and remodeling work is strictly optional and at the discretion of the individuals. These standards are not intended to be a Homeowner's Manual. Although they sometimes mention homeowner's responsibilities and maintenance requirements, no attempt has been made to address all facets of homeownership.

Standards Not Always Applicable

The standards, items, components, etc. mentioned in this booklet will not apply to all homes, as all items, components, etc are not in every home. Furthermore, when these standards are referred to as part of a Contractor's Warranty, the warranty may specifically exclude some of the items, components etc. referred to in this booklet.

Scope of Responsibilities

Typically, numerous parties are involved in a residential construction project, whether it is building a new home or remodeling an existing one. Each of these parties has specific responsibilities to fulfill. The Contract Documents should provide a clear statement of the agreement between the contractor and the homeowner. In addition to the specific provisions of any contract, the following general responsibilities should be noted:

The Contractor: For the purposes of this book, the contractor is the entity named in the contract that has primary responsibility for completing the project. The contractor often employs others to assist him or her. In most cases, the contractor is responsible for all work assigned in the contract regardless of who actually performs the work. If the contractor is acting in a special role (for instance, as a construction manager), or the consumer selects others to work on the project who are outside the contractor's control, then the responsibility for evaluation and remedy of proposed problems may fall to other parties.

The Owner: The owner is the buyer of the product or service named in the contract; as such, the owner is responsible for carefully reviewing the contract to ensure it accurately represents his or her expectations for the final product. Once the owner accepts the project and moves into the

home or occupies the newly renovated space, then he or she is responsible for routine maintenance and upkeep. Homes require a certain amount of care that is generally the owner's responsibility. Additionally, owners should note that in some of the standards contained in this publication, the contractor is not obligated to make repairs to items that fall within the owners' maintenance responsibilities.

Manufacturer or Fabricator: Manufacturers and fabricators warrant many residential construction components that may fall outside the scope of the contractor's responsibilities, such as kitchen appliances, furnaces, air conditioners, and the like. Other less obvious items may include certain types of siding, roofing, or flooring. If there is a warranty question with one of these components, the owner should be aware that the contractor might not be responsible for the performance of the product once it is installed. If a problem occurs, the owner will often deal directly with the manufacturer or fabricator to have the problem evaluated and, if necessary rectified unless otherwise specified in a contract. The contractor's responsibilities may end once he or she provides the appropriate information on how to contact the manufacturer or fabricator, unless otherwise specified in the contract.

Remodeling Projects

Remodeling is the process of expanding or enhancing an existing structure. There are inherent difficulties in melding the new and old in a way that meets the owner's needs and is also aesthetically pleasing. Therefore, there are circumstances that call for the suspension of the application of these standards in order for the remodeling project to be successfully completed. These include, but are not limited to: the meeting of old, out-of-plumb or out-of-level structures with new structures; the appearance of new materials near weathered, existing materials; and the practical considerations for new projects to work within the limitations of existing buildings.

Because of the unique challenges of joining new with old, a remodeling contractor may build part of or the entire project outside the scope of these guidelines to achieve the contract objectives. When it is reasonable, the contractor may note and discuss a condition with the owner before construction. It is also normal for a contractor (in the course of construction) to discover and accommodate conditions in the old structure that require solutions different from those the standards suggest. In these circumstances, the governing factor is meeting the needs of the owner as outlined in the contract and complying with the local building code. *Note: Remodeling-specific items are in italics.*

How to Use This Manual

This manual is divided into chapters generally organized according to the usual sequence of events in the construction process. Nearly every chapter has major categories or sections; some also have smaller subsections. Each chapter contains individual construction standards.

The standards in this book are numbered according to the following sequence: Chapter Number—Section Number—Guideline Number

Please note that the guideline numbering restarts under each new section within a chapter. Smaller subsections within chapters do not affect the numbering system.

Each construction performance guideline has three parts, with an optional fourth part:

Observation: A description of a particular construction condition, defect or potential problem.

Performance Guideline: The specific criterion for acceptable workmanship.

Corrective Measure: A description of the work required by the contractor to meet the performance guideline if any is required and/or the owner's maintenance responsibility.

Discussion: (optional) Occasionally, when more information would be helpful, there appears an additional part called Discussion; an explanation of unique factors pertinent to the observation, performance guideline, or corrective measure.

The guidelines are supplemented by a glossary and an alphabetical subject index. The subject index is a comprehensive listing of applicable guidelines. Most guidelines are referenced by several listings that generally capture both contractor terminology and a typical owner's description of a condition.

General Instructions

In many areas, construction is covered by a process that requires all work to be done in compliance with locally approved, applicable building and related codes or locally approved or adopted guidelines.

If any conflict arises between these guidelines and applicable requirements of locally approved codes or locally approved or accepted guidelines, as a matter of law, the code requirements or performance criteria may take precedence over these guidelines.

These performance guidelines apply only to contracting work as specified in the contract documents for the project. They do not apply to designs, plans, materials, or workmanship that is supplied by the owner or is outside the scope of the particular project. They are also designed to apply only to the part of the job addressed in each guideline.

Explanation of Terminology in This Manual

Substantial completion of the project - A project has met **substantial completion** where the areas are functional for their intended use as stated by the contract (except for items noted prior to final presentation), and clean-up on the site has been completed.

Warranty period is defined as the duration of the applicable warranty provided by the contractor or any other period agreed to by the parties.

How to Incorporate These Guidelines into a Warranty or Dispute Resolution Program

The warranty, like the contract, should clearly express the intent of the parties. The limited warranty describes the problems for which the contractor will be responsible after completion of the project, and specifies the time period during which the warranty is in force. Moreover, if a builder or remodeler warrants workmanship and materials in a warranty, he or she will want to provide some means of determining whether he or she is complying with the terms of the

warranty. Without guidelines referenced, the parties run the risk of having to follow specified dispute resolution procedures where an arbitrary standard may be imposed.

Accordingly, the contract and/or warranty might include a statement such as the one that follows:

All workmanship shall conform to the guidelines found in the publication Long Island Builders Institute "Accepted Building Standards Effective January 1, 2007". If an item is not covered in that publication, standard industry practice shall govern. This may include the dispute resolution process as specified in the contract documents or by applicable laws.

If there are particular guidelines within this publication that the contractor or owner does not feel are reasonable, they should be specifically excluded from all warranty or contract documents. Likewise, if there are particular guidelines that are not addressed, then by agreement, the contractor and consumer should add these to be part of the warranty and/or contract documents as referenced.

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Long Island Builders Institute
Performance Standards

SITE WORK

**–Coverage 1st Year Only, Workmanship and
Materials**

1-0-1 Observation: The ground has settled around the foundation, over utility trenches, or in other areas.

Performance Guideline: Settling of ground around foundation walls, over utility trenches, or in other filled areas shall not interfere with water drainage away from the home.

Corrective Measure: If the contractor provided final grading, upon request by the owner, one time only the contractor will fill areas that settle more than 6 inches and that affect proper drainage. The owner will be responsible for removal and replacement of shrubs, grass, other landscaping, pavement, sidewalks, or other improvements affected by placement of such fill.

1-0-2 Observation: The site does not drain properly.

Performance Guideline: The necessary grades and swales shall have been established by the contractor to ensure proper drainage away from the home. Standing or ponding water shall not remain for extended periods in the immediate area of the house after a rain (generally no more than 24 hours), except in swales that drain other areas or in areas where sump pumps discharge. In these areas a longer period can be anticipated (generally no more than 48 hours). The possibility of standing water after an unusually heavy rainfall should be anticipated by the owner. No grading determination shall be made while frost or snow is on the ground or while the ground is saturated or before any lawn or plantings are established.

Corrective Measure: The contractor is responsible only for initially establishing the proper grades and swales. The owner is responsible for maintaining such grades and swales once they have been properly established by the contractor.

Discussion: Grass and other landscaping are integral components of the storm water management practice needed to minimize erosion from the site. It is the owner's responsibility to maintain such grass and other landscaping to help ensure proper functioning of the site drainage system. The owner is responsible for maintaining such grades and swales once the contractor has properly established them. If a homeowner, their landscaper or another subcontractor changes the contractor grades or if they create

impediments to the original drainage scheme, such as walkways, patios, decks, etc., the contractor is no longer responsible for proper drainage in the areas so affected.

1-0-3. Observation: The site has soil erosion.

Performance Guideline: The contractor shall grade the disturbed areas of the property in accordance with municipal requirements. Contractor is not responsible for soil erosion due to acts of God, or other conditions beyond the contractor's control.

Corrective Measure: No action required. The contractor is not responsible for erosion due to acts of God, site alterations by the owner, lack of maintenance by the owner, or other conditions beyond the contractor's control.

1-0-4 Observation: Water from a nearby or adjacent property flows onto the owner's lot.

Performance Guideline: The contractor is responsible for providing a means of draining water (rain, melting snow or ice) that originates from the lot he is working on (1-0-2). The contractor is not responsible for water flowing from a nearby or adjacent property that he does not own or control, onto the disturbed portions of the owner's lot. The contractor is obliged only to make a reasonable effort in accordance with the municipal requirements to control water flowing from another lot that he does not own or control or on which no dwelling has been erected by providing proper slopes around the newly erected dwelling.

Corrective Measure: It is the contractor's responsibility to control water only in the area immediately surrounding a new dwelling and in the areas he has disturbed.

1-0-5 Observation: Existing trees, shrubs, or other vegetation are damaged in the course of construction.

Performance Guideline: The contractor is only required to make a reasonable and cost effective effort to preserve and protect existing trees, shrubs, other vegetation and landscaping, if any, that he is trying to save. No attempted savings are guaranteed.

Corrective Measure: No contractor action is needed.

Foundation and Slabs - Coverage 1st Year Only Workmanship and Materials

General

2-1-1 Observation: The foundation is out of square.

Performance Guideline: As measured at the top of the foundation wall, the diagonal of a triangle with sides of 12 feet and 16 feet shall be no more than 1 inch more or less than 20 feet. *Remodeling Specific: A contractor and owner may agree to build an addition out of square in order to keep a new exterior wall on line with an existing wall of an out-of-square house.*

Corrective Measure: The contractor will make necessary modifications to the foundation to comply with the performance guidelines for squareness to provide a satisfactory appearance. The contractor may square the first-floor deck or walls by cantilevering over the foundation or locating the deck or walls inset from the outside face of the foundation.

Discussion: Squareness is primarily an aesthetic consideration. The corrective measure emphasizes the primarily aesthetic nature of squareness and makes the criterion for correction "a satisfactory appearance." This allows the contractor to make either a structural change or some cosmetic modification as most appropriate. There are many instances in which the squareness of a foundation is not of consequence because subsequent construction provides an opportunity to make corrections.

2-1-2 Observation: The foundation is not level.

Performance Guideline: This guideline applies only when the levelness of the foundation adversely impacts subsequent construction. As measured at the top of the foundation wall, no point shall be more than 1/2 inch higher or lower than any point within 20 feet. *Remodeling Specific: The contractor and the owner may agree to build an addition out of level in order to keep the floor of an addition on the same plane, and the roof ridge on the same line, as those of an existing, out-of-level structure.*

Corrective Measure: The contractor will make necessary modifications to any part of the foundation or to subsequent construction to meet the performance guideline for levelness. This can be affected by leveling the sills with shims, mortar, appropriate fillers, or other methods.

Discussion: There are many instances in which the levelness of a foundation is not of consequence because subsequent construction provides an opportunity to make corrections.

Interior Concrete Slab

2-2-1 Observation: There is a crack in a concrete footing.

Performance Guideline: Cracks greater than 1/4-inch in width are considered unacceptable.

Corrective Measure: The contractor shall repair any cracks in excess of the performance guideline.

2-2-2 Observation: A concrete slab within the structure has separated or moved at control (expansion and contraction) joints.

Performance Guideline: Concrete slabs within the structure are designed to move at control joints.

Corrective Measure: Because this is normal, no corrective action is required.

2-2-3 Observation: Efflorescence is present on the surface of the basement floor.

Performance Guideline: This is a typical condition caused by moisture reacting with the soluble salts in concrete and forming harmless carbonate compounds.

Corrective Measure: Because efflorescence is a typical chemical reaction within concrete, no corrective measures are required of the contractor.

Discussion: Efflorescence is evidenced by the presence of a white film on the surface of the concrete. It is a particularly common occurrence where masonry or concrete are in contact with high moisture levels as may be found in basements.

2-2-4 Observation: Concrete floor or slab is uneven.

Performance Guideline: Except for basement floors or where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions, or areas of unevenness exceeding 3/8 inch in 32 inches.

Corrective Measure: The contractor will correct or repair the floor to meet the performance guideline. Proper repair can be affected by thoroughly cleaning, filling, and troweling the surface level using a latex-fortified cement mixture or other materials designed to fill cracks and bond with concrete.

2-2-5 Observation: The concrete floor slab is cracked.

Performance Guideline: Minor cracks in concrete floor slabs are normal. Cracks exceeding 3/16-inch in width or 1/8-inch in vertical displacement shall be repaired if the slab is in conditioned space or basements or the crack interferes with the installation of finish flooring which is part of the contractor's responsibility.

Corrective Measure: The contractor will repair cracks that do not meet the performance guideline.

Discussion: Repairs can be made by using a material designed to fill cracks in concrete.

2-2-6 Observation: Interior concrete work is pitting or spalling. Pitting is evidenced by concrete that has flaked or peeled from the outer surface. Spalling is evidenced by concrete that has chipped.

Performance Guideline: Interior concrete surfaces shall not pit, spall or disintegrate. Aggregate pops are normal; minor scaling is not controllable. Exterior surfaces may not be warranted.

Corrective Measure: The contractor will repair defective concrete surfaces using materials designed for this purpose. The contractor is not responsible for deterioration caused by salt, chemicals, mechanical implements, or other factors beyond the contractor's control on interior or exterior concrete surfaces.

2-2-7 Observation: The interior concrete slab has a loose or sandy surface.

Performance Guideline: The surface shall not be so loose or sandy that it shows obvious deterioration.

Corrective Measure: The contractor will repair defective concrete surfaces using materials designed for this purpose. The contractor is not responsible for deterioration caused by salt, chemicals, mechanical implements, or other factors beyond the contractor's control on interior or exterior surfaces.

Concrete Block Foundation Walls

2-3-1 Observation: A concrete block foundation wall is cracked.

Performance Guideline: Cracks in concrete block foundation walls shall not exceed 1/4-inch in width.

Corrective Measure: The contractor will repair cracks to meet the performance guideline.

Discussion: Shrinkage cracks are common in concrete block masonry and should be expected in crawl space and basements walls. Cracks may be vertical, diagonal, horizontal, or stepped-in masonry joints. Repairs can be made by using a material designed to fill cracks in concrete.

2-3-2 Observation: A concrete block wall is out of plumb or bowed.

Performance Guideline: Concrete block walls shall not be out of plumb greater than 1 inch in 8 feet when measured from the base to the top of the wall or bowed more than 1 inch in 20 feet when measured horizontally. *Remodeling Specific: If tying into an existing foundation that is out of plumb, the contractor and owner will review the existing conditions and scope of work. The contractor will make a reasonable and cost-effective effort to meet the performance guideline while complying with the existing building code.*

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline. If the wall is to remain unfinished per contract, and the wall

meets building codes as evidenced by passed inspections, then no corrective action is required.

Poured Concrete Foundation Walls

2-4-1 Observation: A poured concrete foundation wall is out of plumb or bowed.

Performance Guideline: Poured concrete walls shall not be out of plumb greater than 1 inch in 8 feet when measured vertically or bow more than 1 inch in 20 feet when measured horizontally. *Remodeling Specific: If tying into an existing foundation that is out of plumb or bowed, the contractor and owner will review the existing conditions and scope of work. The contractor will make a reasonable and cost-effective effort to meet the performance guideline while complying with the existing building code.*

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline. If the wall is to remain unfinished per contract, and the wall meets building codes as evidenced by passed inspections, then no corrective action is required.

2-4-2 Observation: An exposed concrete wall has pits, surface voids, or similar imperfections in it.

Performance Guideline: Surface imperfections larger than 1 inch in diameter or 1 inch in depth are considered unacceptable.

Corrective Measure: The contractor will repair holes that do not meet the performance guideline.

Discussion: Proper repair can be affected by thoroughly filling the holes and voids in concrete surfaces. The repaired area will not match the color of the surrounding area.

2-4-3 Observation: The basement wall is cracked (horizontal or vertical separation).

Performance Guideline: Cracks in basement walls shall not allow exterior water to leak into the basement. Shrinkage cracks (cracking caused by external or internal restraints as reduction in moisture content develops) are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch in width shall be repaired.

Corrective Measure: The contractor will repair cracks that do not meet the performance guideline when leaks are present or if cracks exceed 1/8 inch in width.

Discussion: Shrinkage cracks are not unusual and are inherent in the drying process. They should be expected in basement walls due to the nature of concrete. Cracks may be vertical, diagonal or horizontal. The only cracks considered under warranty claims are cracks, which permit water penetration or those that exceed 1/8-inch in width.

2-4-4 Observation: A cold joint is visible on exposed poured concrete foundation walls.

Performance Guideline: A cold joint is a visible joint that indicates where the pour terminated and continued. Cold joints are normal and should be expected to be visible. Cold joints should not be an actual separation or a crack that exceeds 1/4-inch in width.

Corrective Measure: The contractor will cosmetically repair any cold joint that exceeds 1/4-inch in width by parging with a material intended for that purpose.

Basement Floor and Walls

Moisture and Leaks

2-5-1. Observation: Dampness is evident on basement wall or floor.

Performance Guideline: Dampness caused by wicking through the basement walls or floor and condensation of water vapor on cool walls and floors are not the responsibility of the contractor.

Corrective Measure: None. Dampness prevention is the responsibility of the owner.

Discussion: The owner's failure to maintain a proper grade (ground level and pitch of said ground) away from the house can contribute to dampness. Condensation of humidity, which is an owner's responsibility, also contributes to dampness.

2-5-2 Observation: The basement leaks.

Performance Guideline: Leaks resulting in actual trickling of water shall be repaired. Leaks caused by landscaping improperly installed by the owner, or by the failure of the owner to maintain proper grades, are not the contractor's responsibility. Walls and floors of new construction may become damp as concrete, mortar, and other materials dry, and dampness alone is not considered a deficiency.

Corrective Measure: The contractor will take such action as necessary to correct basement leaks, except where the cause is determined to result from the owner's actions or negligence. The owner will be responsible for removal and replacement of shrubs, fences and equipment, and other landscaping if they have to be moved so that the contractor may effect the repairs.

Crawl Space

2-5-3. Observation: Flowing or trickling water appears on interior crawl space surfaces.

Performance Guideline: Crawl spaces should be graded and drained properly to prevent water from accumulating deeper than 3/4 inch and larger than 9 square feet in

the crawl space area. The contractor is not responsible if the exterior grading was provided by the owner or the owner failed to maintain grades established by the contractor.

Corrective Measure: The contractor will take the necessary corrective measures to create positive flow within the crawl space to discharge to the exterior of the structure.

2-5-4. Observation: Condensation is evident on the floor or crawl space surfaces.

Performance Guideline: Condensation in the crawl space shall not result from lack of adequate ventilation as required by code. Condensation resulting from other causes is not the responsibility of the contractor.

Corrective Measure: The contractor will ensure that ventilation meets the appropriate code requirements. Further reduction of condensation is an owner maintenance responsibility.

Discussion: Temporary conditions may cause condensation that cannot be eliminated by ventilation and or a vapor barrier because: Night air gradually cools the interior surfaces of the crawl space. In the morning, moisture picked up by sun-warmed air is carried into the crawl space and condenses on cool surfaces. At night, outside air may rapidly cool foundation walls and provide a cool surface on which moisture may condense. If the house is left unheated in the winter, the floors and walls may provide cold surfaces on which moisture in the warmer crawl space air may condense. Excessive moisture inside a heated house may hit the dew point within or on the colder bottom surface of vapor-permeable floor insulation. The condensation can be reduced by placing a vapor barrier between the insulation and the floor sheathing. If condensation must be entirely eliminated, the owner can do so by sealing and dehumidifying or heating the crawl space, or by heating and dehumidifying the houses.

Columns

2-6-1 Observation: An exposed wood column is bowed or is out of plumb.

Performance Guideline: When installed, exposed wood columns shall not be bow or be out of plumb more than 1/2-inch in 8 feet.

Corrective Measure: Exposed wood columns out of plumb in excess of 1/2-inch in 8 feet when measured vertically shall be replaced or repaired.

Discussion: Wood columns may become distorted as part of the drying process. Bows and other imperfections that develop after installation cannot be prevented or controlled by the contractor.

- 2-6-2 Observation:** An exposed concrete column is installed bowed or out of plumb.
Performance Guideline: Exposed concrete columns shall not be installed with a bow in excess of 1 inch in 8 feet. They should not be installed out of plumb in excess of 1 inch in 8 feet.
Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline.
- 2-6-3 Observation:** A masonry column is out of plumb.
Performance Guideline: Masonry columns should not be constructed out of plumb in excess of 1 inch in 8 feet.
Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline.
- 2-6-4 Observation:** A steel column is out of plumb.
Performance Guideline: Steel columns shall not be out of plumb in excess of 3/8-inch in 8 feet when measured vertically.
Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline.

Wood Floor Framing Floor Systems -Coverage 1st Year Only, Workmanship and Materials

Floor Systems

- 3-1-1 Observation:** Springiness, bounce, shaking, or visible sag is present in the floor system.
Performance Guideline: All beams, joists, headers, and other structural members shall be sized and fasteners spaced, according to the National Forest Products Association span tables or local building codes.
Corrective Measure: The contractor will reinforce or modify, as necessary, any floor, wall, ceiling, or roof not meeting the performance guideline.
Discussion: Deflection may indicate insufficient stiffness in the lumber, or may reflect an aesthetic consideration independent of the strength and safety requirements of the lumber. Joists and rafters are required to meet standards for both stiffness and strength. The span tables allow, under full design loadings, a maximum deflection equal to 1/360 of the span for floor and ceiling joists (3/8 inch in 12 feet), 1/240 for rafters up to 3/12 in pitch (1/2 inch in 12 feet), and 1/180 for rafters over 3/12 in pitch (3/4 inch in 12

feet). Structural members are required to meet standards for both stiffness and strength. When an owner's preference is made known before construction, the contractor and the owner may agree upon a higher standard.

Beams, Columns, and Posts

3-2-1 Observation: An exposed wood column or post is split.

Performance Guideline: Sawn wood columns or posts shall meet the grading standard for the species used. Splits that exceed 3/8-inch in width and more than 4 inches in length at time of installation or that develop during the warranty period are considered unacceptable.

Corrective Measure: The contractor will repair or replace any beam or post that does not meet the guideline. Filling splits is acceptable to have structural members meet the guideline.

Discussion: Some characteristics of drying wood are beyond the control of the contractor and cannot be prevented. Compensation is made in span tables for the probable reduction in strength resulting from splitting caused by drying. Therefore, splitting is primarily an aesthetic concern rather than a structural problem. Checks and splits, which occur during the drying of lumber have the effect of reducing the area in the plane of shear resistance. Consequently, laboratory data developed for shear parallel to grain are reduced substantially for design purposes in order to accommodate the probability of the occurrence of checks and splits after drying.

3-2-2 Observation: An exposed wood beam is split.

Performance Guideline: Sawn wood beams shall meet the grading standard for the species used. Splits that exceed 3/8-inch in width and 4 inches in length at time of installation or that develop during the warranty period are considered unacceptable.

Corrective Measure: The contractor will repair or replace any sawn wood beam that does not meet the guideline. Filling splits is acceptable to have structural members meet the guideline.

Discussion: Some characteristics of drying wood are beyond the control of the contractor and cannot be prevented. Compensation is made in span tables for the probable reduction in strength resulting from splitting caused by drying. Therefore, splitting is primarily an aesthetic concern rather than a structural problem. Checks and splits, which occur during the drying of lumber, have the effect of reducing the area in the plane of shear resistance. Consequently, laboratory data developed for shear parallel to grain are reduced substantially for design purposes in order to accommodate the probability of the occurrence of checks and splits after drying.

3-2-3 Observation: An exposed wood beam or post is twisted or bowed.

Performance Guideline: Exposed wood posts and beams shall meet the grading standard for the species used. Posts and beams with bows and twists exceeding 3/4-inch in an 8-foot section shall not be installed, and those that develop bows and twists exceeding 3/4-inch in an 8-foot section are considered unacceptable.

Corrective Measure: The contractor will repair, sister, or replace any beam or post with a defect that exceeds the guideline.

Discussion: Beams and posts, especially those 3 1/2 inches or greater in thickness (which normally are not kiln dried) will sometimes twist or bow as they dry after milling or installation. Twisting or bowing is usually not a structural concern if posts and beams have been sized according to manufacturers' specifications or local building codes.

3-2-4 Observation: An exposed wood beam or post is cupped.

Performance Guideline: Cups exceeding 1/4-inch in 5-1/2 inches are considered unacceptable.

Corrective Measure: The contractor will repair, sister, or replace any beam or post with a defect that does not meet the guideline.

Discussion: Cupped lumber is lumber that has warped or cupped across the grain in a concave or convex shape. Beams and posts, especially those 3-1/2 inches or greater in thickness (which normally are not kiln dried), will sometimes cup as they dry after milling or installation.

Subfloor and Joists

3-3-1. Observation: Floor squeaks or the sub floor appears loose.

Performance Guideline: Squeaks caused by a loose sub floor are unacceptable, but totally squeak-proof floors cannot be guaranteed.

Corrective Measure: The contractor will refasten any loose sub floor or take other corrective action to eliminate squeaking to the extent possible within reasonable repair capability without removing floor and ceiling finishes.

Discussion: Floor squeaks may occur when a sub floor that has come loose from the joists is deflected by the weight of a person and rubs against the nails that hold it in place. The sub floor or joists may be bowed, and the nails also may be expelled from the wood during drying. Movement may occur between the joist and bridging or other floor members when one joist is deflected while the other members remain stationary. Gluing the sub floor is an acceptable method of code compliance in certain

jurisdictions. Renailing floor joists with ring-shank nails will also substantially reduce severe floor squeaks. Because the performance guideline requires the contractor to make a reasonable attempt to eliminate squeaks without requiring removal of floor and ceiling finishes, nailing loose sub flooring with casing nails into the carpet surface and countersinking the head is an acceptable practice.

3-3-2. Observation: Sub floor is uneven.

Performance Guideline: Floors shall not have more than a ¼-inch ridge or depression within any 32-inch measurement. Allowable floor and ceiling joist deflections are governed by the local approved building codes. Measurements should not be made at imperfections that are characteristic of the code-approved material used. This guideline does not cover transition points between different materials.

Corrective Measure: The contractor will correct or repair to meet the performance guideline.

3-3-3. Observation: Sub floor is out of square.

Performance Guideline: The diagonal of a triangle with sides of 12 feet and 16 feet along the edges of the floor shall be no more than ½ inch plus or minus 20 feet. *Remodeling Specific: The owner and the contractor may agree to build a wood floor out of square in order to match or otherwise compensate for pre-existing conditions.*

Corrective Measure: The contractor will make the necessary modifications to any floor not complying with the performance guideline for squareness. The modification will produce a satisfactory appearance and may be either structural or cosmetic.

Discussion: Squareness is primarily an aesthetic consideration. Regularly repeated geometric patterns in floor and ceiling coverings show a gradually increasing or decreasing pattern along an out of square wall. The guideline tolerance of plus or minus ½ inch in the diagonal allows a maximum increasing or decreasing portion of about 3/8-inch in a 12-foot wall of a 12 x 16-foot room. However, a contractor and client may agree to build an addition out of square in order to keep a new exterior wall on line with an existing wall of an out of square house. The corrective measure emphasizes the primarily aesthetic nature of squareness and makes the criteria for correction “a satisfactory appearance.” This criterion allows the contractor to make either a structural change, if the defect is discovered in time, or some cosmetic change to hide the defect, if the construction is in the finishing stages when the defect is discovered.

3-3-4. Observation: A floor is out of level.

Performance Guideline: The floor should not slope more than 1/2-inch in 20 feet. Crowns and other lumber characteristics that meet the standards of the applicable grading organization for the grade and species used are not defects. Allowable floor joist deflections are governed by the applicable building codes. Deflections due to overloading by the owner are not the contractor's responsibility. *Remodeling Specific:*

The contractor and the owner may agree to build an addition out of level in order to keep the floor of an addition on the same plane, and the roof ridge on the same line, as those of an existing, out-of-level structure, or to compensate for some other pre-existing condition.

Corrective Measure: The contractor will make a reasonable and cost-effective effort to modify the floor that does not comply with the performance guideline. Allowances should be allowed for shrinkage, cantilevers, and concentrated loads.

Discussion: Sloped floors have both an aesthetic and functional consideration. Measurements for slope should be made across the room, not in a small area.

3-3-5 Observation: Deflection is observed in a floor system constructed of wood I-joists, floor trusses, or similar products.

Performance Guideline: All wood I-joists and other manufactured structural components in the floor system and its components shall be sized and installed as provided in the manufacturers' instructions and code requirements.

Corrective Measure: The contractor will reinforce or modify as necessary any floor component not meeting the performance guideline.

Discussion: Deflection may indicate an aesthetic consideration independent of the strength and safety requirements of the product. When an owner's preference is made known before construction, a higher standard may be agreed upon in writing by the contractor and the owner.

3-3-6 Observation: *Remodeling Specific: Wood flooring is not level at the transition of an existing floor to a room addition floor.*

Performance Guideline: Flooring at a transition area shall not slope more than 1/8-inch over 6 inches unless a threshold is added. Overall step-down, unless previously agreed upon with the owner, shall not exceed 1-1/8 inches. Variations caused by seasonal or temperature changes are not a defect.

Corrective Measure: The flooring transition shall be corrected to meet the performance guideline. The contractor may add threshold or transition material, or pull up the flooring and reduce the high spot, or if possible, shim under new framing to bring floor within guideline.

Discussion: All wood members shrink and expand seasonally, with variations in temperature and humidity, and with aging. After installation, 2x dimensional lumber can shrink up to 1/2-inch. If the flooring, sub floor, or underlayment was not purposely overlapped onto the existing floor, the resulting irregularity is not a defect, but a natural result and characteristic of the wood's aging process. The drier the house becomes, the more shrinkage may be experienced. Either the old or the new floors may slope along

the floor joist span. Joists in older homes may have deflected under load. This and other conditions may cause a hump at the juncture of the old to new.

3-3-7 Observation: *Remodeling Specific: The floor pitches to one side in the door opening between the existing construction and the addition.*

Performance Guideline: If the pitch is the result of the floor of the existing dwelling not being level, then in most situations a transition threshold may be the most appropriate and acceptable means of addressing the condition.

Corrective Measure: The contractor will make a reasonable and cost-effective effort to meet the performance guidelines.

Walls

-Coverage 1st Year Only, Workmanship and Materials

Rough Carpentry

4-1-1. Observation: Wood framed wall is out of plumb.

Performance Guideline: Wood framed walls shall not be more than 1/4-inch out of plumb for any 32 inches in any vertical measurement. *Remodeling Specific: The owner and contractor may agree to intentionally build walls out of plumb to match the existing structure to accommodate or compensate for inaccuracies in the existing structure, and to disregard the performance guideline to match a pre-existing structural condition of the existing structure.*

Corrective Measure: The contractor will repair to meet the performance guideline.

4-1-2 Observation: The wall is bowed.

Performance Guideline: Walls shall not bow more than 1/2-inch out of line within any 32-inch horizontal measurement, or 1/2-inch out of line within any 8-foot vertical measurement. *Remodeling Specific: If new wall cladding is installed on existing framed walls, the owner and contractor may agree to straighten the wall as part of scope of work, to install new cladding over existing framing, and to disregard the performance guideline to match a pre-existing structural condition of the existing structure.*

Corrective Measure: The contractor will repair the wall to meet the performance guideline.

Discussion: All interior and exterior walls have slight variances in their finished surface. On occasion, the underlying framing may warp, twist, or bow after installation.

4-1-3. Observation: Exterior wall leaks because of inadequate caulking or failure of the caulking material.

Performance Guideline: Joints and cracks in exterior wall surfaces and around penetrations shall be properly caulked to prevent the entry of water.

Corrective Measure: The contractor will repair or caulk joints and cracks in exterior wall surfaces, as required to correct deficiencies, one time only during the warranty period. Even when properly installed, caulking will shrink and must be maintained by the owner.

Insulation

4-2-1 **Observation:** Wall insulation is insufficient.

Performance Guideline: The contractor shall install insulation according to R-values designated in the contract documents or local code, as applicable. Insulation shall be installed according to locally accepted practices.

Windows, Mirrors

4-3-1 **Observation:** A window is difficult to open or close.

Performance Guideline: Windows should require no greater operating force than that described in the manufacturer's instructions. *Remodeling Specific: The contractor is not responsible for inoperable windows not covered by the remodeling contract.*

Corrective Measure: The contractor will correct or repair the window as required to meet the performance guideline.

4-3-2 **Observation:** Window grids (muntins) fall or become out of level.

Performance Guideline: Window grids shall not disconnect, fall, or become out of level.

Corrective Measure: Window grids will be repaired or replaced at the contractor's discretion one time only.

4-3-3 **Observation:** Mirror or glass surfaces are scratched.

Performance Guideline: Glass or mirror surfaces shall not have scratches visible from 10 feet under normal lighting conditions at the time of substantial completion of the project. *Remodeling Specific: This guideline does not apply to existing windows unless they are part of the remodeling contract or are damaged by the contractor. The owner and contractor should examine existing windows prior to contract execution.*

Corrective Measure: The contractor shall replace any scratched glass or mirror surface if noted prior to substantial completion of the project.

4-3-4. Observation: During rains, water appears on interior corner of glazed window unit.

Performance Guideline: Water leakage from improper installation is unacceptable.

Corrective Measure: The contractor shall repair any deficiencies attributable to improper installation.

Discussion: Leakage at the glazing interface is covered under the manufacturer's warranty.

4-3-5 Observation: Window glass is broken and/or a screen is missing or damaged.

Performance Guideline: Glass should not be broken and screens should not be damaged at the time of substantial completion of the project. Screens required by the contract shall be installed.

Corrective Measure: Broken glass and/or missing or damaged screens reported to the contractor before closing will be installed or replaced. Broken glass and/or screens not reported prior to substantial completion of the project are the owner's responsibility.

4-3-6 Observation: A mirror backing is deteriorating.

Performance Guideline: While looking at the mirror, from 10 feet away there should be no noticeable imperfections in the mirror as a result of damage to the mirror backing at the time of substantial completion of the project.

Corrective Measure: The contractor will replace or repair the mirror.

Exterior Doors

4-4-1 Observation: An exterior door is warped.

Performance Guideline: Exterior doors shall not warp to the extent that they become inoperable or cease to be weather-resistant. A 1/4-inch tolerance as measured diagonally from corner to corner is acceptable.

Corrective Measure: The contractor will correct or replace exterior doors that do not meet the performance guideline.

Discussion: Exterior doors will warp to some degree because of the difference in the temperature between inside and outside surfaces. Warping may also be caused by improper or incomplete finishing of the door. The contractor is not responsible for warpage if painting of doors is not within contractor's scope of work.

4-4-2 Observation: Raw wood shows at the edges of inset panel on exterior door.

Performance Guideline: Wooden panels will shrink and expand because of temperature and/or humidity changes, and may expose unpainted surfaces. This does not constitute a defect.

Corrective Measure: None.

4-4-3 Observation: A wooden door panel is split.

Performance Guideline: A split in a panel shall not allow light to be visible through the door.

Corrective Measure: One time only, the contractor will repair, paint, or stain the split panel that does not meet the performance guideline. Caulking and fillers are acceptable. The repainted area may not match the remainder of the door or other doors on the house.

Discussion: Wooden inserts are loosely fitted into the door to allow the inserts to move; this minimizes splitting of the panel or other damage to the door. On occasion, a panel may become "locked" by paint or expansion of the edges with changes in temperature and humidity and no longer "float" between the rails. This may result in the panel splitting.

4-4-4 Observation: An exterior door sticks.

Performance Guideline: Exterior doors shall operate smoothly, except that doors may stick during occasional periods of high humidity or with variations in temperature.

Corrective Measure: The contractor will adjust or replace the door to meet the performance guideline.

Discussion: Exterior doors may warp or bind to some degree because of the difference in the temperature and/or humidity between inside and outside surfaces. The contractor is not responsible for warpage if painting of doors is not within the contractor's scope of work or if the door is repainted by the owner in a color other than those recommended by the door manufacture.

4-4-5 Observation: An exterior door will not shut completely.

Performance Guideline: Exterior doors shall shut completely.

Corrective Measure: The contractor will adjust or replace the door to meet the performance guideline.

Discussion: Exterior doors may warp or bind to some degree because of the difference in the temperature and/or humidity between inside and outside surfaces. The contractor is not responsible for warpage if painting of doors is not within the contractor's scope of work or if the door is repainted by the owner in a color other than those recommended by the door manufacture.

- 4-4-6 **Observation:** The plastic molding on the primary door behind the storm door melts from exposure to sunlight.

Performance Guideline: The plastic moldings behind storm doors should not melt if the storm panel is removed and reinstalled by the owner as a part of normal seasonal maintenance operations (i.e., removed in the spring and reinstalled in the fall).

Corrective Measure: No corrective action is required.

Discussion: Plastic moldings may melt or deform if the exterior door is covered by a storm door panel during a warm season, or if it faces the sun. This is not a defect of the door, but a problem caused by the trapping of heat between the storm panel and the door. The owner is also cautioned to follow the manufacturer's recommendations on painting the moldings with a dark color, with or without the use of a storm panel. Dark colors should be avoided.

- 4-4-7 **Observation:** Caulking or glazing on the primary door behind the storm door cracks or peels.

Performance Guideline: Glazing or caulking behind storm doors should not crack or peel if the storm panel is removed and installed by owner as part of seasonal maintenance operations (i.e., removed in the spring and reinstalled in the fall).

Corrective Measure: No corrective measure is required.

Discussion: High temperatures may cause glazing and caulking to harden and/or fail prematurely if the door is covered by a storm panel during a warm season or if it faces the sun. This is not a defect of the door caulking, or glazing, but a problem caused by the trapping of heat between the door and the storm panel. The owner is reminded that dark colors tend to accumulate heat and are more likely to cause problems.

- 4-4-8 **Observation:** A door swings open or closed by the force of gravity.

Performance Guideline: Exterior doors shall not swing open or closed by the force of gravity alone. *Remodeling Specific: For remodeling projects, this guideline does not apply where a new door is installed in an existing wall that is out of plumb.*

Corrective Measure: The contractor will adjust the door to prevent it from swinging open or closed by the force of gravity.

4-4-9 Observation: Gaps are visible around an exterior door edge, doorjamb, and/or threshold.

Performance Guideline: Gaps between adjacent components shall not vary by more than 3/16-inch. *Remodeling Specific: This applies unless the existing building is out of square or plumb.*

Corrective Measure: The contractor will repair existing the unit to meet performance guideline.

Discussion: Doors must have gaps at their perimeter to accommodate expansion/contraction due to variations in temperature and/or humidity and to enable the door to operate over a wide range of environmental conditions.

4-4-10 Observation: Exterior door hardware or kick plate has tarnished.

Performance Guideline: Finishes on door hardware or kick plates installed by the contractor are covered by the manufacturer's warranty.

Corrective Measure: The owner should contact the manufacturer.

4-4-11. Observation: Sliding patio door or screen will not stay on track.

Performance Guideline: Sliding patio doors and screens shall slide properly on their tracks at the time the job is accepted. The use, cleaning and maintenance necessary to preserve proper operation are an owner responsibility.

Corrective Measure: The contractor shall repair once during the warranty period.

Discussion: Proper operation should be verified by the owner and the contractor at the time the job is accepted.

4-4-12. Observation: Sliding patio door does not roll smoothly.

Performance Guideline: Sliding patio doors shall roll smoothly at the time the job is accepted. The use, cleaning and maintenance necessary to preserve proper operation are an owner responsibility.

Corrective Measure: The contractor shall repair once during the warranty period.

Discussion: Proper operation should be verified by the owner and the contractor at the time the job is accepted.

4-4-13 Observation: A doorknob, deadbolt, or lockset does not operate smoothly.

Performance Guideline: A doorknob, deadbolt, or lockset should not stick or bind during operation.

Corrective Measure: One time only during the warranty period, the contractor will adjust, repair, or replace knobs that are not damaged by abuse.

Exterior Finish

Wood and Manufactured Siding

4-5-1 Observation: Siding is bowed.

Performance Guideline: Bows exceeding 1/2-inch in 32 inches are considered unacceptable. *Remodeling Specific:* If new wall covering is installed on existing framed walls, the owner and contractor may agree to straighten out the walls as part of the scope of work. Alternatively, the parties may agree to install new wall covering over existing framing and disregard the performance guideline to match a pre-existing structural condition of the existing structure.

Corrective Measure: The contractor will replace any wood or manufactured lap siding with bows that does not meet the performance guideline, and will finish the replacement siding to match the existing siding as closely as practical.

Discussion: If the siding is fastened by nails driven into studs, expansion caused by changing relative temperatures and/or humidity may cause bulges or waves. Even with proper installation, siding will tend to bow inward and outward in adjacent stud spaces.

4-5-2 Observation: An edge or gap is visible between adjacent pieces of siding or siding panels and other materials.

Performance Guideline: Gaps wider than 3/16-inch or in excess of the manufacture's standard are considered unacceptable. This guideline does not apply to adjacent pieces or panels that have shiplap or similar joints.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline.

Discussion: Proper repair can be affected by providing joint covers or by caulking the gap. This is important if the gaps were intentionally made for expansion joints. If the siding is painted, the contractor will paint the new caulking to match the existing caulking as closely as practical, but an exact match cannot be ensured.

4-5-3 Observation: Lap siding is not parallel with the course above or below.

Performance Guideline: A piece of lap siding may not be more than 1/2 inch off parallel with contiguous courses in any 20-foot measurement, unless the owner and the contractor have previously agreed to disregard the performance guideline to match a pre-existing condition. *Remodeling Specific:* The owner and contractor may agree to

install siding to match existing conditions on existing structure and to disregard the performance guideline for this item.

Corrective Measure: The contractor will reinstall siding to meet the performance guideline for straightness, and will replace with new siding any siding damaged during removal.

Discussion: *For remodeling projects, if the contractor and the owner have agreed that the floor of an addition is to be on a different plane from an existing floor (e.g., out of level), the siding on the addition may not be parallel and in line with the existing siding.*

4-5-4 Observation: Face nails are driven below the surface of the hardboard siding.

Performance Guideline: Siding nails should not be driven below the surface of hardboard siding such that visible fiber of the siding is exposed.

Corrective Measure: The contractor shall repair as necessary to meet performance guideline. The following repairs are appropriate in most instances: If visible fiber of hardboard siding is exposed, paint surface to coat fiber. If nail is 1/16 to 1/8-inch below the surface, fill or caulk and touch-up paint. If nail is more than 1/8-inch below the surface, fill or caulk and add an additional nail flush to the surface.

Tongue and Groove Wood Siding

4-5-5 Observation: Siding boards have buckled.

Performance Guideline: Boards that project more than 3/16-inch from the face of adjacent boards are considered unacceptable.

Corrective Measure: The contractor will repair or replace any boards that don't meet the performance guideline.

Discussion: Buckling is caused by wood expanding as a result of increased temperature and/or relative humidity. It can be minimized by leaving space between the tongues and grooves to allow room for expansion and by storing the product outside for a few days to allow it to adjust to the ambient conditions prior to installation.

Wood Shake Siding

4-5-6 Observation: Cedar shakes or shingles have "bled" through paint or stain applied by contractor.

Performance Guideline: Resins and extractives bleeding through paint or stain, or blackening of shakes or shingles are unacceptable. This performance guideline does

not apply if “natural weathering” or semi-transparent stain, or other similar products, are specified for the job.

Corrective Measure: One time during the warranty period the contractor will clean and treat shakes to provide a reasonable appearance and prevent further bleeding.

Plywood or Other Veneer Siding

4-5-7 Observation: Siding has delaminated (layers have separated from one another).

Performance Guideline: Siding shall not delaminate.

Corrective Measure: The contractor will replace delaminated siding that is not covered under manufacturer’s warranty, unless the delaminating was caused by the owner’s actions or negligence. The repaired area may not precisely match the original siding.

4-5-8 Observation: Joints between sidings have separated.

Performance Guideline: Joint separations exceeding 3/16-inch are considered unacceptable.

Corrective Measure: The contractor will caulk or repair siding as necessary to fill the joint. The repaired area may not match the original siding precisely.

Discussion: Plywood siding, like all wood products, will expand and contract with changes in temperature and/or humidity.

4-5-9 Observation: Siding is bowed.

Performance Guideline: Bows exceeding 1/2-inch in 32 inches are unacceptable.

Corrective Measure: The contractor will install additional nails in siding to meet acceptable nailing schedules and will replace any siding that does not meet the guideline because of bows.

Discussion: Some waviness in siding is to be expected because of bows in studs. However, proper nailing of siding will straighten most bows.

Aluminum or Vinyl Lap Siding

4-5-10 Observation: Aluminum or vinyl siding is bowed or wavy.

Performance Guideline: Some waviness in aluminum or vinyl lap siding is to be expected because of bows in studs. Waves or similar distortions in aluminum or vinyl lap siding are considered unacceptable if they exceed 1/2- inch in 32 inches.

Corrective Measure: The contractor will correct any waves or distortions to comply with the performance guideline by reinstalling or replacing siding as necessary.

Discussion: This problem is often caused by the siding being nailed too tightly to the house instead of loosely “hung” in the center of the nail slots, or by not allowing adequate room for the siding to expand at the ends.

4-5-11 Observation: Siding color is faded.

Performance Guideline: Any color siding, when exposed to the ultra-violet rays of the sun, will fade and this condition cannot be prevented by the contractor.

Corrective Measure: The owner should contact the siding manufacturer.

Discussion: Color warranties are provided by the siding manufacturer. The owner should contact the manufacturer with questions or claims regarding changes in color of vinyl or aluminum siding. Color and fade imperfections beyond an expected degree may be covered by the manufacturer's warranty, except where siding is shaded differently from the rest of the wall, such as under shutters or behind vegetation.

4-5-12 Observation: Aluminum or vinyl lap siding trim is loose from house.

Performance Guideline: Trim shall not separate more than ¼-inch from the house.

Corrective Measure: The contractor will reinstall trim or repair separations as necessary to comply with the performance guideline.

4-5-13 Observation: Aluminum or vinyl lap siding courses are not parallel with eaves (the horizontal edge at the low side of a sloping roof) or wall openings.

Performance Guideline: Any piece of aluminum or vinyl lap siding more than ½-inch off parallel in 20 feet with contiguous courses, or contiguous break such as a soffit line, is unacceptable. *Remodeling Specific: The owner and contractor may agree to disregard the performance guideline to match a pre-existing structural condition.*

Corrective Measure: The contractor will reinstall siding to comply with the performance guideline and replace any siding damaged during removal with new siding.

Discussion: *Remodeling Specific: If the contractor and the owner agree that the floor of an addition is to be on a different plane from the existing floor (for example, a pre-existing out of level condition), the siding on the addition may not be parallel and in line with existing siding.*

4-5-14 Observation: Aluminum or vinyl lap siding nail shows under window, door, or eave.

Performance Guideline: All facing nails shall be of a color to match the trim they affix. No nail heads in the field of the siding shall be exposed.

Corrective Measure: The contractor will install trim as necessary to cover the nails.

Discussion: Vinyl siding generally should not be face nailed. However, there are appropriate and typical occasions when a single face nail may be needed to reinforce a joint or hold the siding to the wall when it is cut to fit around window frames, doors, roofs, or other obstructions on the wall. In most cases (the only exception would be the top piece on a gable end), vinyl siding should never need to be face nailed when proper accessory products are used. For example, under a window application the trim (J- channel) can be utilized in conjunction with utility trim and snap-punching the top of the modified vinyl siding. If face nailing is the only option, a 1/8-inch diameter hole should be pre-drilled to allow for expansion and contraction.

4-5-15 Observation: Aluminum or vinyl lap siding trim accessory is loose from caulking at windows or other wall openings.

Performance Guideline: Siding trim accessories shall not separate from caulking at windows or other wall openings during the warranty period.

Corrective Measure: The contractor will repair or recaulk as necessary once during the warranty period to eliminate the separation.

4-5-16 Observation: Aluminum or vinyl lap siding is cut crooked.

Performance Guideline: Visible cuts in siding shall be straight, plumb, and neat. Crooked cuts greater than 1/8-inch from true are not acceptable. *Remodeling Specific: The owner and contractor may agree to install siding to match conditions on the existing structure and to disregard the performance guideline for this item.*

Corrective Measure: The contractor will repair or replace siding, which has visible crooked cuts.

Discussion: Cut edges of vinyl siding should never be visible when proper trim and accessories are used.

4-5-17 Observation: Aluminum or vinyl lap siding is not correctly spaced from moldings.

Performance Guideline: Prescribed spacing between siding and accessory trim is typically 1/4-inch, or should comply with the manufacturer's installation instructions. *Remodeling Specific: The owner and contractor may agree to install siding to match*

conditions on existing structure and to disregard the performance guideline for this item.

Corrective Measure: The contractor will correct to meet the guideline.

Masonry Cement and Veneer Board Siding

4-5-18 Observation: Cement board siding is cracked or chipped.

Performance Guideline: A cement product, this siding is susceptible to the same characteristic limitations as other cement products. Cracks more than 2 inches in length and 1/8-inch in width are considered unacceptable. Chips or dents not reported at time of substantial completion of the project are not covered.

Corrective Measure: Cracked or chipped cement board will be repaired or replaced as necessary, as determined by the contractor.

4-5-19 Observation: Cement board siding is improperly fastened.

Performance Guideline: Siding shall be nailed flush and perpendicular per the manufacturer's instructions. Staples shall not be used.

Corrective Measure: Overdriven nail heads or nails driven at an angle shall be filled with cementitious patching compound to match the existing area as closely as possible.

Discussion: The manufacturer's instructions include guidelines to reduce chipping or cracking of siding.

4-5-20 Observation: Masonry or veneer wall is cracked.

Performance Guideline: Cracks visible from distances in excess of 20 feet or larger than 1/4-inch in width are not acceptable.

Corrective Measure: The contractor will repair cracks in excess of the performance guideline by tuck pointing (removing deteriorated mortar from the surface of the existing wall, and inserting fresh mortar), patching, or painting. The contractor will not be responsible for color variations between original and new mortar.

Discussion: Small hairline cracks resulting from shrinkage are common in mortar (a substance used to join masonry units, consisting of cementitious materials, fine aggregate and water) joints in masonry construction.

4-5-21. Observation: Exterior cut bricks (less than full) are of different thickness below openings.

Performance Guideline: Cut bricks used in the course directly below an opening shall not vary from one another in thickness by more than ¼-inch. The smallest dimension of a cut brick should be greater than 1 inch.

Corrective Measure: The contractor will repair the wall to meet the performance guideline.

Discussion: Bricks are cut to achieve required dimensions at openings and ends of walls when it is not possible to match unit/mortar coursing.

4-5-22 Observation: A masonry or brick veneer course is not straight.

Performance Guideline: No point along the bottom of any course shall be more than 1/4-inch higher or lower than any other point within 10 feet along the bottom of the same course, or 1/2-inch in any length. *Remodeling Specific: The owner and contractor may agree to install brick veneer to match conditions on the existing structure and to disregard the performance guideline for this item.*

Corrective Measure: The contractor will rebuild the wall as necessary to meet the performance guideline.

Discussion: Dimensional variations of the courses depend upon the variations in the brick selected.

4-5-23 Observation: Brick veneer is spalling.

Performance Guideline: Spalling of newly manufactured brick should not occur and is considered unacceptable. Spalling of used brick is acceptable.

Corrective Measure: The contractor will repair or replace newly manufactured bricks that have spalled. An exact match of brick and mortar cannot be assured.

4-5-24 Observation: Mortar stains are observed on exterior brick or stone.

Performance Guideline: Exterior brick and stone shall be free from mortar stains detracting from the appearance of the finished wall when viewed from a distance of 20 feet.

Corrective Measure: The contractor will clean the mortar stains to meet the performance guideline.

4-5-25 Observation: Efflorescence is present on the surface of masonry or mortar.

Performance Guideline: This is a common condition caused by moisture reacting with the soluble salts in the mortar.

Corrective Measure: No corrective actions are required of the contractor.

Discussion: Efflorescence is evidenced by the presence of a white film on the surface of masonry or mortar. It is a particularly common occurrence where masonry or concrete are in contact with high moisture levels as may be found in basements.

Stucco and Parge

4-5-26 Observation: An exterior stucco wall surface is cracked.

Performance Guideline: Cracks in exterior stucco wall surfaces shall not exceed 1/8-inch in width.

Corrective Measure: One time only, the contractor will repair cracks exceeding 1/8-inch in width. Caulking and touch-up painting are acceptable. An exact color or texture match may not be unattainable.

Discussion: "Stucco" includes cementitious coatings and similar synthetically based finishes.

4-5-27 Observation: The colors of exterior stucco walls do not match.

Performance Guideline: The colors of new exterior stucco walls may not perfectly match the colors of old exterior stucco walls, nor is it expected that exact matches will be attained for the same material that is applied on different days or under differing environmental conditions (e.g., temperature, humidity, etc.).

Corrective Measure: No corrective measure is required. Because of the unique nature of stucco finishes, exact match of color may not be possible.

Discussion: Coloring of stucco is affected by a number of variables. It is impractical to achieve a color match between stucco coatings applied at different times.

4-5-28 Observation: The textures of exterior stucco wall finishes do not match.

Performance Guideline: Texture of new exterior stucco walls applied at different times may not perfectly match the textures of old exterior stucco walls. *Remodeling Specific: The texture of new exterior stucco walls may not perfectly match the textures of old exterior stucco walls.*

Corrective Measure: No corrective measure is required. Because of the unique nature of stucco finishes, exact match of texture finish may not be possible.

Discussion: "Stucco" includes cementitious coatings and similar synthetically based finishes. Approved samples prior to installation can minimize misunderstandings about color and texture.

4-5-29 Observation: Separation of coating from base on exterior stucco wall.

Performance Guideline: The coating shall not separate from the base on an exterior stucco wall during the warranty period.

Corrective Measure: The contractor will repair areas where the coating has separated from the base.

4-5-30 Observation: Lath is visible through stucco.

Performance Guideline: Lath should not be visible through stucco, nor should the lath protrude through any portion of the stucco surface.

Corrective Measure: The contractor will make necessary corrections so that lath is not visible. The finish colors may not match.

4-5-31 Observation: Rust marks are observed on the stucco finish coat.

Performance Guideline: Rust marks on the stucco surface are considered unacceptable if more than 5 marks measuring more than 1 inch long occur per 100 square feet.

Corrective Measure: The contractor may repair or replace affected subsurface components, or seal the rusted areas and recolor the wall.

4-5-32 Observation: There is water damage to interior walls as a result of a leak in the stucco wall system.

Performance Guideline: Stucco walls should be constructed and flashed to prevent water penetration to the interior of the structure under normal weather and water conditions. Damage to the stucco system caused by external factors out of the contractor's control that result in water penetration is not the contractor's responsibility.

Corrective Measure: If water penetration is the result of a system failure and doesn't result from external factors, the contractor will make necessary repairs to prevent water penetration through the stucco wall system.

Discussion: Water penetration resulting from abnormal external factors, such as windblown moisture or sprinkler systems, are not the contractor's responsibility.

Exterior Trim

4-6-1. Observation: Gaps show in exterior trim.

Performance Guideline: Joints between exterior trim elements, including siding and masonry, shall not result in joints opened wider than ¼-inch. In all cases the exterior trim shall perform its function of excluding the elements.

Corrective Measure: The contractor will repair open joints that do not meet the performance guideline. Caulking is acceptable.

4-6-2 Observation: Exterior trim board is split.

Performance Guideline: Splits wider than 1/8-inch are considered unacceptable.

Corrective Measure: The contractor will repair splits by filling with a durable filler. Touch-up painting may not match the surrounding area.

4-6-3 Observation: Exterior trim board is bowed or twisted.

Performance Guideline: Bows and twists exceeding 3/8-inch in 8 feet are considered unacceptable.

Corrective Measure: The contractor will repair defects that do not meet the performance guideline by refastening or replacing deformed boards. Touch-up painting may not match the surrounding area.

4-6-4 Observation: Exterior trim board is cupped.

Performance Guideline: Cups exceeding 3/16-inch in 5 1/2 inches are considered unacceptable.

Corrective Measure: The contractor will repair defects that do not meet the performance guideline by refastening or replacing deformed boards. Touch-up painting may not match the surrounding area.

Paint, Stain, and Varnish

4-7-1 Observation: Exterior painting, staining, or refinishing is required because of repair work.

Performance Guideline: Repairs required under these performance guidelines shall be finished to match the immediate surrounding areas as closely as practical.

Corrective Measure: The contractor will finish repaired areas as indicated.

Discussion: Touch-up painting, staining, or refinishing may not match the surrounding area.

4-7-2 Observation: Exterior paint or stain has peeled, flaked, or physically deteriorated.

Performance Guideline: Exterior paints and stains shall not fail during the warranty period.

Corrective Measure: If exterior paint or stain has peeled, developed an alligator pattern, or blistered, the contractor will properly prepare and refinish affected areas and match the color as closely as practical. Where deterioration of the finish affects more than 50 percent of the piece of trim or wall area, the contractor will refinish the entire wall.

4-7-3 Observation: Exterior paint or stain has faded.

Performance Guideline: Fading of exterior paints and stains is common. The degree of fading depends on environmental conditions.

Corrective Measure: Because fading is a common occurrence in paint and stains, no corrective action is required.

4-7-4 Observation: Varnish or lacquer finishes have deteriorated.

Performance Guideline: Clear finishes used on exterior surfaces may deteriorate rapidly. This is beyond the contractor's control.

Corrective Measure: Heat and sunlight can cause rapid deterioration of clear finishes. Maintenance is the owner's responsibility. No corrective action is required of the contractor.

4-7-5 Observation: There is paint or stain overspray on surfaces not intended for paint or stain.

Performance Guideline: Paint or stain overspray on surfaces not intended for paint or stain that is visible at a distance of 6 feet under normal natural lighting conditions is not acceptable.

Corrective Measure: The contractor shall clean affected surfaces without damaging the surface.

4-7-6 Observation: Cabinet stain is uneven. Cabinet paint is not uniform or is mismatched.

Performance Guideline: Uneven stain color on wood cabinets is considered acceptable and is a result of the natural wood grain. Painted cabinets should appear uniform under normal lighting conditions at a distance of 6 feet.

Corrective Measure: The contractor will repaint or replace painted cabinets that do not meet the performance guideline.

4-7-7 **Observation:** Mildew or fungus is visible on exterior painted surfaces.

Performance Guideline: Painted or finished surfaces shall be free of observable mildew and fungus at the time of substantial completion of the job. However, mildew or fungus may form on painted surfaces over time because of warmth and moisture.

Corrective Measure: The contractor will remove mildew and fungus before substantial completion of the job. Subsequent mildew or fungus formation is a condition the contractor cannot control. The owner is responsible for future cleaning of the painted item as necessary to prevent or remove mildew and fungus.

ROOFS

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5-1-1 **Observation:** The roof ridge beam has deflected.

Performance Guideline: Roof ridge beam deflection greater than 1 inch in 8 feet is considered unacceptable. *Remodeling Specific: If this is not in the scope of work, the guideline will be disregarded.*

Corrective Measure: The contractor shall repair affected ridge beams that do not meet the performance guideline.

5-1-2 **Observation:** A rafter or ceiling joist bows (up or down).

Performance Guideline: Bows greater than 1 inch in 8 feet are unacceptable. *Remodeling Specific: If this is not in the scope of work, the guideline will be disregarded.*

Corrective Measure: The contractor shall repair affected rafters or joists that bow in excess of the performance guideline.

Roof Sheathing

5-2-1 **Observation:** Roof sheathing is wavy or appears bowed.

Performance Guideline: Roof sheathing shall not bow more than 1/2-inch in 2 feet. *Remodeling Specific: If new sheathing is installed over existing rafters, the sheathing will follow the bows of the existing rafters. The owner and contractor should agree on whether or not the rafters are to be straightened. If they are not to be straightened, the performance guideline for this item will be disregarded.*

Corrective Measure: The contractor will straighten bowed roof sheathing as necessary to meet the performance guideline.

Discussion: In rare instances, the contractor might have to install blocking between the framing members to straighten the sheathing.

Roof Vents

5-3-1 Observation: An attic vent or louver leaks.

Performance Guideline: Attic vents and louvers shall not leak. However, infiltration of wind-driven rain and snow are not considered leaks and are beyond the control of the contractor.

Corrective Measure: The contractor shall repair or replace the roof vents as necessary to meet the performance guideline.

Discussion: Properly installed louvers or vents may at times allow penetration of rain or snow under strong wind conditions and are not deficiencies.

Roof Installation and Leaks

Asphalt Shingles

5-4-1 Observation: The roof or flashing leaks.

Performance Guideline: Roofs and flashing shall not leak under normal conditions, except where the cause is determined to result from ice build-up or the owner's actions or negligence.

Corrective Measure: The contractor will repair any verified roof or flashing leaks not caused by ice build-up, leaves, debris, or the owner's actions or negligence. It is the owner's responsibility to keep the roof drains, gutters, and downspouts free of debris.

5-4-2 Observation: Ice builds up on the roof.

Performance Guideline: During prolonged cold spells ice is likely to build up on a roof, especially at the eaves. This condition naturally can occur when snow and ice accumulates.

Corrective Measure: No action is required of the contractor. Prevention of ice build-up on the roof is a owner maintenance item.

Discussion: In the event ice builds up on the roof and then melts causing damage, this consequential damage is also the owner's responsibility.

5-4-3 Observation: Shingles have blown off.

Performance Guideline: Shingles shall not blow off in winds less than stated in the manufacturer's warranty or applicable building codes.

Corrective Measure: If shingles were not installed properly, they will be repaired or replaced in the affected area.

5-4-4 Observation: Shingles are not horizontally aligned.

Performance Guideline: Shingles should be installed according to the manufacturer's instructions. *Remodeling Specific: The owner and the contractor may agree prior to installation that the horizontal line of shingles on the roof of an addition need not line up with those of the existing structure if the floors (and hence, the eaves and ridge) are not to be built on the same plane.*

Corrective Measure: The contractor will remove shingles that do not meet the performance guideline, and will repair or replace them with new shingles that are properly aligned.

Discussion: The bottom edge of dimensional shingles may be irregular; the irregularity is an inherent part of the design.

5-4-5 Observation: New shingles do not match existing shingles.

Performance Guideline: Because of weathering and manufacturing variations, the color of new shingles will not exactly match the color of existing shingles.

Corrective Measure: The contractor is not responsible for precisely matching the color of existing shingles.

5-4-6 Observation: Asphalt shingle edges or corners are curled or cupped.

Performance Guideline: Asphalt shingle edges and corners shall not curl or cup more than 1/2-inch.

Corrective Measure: No corrective action is required of the contractor. Cupping in excess of 1/2-inch should be reported to the manufacturer.

5-4-7 Observation: Asphalt shingles do not overhang the edges of the roof, or hang too far over the edges of the roof.

Performance Guideline: Asphalt shingles shall overhang roof edges by not less than 1/4-inch and not more than 3/4-inch unless the manufacturer's instructions indicate otherwise.

Corrective Measure: The contractor will reposition or replace shingles as necessary to meet the performance guideline.

5-4-8 Observation: Shading or a shadowing pattern is observed on a new shingle roof.

Performance Guideline: Shading or shadowing is a defect only if it results from failure to use shingles of the type specified in the contract.

Corrective Measure: The contractor will replace shingles not conforming to the manufacturer's standards.

5-4-9 Observation: Asphalt shingles have developed surface buckling.

Performance Guideline: Asphalt shingle surfaces need not be perfectly flat. Buckling higher than 1/4-inch is considered unacceptable. *Remodeling Specific: If an owner elects to re-roof over an existing roof owner must be aware that the new roof will follow the contours of the underlying roof.*

Corrective Measure: The contractor will repair or replace the affected shingles to meet the performance guideline.

5-4-10 Observation: Sheathing nails have loosened from framing and raised asphalt shingles.

Performance Guideline: Nails shall not loosen from roof sheathing to raise asphalt shingles from surface.

Corrective Measure: The contractor shall repair all areas as necessary to meet the performance guideline.

Discussion: It is not uncommon for nails to "work themselves out" due to variations in temperature. The contractor can re-drive or remove and replace fasteners that withdraw from the framing. Any resulting holes should be sealed or the shingle should be replaced (a perfect color/shade match cannot be assured).

5-4-11 Observation: Roofing nails are exposed at the ridge or hip of a roof.

Performance Guideline: Nail heads shall be sealed.

Corrective Measure: The contractor shall repair areas to meet the performance guideline.

5-4-12 Observation: Holes from construction activities are found in asphalt shingles.

Performance Guideline: Holes from construction activities shall be flashed or sealed below the asphalt shingle tab to prevent leakage. If the patch is visible from the ground, the shingle should be replaced.

Corrective Measure: The contractor will repair or replace the affected shingles to meet the performance guideline.

5-4-13 Observation: *Remodeling Specific: Existing roof shingles are telegraphing through new asphalt shingles.*

Performance Guideline: *Remodeling Specific: Some telegraphing is common when re-roofing over existing roofing.*

Corrective Measure: Because this is a common occurrence, no corrective action is required.

Roll Roofing

5-4-14 Observation: Water is trapped under roll roofing.

Performance Guideline: Water shall not become trapped under roll roofing.

Corrective Measure: If water becomes trapped under roll roofing during the warranty period, the contractor will repair or replace the roofing as necessary to meet the performance guideline.

5-4-15. Observation: Roofing is blistered but does not admit water.

Performance Guideline: Surface blistering of roll roofing is caused by unusual conditions of heat and humidity acting on the asphalt and cannot be controlled by the contractor.

Corrective Measure: None.

5-4-16 Observation: Water is standing on a flat roof.

Performance Guideline: Water shall drain from a flat roof except for minor ponding within 24 hours of a rainfall. Minor ponding shall not exceed 3/8-inch in depth.

Corrective Measure: The contractor will take corrective action to ensure proper drainage of the roof.

Chimney

5-5-1 Observation: A crack in a masonry chimney cap or crown causes leakage.

Performance Guideline: It is common for caps to crack due to expansion and contraction. As a result, leaks may occur.

Corrective Measure: If cracking causes leakage the contractor will repair the cap or crown. Caulking or other sealant is acceptable.

5-5-2 Observation: New chimney flashing leaks.

Performance Guideline: New chimney flashing shall not leak under normal conditions.

Corrective Measure: The contractor will repair leaks in new chimney flashing that are not caused by ice build-up, other common occurrences, or by the owner's actions or negligence.

Discussion: The accumulation of ice and snow on the roof is a natural occurrence and cannot be prevented by the contractor.

Gutters and Downspouts

5-6-1 Observation: The gutter or downspout leaks.

Performance Guideline: Gutters and downspouts shall not leak.

Corrective Measure: The contractor will repair leaks in gutters and downspouts. Sealants are acceptable.

5-6-2 Observation: The gutter overflows during a heavy rain.

Performance Guideline: Gutters may overflow during a heavy rain.

Corrective Measure: The contractor shall repair the gutter if it overflows during normal rains.

Discussion: The owner is responsible for keeping gutters and downspouts free from debris that could cause overflow.

5-6-3 Observation: Water remains in the gutter after a rain.

Performance Guideline: The water level shall not exceed 1/2-inch in depth if the gutter is unobstructed by ice, snow, or debris.

Corrective Measure: The contractor will repair the gutter to meet the performance guideline. The owner is responsible for maintaining gutters and downspouts and keeping them unobstructed.

Discussion: Contractors usually install residential gutters with minimal slope in order to maintain an attractive appearance. Installing gutters with 1/32-inch drop in 1 foot generally will prevent water from standing in the gutters. Even so, small amounts of water may remain in some sections of the gutter for a time after a rain. In areas with heavy rainfall and/or ice build-up, a steeper pitch or additional downspouts may be desirable.

Skylights

5-7-1 Observation: Skylight leaks.

Performance Guideline: Skylights shall be installed in accordance with manufacturer's specifications. Leaks resulting from improper installation are unacceptable. Condensation on interior surfaces is not a leak and not considered a defect.

Corrective Measure: The contractor will repair any improperly installed skylight to meet the performance guideline.

Discussion: Leaks are often caused by other factors such as improper flashing of vents, chimneys or vertical walls. These defects often show up at the skylight opening. Before deeming the skylight to be defective other possible causes should be ruled out by careful examination and a thorough water test.

Plumbing

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Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Water Supply System

6-1-1 Observation: Condensation appears on pipes, fixtures and plumbing supply lines.

Performance Guideline: Condensation on pipes, fixtures, and plumbing supply lines may occur at certain combinations of temperature and indoor humidity. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The owner is responsible for controlling humidity in the home.

Discussion: The owner may insulate pipes and supply lines.

Plumbing Fixtures

6-1-2 Observation: A faucet or valve leaks.

Performance Guideline: No faucet or valve shall leak because of defects in material or workmanship. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will repair or replace the leaking faucet or valve.

Discussion: Leakage caused by worn or defective washers or seals is homeowner maintenance item.

6-1-3. Observation: Water pipe is noisy.

Performance Guideline: Because of the flow of water and pipe expansion, the water pipe system will emit some noise. However, the pipes should not make the pounding noise called "water hammer" (noise occurring in a water pipe when air is trapped in the pipe).

Corrective Measure: The contractor cannot remove all noises caused by water flow and pipe expansion. However, the contractor will correct the system to eliminate "water hammer."

Plumbing Fixtures

6-2-1 Observation: A plumbing fixture, appliance, or trim fitting is defective.

Performance Guideline: Plumbing fixtures, appliances, and trim fittings shall not be damaged or defective at the time of substantial completion of the project. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: If the fixtures, appliances or trim were supplied by contractor and they are not in accordance with the manufactures guidelines they must be repaired or replaced. If supplied and or installed by the owner no action is required of the contractor. Defective trim fittings, appliances, and fixtures are covered under manufacturers' warranties.

6-2-2 Observation: The surface of a plumbing fixture is cracked or chipped.

Performance Guideline: Cracks, scrapes and chips in surfaces of bathtubs and sinks are considered unacceptable if they are visible from 3 feet away in normal lighting conditions. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: If the fixtures were supplied by the contractor and they do not meet the performance guideline they must be repaired or replaced. If supplied and or installed by the owner no action is required of the contractor. The contractor is not responsible for repairs unless the damage is reported to the contractor prior to substantial completion of the project. Defective fixtures are covered under manufacturers' warranties.

Discussion: Fiberglass and acrylic fixtures often may be repaired.

6-2-3 Observation: A fiberglass tub or shower enclosure base flexes.

Performance Guideline: The tub or showers are to be installed according to the manufacturer's instructions. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor shall repair the base to meet the performance guideline.

6-2-4 Observation: A vanity top is cracked.

Performance Guideline: Vanity tops shall not have cracks at drain connections when installed. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor shall repair or replace the vanity top to meet the performance guidelines. Cracks must be noted prior to substantial completion of the project.

6-2-5 Observation: Staining of plumbing fixtures due to high iron content in water.

Performance Guideline: None.

Corrective Measure: None. High iron content in the water supply system will cause staining of plumbing fixtures.

Discussion: Maintenance and treatment of the water is the owner's responsibility.

Electrical

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Fuses and Circuit Breakers

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

7-1-1 Observation: A fuse blows or a circuit breaker trips.

Performance Guideline: Fuses and circuit breakers shall not be tripped by normal usage. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will check wiring circuits and components for conformity with applicable electrical code requirements. The contractor will correct noncompliant elements.

Discussion: Blown fuses and tripped breakers are symptoms of a problem in some part of the electrical system in the home or some consumer product connected to the system. Although defective components are possible, most electrical malfunctions are caused by consumer-owned fixtures and appliances. The consumer should unplug or disconnect fixtures and appliances on the circuit and then replace the fuse or reset the breaker. If the problem recurs, the contractor should be notified.

7-1-2 Observation: A ground fault circuit interrupter (GFCI) or arc fault circuit interrupter (AFCI) trips frequently.

Performance Guideline: Ground fault and arc fault circuit interrupters shall perform as designed. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will install ground fault and arc fault circuit interrupters in accordance with applicable electrical codes. Tripping is to be expected and is not covered unless it is caused by a component failure or incorrect installation.

Discussion: Both ground fault and arc fault circuit interrupters are very sensitive devices and are easily tripped. GFCI's protect outlets in wet areas (for example, bathrooms, kitchens, garages, exterior, etc.). Outlets protected by GFCIs may be connected in series; it may not be readily apparent that an inoperative convenience outlet is the result of a tripped GFCI in another room (and not necessarily in the electrical panel). AFCIs sometimes are installed to protect bedroom circuits. The most common cause of tripping by AFCIs is damaged cords or plugs on owners' lamps, small appliances, or other devices. AFCIs are usually found in the electrical panel.

7-2-1 Observation: A light fixture is tarnished.

Performance Guideline: Finishes on light fixtures may be covered under the manufacturer's warranty. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: No action is required of the contractor. Owner should contact manufacturer.

7-2-2 Observation: Receptacle or switch covers protrude from the wall.

Performance Guideline: Receptacle or switch covers should not be more than 1/16-inch from the adjoining wall surface. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will adjust the covers to meet performance guideline.

7-2-3 Observation: The owner's 220-volt appliance cord does not fit the outlet provided by the contractor.

Performance Guideline: The contractor shall install electrical outlets required by applicable electrical code. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: No action is required of the contractor.

Discussion: The owner is responsible for obtaining an appliance cord that fits the outlets provided by the contractor.

7-3-1 Observation: A ceiling fan vibrates and/or is noisy.

Performance Guideline: The contractor shall install ceiling fans in accordance with the manufacturer's instructions (including blade balances). *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor shall correct any fan installation not in accordance with the performance guideline if the fan was supplied and installed by the contractor.

7-3-2 Observation: An exhaust fan discharges into attic or crawl space.

Performance Guideline: Fans shall discharge as required by applicable codes. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor shall repair to meet performance guideline.

7-4-1 Observation: A smoke detector "chirps."

Performance Guideline: A smoke detector should not "chirp" at substantial completion of the project. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will repair or replace the smoke detector to eliminate chirping.

Discussion: Most smoke detectors are powered by both the home's electrical power and a backup battery. "Chirping" is an indication that the battery is weak or is not installed. If the chirping occurs on a new smoke detector, the contractor will check the battery, verify that the detector is wired correctly, and replace the device if necessary. Safety officials recommend that owners change the batteries in smoke detectors semi-annually when daylight-saving time begins and ends.

7-5-1 Observation: Electrical outlets, switches, or fixtures malfunction.

Performance Guideline: All electrical outlets, switches, and fixtures shall operate as designed. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will repair or replace malfunctioning electrical outlets, switches, and fixtures, if supplied and installed by the contractor.

7-5-2 Observation: Carbon monoxide alarm goes off excessively.

Performance Guideline: Carbon monoxide sensors shall be installed in accordance with manufacturer's standards and applicable codes.

Corrective Measure: None. The contractor is responsible to properly install the sensor.

Interior Climate Control

-Coverage 1st Year Only, Workmanship and Materials

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Air Infiltration and Drafts

8-1-1 Observation: Air infiltrates around exterior doors or windows.

Performance Guideline: Some infiltration is usually noticeable around doors and windows, especially during high winds. No daylight shall be visible around the frame when the window or door is closed. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor shall repair to meet the performance guideline.

Discussion: Proper repair can be performed by adjusting or installing weather stripping around doors and windows. In high-wind areas, the owner may elect to have storm windows and doors installed to further reduce drafts.

8-1-2 Observation: A draft comes through an electrical outlet.

Performance Guideline: Electrical outlets and switch boxes on exterior walls may allow cold air to flow through or around an outlet into a room. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: No action is required of the contractor. The owner may elect to install foam insulation pads under switch and outlet plates to help decrease drafts.

Humidity Control and Condensation

8-2-1 Observation: Water, ice, or frost is observed on a window.

Performance Guideline: Windows will be installed in accordance with the manufacturer's instructions and applicable building code, *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: No action is required of the contractor unless the water, ice, or frost is directly attributed to faulty installation (i.e., that deviates from the manufacturer's instructions and/or applicable building code).

Discussion: Condensation usually results from conditions beyond the contractor's control. Moisture in the air can condense into water and collect on cold surfaces, particularly in the winter months when the outside temperature is low. Blinds and drapes can prevent air within the building envelope from moving across the cold surface and picking up the moisture. Occasional condensation (water) in the kitchen, bath, or laundry area is common. It is the owner's responsibility to maintain proper

humidity by properly operating heating and cooling systems and allowing moving air within the home to flow over the interior surface of the windows.

8-2-2 Observation: There is moisture between the panes of a double glazed window.

Performance Standard: Moisture between the panes of double glazed windows during the manufacturer's warranty period is unacceptable.

Corrective Measure: The owner should contact the manufacturer.

Air Distribution and Ventilation

8-3-1 Observation: The attic or crawl space is inadequately ventilated.

Performance Guideline: The attic and crawl space shall be ventilated as required by the applicable building code.

Corrective Measure: The contractor will provide for adequate ventilation. The contractor is not responsible for actions by the owner that interfere with the ventilation system.

8-3-2 Observation: There is airflow noise at a register.

Performance Guideline: The register should be correctly installed according to the manufacturer's instructions. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: No action is required unless registers are not installed in accordance with manufacturer's instructions.

Discussion: Under certain conditions, some noise may be experienced with the normal flow of air, even when registers are installed correctly. See the manufacturer's instructions.

8-3-3 Observation: There are gaps between HVAC (Heating, Ventilating and Air Conditioning) vent or register cover and the wall or ceiling.

Performance Guideline: This is a normal condition beyond the contractor's control. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: None.

Discussion: It is the inherent nature of the heating and cooling system to cause vents and registers to bend over time. This can result in gaps occurring between the vent or register cover and the wall. As long as the vent or register is securely attached, this is not a warranty item.

8-3-4 Observation: A condensate drain line is clogged.

Performance Guideline: The contractor will provide unobstructed condensate lines at the time of substantial completion of the project. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor shall unclog any clogged condensate line at the time of substantial completion of the project. Condensate lines will eventually clog under normal use and they must be kept free of all clogs to operate properly. The owner is responsible for maintaining them in proper condition.

8-3-5 Observation: There is condensation on the outside of air handlers and ducts.

Performance Standards: Air handlers and ducts will collect condensation on their exterior surfaces when extreme temperature differences and high humidity levels occur. Condensation usually results from humid conditions within the home that are created by the owner or during the curing process in a new space.

Corrective Measure: Unless the condensation or frost is directly attributed to faulty installation, it usually results from conditions beyond the control of the contractor. No corrective action is required.

Discussion: Condensation usually results from conditions beyond the contractor's control. Moisture in the air can condense (to form water) and collect on cold duct surfaces, particularly in the summer months when the outside humidity is high.

8-5-5 Observation: Kitchen or bath fans allow air infiltration.

Performance Guideline: Bath and kitchen fans shall be installed in accordance with the manufacturer's instructions and code requirements. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: No action is required of the contractor if fans meet the guideline.

Discussion: It is possible for outside air to enter the house through a ventilation fan. The dampers in most fans do not seal tightly. It is possible for the damper to be lodged open due to animal activity (including nesting in the outside opening), or the accumulation of grease, lint, and other debris. Maintenance of ventilating fans is the owner's responsibility.

INTERIOR

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

-Coverage 1st Year Only, Workmanship and Materials

Interior Doors

9-1-1. **Observation:** Interior door is warped.

Performance Guideline: Interior doors (full openings) shall not warp in excess of ¼-inch. *Remodeling Specific: see Note at beginning of chapter.*

Corrective Measure: The contractor will correct or replace and refinish defective doors to match existing doors as nearly as practical during the warranty period.

Discussion: In bathroom or utility areas, exhaust fans or an open window must be used to remove moisture to eliminate or limit warpage of door units. If customer is responsible for painting the door, the contractor is not responsible if the door is not painted to manufacturer's specifications.

9-1-2 **Observation:** Bifold doors come off their tracks during normal operation.

Performance Guideline: Bifold doors shall slide properly on their tracks at the time of substantial completion of the project. Cleaning and maintenance necessary to preserve proper operation are owner responsibilities. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: One time only, the contractor will repair any bifold door that will not stay on its track during normal operation.

Discussion: Proper operation should be verified by the owner and the contractor at the time of substantial completion of the project.

9-1-3 **Observation:** A pocket door rubs in its pocket during normal operation.

Performance Guideline: Pocket doors shall not rub in their pockets during normal operation if they are installed according to the manufacturer's instructions. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: One time only, the contractor will repair the pocket door to meet the performance guideline.

Discussion: Pocket doors commonly rub, stick, or derail due to the inherent nature of the product. It is common, however, for the door to operate against the guides provided by the manufacturer.

9-1-4 Observation: A wooden door panel has shrunk or split.

Performance Guideline: Wooden door panels shall not split to the point that light is visible through the door. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: One time only, the contractor will fill splits in the door panel with wood filler and will match the paint or stain as closely as practical.

9-1-5 Observation: Door rubs on jambs or contractor-installed floor covering, or latch does not work.

Performance Guideline: Doors shall operate smoothly and door latches shall operate correctly.

Corrective Measure: The contractor will repair the door and the door latch as necessary to meet the performance guideline.

9-1-6 Observation: A door edge is not parallel to the doorjamb.

Performance Guideline: When the contractor installs the doorframe and door, the door edge shall be within 3/16-inch of parallel to the doorjamb. *Remodeling Specific: Where the contractor installs the door in an existing frame that is out of square, the guideline does not apply. See Note at beginning of chapter.*

Corrective Measure: The contractor will adjust the door as necessary to meet the guideline one time.

9-1-7 Observation: A door swings open or closed by the force of gravity.

Performance Guideline: Doors shall not swing open or closed by the force of gravity alone. *Remodeling Specific: This guideline does not apply where a door is installed in an existing wall that is out of plumb. See Note at beginning of chapter.*

Corrective Measure: The contractor shall repair door operation to meet the performance guideline one time.

9-1-8 Observation: Interior doors do not operate smoothly.

Performance Guideline: Doors shall move smoothly with limited resistance. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor shall repair door operation to meet the performance guideline one time.

Interior Stairs

9-2-1. **Observation:** Interior stair tread deflects too much.

Performance Guideline: The maximum vertical deflection of an interior stair tread shall not exceed 1/8-inch within a 36-inch span at 200 pounds of static weight.

Corrective Measure: The contractor will repair the stair to meet the performance guideline.

9-2-2 **Observation:** Gaps exist between interior stair risers, treads, and/or skirts.

Performance Guideline: Gaps between adjoining parts that are designed to meet flush shall not exceed 1/8-inch in width.

Corrective Measure: The contractor will fix the gap with filler or replace parts as necessary to meet the performance guideline.

9-2-3. **Observation:** Squeaking stair riser or tread.

Performance Guideline: Loud squeaks caused by a loose stair riser or tread are unacceptable, but totally squeak-proof stair risers or treads cannot be guaranteed.

Corrective Measure: The contractor will refasten any loose risers or treads or take other corrective action to eliminate squeaking to the extent possible within reasonable repair capability without removing treads or ceiling finishes.

Discussion: Squeaks in risers or treads may occur when a riser has come loose from the tread, and is deflected by the weight of a person and rubs against the nails that hold it in place. Movement may occur between the riser and the tread or other stairway members when one tread is deflected while the other members remain stationary. Using trim screws to fasten the tread to the riser from above will sometimes reduce squeaking. If there is no ceiling below, gluing or renailing the riser to the tread or shimming will reduce squeaks but the total elimination of squeaks is practically impossible. The performance guideline requires the contractor to make a reasonable attempt to eliminate squeaks without requiring removal of treads or ceiling finishes. Note: Most cellar stairs are not designed to be squeak resistant.

9-2-4 **Observation:** Gaps exist between interior stair railing parts.

Performance Guideline: Gaps between interior stair railing parts shall not exceed 1/8-inch in width.

Corrective Measure: The contractor will ensure that individual parts of the railing are securely mounted. Any remaining gaps will be filled or parts replaced to meet the performance guideline.

9-2-5. **Observation:** Interior stair railing lacks rigidity.

Performance Guideline: Interior stair railings shall be attached to structural members in accordance with applicable codes.

Corrective Measure: The contractor will repair any stair railings as necessary to comply with applicable codes.

Trim and Moldings

9-3-1 **Observation:** There are gaps at non-mitered trim and molding joints.

Performance Guideline: Openings at joints in trim and moldings, and at joints between moldings and adjacent surfaces, shall not exceed 1/8-inch in width at the time of installation.

Corrective Measure: The contractor will repair joints to meet the performance guideline.

Discussion: Separation of trim and moldings in excess of the performance guidelines may be caused by lack of control of indoor relative humidity. Joints that separate under these conditions are not considered defective. It is the owner's responsibility to control temperature and humidity in the home.

9-3-2. **Observation:** Nails are not properly set or, where puttied, nail holes are not properly filled.

Performance Guideline: Setting nails or filling nail holes are considered part of painting and finishing. After painting or finishing, except stained or natural finished woodwork, nails and nail holes shall not be readily visible from a distance of 6 feet under normal lighting conditions at the time of substantial completion of the project.

Corrective Measure: Where the contractor is responsible for painting, the contractor shall take action necessary to meet the performance guideline.

9-3-3. **Observation:** Inside corner is not coped or mitered.

Performance Guideline: Trim edges at inside corners shall be coped or mitered. However, square edge trim may be butted.

Corrective Measure: The contractor will finish inside corners to meet the performance guideline.

9-3-4. **Observation:** Trim or molding miter edges do not meet.

Performance Guideline: Gaps between miter edges in trim and molding shall not exceed 1/8-inch at time of installation.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline. Caulking or puttying with materials compatible to the finish is acceptable.

9-3-5 **Observation:** Interior trim is split.

Performance Guideline: Splits, cracks, and checking greater than 1/8-inch in width are considered unacceptable.

Corrective Measure: One time only, the contractor will repair the affected area to meet the guideline.

9-3-6. **Observation:** Hammer marks are visible on interior trim.

Performance Guideline: Hammer marks on interior trim shall not be readily visible from a distance of 6 feet under normal lighting conditions.

Corrective Measure: The contractor will fill hammer marks and refinish or replace affected trim to meet the performance guideline. Refinished or replaced areas may not match surrounding surfaces exactly.

Cabinets and Counter Tops

9-4-1 **Observation:** Cabinets do not meet the ceiling or walls.

Performance Guideline: Gaps greater than 1/4-inch in width are considered unacceptable.

Corrective Measure: The contractor will repair the gap with caulk, putty, or scribe molding, or will reposition/ reinstall cabinets to meet the performance guideline.

Discussion: *Remodeling Specific: When installed in rooms with out-of-plumb walls or out-of-level floors and ceilings, "square" cabinets cannot be installed parallel to walls and ceilings and still keep the cabinets on line. For example, if the floor is not level and the installer measures up from it, "snaps" a line on which to place the tops of the wall cabinets, and then plumbs the first cabinet, one corner of the cabinet will leave the line, and the bottom of successive cabinets will not be in line. Similarly, cabinets will not line up with each other if they are installed on a level line, starting against an out-of-plumb wall instead of a plumb wall. The contractor should explain the aesthetic options to the owner and select the best option with the owner.*

9-4-2 **Observation:** Cabinets do not line up with each other.

Performance Guideline: Cabinet faces more than 1/8-inch out of line, and cabinet corners more than 3/16- inch out of line, are considered unacceptable, unless the owner

and the contractor agree to disregard the guideline in order to match or otherwise compensate for pre-existing conditions.

Corrective Measure: The contractor will make necessary adjustments to meet the performance guideline.

Discussion: *Remodeling Specific: In remodeling projects, many times the rooms are out of square, walls are not plumb, and floors are not level. Cabinets and countertops may have to be shimmed or otherwise adjusted to make the cabinets and countertops fit together properly. Cabinets may not fit flush against the walls on the ends or bottoms and may not fit flat against the floor the contractor should explain the aesthetic options to the owner and select the best option with the owner. In rooms with out of plumb walls or out of level floors and ceilings, "square" cabinets cannot be installed parallel to walls and ceilings and still keep the cabinets on line. For example, if the floor is not level and the installer measures up from it, "snaps" a line on which to place the tops of the wall cabinets, then plumbs the first cabinet, one corner of the cabinet will leave the line, and the bottom corners of successive cabinets will leave the line, and the bottom corners of successive cabinets will not be in line. Similarly, cabinets will not line up with each other if they are installed on a level line, starting against an out of plumb wall instead of being plumbed. The contractor should explain the aesthetic options to the owner and select the best option with the owner.*

9-4-3. **Observation:** Cabinet is warped.

Performance Guideline: Cabinet warpage shall not exceed ¼-inch as measured from the face frame to the point of furthest warpage, with the door or drawer front in closed position.

Corrective Measure: The contractor will correct or replace doors and drawer fronts as necessary to meet the performance guideline.

9-4-4. **Observation:** Cabinet door or drawer binds.

Performance Guideline: Cabinet doors and drawers shall open and close with reasonable ease.

Corrective Measure: The contractor will adjust or replace doors and drawers as necessary to meet the performance guideline.

9-4-5 **Observation:** Cabinet door will not stay closed.

Performance Guideline: The catches or closing mechanisms for cabinet doors shall be adequate to hold the doors in a closed position.

Corrective Measure: The contractor will adjust or replace the door catches or closing mechanisms as necessary to meet the performance guideline.

9-4-6 **Observation:** Cabinet doors or drawers are cracked.

Performance Guideline: Panels and drawer fronts shall not crack.

Corrective Measure: The contractor may replace or repair cracked panels and drawer fronts. No contractor action is required if the cracked drawer fronts or panels result from the owner's abuse.

Discussion: Paint or stain on the repaired or replaced panel or drawer front may not match the paint or stain on the existing panels or drawer fronts.

9-4-7 **Observation:** A cabinet door is warped.

Performance Guideline: Cabinet door warpage shall not exceed 1/8-inch as measured diagonally from corner to corner.

Corrective Measure: The contractor may replace or repair warped doors to meet the performance guideline.

9-4-8 **Observation:** Cabinet doors do not align when closed.

Performance Guideline: Gaps between doors should not exceed 1/8-inch.

Corrective Measure: The contractor shall adjust doors to meet the performance guideline.

9-4-9. **Observation:** Shrinkage of insert panels of cabinet doors and drawers show raw wood edges.

Performance Guideline: Panels will shrink and expand and may expose unpainted or unfinished surface.

Corrective Measure: None.

Countertops

9-5-1 **Observation:** High-pressure laminate on a countertop is delaminated.

Performance Guideline: Countertops fabricated with high-pressure laminate coverings shall not delaminate.

Corrective Measure: The contractor will repair or replace delaminated coverings, unless the delamination was caused by the owner's misuse or negligence.

Discussion: Owners should refrain from leaving any liquids near the countertop seams or allowing the surface to become excessively hot.

9-5-2. Observation: The surface of high-pressure laminate on countertop is cracked or chipped.

Performance Guideline: Countertops shall be free of cracks and chips at the time of substantial completion of the job. Cracks or chips occurring after acceptance of the job are the owner's responsibility.

Corrective Measure: The contractor will repair or replace cracked or chipped countertops only if they are reported prior to acceptance of the job.

9-5-3 Observation: Solid surface countertops are visibly scratched.

Performance Guideline: At the time of substantial completion of the project, solid surface countertops shall be free of scratches visible from 6 feet away under normal lighting conditions.

Corrective Measure: The contractor shall repair scratches in the countertop to meet the performance guideline.

9-5-4 Observation: A countertop is not level.

Performance Guideline: Countertops shall be no more than 3/8-inch in 10 feet out of parallel with the floor. *Remodeling Specific: For projects where the floor is out of level, the countertop may be installed proportionately out of level.*

Corrective Measure: The contractor will make necessary adjustments to meet the performance guideline.

Discussion: *Remodeling Specific: In remodeling projects, many times the rooms are out of square, walls are not plumb, and floors are not level. Cabinets and countertops may have to be shimmed or otherwise adjusted to make the cabinets and countertops fit together properly. Cabinets may not fit flush against the walls on the ends or bottoms and may not fit flat against the floor: The contractor should explain the aesthetic options to the owner and select the best option with the owner.*

9-5-5 Observation: A tile countertop has uneven grout lines.

Performance Guideline: Grout lines should be straight and fairly consistent in width. However, if working with hand made tiles or tiles with broken edges grout lines may vary in width and straightness.

Corrective Measure: If applicable the contractor shall make corrections as necessary to bring the grout lines into compliance with the performance guideline.

Discussion: Different tiles require different widths of grout lines. Some tiles are designed to have varied-width grout lines.

9-5-6 Observation: Tile countertop grout lines are cracked.

Performance Guideline: Tile grout is a cement product and is subject to cracking. Cracks that result in loose tiles or gaps in excess of 1/16-inch shall be repaired.

Corrective Measure: The contractor will repair the grout lines by adding grout, caulking, or replacing grout one time. New grout may not perfectly match previously grouted areas.

9-5-7 Observation: A granite, marble, stone, or solid surface countertop is cracked at the time of substantial completion of the project.

Performance Guideline: Cracks at the time of substantial completion are considered unacceptable.

Corrective Measure: If the crack is found to be caused as a result of faulty installation or product, the contractor will repair or replace the countertop.

Discussion: Some granite, marble or stone have natural cracks and crevices these are allowed within the Performance Guideline and are not to be considered a defect. Some granite, marble and stones may develop cracks and crevices after substantial completion of the project and are not to be considered defects if properly installed.

9-5-8 Observation: A granite, marble, stone, or solid surface countertop has texture or color variations.

Performance Guideline: Color variations are acceptable. The contractor has no responsibility for countertop texture or color variations when the owner selects the material.

Corrective Measure: No action is required of the contractor.

9-5-9 Observation: A granite, marble, stone, or solid surface countertop is chipped at the time of substantial completion of the project.

Performance Guideline: Chips greater than 1/32-inch in width are considered unacceptable.

Corrective Measure: The contractor will repair or replace affected areas to meet the performance guidelines.

9-5-10 Observation: The surface of countertop tile has unacceptable lippage of adjoining tile.

Performance Guideline: Lippage greater than 1/16-inch is considered unacceptable, except for materials that are designed with an irregular height (such as hand-made tile).

Corrective Measure: The contractor will repair or replace the tile to meet the performance guideline.

9-5-11 Observation: A solid surface or laminate countertop has a bubble, bum, stain, or other damage.

Performance Guideline: Solid surface or laminate countertops shall be free of bubbles, bums, or stains at the time of substantial completion of the project.

Corrective Measure: The contractor will repair or replace the countertop to meet the performance guideline.

Discussion: Solid surface and laminate products may be subject to damage by hot surfaces placed on or near the product. The owner is responsible for maintaining the countertop and protecting it from damage.

Interior Wall Finish

Lath and Plaster

9-6-1 Observation: Cracks are visible on a finished wall or ceiling.

Performance Guideline: Cracks shall not exceed 1/16-inch in width. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: One time only, the contractor will repair cracks exceeding 1/16-inch in width. The contractor will touch up paint on repaired areas if the contractor was responsible for the original interior painting. A perfect match between original and new paint cannot be expected and the contractor is not required to paint an entire wall or room.

Gypsum Wallboard

9-6-2. Observation: Nail pop, blister, or other blemish is visible on finished wall or ceiling.

Performance Guideline: Slight “imperfections” such as nail pops, seam lines and cracks not exceeding 1/16-inch in width are common in gypsum wallboard installations and are considered acceptable. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will repair such blemishes only once during the warranty period. The contractor will touch up paint-repaired areas if the contractor was responsible for the original interior painting. A perfect match between original and new paint cannot be expected, and the contractor is not required to paint an entire wall or room. The contractor is not required to repair defects that are covered by wallpaper or other wall coverings.

Discussion: When drywall has been placed on lumber surfaces which are subject to shrinkage and warpage and which are not perfectly level and plumb, problems often occur through stress and strain placed on drywall during the stabilization of the lumber, which is inherent in the construction of the home. Due to the initial stabilization problem that exists with the new home, it is impossible to correct each defect as it occurs, and it is essentially useless to do so. The entire house will tend to stabilize itself. Some imperfections will not be visible under normal lighting but will become apparent under strong, high or diagonal lighting or strong sunlight. These imperfections are not to be considered defects. Nail and screw pops, showing seam lines and spackle cracks result from wood shrinkage, normal settlement and changes in temperature and humidity. These factors are normal and beyond the contractor's control, they should not be considered defects or unusual.

9-6-3 Observation: Cracked corner bead, excess joint compound, trowel marks, or blisters in tape joints are observed on the drywall surface.

Performance Guideline: Defects resulting in cracked corner bead, trowel marks, excess joint compound or blisters in tape are considered unacceptable. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor shall repair the affected area of the wall to meet the performance guideline one time within the warranty period.

9-6-4 Observation: Joints protrude from the surface.

Performance Guideline: Any joints that are visible from a distance of 6 feet under normal lighting conditions are considered unacceptable. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: One time only, the contractor will repair affected areas.

Discussion: Joints often occur in long walls, stairwells, and areas of two-story homes where framing members have shrunk and caused the drywall to protrude.

9-6-5 Observation: The texture of gypsum wallboard does not match.

Performance Guideline: Any variations that are readily visible from a distance of 6 feet under normal lighting conditions are considered unacceptable. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will repair the affected area to meet the guideline.

Discussion: There will usually be some variation in texture between the wall board and the joint compound.

9-6-6 **Observation:** Angular gypsum wallboard joints are uneven.

Performance Guideline: This is a natural condition that occurs with randomly applied materials. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: No action is required of the contractor. This is a common condition.

9-6-7 **Observation:** Drywall is cracked.

Performance Guideline: Drywall cracks greater than 1/16-inch in width are considered unacceptable. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: One time only, the contractor will repair cracks and touch up paint in affected areas. The texture and paint color may not exactly match the existing texture and paint color.

9-6-8 **Observation:** Blown or textured ceilings have uneven textures.

Performance Guideline: This is a common condition that occurs with randomly applied materials. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: No action is required of the contractor. This is a common condition.

Paint, Stain, and Varnish

9-6-9 **Observation:** Interior paint does not "cover" the underlying surface.

Performance Guideline: The surface being painted shall not show through new paint when viewed from a distance of 6 feet under normal lighting conditions. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will recoat affected areas as necessary to meet the guidelines as closely as practical.

9-6-10 **Observation:** An interior surface is spattered with paint.

Performance Guideline: Paint spatters shall not be readily visible on walls, woodwork, floors, or other interior surfaces when viewed from a distance of 6 feet under normal lighting conditions. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will remove paint spatters to meet the performance guideline.

9-6-11 Observation: Brush marks show on interior painted surface.

Performance Guideline: Brush marks shall not be readily visible on interior painted surfaces when viewed from a distance of 6 feet under normal lighting conditions. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will refinish as necessary to meet the performance guideline and match affected areas as closely as practical.

9-6-12 Observation: Lap marks show on interior painted or stained areas.

Performance Guideline: Lap marks shall not be readily visible on interior painted or stained areas when viewed from a distance of 6 feet under normal lighting conditions. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will refinish as necessary to meet the guideline and match affected areas as closely as practical.

9-6-13 Observation: Interior painting, staining, or refinishing is required because of repair work.

Performance Guideline: A perfect match between original and new paint cannot be expected. Repairs required under these performance guidelines shall be finished to match the immediate surrounding areas as closely as practical. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: Where the majority of the wall or ceiling area is affected, the area will be painted from break line to break line. The contractor is not required to paint an entire room.

Discussion: The contractor is only responsible if he or she painted the home as part of the original contract.

9-6-14 Observation: Resin has bled through the paint on interior trim.

Performance Guideline: This is a common condition that can be expected to occur with natural materials such as wood. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: No action is required of the contractor. This is a common condition.

9-6-15 Observation: Varnish or clear lacquer finishes have deteriorated.

Performance Guideline: Clear finishes on interior woodwork shall not deteriorate during the warranty period.

Corrective Measure: The contractor will retouch affected areas of clear-finish interior woodwork and match the original finish as closely as practical; provided the owner has not used improper cleaning materials, including ammonia, or other improper methods.

Discussion: Finishes on window sills with south facing exposure may deteriorate due to climatic conditions.

Wallpaper and Vinyl Wall Coverings

9-6-16 Observation: The wall covering has peeled.

Performance Guideline: The wall covering shall not peel off the walls. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will reattach or replace the loose wall covering if the contractor installed the covering.

Discussion: Wallpaper applied in high moisture areas is exempted from this guideline because the problem results from conditions beyond the contractor's control.

9-6-17 Observation: Patterns in wall covering are mismatched.

Performance Guideline: Patterns in wall coverings shall match. Irregularities in the patterns themselves are the manufacturer's responsibility. *Remodeling Specific: See Note at beginning of chapter. The guideline does not apply if material is installed on existing out-of-plumb walls or where trim is not square with corners.*

Corrective Measure: The contractor shall correct the wall covering to meet the performance guidelines.

FLOOR FINISHES

-Coverage 1st Year Only, Workmanship and Materials

Carpeting

10-1-1 Observation: Carpet does not meet at the seams.

Performance Guideline: It is not unusual for carpet seams to show. However, a visible gap at the seams is considered unacceptable.

Corrective Measure: If the carpet was installed by the contractor, the contractor will eliminate visible gaps at carpet seams.

10-1-2 Observation: Carpeting loosens, or the carpet stretches.

Performance Guideline: When stretched and secured properly, wall-to-wall carpeting installed as the primary floor covering shall not come up, loosen, or separate from the points of attachment.

Corrective Measure: If the carpeting was installed by the contractor, the contractor will restretch or resecure the carpeting, once during the first year, as necessary to meet the guidelines.

10-1-3 Observation: Carpeting is faded or discolored.

Performance Guideline: Fading or discoloration of carpet is a manufacturer's responsibility.

Corrective Measure: No action is required of the contractor.

Discussion: Fading or discoloration may result from the owner spilling liquids on the carpet, exposure to sunlight, or the owner's failure to properly maintain the carpet.

10-1-4 Observation: Dead spots are observed in padding areas below the carpet surface.

Performance Guideline: Carpeted areas shall have full coverage of padding consistently throughout the flooring area.

Corrective Measure: The contractor will repair/replace padding in the affected areas to meet the performance guidelines.

Roll Vinyl and Resilient Tile Flooring

10-2-1 Observation: Nail pops are observed on the surface of resilient flooring.

Performance Guideline: Readily visible nail pops on resilient flooring are considered unacceptable.

Corrective Measure: The contractor will repair the nail pops that are readily visible.

Discussion: The contractor will repair or replace, at the contractor's option, the resilient floor covering in the affected areas with similar materials. The contractor is not responsible for discontinued patterns or color variations when replacing the floor covering.

10-2-2 Observation: Depressions or ridges are observed in resilient flooring because of sub floor irregularities.

Performance Guideline: Readily apparent depressions or ridges exceeding 1/8-inch shall be repaired. The ridge or depression measurement is taken at the end of a 6-inch straightedge centered over the depression or ridge with 3 inches of the straightedge held tightly to the floor on one side of the affected area. Measure under the straightedge to determine the depth of the depression or height of the ridge.

Corrective Measure: The contractor will take corrective action as necessary to bring the affected area within the acceptable tolerance so that the depression or ridge is not readily visible and is not more than 1/8-inch. The contractor will not be responsible for discontinued patterns or color variations when replacing the floor covering.

Discussion: Contractor is not responsible for homeowner neglect or abuse or installations performed by others.

10-2-3 **Observation:** Resilient flooring has lost adhesion.

Performance Guideline: Resilient flooring shall not lift, bubble, or detach.

Corrective Measure: At the contractor's option, the contractor will repair or replace the affected resilient flooring as necessary. The contractor is not responsible for discontinued patterns or color variations when replacing the floor covering.

10-2-4 **Observation:** Seams or shrinkage gaps show at vinyl flooring joints.

Performance Guideline: Gaps at joints/seams in vinyl flooring shall not exceed 1/16-inch in width. Where dissimilar materials abut, the gaps shall not exceed 1/16-inch.

Corrective Measure: At the contractor's option, the contractor will repair or replace the vinyl flooring as necessary to meet the performance guideline. The contractor will not be responsible for discontinued patterns or color variations when replacing the floor covering.

Discussion: Proper repair can be accomplished by sealing the gap with seam sealer.

10-2-5 **Observation:** Bubbles are observed on roll vinyl flooring.

Performance Guideline: Bubbles resulting from trapped air and that protrude higher than 1/16-inch from the floor is considered unacceptable.

Corrective Measure: The contractor will repair the floor to meet the guideline.

Discussion: The performance guideline does not apply to perimeter attached vinyl floors.

10-2-6 Observation: The patterns on roll vinyl flooring are misaligned.

Performance Guideline: Patterns at seams between adjoining pieces shall be aligned to within 1/16-inch.

Corrective Measure: The contractor will correct the flooring to meet the performance guideline.

10-2-7 Observation: A resilient floor tile is loose.

Performance Guideline: Resilient floor tiles shall be securely attached to the floor.

Corrective Measure: The contractor will attach loose resilient floor tiles securely to the floor. The old adhesive will be removed if necessary to resecure the tiles.

10-2-8 Observation: The corners or patterns of resilient floor tiles are misaligned.

Performance Guideline: The corners of adjoining resilient floor tiles shall be aligned to within 1/8-inch. Misaligned patterns are not covered unless they result from improper orientation of the floor tiles.

Corrective Measure: The contractor will correct resilient floor tiles with misaligned corners to meet the performance guideline.

10-2-9 Observation: Yellowing is observed on the surface of vinyl sheet goods after installation and before substantial completion of the project.

Performance Guideline: The contractor shall install vinyl flooring per the manufacturer's instructions.

Corrective Measure: Yellowing resulting from a manufacturer's defect or from the owner's misuse or lack of maintenance is not covered by the contractor.

Discussion: Some chemical compounds, such as the tar residue from a recently paved asphalt driveway, may cause a chemical reaction with the flooring material and result in permanent damage to the floor. The owner is responsible for the proper use and maintenance of the floor. Yellowing caused by the owner's improper use of or inadequate maintenance of the floor is not the contractor's or the manufacturer's responsibility.

Wood Flooring

10-3-1 Observation: Gaps exist between strip hardwood floorboards.

Performance Guideline: Gaps between strip hardwood floorboards shall not exceed 1/8-inch in width at the time of installation.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline.

Discussion: Wood floors are subject to shrinkage and swell due to seasonal variations in the humidity level of home. While boards may be installed tight together, gaps or separations may appear during heating seasons or periods of low humidity. Gaps or separations that close during non-heating seasons are not considered deficiencies. Homeowners should be familiar with the recommended care and maintenance requirements of their wood floor. Repeated wetting and drying, or wet mopping, may damage wood finishes. Dimples or scratches can be caused by moving furniture or dropping heavy objects, and certain high heel style shoes may cause indentations. These conditions are not covered by this Warranty. Relative humidity of the home can cause noticeable fluctuations in gaps between floor boards. This is a normal phenomenon in spaces that experience significant shifts in humidity. The owner is responsible for maintaining proper humidity levels in the home. Proper repair can be affected by filling the gap.

10-3-2 Observation: Strip hardwood floor boards are cupped.

Performance Guideline: Cups in strip hardwood floorboards shall not exceed 1/16-inch in height in a 3-inch maximum span measured perpendicular to the long axis of the board. Cupping caused by exposure to moisture beyond the contractor's control is not covered.

Corrective Measure: The contractor will correct or repair cupped boards to meet the performance guideline.

Discussion: The owner is responsible for proper maintenance of the floor and for maintaining proper humidity levels in the home.

10-3-3 Observation: Excessive lippage is observed at the junction of prefinished wood flooring products.

Performance Guideline: Lippage greater than 1/16-inch is considered unacceptable.

Corrective Measure: The contractor will repair lippage in the affected areas to meet the performance guideline

10-3-4 Observation: Voids ("holidays") are observed in the floor finish.

Performance Guideline: Voids that are readily visible from a distance of 6 feet under normal lighting conditions are considered unacceptable.

Corrective Measure: The contractor will repair the floor finish in the affected area(s) to meet the performance guideline.

10-3-5 Observation: The top coating on hardwood flooring has peeled.

Performance Guideline: Field-applied coating shall not peel during normal usage. Prefinished coatings are the manufacturer's responsibility.

Corrective Measure: The contractor shall refinish any field-applied finishes that have peeled.

Discussion: The owner should contact the manufacturer regarding factory-applied finishes that have peeled.

10-3-6 Observation: Strip flooring has crowned.

Performance Guideline: Crowning in strip flooring shall not exceed 1/16-inch in depth in a 3-inch maximum span when measured perpendicular to the long axis of the board.

Corrective Measure: The contractor will repair the affected area to meet the performance guideline.

10-3-7 Observation: Hardwood flooring has buckled from the substrate.

Performance Guideline: Hardwood floor should not become loose from the substrate.

Corrective Measure: The contractor will repair the affected area to meet the performance guideline.

10-3-8 Observation: Unacceptable knots and color variations are observed in strip hardwood flooring.

Performance Guideline: The contractor will install the grade of hardwood specified for the project. All wood should be consistent with the grading stamp as specified.

Corrective Measure: The contractor shall replace any improperly graded wood.

Discussion: Hardwood is a natural product and consequently can be expected to exhibit variations in color, grain, and stain acceptance.

10-3-9 Observation: Slivers or splinters are observed in strip flooring.

Performance Guideline: Slivers or splinters that occur during the installation of the flooring are considered unacceptable.

Corrective Measure: The contractor will repair flooring in the affected areas to meet the performance guideline.

Discussion: Splinters or splinters that occur during installation can be shaved and the area filled prior to sanding and finishing.

10-3-10 Observation: "Sticker bum" is observed on the surface of strip flooring.

Performance Guideline: Discoloration from stacking strips in hardwood flooring is considered unacceptable in certain grades of flooring.

Corrective Measure: The contractor shall repair or replace areas with sticker bum if they are not permitted in the grade of wood specified for the project.

Tile, Brick, Marble, and Stone Flooring

10-4-1 Observation: Tile, brick, marble, or stone flooring is broken or loosened.

Performance Guideline: Tile, brick, marble, and stone flooring shall not be broken or loose.

Corrective Measure: The contractor will replace broken tiles, bricks, marble, and stone flooring, and resecure loose tiles, bricks, marble, and stone, unless the flooring was damaged by the owner's actions or negligence. The contractor is not responsible for discontinued patterns or color variations when replacing tile, brick, marble, or stone flooring.

10-4-2 Observation: Cracks are observed in the grouting of tile joints or at the junctures with other materials, such as a bathtub.

Performance Guideline: Cracks in grouting of ceramic tile joints commonly result from normal shrinkage conditions. Cracks that result in loose tiles or gaps in excess of 1/16-inch shall be repaired.

Corrective Measure: The contractor will repair grouting, if necessary, one time only. The contractor is not responsible for color variations or discontinued colored grout. The owner is responsible for regrouting these joints after the contractor's one-time repair.

Discussion: The use of an elastic substance at junctures between tile and other materials is often more effective than grout.

10-4-3 Observation: There is excessive lippage at adjoining marble or ceramic tile.

Performance Guideline: Lippage greater than 1/16-inch is considered unacceptable, except where the materials are designed with an irregular height (such as hand-made tile).

Corrective Measure: The contractor will repair lippage in the affected areas to meet the performance guideline.

Discussion: Lippage is the vertical distance between floor tiles or marble tiles at the point where they abut one another.

10-4-4 Observation: A grout or mortar joint is not a uniform color.

Performance Guideline: After the grout has cured, any color variation that is readily visible from a distance of 6 feet under normal lighting conditions is considered unacceptable.

Corrective Measure: One time only, the contractor will repair the joint to meet the performance guideline.

Discussion: When grout repairs are done a perfect match between the original grout and new grout cannot be expected. The contractor is not required to re-grout an entire floor, wall or room.

Miscellaneous

-Coverage 1st Year Only, Workmanship and Materials

Fireplace and Wood Stove

11-1-1. Observation: Fireplace or chimney does not consistently draw properly.

Performance Guideline: A properly designed and constructed fireplace and chimney shall function correctly.

Corrective Measure: The contractor shall correct as necessary if the problem is caused by a design or construction flaw.

Discussion: High winds can cause temporary negative or down drafts. Negative drafts can also be caused by obstructions such as tree branches, steep hillsides, adjoining homes, and interior furnaces.

11-1-2 Observation: The chimney is separated from the structure.

Performance Guideline: Newly built fireplaces will often incur slight amounts of separation. The amount of separation from the main structure shall not exceed 1/2-inch in any ten-foot vertical measurement.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline.

Discussion: Proper repair can be affected by caulking unless the cause of the separation is due to a structural failure of the chimney foundation itself. In that case, caulking is unacceptable.

11-1-3 Observation: The firebox paint is damaged by a fire in the fireplace.

Performance Guideline: Heat and discoloration is a common occurrence.

Corrective Measure: No action is required of the contractor.

Discussion: The owner should obtain the proper paint from the manufacturer if he or she chooses to touch up the interior of the firebox for aesthetic reasons.

11-1-4 Observation: A firebrick or mortar joint is cracked.

Performance Guideline: Heat and flames from normal fires can cause cracking.

Corrective Measure: No corrective action is required of the contractor.

11-1-5 Observation: A simulated firebrick panel has cracked.

Performance Guideline: This is a common condition.

Corrective Measure: No corrective action is required of the contractor.

11-1-6 Observation: Rust is observed on the fireplace damper.

Performance Guideline: This is a common condition.

Corrective Measure: No corrective action is required of the contractor.

Concrete Stoops and Steps

11-2-1. Observation: Stoops or steps have settled, heaved, or separated from the house structure.

Performance Guideline: Stoops and steps shall not settle, heave in excess of 1 inch, or separate in excess of 1 inch from the house structure.

Corrective Measure: The contractor will take whatever corrective action is required to meet the performance guideline.

11-2-2 Observation: Water remains on stoops or steps after rain has stopped.

Performance Guideline: Water shall drain off outdoor stoops and steps. Minor amounts of water can be expected to remain on stoops and steps for up to 24 hours after rain.

Corrective Measure: The contractor will take corrective action to ensure proper drainage of stoops and steps.

Garage

11-3-1 Observation: The garage floor slab is cracked.

Performance Guideline: Cracks in concrete garage floor greater than 3/16-inch in width or 1/8-inch in vertical displacement are unacceptable.

Corrective Measure: The contractor shall repair to meet the performance guideline.

Discussion: Proper repair can be affected by thoroughly cleaning, filling, and troweling the surface using latex-fortified cement mixture or other materials designed to fill cracks and bond concrete.

11-3-2. Observation: Garage concrete floor has settled, heaved, or separated.

Performance Guideline: The garage floor shall not settle or heave in excess of 1 inch, or separate in excess of 1 inch from the structure.

Corrective Measure: The contractor will take whatever corrective action is required to meet the performance guideline.

Discussion: The repaired area may not match the existing floor in color and texture.

11-3-3 Observation: Garage doors fail to operate properly under normal use.

Performance Guideline: Garage doors shall operate properly.

Corrective Measure: The contractor will correct or adjust garage doors as required, except where the owner's actions or negligence caused the problem.

Discussion: The contractor is not responsible for the door operation if the owner has installed a garage door opener.

11-3-4 Observation: Garage doors allow the entry of snow or water.

Performance Guideline: Garage doors shall be installed as recommended by the manufacturer. Some snow or water can be expected to enter under normal conditions.

Corrective Measure: The contractor will adjust or correct the garage doors to meet the manufacturer's installation instructions.

Driveways and Sidewalks

11-4-1. Observation: Asphalt driveway develops cracks.

Performance Guideline: This is a normal condition.

Corrective Measure: None.

11-4-2 Observation: Standing water is observed on an asphalt pavement surface.

Performance Guideline: Standing water greater than 1/8-inch in depth shall not remain on the surface 24 hours after a rain. It is not unusual to have some standing water after heavy rains.

Corrective Measure: The contractor shall repair or replace the affected area to meet the guideline if the warranty covers the driveway. Patched areas will generally be noticeable and not blend in with the rest of the driveway.

11-4-3 Observation: Exterior concrete flat work is pitting or spalling. Pitting is evidenced by concrete that has flaked or peeled from the outer surface. Spalling is evidenced by concrete that has chipped.

Performance Guideline: Exterior concrete surfaces shall not pit, spall or disintegrate. Aggregate pops are normal; minor scaling is not controllable at all.

Corrective Measure: The contractor will repair defective concrete surfaces using materials designed for this purpose. The contractor is not responsible for deterioration caused by salt, chemicals, mechanical implements, or other factors beyond the contractor's control.

Wood Decks

11-5-1 Observation: A wood deck is springy or shaky.

Performance Guideline: All structural members in a wood deck shall be sized, and fasteners spaced, according to appropriate building codes and manufacturers' instructions.

Corrective Measure: The contractor will reinforce or modify, as necessary, any wood deck not meeting the performance guidelines.

Discussion: Deflection may indicate insufficient stiffness in the lumber, or may reflect an aesthetic consideration independent of the strength and safety requirements of the lumber. Structural members are required to meet standards for both stiffness and strength. When an owner's preference is made known before construction, the contractor and the owner may agree upon a higher standard.

11-5-2 Observation: The spaces between decking boards are not uniform.

Performance Guideline: The spaces on opposite sides of individual deck boards shall not differ in average width by more than 3/16-inch at the time of substantial completion of the project, unless otherwise agreed upon by the owner and the contractor.

Corrective Measure: One time only, the contractor will realign or replace decking boards to meet the performance guideline.

Discussion: The spaces will naturally tend to change over time because of shrinkage and expansion of individual boards. The contractor is only responsible for correct spacing at the time of substantial completion of the project.

11-5-3 Observation: The railings on wood decking contain slivers in exposed areas.

Performance Guideline: Railings on wood decks shall not contain slivers longer than 1/8-inch in exposed areas at the time of substantial completion of the project.

Corrective Measure: One time only; the contractor will repair railings as necessary to remove slivers prior to substantial completion of the project. Repair of slivers after that time is an owner maintenance responsibility.

Discussion: Slivers can develop when unprotected wood weathers. The proper finishing of wood surfaces helps prevent slivers from forming.

11-5-4 Observation: A wood deck is out of level.

Performance Guideline: No point on the deck surface shall be more than 1/2-inch higher or lower than any other deck surface point within 10 feet on a line parallel to the house, or in proportional multiples of the preceding dimensions (unless a slope is incorporated in the design). *Remodeling Specific: The owner and contractor may agree to intentionally build a wood deck out of level in order to match or compensate for inaccuracies in the existing structure.*

Corrective Measure: The contractor will repair the deck as necessary to meet the performance guideline.

Discussion: A slope of approximately 1/8-inch per foot is desirable in the perpendicular direction to shed water and prevent ice build-up.

11-5-5 Observation: Wood decking boards are split, warped, or cupped.

Performance Guideline: At the time of substantial completion of the project, splits, warps, and cups in wood decking boards shall not exceed the allowances established by the official grading rules issued by the agency responsible for the lumber species specified for the deck boards.

Corrective Measure: The contractor will replace decking boards as necessary to meet the performance guidelines

11-5-6 Observation: A wood deck has stain color variations.

Performance Guideline: Stain color variations are not acceptable if they result from improper stain application or failure to mix the stain properly. Stain color variations resulting from other causes-such as weathering or varying porosity of the wood used to build the deck-are common and are not covered by this guideline.

Corrective Measure: The contractor will restrain the affected area to meet the performance guideline.

11-5-7 Observation: A nail head protrudes from a wood decking board.

Performance Guideline: Nail heads shall not protrude from the floor of the wood deck at the time of substantial completion of the project.

Corrective Measure: The contractor will refasten nails whose heads protrude from the floor of the deck so that the heads are flush with the surface.

Discussion: Nails should be driven flush when the deck is installed, but they may pop from the deck over time as the wood shrinks and expands.

11-5-8 Observation: Nails on a wood deck are "bleeding."

Performance Guideline: Nail stains extending more than 1/2-inch from the nail and readily visible from a distance of more than 3 feet are not acceptable.

Corrective Measure: The contractor will eliminate nail stains to meet the performance guideline.

Discussion: This guideline does not apply if "natural weathering" or semi-transparent stains are specified.

11-5-9 Observation: A wood deck railing lacks rigidity.

Performance Guideline: Wood deck railings shall be attached to structural members in accordance with applicable building codes.

Corrective Measure: The contractor will repair wood deck railings as necessary to comply with applicable building codes.

Landscaping

-Coverage 1st Year Only, Workmanship and Materials

Note: Moving or protecting plants, trees, shrubs, and any other landscaping items prior to and during construction are the responsibility of the owner and must be dealt with before construction begins. Other handling of these items must be specified in the contract to designate the responsible party.

- 12-0-1 Observation:** Tree stumps have been left in a disturbed area of the property.
Performance Guideline: If tree stumps were on the property in the disturbed area prior to the substantial completion of the project, the contractor is responsible for their removal.
Corrective Measure: The contractor will remove the stumps from the area.
- 12-0-2 Observation:** Dead shrubs, plants, trees, or sod planted in disturbed area of property.
Performance Guideline: Any shrub, plant, tree, or sod planted by the contractor as part of the landscape package that are alive as of the acceptance of the project and die after that acceptance are not the responsibility of the contractor.
Corrective Measure: None.
- 12-0-3 Observation:** Grass seed does not germinate.
Performance Guideline: Germination is dependent on certain climatic conditions, which are beyond the contractor's control.
Corrective Measure: The contractor is only responsible for seeding per the supplier's instructions.
Discussion: After installation, proper lawn and landscape care are the owner's responsibility.
- 12-0-4 Observation:** Outdoor plants moved during work die after substantial completion of the project.
Performance Guideline: Plants that must be physically transported during the work shall be moved, maintained, and replanted by the owner.
Corrective Measure: No action is required of the contractor.
Discussion: The contractor shall not be responsible for delays in the schedule when plants are moved by the owner.

Systems: First and Second Years

Plumbing System

-Coverage 1st and 2nd Year, Systems

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Water Supply System

13-1-1 Observation: The water supply system fails to deliver water.

Performance Guideline: All on-site service connections to the municipal water main or private water supply are the responsibility of the contractor. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will repair the water supply system if the failure results from improper installation or failure of materials and if the connections are a part of the construction agreement. Conditions beyond the control of the contractor that disrupt or eliminate the water supply are not covered.

13-1-2 Observation: Pipes leak.

Performance Guidelines: No leaks of any kind shall exist in any soil, waste, vent, or water pipe.

Corrective Measure: The contractor will make repairs to eliminate leakage.

13-1-3 Observation: Water in plumbing pipes freezes, and the pipes burst.

Performance Guideline: Drain, waste, vent, and water pipes shall be adequately protected to prevent freezing as required by the applicable plumbing code for normally anticipated cold weather and in accordance with the design temperatures established by the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE). *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will correct situations not meeting the applicable code. The owner is responsible for draining or otherwise protecting pipes and exterior faucets exposed to freezing temperatures.

Discussion: Leaks occurring due to owner's neglect and consequential damage are not contractor's responsibility. The owner is responsible to maintain suitable temperature in the home to prevent pipes from freezing and bursting. Homes which are periodically occupied such as summer homes, or where there will be no occupancy for an extended period of time must be properly winterized or periodically checked to insure that a reasonable temperature is maintained.

Sanitary Sewer or Septic System -Coverage 1st and 2nd Year, Systems

13-2-1 Observation: Septic system fails to operate properly.

Performance Guideline: Septic system shall function adequately during all seasons, under climatic conditions normal or reasonable anticipated (based on local records) for the location of the home. Septic system shall be designed and installed to comply with applicable, approved code requirements.

Corrective Measure: Contractor will repair, or otherwise correct, a malfunctioning or non operating system, if failure is caused by inadequate design, faulty installation, or other cause relating to actions of the builder or contractors or subcontractors under the contractor's control. Contractor will not be responsible for system malfunction or damage which is caused by owner negligence, lack of system maintenance, or other causes attributable to actions of the owner or other owner's contractors, not under the control of the contractor, including, but not necessarily limited to: the addition of fixtures, items of equipment, appliances or other sources of waste or water to the plumbing system served by the septic system; and damage, or changes, to the septic system installation or surrounding soil conditions critical to the system's functioning.

13-2-2 Observation: Sewers, fixtures, or drains are clogged.

Performance Guideline: Sewers, fixtures, and drains shall drain. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will not be responsible for sewers, fixtures, and drains that are clogged because of the owner's actions or negligence. If a problem occurs, the owner should consult the contractor for corrective action. If defective installation is the cause, the contractor is responsible for correcting the problem. If the owner's actions or negligence is the cause, the owner is responsible for correcting the problem.

Discussion: With respect to septic systems, owner actions that constitute negligence under this guideline include but are not limited to the following:

- Connection of sump pump, roof drains, or backwash from a water conditioner into the system.
- Placement of nonbiodegradable items into the system.
- Use of a food waste disposer not supplied or approved by the contractor the contractor.
- Placement of surfaces not permeable to water over the disposal area of the systems.
- Allowing vehicles to drive or park over the disposal area of the system.

- Failure to pump out the septic tank periodically, as required.
- Use, which exceeds the system's design standards.

Heating, Ventilating and Air Conditioning (HVAC) System

–Coverage 1st and 2nd Year, Systems

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Heating System

14-1-1 Observation: The heating system is inadequate.

Performance Guideline: The heating system shall be capable of producing an inside temperature of 70 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor under local, outdoor winter design conditions as specified in the ASHRAE Handbook: Fundamentals. National, state, or local energy codes shall supersede this performance guideline where such codes have been locally adopted. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will correct the heating system to provide the required temperature in accordance with the performance guideline or applicable code specifications. The contractor will re-balance a warm air system once during the first heating season. However, the owner will be responsible for balancing the system thereafter and for adjusting dampers and registers and for making other minor adjustments.

Discussion: For new living spaces created by remodeling jobs, heating guidelines may not apply to areas where living space has been created without resizing the HVAC system.

Central Air-Conditioning System

14-2-1 Observation: Cooling of rooms is inadequate.

Performance Guideline: If air-conditioning is installed by the contractor, the cooling system shall be capable of maintaining a temperature of 78 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor under local outdoor summer design conditions as specified in the ASHRAE Handbook: Fundamentals. In the case of outside temperatures exceeding 95 degrees Fahrenheit, the system shall keep the inside temperature 15 degrees Fahrenheit cooler than the outside temperature. National, state, or local codes shall supersede this guideline where such codes have been locally adopted. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will correct the cooling system to provide the required temperature in accordance with the performance guideline or applicable code specifications. The contractor will re-balance an air-conditioning system once during the first cooling season. However, the owner will be responsible for balancing the system thereafter and for adjusting dampers and registers and for making other minor adjustments.

Discussion: For new living spaces created by remodeling jobs, heating guidelines may not apply to areas where living space has been created without resizing the HVAC system.

14-2-2 Observation: There is a refrigerant leak.

Performance Guideline: Refrigerant lines and fittings shall not leak during normal operation. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will repair leaking refrigerant lines and recharge the air-conditioning unit unless the damage was caused by the owner's actions or negligence.

Ventilation System

-Coverage 1st and 2nd Year, Systems

14-3-1 Observation: The ductwork is separated or detached.

Performance Guideline: Ductwork shall remain intact and securely fastened. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will reattach and secure all separated or unattached ductwork.

14-3-2 Observation: The ductwork makes noises.

Performance Guideline: Ductwork will be constructed and installed in accordance with applicable mechanical code requirements. When metal is heated, it expands, and when cooled, it contracts. The resulting "ticking" or "crackling" sounds generally are to be expected and do not constitute a defect. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: Unless the duct is not in compliance with the local code, no corrective action is required.

14-3-3 Observation: The ductwork produces excessively loud noises commonly known as "oil canning."

Performance Guideline: The stiffening of the ductwork and the thickness of the metal used shall be such that ducts do not "oil can." The booming noise caused by oil canning is considered unacceptable. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will correct the ductwork to eliminate noise caused by oil canning.

14-3-4 Observation: The air handler or furnace vibrates.

Performance Guideline: These items shall be installed in accordance with the manufacturer's instructions and applicable codes. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: If installed incorrectly; the contractor will correct the items according to the manufacturer's instructions and code requirements.

Discussion: Under certain conditions some vibrating may be experienced with the normal flow of air, even when air handlers and furnaces are installed correctly. See the manufacturer's instructions.

Electrical System

-Coverage 1st and 2nd Year, Systems

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

15-1-1 Observation: Wiring fails to carry its designed load.

Performance Guideline: Wiring shall be capable of carrying the designed load for normal residential use. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will verify that wiring conforms to applicable electrical code requirements. The contractor will repair wiring not conforming to code.

15-1-2 Observation: Electrical outlets, switches, or fixtures malfunction.

Performance Guideline: All electrical outlets, switches, and fixtures shall operate as designed. *Remodeling Specific: See Note at beginning of chapter.*

Corrective Measure: The contractor will repair or replace malfunctioning electrical outlets, switches, and fixtures, if supplied and installed by the contractor.

Major Structure

-Coverage through 6th Year, Material Defects

Load-Bearing Portions of the Home

16-1-1 Observation: The failure of any of the following load bearing portions of the home: foundation systems and footings, beams, girders, lintels, columns, structural walls and partitions, floor systems, and roof framing systems. (Note: load-bearing portions do not include, for example: roofing and sheathing, drywall and plaster, exterior siding, brick or stone or stucco veneer, floor covering material, wall coverings, non-load bearing walls and partitions, concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the home, electrical systems, plumbing systems, heating or cooling systems, ventilation systems, appliances, fixtures and items of equipment, paint, doors and windows, trim, cabinets, hardware or insulation.)

Performance Guideline: The failure of these load-bearing portions of the home shall not affect their load bearing functions, making the home unsafe, unsanitary or unlivable.

Corrective Measure: The contractor will repair or replace the defective item(s), or will pay the owner the reasonable cost of such repair or replacement. The contractor's total liability is limited to the amount specified in the Limited Warranty. The choice as to repair, replacement or payment is solely that of the contractor.

Repair of defective item(s) is limited to (1) the repair of damage to the load-bearing portions of the home, which are necessary to restore their load-bearing function; and (2) the repair of those items of the home damaged by the material defect, which make the home unsafe, unsanitary or otherwise unlivable.

GLOSSARY OF COMMON TERMS

AFCI (Arc Fault Circuit Interrupter) – A type of circuit breaker that is designed to reduce the likelihood of fire caused by electrical arcing faults.

beam – A structural member that transversely supports a load.

bifold doors – Doors that are hinged at the center and guided by an overhead track.

blocking – A solid, tight closure used between framing members.

breakline – A dividing point between two or more surfaces.

brick veneer – A non-structural outer covering of brick.

bridging – Wood or metal structural members between horizontal (joists) or vertical (studs) framing that provide lateral rigidity to the members to which applied.

bug holes – Pits, surface voids, and similar imperfections in a concrete wall. Bug holes generally are up to 1 inch wide or deep.

cantilever – Construction that is unsupported at one end and that projects outward from the site of the structure to carry loads from above or below.

ceiling joist – The horizontal structural members to which the ceiling is fastened. Some members may support a floor above.

checking – Cracks in wood.

chimney cap – A metal or masonry surface that covers the top portion of a chimney that prevents the penetration of water.

circuit – The complete path of electricity away from and back to its source.

circuit breaker – A device that automatically interrupts an electrical circuit when it becomes overloaded.

cold joint – A joint in poured concrete that indicates where the pour terminated and continued.

control joint – A joint that is molded or cut in concrete to allow for expansion and contraction and to attempt to control random cracking.

corner bead – A strip of wood or metal fastened over a corner for protection.

crawl space – An area under a home which is not a basement or cellar.

damper – A device used to regulate draft in a furnace or fireplace chimney.

dead spots – Areas below a carpeted surface where padding appears to be missing or improperly installed.

deflection – The amount a truss or beam bends under a load.

- dew point** – The temperature at which moisture in the air condenses into drops.
- disturbed area** – Any area adjacent to a dwelling where original vegetation has been altered or removed.
- downspout** – A pipe that carries rainwater from the roof to the ground or to a sewer connection.
- drywall** – Gypsum wallboard.
- duct** – A round or rectangular pipe used to transmit and distribute warm or cool air from a central heating or cooling unit.
- eave** – The lower or outer edge of a roof that projects over the side walls of a structure.
- efflorescence** – A white powder that appears on the surface of masonry walls. It is usually caused by moisture reacting with the soluble salts in concrete and forming harmless carbonate compounds.
- finish flooring** – The top flooring material that covers the subflooring surface; usually carpeting, hardwood, tile, vinyl, etc.
- flashing** – Strips of metal or plastic material used to prevent moisture from entering roofs, walls, windows, doors, and foundations.
- floor joist** – A horizontal framing member to which flooring is attached.
- footing** – A flange-like part at the base of a foundation wall which ties and distributes loads from the foundation into the ground and prevents shifting and settling.
- foundation** – That part of a building which is below the surface of the ground and on which the superstructure rests.
- frost lift** – A condition caused by water freezing and causing soil to expand, which can cause two overlying, adjoining surfaces to separate from each other. Frost lift sometimes occurs at the junction of a garage floor and driveway.
- GFCI (Ground Fault Circuit Interrupter)** – A type of circuit breaker that is extremely sensitive to moisture and changes in resistance to an electrical current flow. A GFCI protects against electrical shock or damage.
- gypsum** – Hydrated calcium sulphate mineral rock.
- gypsum wallboard** – See “drywall.”
- hardboard** – A wood fiber panel with a density range of 50 to 80 pounds per cubic foot. It is made of wood fibers pressed into solid boards by heat and pressure.
- hardwood** – A term used to designate wood from deciduous trees (which lose their leaves annually).
- header** – A structural member placed across the top of an opening to support loads above.
- hinge-bound** – A condition of a passage or entry door where hinge function impedes proper operation.
- holidays** – Voids or inconsistencies in a finished surface.
- honeycomb** – Voids in a concrete wall that are larger than bug holes (see “bug holes”).

HVAC – The abbreviation for Heating, Ventilating, and Air Conditioning Systems.

jamb – The side framing or finish material of a window, door, or other opening.

joist – An on-edge-horizontal lumber member, such as a 2x6, 2x8, 2x10, or 2x12, which spans from wall to wall or beam to provide main support for flooring, ceiling, or roofing systems.

junction box – A box that forms junctions between sections of house wiring.

lath – Any material used as a base for plastering or stucco surfacing.

lippage – The difference in surface alignment between two materials.

mortar – An adhesive and leveling material used in brickwork, stone, block, and similar masonry construction.

muntins – Strips of wood, metal, or plastic that divide a window into panes. Muntins can be installed within two pieces of glass or on the surface of the glass.

parging – A rough coat of mortar applied over a masonry wall.

pitch – The degree of incline in a sloped roof or structure.

plumb – A measurement of true vertical.

rafter – Structural members which shape and form the support for the roof deck and the roof covering.

raveling – A condition in which aggregate is loose from asphalt pavement.

register – A louvered device that allows air travel from the ducts into a room.

riser (stairway) – A vertical stair member that supports a tread.

riser (plumbing) – A water pipe that extends vertically one full story or more to convey water to branches or to a group of fixtures.

roof ridge – The apex of a roof system.

scaling – The flaking or peeling away of a surface portion of hardened concrete.

setting – The driving of a fastener flush or below the surface of a material.

shakes – Split wooden shingles that are random in thickness.

sheathing – The application of panels to the face of framing members. Also known as “decking.”

shim – A thin, tapered piece of material (usually wood) that is used to adjust or provide support for a member.

sill – A framing member placed on top of and around a foundation to serve as a level base on which to support exterior wall studs.

slab – A concrete floor/surface.

soffitt – The enclosed under surface of an eave.

spalling – The breaking away of a small piece of concrete.

stair skirt – A finishing board that may cover the outside staircase edge.

stud – A vertical framing members.

subflooring – A floor decking material laid on top of the floor joists.

substantial completion of the project – A project has met substantial completion where the areas are functional for their intended use as stated by the contract (except for items noted prior to final presentation), and clean-up on the site has been completed.

sump pump – A pump that is installed in a crawl space, basement, or other low area to discharge water that might collect.

swale – A shallow depression in the ground that is used as a drainway for water.

telegraphing – A condition of a subsurface projecting through the finish material.

tread – A horizontal stair member. A tread is the part you step on when walking up or down stairs.

truss – An engineered assembly of wood or metal components that generally is used to support roofs or floors.

vapor retarder – Plastic film or other material used to limit the amount of moisture vapor that passes through a material or wall assembly.

warranty period – The duration of the applicable warranty provided by the contractor or any other period agreed to by the parties.

weather stripping – Material placed around doors, windows, and other openings to prevent the infiltration of air, dust, rain, etc.

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SCHEDULE D-2

WAIVER OF NOTICE OF CLOSING

SCHEDULE D-3

**FORM FOR THE RELEASE OF
ESCROWED FUNDS**

FORM FOR THE RELEASE OF ESCROWED FUNDS

Date

Bradford J. Martin, Esq.
434 New York Avenue
Huntington, NY

Re: COLUMBIA TERRACE CONDOMINIUM
Purchaser:
Unit #:

Gentlemen:

You have been holding in a trust account my/our down payment for the above-referenced unit in the amount of \$_____. I/we acknowledge that closing has taken place this date. Accordingly, you are authorized to release the funds being held in said amount to whomever the Sponsor so designates. In addition, you, as Escrow Agent on said account, are hereby released from any and all liability or further obligation to us with respect to said down payment.

Very truly yours,

Purchaser

Sponsor's representative

SCHEDULE D-4

TENDER OF ESCROW DEPOSIT FORM

TENDER OF ESCROW DEPOSIT

Date: _____

Tender of Deposit of \$ _____, for Home _____ at
located _____
at _____, New York.

Purchaser(s) / Buyer(s) named below has/have tendered on _____, 20
, the above escrow deposit to Seller/Selling Agent as a deposit for the above Home.

Purchaser(s)/Buyers(s) _____

Address of Purchaser(s)/Buyers _____

Phone number of Purchaser(s)/Buyers: _____

Home: _____
Business: _____

Social Security Number(s) or
Tax Identification Number(s)
of Purchaser(s)/Buyer(s) _____

PURCHASER/BUYER

PURCHASER/BUYER

RECEIPT

The SELLER/SELLING AGENT of the above named property hereby acknowledges receipt of the above escrow deposit.

By: _____
Title of Position

Date of Receipt: _____

SCHEDULE E

POWER OF ATTORNEY

POWER OF ATTORNEY

I (We) residing at _____

the owner of Condominium Home No. _____ in the Condominium known as The Columbia Terrace Condominium covering the property located in Huntington Station, Town of Huntington, Suffolk County, New York, do hereby nominate, constitute and appoint the members of the Board of Managers of Columbia Terrace Condominium c/o Huntington Community Development Agency and their successors, jointly, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on my behalf to acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Homes in said property, any Condominium Home whose owner desires to abandon the same, or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale, at such price and on such terms as my said attorneys-in-fact shall, in their sole discretion deem proper and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Condominium Home so acquired, at such terms as my attorneys-in-fact may in their sole discretion determine, granting to my said attorneys-in-fact the power to do all things in the said premises which I could do if I were personally present.

I (We) do hereby further irrevocably nominate, constitute and appoint the Huntington Community Development Agency, and its successors, my true and lawful attorneys-in-fact coupled with an interest in my name and on my behalf to vote at any Home Owners meeting for, and to file an amendment to the Declaration of the Columbia Terrace Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Homes as built, and to amend any Filed Map or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Tenth, Section (c) of the Declaration of Condominium of the Columbia Terrace Condominium.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, I (we) have set my (our) hand(s) and seal this _____ day
of _____, 20 .

STATE OF NEW YORK)

: ss.:

COUNTY OF)

On the _____ day of _____ in the year 20____, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

SCHEDULE F

FORM OF DEED

DEED

THIS INDENTURE, made the _____ day of _____, 20____, between Huntington Community Development Agency, a municipal corporation, having its office at 100 Main Street, Huntington, New York 11743, Party of the First Part, and _____

Party of the Second Part,

WITNESSETH:

THAT the Party of the First Part, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration paid by the Party of the Second Part, does hereby grant and release unto the Party of the Second Part, the heirs or successors and assigns of the Party of the Second Part forever,

ALL that certain plot, piece or parcels of land, with the improvements therein contained, situate, lying and being a part of the condominium located in Huntington Station, Town of Huntington, County of Suffolk and State of New York, known and designated as Home No. _____ together with a _____ undivided interest in the Common Elements of the Condominium hereinafter described as the same is defined in the Declaration of Condominium hereinafter referred to.

The real property above described is a Home shown on the plans of a Condominium prepared and certified by _____ and filed in the Office of the Clerk of the County of Suffolk on the _____ day of _____, 20____, as Map No. _____ defined in the Declaration of Condominium entitled the Columbia Terrace Condominium made by _____, under Article 9-B of the New York Real Property Law dated _____, 20____ and recorded in the Office of the Clerk of the County of Suffolk on the _____ day of _____, 20____, in Liber _____ of Conveyances at page _____ covering the property therein described. The land area of the property is described as follows:

(PROPERTY DESCRIPTION)

Together with the appurtenances and all the estate and rights of the Party of the First Part in and to said premises.

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

SUBJECT TO: The provisions of the Declaration, By-Laws, site plan and floor plans of the Condominium and the Declaration of Covenants, Restrictions, Easements, Charges and Liens, as the same may be further amended from time to time by instruments recorded or filed in the Office of the Clerk of the County of Suffolk, which provisions, together with any amendments thereto shall bind any person having at any time any interest or estate in the Home, as though such provisions were recited at length herein.

SUBJECT TO: Covenants, restrictions, reservations, waivers, agreements and easements of record.

SUBJECT TO: the affordability and occupancy restrictions set forth in the Declaration of Covenants and Restrictions dated June 9, 2021 and to be recorded in the Suffolk County Clerk's Office.

TO HAVE AND TO HOLD the premises herein granted unto the Party of the Second Part, the heirs or successors and assigns of the Party of the Second Part forever.

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

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

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

This conveyance has been made in the regular course of business actually conducted by the Party of the First Part.

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

IN WITNESS WHEREOF, the Party of the First Part has duly executed this deed the day and year first above written.

**HUNTINGTON COMMUNITY
DEVELOPMENT AGENCY**

By: _____
LEAH-MICHELLE JEFFERSON, Director

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

On the day of in the year 20 , before me, the undersigned, personally appeared LEAH-MICHELLE JEFFERSON, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

SCHEDULE G

DESCRIPTION OF PROPERTY

COLUMBIA TERRACE CONDOMINIUM

DESCRIPTION OF PROPERTY

September 14, 2021

A. LOCATION OF PROPERTY

1. The property is located in Huntington Station, Town of Huntington, Suffolk County New York:

1 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01-01.00-001.000
2 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01.01.00-002.000
3 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01-01.00-003.000
4 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01-01.00-004.000
5 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01-01.00-005.000
6 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01-01.00-006.000
7 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01-01.00-007.000
8 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01-01.00-008.000
9 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01-01.00-009.000
10 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01-01.00-010.000
11 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01-01.00-011.000
12 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01-01.00-012.000
13 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01-01.00-013.000
14 Columbia Terrace, Huntington Station, N.Y. 11746	0400-140.01-01.00-014.000

Tax Map No. 0400-140.00-03.00-117.001 (Common Area)

2. Zoning. The property is zoned C-1. All units within Columbia Terrace shall be subject to the restrictions contained in Town Code Chapter 74 or successor law, in all respects and in perpetuity.

3. The proposed committed use is a Condominium and will comply with all zoning and use requirements at closing.

B. STATUS OF CONSTRUCTION

1. Construction commenced on 10/2018 and was completed on 12/2020.
2. Building construction complies with type 5B wood construction non-fireproof according to the New York State 2015 Building Codes, equipped with sprinkler system. (as per NFPA 13R).
3. Building Permit received for the buildings by the Town of Huntington.
Building Permit # P182405-Site Plan: Site work to include regrading, retaining walls over 4ft., accessible ramps and parking lot for Columbia Terrace Condominiums- Site & Drainage Letter TB Resolution #2010-611-12/14/10 PB Resolution 12/30/15

Building Permit # P182431-Erect 1st floor One-Family Condo Unit W/1 Bedroom – Bldg C, Unit 14
Certificate No. O157070

Building Permit # P182432 – Open Air Pavilion
Open Air Pavilion was not built, no CO required.

Building Permit # P182430 – Erect 1st Floor One-Family Condo Unit w/1 Bedroom – Bldg. C, Unit 13
Certificate No. O157069

Building Permit # P182429- Erect 1st Floor One-Family Condo Unit with 2 Bedrooms – Bldg. C, Unit 12
Certificate No. O157068

Building Permit# P182428- Erect 2nd Floor One-Family Condo Unit w/2 Bedrooms- Bldg. B, Unit 11
Certificate No. O157067

Building Permit # P182427- Erect 1st Floor One-Family Condo Unit w/2Bedrooms- Bldg. B, Unit 10
Certificate No. O157066

Building Permit # P182426 – Erect 2nd Floor One-Family Condo Unit w/2 Bedrooms-Bldg. B, Unit 9
Certificate No. O157065

Building Permit # P182425- Erect 1st Floor One-Family Condo Unit w/1 Bedroom-Bldg. B, Unit 8
Certificate No. O157064

Building Permit # P182424- Erect 2nd Floor One-Family Condo unit w/1Bedroom-Bldg B, Unit 7
Certificate No. O157063

Building Permit # P182423-Erect 1st Floor One-Family Condo Unit w/1 Bedroom Bldg. B, Unit 6
Certificate No. O157062

Building Permit # P182422-Erect 2nd Floor, One-Family Condo Unit w/1Bedroom-Bldg B, Unit 5
Certificate No. O157061

Building Permit # P182421-Erect 1st Floor One-Family Condo Unit w/2Bedrooms-Bldg B, Unit 4
Certificate No. O157060

Building Permit # P182420-Erect 2nd Floor One-Family Condo Unit w/2 Bedrooms- Bldg. B, Unit 3
Certificate No. O157059

Building Permit # P182419-Erect 1st Floor One-Family Condo Unit w/2 Bedrooms- Bldg. A, Unit 2
Certificate No. O157058

Building Permit # 182418 Erect 2nd Floor One-Family Condo Unit w/2 Bedrooms- Bldg. A, Unit 1
Certificate No. O157057

4. Construction time frame:

Start	October 2018
Finish	December 2020

5. The Certificates of Occupancy(C of O) have been issued by the Town of Huntington.
Sponsor has the final C of O prior to closing each sale of units.

C. SITE

1. Multi-Family (One over One Style) - Total area of site is 0.973 acres
2. This project consists of three (3) residential buildings, containing a total of fourteen (14) units.
One building consists of two units, one 2nd story and one first story.
One building consists of eight units, four 2nd stories and four first stories
One building consists of four units, two 2nd stories and two first stories

Homeowner within this complex will belong to a condominium association

3. There are no hazardous materials and/or environmental restriction present on the property based on material testing

4. The Project is not in a flood zone and the property has not been flooded within the last 10 years.

Parking Spaces- A total of twenty-one (21) Parking Spaces are provided two (2) will be designated handicapped.
1.5 spaces per unit.

5. Parking/Street (Columbia Terrace) lot owned and maintained by the Home Owners Association (HOA):

- a. Paving: New asphalt; 6" NYSDOT 6FRA Top & 3" 3RA Binder 5" Stone Blend or 6" RCA
- b. Curbing: New concrete curbs
- c. Drainage: New catch basins per site plan

Sanitary Sewage System:

- i. Sanitary Lateral – 8" diameter SDR 35 Pipe
- ii. House Connections – 6" in Diameter SDR 35 Pipe
- iii. Discharge to Manhole Lowndes Avenue

Storm drainage System

- i. Precast concrete 10' and 8' diameter drainage pools for storm water runoff from roof, walkway, grass and parking lot areas. Cast iron Castings.
- ii. 15" diameter HDPE piping between drainage pools
- iii. Storm water drains from roof runoff 6" diameter SDR 35 pipe

- d. Parking Lot: Lighting per site plan; Cast aluminum poles supporting 14 foot 6 inches high luminaires located throughout site

- e. All items are in conformity with local fire district, town or municipal building codes.

6. Drives, sidewalks & ramps:

- a. Paving: New asphalt, New Concrete drive apron, new concrete sidewalks
- b. Curbing: New concrete curbs
- c. Drainage: New catch basins per site plan
- d. Lighting as per site plan; Cast aluminum poles supporting 14 foot 6 inches high luminaires located throughout the site
- e. All items are in conformity with local fire district, town or municipal building codes.

- All sidewalks providing access to the building shall be new, free of tripping hazard and allow for rainfall runoff to the drainage structures.
- Sidewalks, curb-cuts, ramps and aprons shall be compliant with NYSDOT, town or municipal codes and ADA/ ANSI requirements.
- The condominium will be responsible for maintaining the sidewalk in accordance with the requirements of the Authority Having Jurisdiction (AHD).
- The condominium will be responsible for maintaining all roads throughout the complex. No work will be required at the adjacent public streets.

7. Utilities:

- Gas-National Grid - individual meters
- Electric- PSEG- Individual meters
- Potable and Landscape Water-Suffolk County Water Authority- Individual meters
- Sewage Disposal-Town of Huntington Sewer District
- Telephone: Verizon and Cablevision/Altice-individual customers

The cost for utilities in the common spaces will be the responsibility of the Home Owners Association and will be included in the monthly maintenance fees.

8. Sub-soil conditions:

- a. Passive Radon-Resistant Mitigation System is not required.
- b. Sub-grade drainage system for foundation is not required
- c. Measures to negate ad-freezing stresses at foundation walls: Foundation extends beyond frost line, rigid perimeter insulation is provided at foundation there are no basements.

- e. There is no potential for mudslide or erosion in the area.
- f. There are no hazardous materials, and/or environmental restrictions on the property.

9. Landscaping and enclosures

- a. Grass cover: As per the plan grass areas to be seeded with blue fescue, liriopse, ponytail and dwarf fountain grass
- b. Trees and shrubs:
 - i. Red Maple
 - ii. Pin Oak
 - iii. Service Berry"
 - iv. River Birch
 - v. American Arborvitae
 - vi. Sweetbay Magnolia
 - vii. Bald Cypress
 - viii. European Hornbeam
 - ix. Green Columner Juniper
 - x. Redtwig Dogwood
 - xi. Gold Flame Spirea
 - xii. Dwarf Virginia Sweetspire
 - xii Arrowwood
 - xiii. Sweet Pepper Bush
 - xiv. Japanese Skimma
- c. 6'-0" Chain link. Fencing is to be constructed separating all vertical drops thirty inches or more. The extent of fencing is shown of drawing SP-4 and detailed on drawing SP-11.
- d. Gates: two dumpster exterior enclosures as per the plans with 6 foot high front opening access
- e. There are no Garden walls
- f. Retaining walls: Decorative concrete block component walls to separate the parking lot from the living units due to varying elevation changes up to 6 feet. The wall consists of Versa Lock Square Foot block, each 8 inches high, 18 inches wide and 14 inches deep with a reinforced geogrid. See drawing SP-4 (Legend TW=Top of Wall; BW =Bottom of Wall).
- g. There are no display pools and/or fountains
- h. Drainage: Catch Basin locations drywells/drainage pools locations and capacity. See Department of Planning and Environment drawing SP-4. Yard and roof drain locations are on SP-4 (Planning)

Multi-Family Residence:

*Note: The square footage calculations are computed using the following method:

Measurements taken from outside face of exterior walls to center line of interior demising walls. Center of wall is used as division line when computing square foot separations calculated above.

(3) Buildings

(2,8,4) Units per building

(14) Units Total

2-Story (one over one style units)

(2) Bedrooms on first floor units

(2) Bedrooms on second floor unit

(1) Bedroom on first floor unit

(1) Bedroom on second floor unit

First Floor:

One bedroom interior (2 units)

756 sq. ft.

One bedroom end (1 unit)

756 sq. ft.

Two bedroom end (3 units)

1,119 sq. ft.

Two bedroom single (1 unit)

1,119 sq. ft.

Second Floor:

One bedroom interior (2 units)

840 sq. ft.

One bedroom end (1 unit)

840 sq. ft.

Two bedroom end (3 units)

1,185 sq. ft.

Two bedroom single (1 unit)

1,185 sq. ft.

D. BUILDING HEIGHT

1. Total Roof height from first floor to the ridge 28'4"
2. There are no crawl spaces.
3. The floor to ceiling height will be 8'0" on the first floor and 8'0" on the second floor.
4. There are no cellar areas.
5. Number of floors: The buildings will be two stories above first floor concrete slab on grade.
6. There are no parapets above roofs.

1. The foundations consist of continuous concrete poured footings 12" thick 24" wide with 8" wide poured concrete continuous foundation walls with 4" poured concrete reinforced concrete slab above.
2. Floor system second floor framings are pre-engineered floor trusses @ 16" o.c. as specified by truss manufacturer. Contractor's Maintenance Bond expires on January 15, 2022.
3. Top cord bearing trusses manufactured by Shelter Systems. STC sound Transmission is 50 for all adjoining unit walls and 50 for ceilings for adjoining units.

Ceiling construction between first floor and second floor units:

- a. ½" Gypsum Board
- b. Resilient metal channels
- c. R23 5 ½" Roxul Safe "N" Sound Insulation between floor trusses
- d. 5/8" Plywood Sub floor
- e. ¼" luan plywood wood
- f. Finish floor as required

Wall construction between units in stair wells from first floor unit to second floor unit:

- a. ½" Quietrock Gypsum Board
- b. R15 3 ½" Roxul Safe "N" Sound Insulation between 2X4 wall framing
- c. ½" Quietrock Gypsum Board other side of 2X4 framing

Wall construction between adjoining units first and second floors

- a. 5/8" Soundbreak Gypsum Board in closet and kitchen wall areas
- b. R15 3 ½" Roxul Safe "N" Sound Insulation between 2X4 wall framing
- c. A second wall with R15 3 ½" Roxul Safe "N" Sound Insulation between 2X4 wall framing.
- d. 5/8" Soundbreak Gypsum Board in adjoining bedroom areas and ½" Gypsum Board in closet and kitchen wall areas.

4. Waterproof floor slabs: waterproofing on the floor slabs was not required and coated; therefore no water proofing was done.

F. EXTERIOR OF BUILDING

1. Walls:

- a. Horizontal 4" vinyl
- b. ½" Sheathing (Zip BD System)
- c. ½" Rigid Insulation R-3.5
- d. 2 x 4 wood stud framing @ 16" o.c.
- e. R=15 BATT Insulation
- f. 1/2 " gypsum board
- g. Double 4" vinyl siding and cultured veneer stone dry stack ledgestone
- h. There is no fire rating on the exterior walls. The 8 unit building in halved by a two hour rated fire wall.

2. Windows are Anderson 400 series HP low E4 sun with grilles. All windows are Andersen 400 series double hung with double glazing, full screens and window stops and have a 20 year warranty. The windows specified did not require caulking. These are wood framed buildings and therefore no lintels were required. There are screens on all sliding doors as well.
3. There is no foundation membrane.
4. Termite shield provided at foundation sill plate.
5. Insulation
 - a. Ceiling R-38
 - b. Wall R-15
 - c. Slab R-10
 - d. Floor R-23
6. There are no parapets or coping.

G. CHIMNEYS AND CAPS

1. There are no chimney flues.
2. Each unit is provided with dryer vent to exterior.

H. DECKS AND PATIOS

1. Second floor deck railing system:
 - a. Vinyl railing system 3'0" in height
 - b. Aluminum reinforced vinyl top and bottom railing 2 ½" x 2 ½"
 - c. 3'6" height vinyl post with 4" x 4" A CQ post support inside
 - d. 1 ½" X 1 ½" balusters with spacing 3 7/16" o.c.
2. Deck construction is composite decking 5/4" x 6" hidden fasteners
3. Roofs over rear deck entrances have vented vinyl soffits
4. The doors to second floor decks are pre-hung therma tru metal and Anderson perma-shield sliding patio doors 200 series with low-E glass
5. Exterior decks to have continuous perimeter aluminum continuous gutters pitched to leaders.
6. The second floor is composite 5/4" decking with vinyl upper and lower railings reinforced with interior aluminum tubing with PVC spindles. Columns are 8" in diameter P.V.C. Tapered.

7. Patio's: are directly under the decks, made of 4" reinforced concrete and are for the residents use only.

I. EXTERIOR ENTRANCES

1. There are no exterior stairs.
2. There are no railings.
3. Mailboxes: 14 compartment box at a central location on the subject site
4. Lighting outside of all rear entrance doors will consist of a wall mounted light fixture by Portfol: or equal.
5. First floor entrance doors for both first and second floor units are pre-hung therma tru metal.
 - a. Exterior entrances are ADA compliant in required units
6. First floor patio entrance doors are Anderson perma-shield sliding patio doors 200 series with low-E glass.
 - a. Exterior entrances are ADA compliant in required units.
 - b. All exterior swing doors are insulated steel with thermos break with keyed alike lock sets for each unit. Patio doors are Andersen series sliding doors with low E double glass.

J. ROOF AND ROOF STRUCTURES

1. All building roof construction shall consist of the following:
 - a. Roof shingles – fiberglass UL class A 40 year roof shingle by Owens Corning
 - b. Roof membrane – 30 lb. felt
 - c. Sheathing - ½" plywood
 - d. Roof structure – wood roof trusses at 24" o.c. All truss designed by truss manufacturer in accordance with all required codes.
 - e. Insulation: R-38 batt. Insulation
 - f. All exterior metals, including fasteners shall be corrosion resistant.
 - g. Ice and water shields as required.
 - h. Attic roof trusses with 6 on 12 pitch manufactured by Shelter Systems. One year warranty from general contractor.

- i. The roofing guarantee is issued by the manufacturer. There is a 40 year manufacturer's warranty. Its commencement date is September, 2019. The contractor's Maintenance Bond expires on January 15, 2022.
2. Aluminum gutters and leaders along each building as required. All leaders are to drain into site drainage system below grade.
3. There is no roof mounted mechanical equipment.
4. Flashing: All roof flashing is aluminum, 0.023 gauge minimum.
5. There are no skylights.
6. There is no dunnage.
7. There are no roof pavers.

K. RECREATIONAL FACILITIES

1. There are no recreational facilities, yards or courts in the condominiums.
2. There is no open air pavilion, pocket park or garden. The area originally proposed as an open air pavilion is now a grass area and is open to all residents.

L. INTERIOR STAIRS AND PLATFORM

1. Stairs to second floor units (14) risers from entry foyer to second floor
2. Each stair enclosure is ½" gypsum board. Walls and Ceiling around and over wood stairs
3. Stair is all wood construction, species: pine
4. Stringers – wood species: pine
5. Treads – wood species: pine
6. Risers – wood species: pine
7. Stairs have wood railings
8. There are separate unit entrances to each second floor unit with segregated stairways to the second floor; no fire rating is required. Each unit has a fire sprinkler system. Second floor access stair cases are fire sprinklered and therefore do not require fire rated walls.

M. EXTERIOR STAIRS

1. There are no exterior stairs.

N. INTERIOR WALLS, DOORS AND FRAMES 238

1. Interior walls of 2 x 4 or 2 x 6 wood studs as required with ½ drywall on each side of wall as required. Drywall on each side of wall as required. Drywall materials do not contain sulfides.
2. Doors shall be pre-hung 1 3/8" solid particle board core wood/mdf with beaded sticking profile panels –Jeld-Wen Arlington type or equal, 11/16" x 2 ¼" finger jointed prime painted.
3. Fire rated doors are not required.
4. Year built: Construction started in September, 2018. The project was completed in December 2019.
5. Construction Class: 5B

All units were constructed using the 2015 New York State Building Code
Fire Ratings: 45 Minute Fire rating typical. 2 Hour fire rated wall in 8 unit building to divide building in half.

6. Please see the construction status of this report for building permits, permit numbers, plumbing permits and Certificate of Occupancy numbers can be found under the plumbing and drainage section of this report. Please note all Certificate of Occupancies have been issued for this project.
7. Interior Stairs: Interior Stairs are sheathed with ½" type C gypsum board which has a fire rating of 45 minutes. The stairwells to the second floor have fire sprinklers and therefore need not be fire rated.
8. There are no interior fire rated doors.

O. AUXILIARY FACILITIES

1. Huntington School District
2. Two (2) refuse dumpsters provided at a designated location on site, pick up will be from a private provider twice a week.
3. Huntington Station Post Office
4. Electric provider: PSEGLI
5. Gas Provider: National Grid
6. Water Provider: Suffolk County Water Authority
7. Telephone Service: Verizon and Cablevision/Altice
8. Cable Provider: Cablevision/Altice

9. Each unit is equipped with a closet for washer and dryer. Dryer exhaust to be vented to exterior. The washing machines and dryers are both electric.

P. PLUMBING AND DRAINAGE

1. Town of Huntington Plumbing Permits:

Plumbing Permit # L0181524	Date obtained: 10/25/18
Plumbing Permit # L0181525	Date obtained: 10/25/18
Plumbing Permit# L0181526	Date obtained: 10/25/18
Plumbing Permit # L0181527	Date obtained: 10/25/18
Plumbing Permit # L0181528	Date obtained: 10/25/18
Plumbing Permit # L0181529	Date obtained: 10/25/18
Plumbing Permit # L0181529	Date obtained: 10/25/18
Plumbing Permit # L0181530	Date obtained: 10/25/18
Plumbing Permit # L0181531	Date obtained: 10/25/18
Plumbing Permit # L0181532	Date obtained: 10/25/18
Plumbing Permit # L0181533	Date obtained: 10/25/18
Plumbing Permit# L0181534	Date obtained: 10/25/18
Plumbing Permit # L0181535	Date obtained: 10/25/18
Plumbing Permit # L0181536	Date obtained: 10/25/18
Plumbing Permit # L0181537	Date obtained: 10/25/18

2. Water supply: Suffolk County Water Authority

- Piping sizes as required by Town of Huntington and N.Y.S. Plumbing Codes. The main shut-off valve in the 2nd floor units is located on the stairwell. The main shut-off valve in the 1st floor units is located in the utility room.
- D.W.V. Schedule 40 PVC above concrete slab and cast iron schedule 40 series weight below slab diameter of piping as required
- Domestic hot water service piping is PEX Red rated at 180 degrees at 100 psi and cold water piping is PEX Blue rated at 100 psi.
- Piping insulation required on all piping exposed to freezing as per code.

3. Piping Materials:

- Sprinkler heads, lawn and planting area. Feed lines, 2 ½" diameter PVC lawn sprinkler. Zone lines 100 psi polyethylene pipe. Nelson gear or pop up heads sprinklers or equal.

4. Water pressure

- Static pressure – 80 psi
- Residual pressure – 52 psi

5. Sanitary sewage system:

- Sanitary laterals – 8" diameter SDR 35 pipe
- House Connections – 6" diameter SDR 35 pipe
- Discharge to manhole Lowndes Avenue

6. Storm drainage system:

- Precast concrete 10' and 8' diameter drainage pools for storm water runoff from roof, walkway, grass and parking lot areas. Cast Iron Castings.

- b. 15" diameter HDPE piping between drainage pools
- c. Storm water drains from roof runoff 6" diameter SDR 35 pipe

Q. GAS SUPPLY LINES

1. Gas supply is separate for each unit and has a 1" ID supply line gas pipe. Heater is galvanized steel, distributions is block. There are a total of 14 gas meters. For locations please see drawing SP-15- Piping. The supply line is a 1 ¼ inch rigid steel pipe.

R. FIRE PROTECTION SYSTEM

1. Hard wire smoke detectors, within each dwelling unit as per code by Kidde Model #1275E with battery backup.
2. Carbon monoxide detector and smoke alarm each dwelling unit as per code by Kidde Model #KN-COSM01B Part Number Z1006377 with battery backup.
3. Sprinkler system in all condominium units
 - a. 4" diameter ductile iron pipe fire sprinkler supply line
 - b. 4" diameter RPZ valve and cast iron OS&Y valves on fire sprinkler supply line
 - c. 2' X 7' hot box for RPZ and landscape sprinkler double check valve
 - d. Sprinkler piping CPVC; Fire Dept. Connection "K" copper
 - e. All heads in accordance with NFPA 13R and State fire codes.
 - f. Wet sprinkler system, concealed sprinkler pendants, recessed sidewall sprinklers, piping and fittings rated for 180°F for continuous service.
 - g. 4 Inch by 2 ½ inch Siamese RPZconnector/NYC treaded located at hot box on fire sprinkler supply line.

There is a wet sprinkler system, concealed sprinkler pendants, recessed sidewall sprinklers; piping and fittings rated for 180 degrees Fahrenheit for continuous service. The Siamese connection type is 4 inch by 2 ½ inch type FD connector/NYC threaded location at RPZ. For permits required, please see the attached Town of Huntington Building Permits listed under Status of Construction in this report.

S. HEATING

1. All equipment will be covered by a contractor's warranty for a period of one year for the complete unit and contractor's guarantee for a period of one year on the heating, gas piping, plumbing, electrical wiring against defect from poor workmanship and materials.
2. Type of Controls: single thermostat per unit
3. Type of fuel: Natural gas individually metered per unit
4. No chimneys are required.
5. Each dwelling unit's hot water heater is a 50 gallon A.O. Smith gas fired model GPDT 50 energy star rated hot water heater with a 40,000 BTU per hr. make up rate code. There is a 6 year

limited tank and parts warranty from the date of installation (December 18, 2018). The Contractor's Maintenance Bod expires on January 15, 2022.

Each dwelling unit's space heating system has a furnace manufactured by Rheem, classic series multi position gas R92PA0701317MSA-series, 92% annual fuel utilization efficiency as per DOE test procedures. Input rate is 75,000 BTUs per hour. The space heating system is designed to provide an even 72 degrees indoor temperature with an exterior temperature of 10 degrees Fahrenheit and a 15 mph wind, in accordance with the New York State energy code. Duct insulation 1" R-6 minimum. The gas fired hot water heater H.V.A.C. system met all requirements for the 2015 NYS Building Codes. There is a 10 Year manufacturer's warranty and a 20 year manufacturer's warranty on the heat exchanger.

T. AIR CONDITIONING

1. Central System: All units will have central air conditioning. The condenser units will be manufactured by Goodman 13 SEER or equal. One bedroom: 1.5 tons and two bedrooms: 2.5 tons
2. There is no rooftop equipment.
3. All exterior metals, including fasteners shall be corrosion resistant
4. There is no rooftop piping.
5. There is no dunnage.
6. The cooling system can maintain a 20 degree difference between the exterior ambient temperature and the interior temperature and the interior temperature minimum. Rheem 13 seer model number RA1318 and RA 1330 with a 10 year warranty. Condenser locations are on parking lot side of all buildings – a total of 14 units. None of the air handling units is part of a split system.

U. VENTILATION

1. All kitchen windows are double hung and operate in accordance with N.Y.S. Uniform Code. Kitchen range hoods will be provided by sponsor. Kitchens have a Broan 30 inch ductless stainless steel hoods. Which features non-vented design for use without air ducts, 2 speed rocker fan switch and a separate rocker light switch, included charcoal filter is replaceable for easy maintenance, uses up to a 75-watt incandescent light to brightly illuminate the cooking area (blub sold separately), mitered sides and hemmed bottom for good looks and your safety. Exhaust is rated at 350 cfm (cubic foot per min).
2. All bathrooms to have electrically operated exhaust fans by Panasonic or equal vented to the exterior in accordance with N.Y.S. Uniform Code.
3. No cellar ventilation is required all units are built on a concrete slab.

V. ELECTRICAL EQUIPMENT AND SERVICES

1. Electrical feeders were supplied by the electrical purveyor, PSEG, from two utility poles. The feeder lines were run underground to three 600 volt transformers they continued underground to the meter distribution panels. All work was done in conformance to the

National Electrical Code and PSEG's most current Red Book. Electric service to each residential unit will be according to the National Electric Code and will consist of single phase 120/240 volt, 150 amp service. The wire material is UL approved copper wiring and shield.

An average of five to six outlets will be provided in each bedroom. Living/dining area will be provided with eight outlets. Electric outlets in bathroom and kitchen countertops will be fault detection type. All rooms will have switch activated ceiling fixtures. Each unit will be equipped with hardwired smoke detectors and carbon monoxide detectors as required by building code. Each unit will have its own entrance door button and chime. All GFI's are supplied in bathrooms and kitchens as per the National Electric Code.

2. There are no basements.
3. Unit service electrical system to handle modem usage and appliances such as air conditioners, dishwashers and dryers.

The outdoor mounted lighting will consist of twenty (20) LRD 66 watt lights on 14'6" poles spaced throughout the property.

W. TELEPHONE AND TELEVISION

1. All units to be pre-wired for telephone and cable television outlets.

X. INTERCOMMUNICATION AND/OR DOOR SIGNALS SYSTEMS, SECURITY CLOSED CIRCUIT TV

1. None will be provided

Y. PUBLIC AREA LIGHTING

1. The outdoor mounted lighting will consist of twenty (20) 66 Watt lights on 14'6" poles spaced throughout the property.
2. Lighting outside of unit entrance doors will consist of wall mounted light fixtures manufactured by Portfolio or equal.
3. Public area lighting is in compliance with NYS Codes.

Z. GARAGE AND PARKING AREAS

1. Twenty one (21) total parking stalls will be provided on site.
2. Two (2) ADA stalls will be provided as per NYS Building Code. Resulting in 19 Non-ADA spaces.
3. Surface: asphalt paving.
4. Drainage: Designed to handle rainfall of a minimum of 4" in a 24 hour period.
5. Parking Spaces will be available on a first come first served basis.
6. Parking layout- please see the site plan.

7. Sanitary sewage system:
 - a. Sanitary laterals – 8” diameter SDR 35 pipe
 - b. House Connections – 6” diameter SDR 35 pipe
 - c. Discharge to manhole Lowndes Avenue

8. Storm drainage system:
 - a. Precast concrete 10’ and 8’ diameter drainage pools for storm water runoff from roof, walkway, grass and parking lot areas. Cast Iron Castings.
 - b. 15” diameter HDPE piping between drainage pools
 - c. Storm water drains from roof runoff 6” diameter SDR 35 pipe

AA. UNIT INFORMATION

All units have been issued their Certificate of Occupancy. Recurring inspections will be: black flow valve and enclosure, fire sprinkler system and security alarms.

1. There are fourteen (14) units within the complex. Refer to floor plans for room configurations.

Unit(s): 14 Units

First Floor (Type One Bedroom)

Dwelling unit includes foyer with closet, dining area, kitchen area, living area, washer/dryer closet, bathroom, bedroom with closet, exterior utility room and patio.

First Floor (Type Two Bedroom)

Dwelling unit includes foyer with closet, dining area, living area, kitchen, washer/dryer closet, bathroom, bedroom #1 with bathroom and closet, bedroom #2 with closet, exterior utility room and patio.

Second Floor (Type One Bedroom)

Dwelling unit includes interior stair well, utility closet, foyer with closet, dining area, kitchen area, living area, washer/dryer closet, bathroom, bedroom with closet and exterior deck.

Second Floor (Type Two Bedrooms)

Dwelling unit includes interior stair well, utility closet, foyer with closet, dining area, living area, kitchen, washer/dryer closet, bathroom, bedroom #1 with bathroom and closet, bedroom #2 with closet and exterior deck.

2. Finishes

Floors: Kitchen, foyer, foyer closet and washer/dryer closet – 12” x 12” vinyl floor tile. Bathrooms – ceramic floor tile. Bedrooms, bedroom closets, foyer area, dining area and living area – carpet

Walls: All walls and ceilings shall be primed and painted with two (2) coats of mat finish latex paint. All interior trim is pre-primed and painted with two (2) coats of semi-gloss latex paint.

Asbestos: No asbestos is present as it is new construction.

Lead Based Paint: No Lead Based Paint is present, as it is new construction.

3. Kitchen Equipment

The kitchen shall include laminate finish on countertops, cabinets and electric range as follows:

- Kohler #K-3346-3 Kitchen Sink
- Kohler #K-15160 Faucet
- GE Model # JB250DFWWDD Electric Range
- Samsung Storm wash 24" Dishwasher Model DW80K705US
- Fisher & Paykel 20 CF Stainless Steel Refrigerators w/ dispenser, C-depth Model RF201ADUSX5N
- Broan 30" Ductless Stainless Steel Hood Model # 413004
- Samsung front load washers WH Model WF42H5000AW.
- Samsung front load electric dryer WH Model DV42H5000EW
- GE 27" elevated laundry center WH Model GUD27ESSMWW

Kitchen Cabinets:

Kitchen Cabinets are Kraft Maid Style Parkhurst Maple with Plywood Box, color dove white with decorative hardware are 7040 and 7017; cabinets have a life time manufacturer's warranty.

4. Laundry Closet (See Plans)

Fourteen (14) Laundry Closets Provided

Washer and dryer hook ups are electric in each unit

5. Bathrooms (See Plans)

- Bathtub Kohler Model #K0715 or 716
- Bathtub pressure balancing valve Kohler Model #K-304K
- Shower Stall Base Mustee # MU32" x 60" M
- Shower pressure balancing valve Kohler Model #K-304K
- Handicapped shower stall PVC Pan liner 40 mil thickness manufactured by Oatey
- Shower pressure balancing valve Kohler Model #K-304K with Kohler Model #K-8516 Shower Bar
- Water Closet Kohler Model #K-3998 and Kohler Model #K-3999 for handicapped units
- Lavatory Kohler Model #K-2202-4 and Model #K2032 for handicapped units all with sink faucet Kohler Model #K-393-N4

6. Carpet Manufacturer

Carpet Manufacturer cream weaver face weight ozs/yd²=46, TU FTS 8.5 with 25 Year Manufacturer's Warranty.

VIOLATIONS

There are no open violations.

FURTHER DEVELOPMENT

There is no further development planned in the condominium complex.



9/14/21

SCHEDULE G-1

AREA MAP



SCHEDULE G-2

SITE PLAN

LEGEND

	FINISHED FLOOR ELEVATION
	TOP/BOTTOM OF CURB
	TOP/BOTTOM OF CATCH BASIN
	SPOT ELEVATION
	STRUCTURE - ELECTRIC
	ELECTRIC CONTROL BOX
	LIGHT POLE
	STRUCTURE - MANHOLE
	STRUCTURE - SANITARY
	WATER VALVE
	WATER METER
	FIRE HYDRANT
	DRAINAGE INLET
	CATCH BASIN
	UTILITY POLE
	BOLLARD
	TRAFFIC CONTROL BOX
	TRAFFIC SIGNAL POLE

	CONCRETE CURB
	DROP CURB
	WALL
	EDGE OF PAVEMENT
	OVERHEAD WIRES
	GUY WIRE
	CHAIN LINK FENCE
	STOCKADE FENCE
	FENCE OTHER
	HEDGE
	WATER MAIN
	SANITARY LINE
	CONCRETE/MASONRY
	HANDICAP PARKING
	PARKING STALL COUNT
	GAS VALVE
	SIGN

NOTES:

- THIS SURVEY WAS PREPARED FOR A SPECIFIC PURPOSE, AND IS NOT INTENDED TO BE USED FOR A TRANSFER OF TITLE OR ANY FINANCIAL PURPOSE.
- THIS SURVEY WAS PREPARED WITHOUT BENEFIT OF A TITLE REPORT AND THEREFORE, THE EXISTENCE OF ENCUMBRANCES, EASEMENTS AND/OR RIGHTS OF WAY OF RECORD, IF ANY, ARE NOT SHOWN OR ADDRESSED.
- PROPERTY CORNER MONUMENTS WERE NOT PLACED AS PART OF THIS SURVEY.
- SUBSURFACE AND ENVIRONMENTAL CONDITIONS WERE NOT EXAMINED OR CONSIDERED AS PART OF THIS SURVEY.
- THE OFFSETS OR DIMENSIONS SHOWN FROM THE STRUCTURES TO THE PROPERTY LINES ARE FOR A SPECIFIC PURPOSE AND USE AND THEREFORE ARE NOT TO BE USED FOR ANY OTHER PURPOSES, INCLUDING BUT NOT LIMITED TO, SETTING OF RETAINING WALLS, POOLS, PATIOS, PLANTING AREAS, ADDITIONS TO BUILDINGS OR ANY OTHER CONSTRUCTION.
- THE PROPERTY APPEARS AS LOTS 1, A, B, C, AND PART OF LOWNDES AVENUE ON MAP B, PROPERTY OF ALLEN W. E. LOWNDES, FILED SEPTEMBER 21, 1903 - FILE NO. 432.
- LOT AREA = 42,376 SQUARE FEET.
- ELEVATIONS SHOWN HEREON REFER TO N.A.V.D. 1988.
- LOCATION OF WATER LINES PROVIDED BY OTHERS.

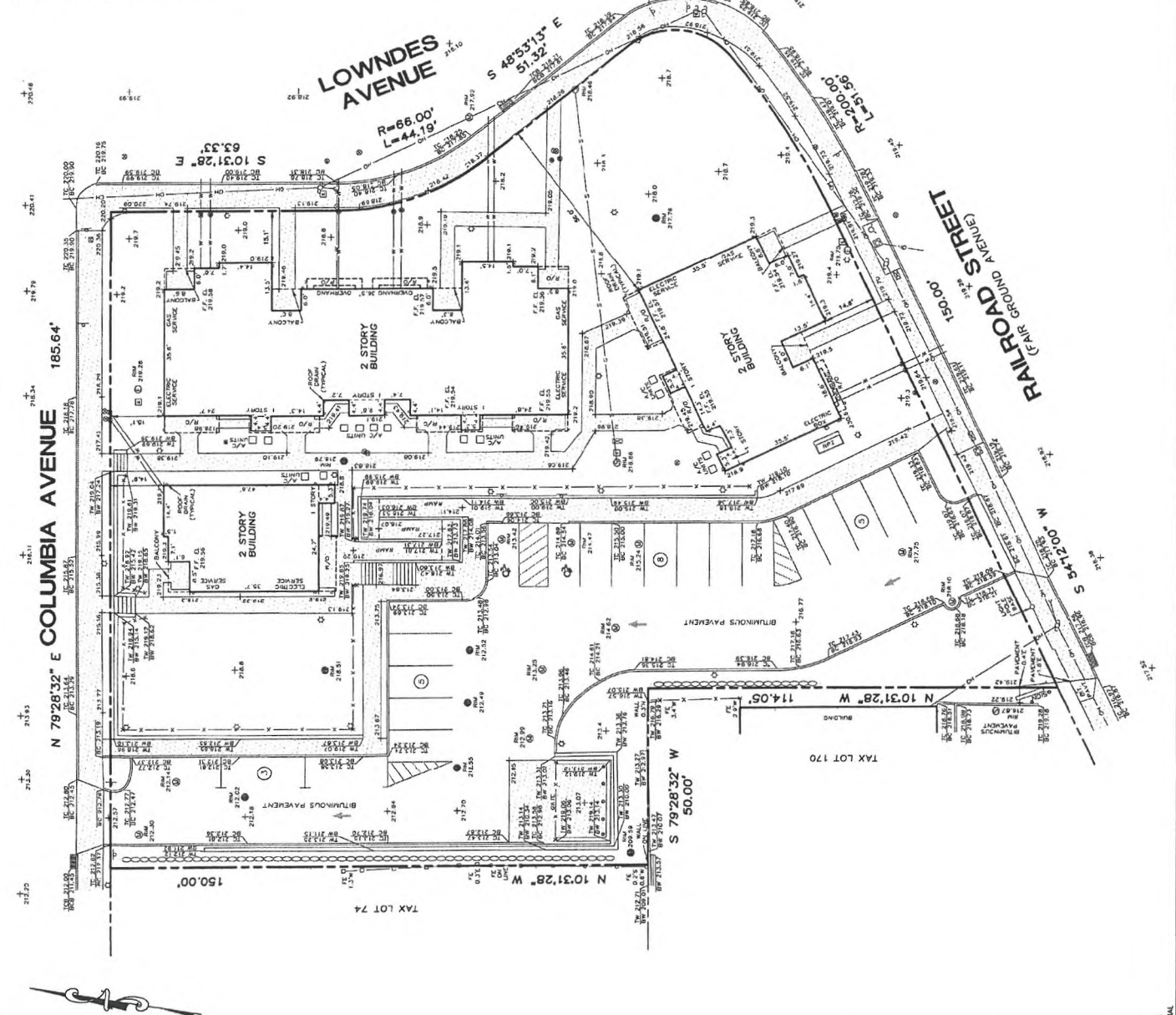
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BBY
Barrett Bonacci & Van Weele, PC
Engineers • Surveyors • Planners
175A Commerce Drive, Haverstraw, NY 11788
1631.433.1111 / 431.435.1022
www.bbypc.com

Tax Map: DIST. 400 SECT. 140 BIX 3 LOTS 72,73,108,109,3 & 117
PROPERTY SITUATE
HUNTINGTON STATION
TOWN OF HUNTINGTON SUFFOLK COUNTY, N.Y.

FINAL SURVEY

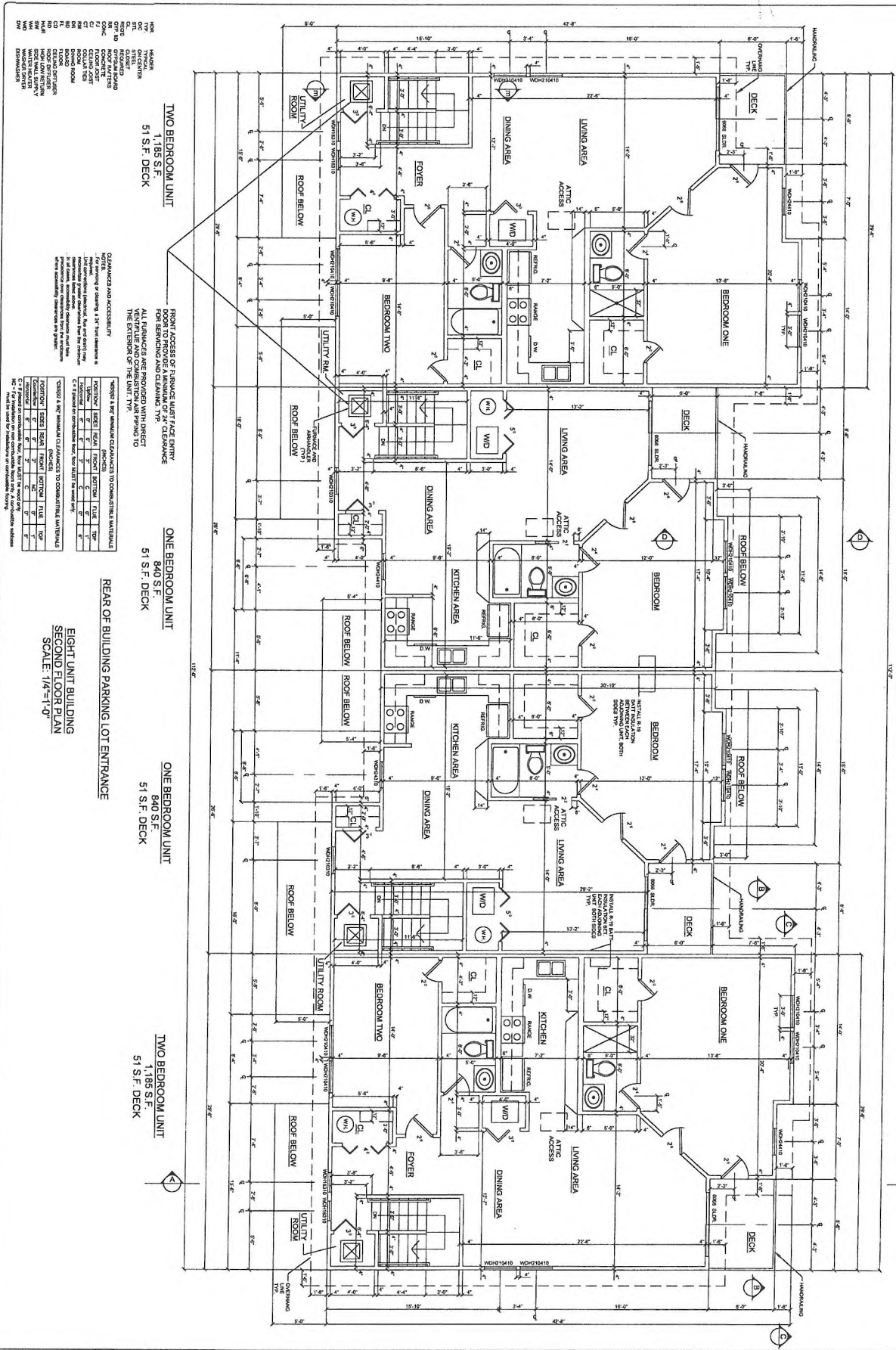
Date: **JUNE 2, 2020**
Scale: 1" = 20'
Sheet No.: A116607A
Project No.: 02003
Sheet No.: **1 of 1**



SCHEDULE G-3
FLOOR PLANS



FRONT OF BUILDING STREET ENTRANCE



NOTES:

1. SEE GENERAL NOTES TO CONTRACT DOCUMENTS.
2. ALL FINISHES ARE PROVIDED WITH DIRECT THE EXTENSION OF THE UNIT TYPE.
3. SEE GENERAL NOTES TO CONTRACT DOCUMENTS.
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CLAUUSES AND ACCESSIBILITY

CONTRACT DOCUMENTS TO CONTRACT DOCUMENTS

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REAR OF BUILDING PARKING LOT ENTRANCE

DESIGNED BY: J.V. DE LUCCA, R.A.
 DRAWN BY: L. L. L. L.
 DATE: 6/2/2014
 SCALE: AS SHOWN
 PROJECT NO: 1000000000
 COLUMBIA STREET
 A-6
 CONTRACT NO. COA 2017-100

JAMES V. DE LUCCA, R.A.
 12 LINDA LANE EAST
 RIVERHEAD, N.Y. 11901
 (631) 727-1611

COLUMBIA TERRACE CONDOMINIUMS
 HUNTINGTON STATION, NEW YORK

REVISIONS	DATE	BY
1	3/18/2015	JVD
2	5/9/2015	JVD
3	5/16/2016	JVD
4	6/2/2017	JVD



- 100' TYPICAL
- 90' TYPICAL
- 80' TYPICAL
- 70' TYPICAL
- 60' TYPICAL
- 50' TYPICAL
- 40' TYPICAL
- 30' TYPICAL
- 20' TYPICAL
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- 100' TYPICAL

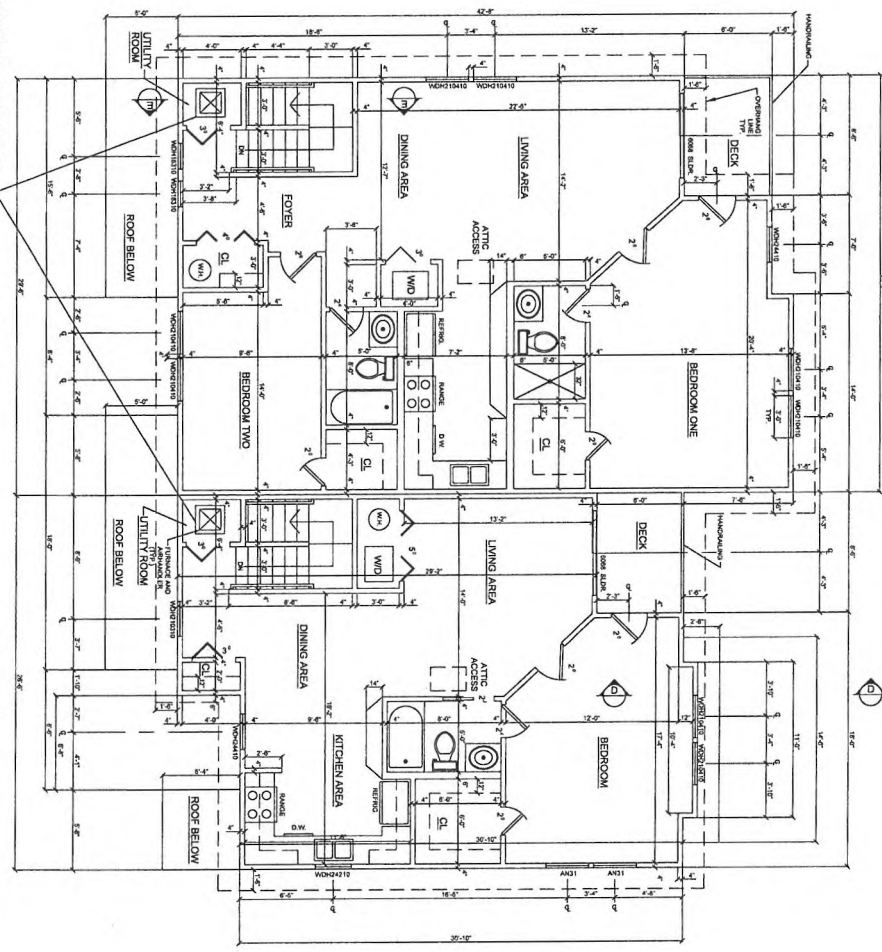
FRONT ACCESS OF FINISHED UNIT FACE ENTRY
 FROM SERVICE AND CLEANING TRAIL
 ALL FINISHES ARE PROVIDED WITH DIRECT
 VENTILATION AND COMBUSTION AIR PIPING TO
 THE SERVICE OF THE UNIT. TYP.

TWO BEDROOM UNIT
 1,185 S.F.
 51 S.F. DECK

ONE BEDROOM UNIT
 840 S.F.
 51 S.F. DECK

REAR OF BUILDING PARKING LOT ENTRANCE

FOUR UNIT BUILDING
 SECOND FLOOR PLAN
 SCALE: 1/4"=1'-0"



CLASHES AND ACCESSIBILITY
 NOTE: This drawing is intended to show a 3rd party clearance is
 required for the installation of the unit. The unit shall be
 installed in accordance with the manufacturer's instructions
 and all applicable codes. The unit shall be installed in
 accordance with the manufacturer's instructions and all
 applicable codes. The unit shall be installed in accordance
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 codes.

NO.	DATE	BY	DESCRIPTION
1	8/13/2014	JVD	ISSUED FOR PERMIT
2	5/18/2015	JVD	REVISIONS
3	5/18/2016	JVD	REVISIONS
4	6/22/2017	JVD	REVISIONS

DESIGNED BY
 J.V.D.
 L.V.B.
 DATE
 8/13/2014
 AS NOTED
 CONTRACT NO.
 CDA-2017-100



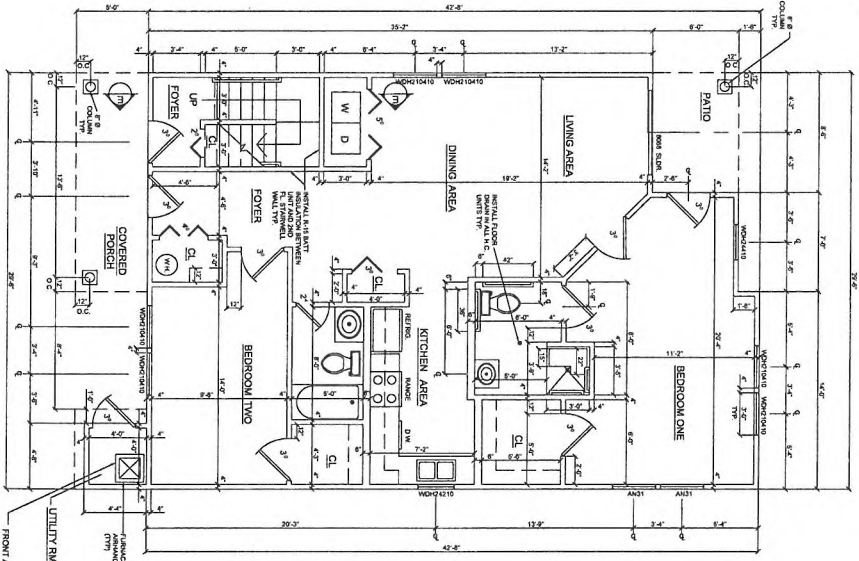
JAMES V. DE LUCCA, R.A.
 12 LINDA LANE EAST
 RIVERHEAD, N.Y. 11901
 (631) 727-1611

COLUMBIA TERRACE CONDOMINIUMS
 HUNTINGTON STATION, NEW YORK

REVISIONS	DATE	BY
1	3/18/2015	JVD
2	5/18/2015	JVD
3	5/18/2016	JVD
4	6/22/2017	JVD



FRONT OF BUILDING STREET ENTRANCE

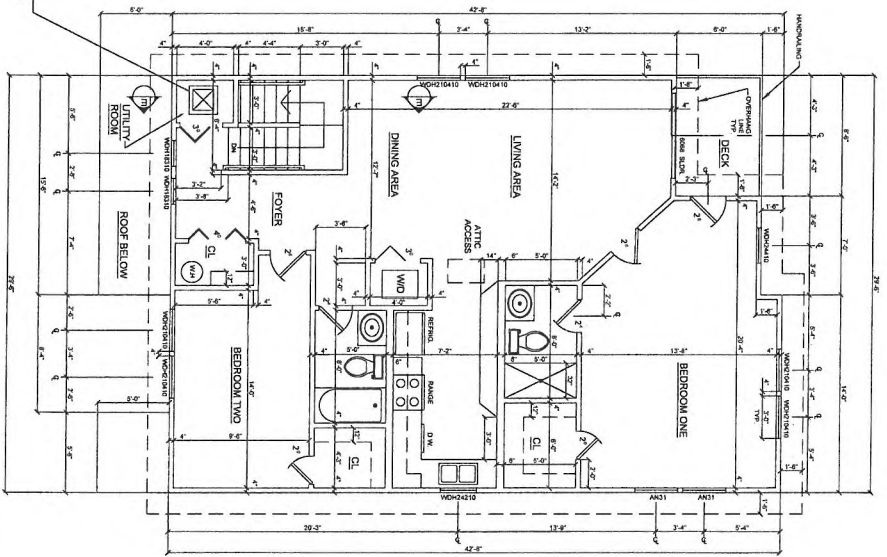


REAR OF BUILDING PARKING LOT ENTRANCE

TWO UNIT BUILDING
TWO BR. FIRST FLOOR H.C. PLAN
SCALE: 1/4" = 1'-0"
51 S.F. PATIO

- 1. WALL
- 2. DOOR
- 3. WINDOW
- 4. CLOSET
- 5. STAIR
- 6. HALL
- 7. BATH
- 8. KITCHEN
- 9. LIVING
- 10. DINING
- 11. BEDROOM
- 12. PATIO
- 13. BALCONY
- 14. UTILITY
- 15. PORCH
- 16. DRIVEWAY
- 17. DRIVE
- 18. DRIVEWAY
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- 43. DRIVEWAY
- 44. DRIVEWAY
- 45. DRIVEWAY
- 46. DRIVEWAY
- 47. DRIVEWAY
- 48. DRIVEWAY
- 49. DRIVEWAY
- 50. DRIVEWAY

FRONT OF BUILDING STREET ENTRANCE



REAR OF BUILDING PARKING LOT ENTRANCE

TWO BEDROOM SECOND FLOOR PLAN
SCALE: 1/4" = 1'-0"
51 S.F. DECK

CLARIFICATIONS AND ACCESSIBILITY

ALL FINISHES ARE PROVIDED WITH DIRECT VENT FUEL AND COMBUSTION AIR PIPING TO THE EXTENSION OF THE UNIT. TYP.

FINISH	TYPE	LOCATION	FINISH	TYPE	LOCATION
1	WOOD	FLOOR	1	WOOD	FLOOR
2	WOOD	FLOOR	2	WOOD	FLOOR
3	WOOD	FLOOR	3	WOOD	FLOOR
4	WOOD	FLOOR	4	WOOD	FLOOR
5	WOOD	FLOOR	5	WOOD	FLOOR
6	WOOD	FLOOR	6	WOOD	FLOOR
7	WOOD	FLOOR	7	WOOD	FLOOR
8	WOOD	FLOOR	8	WOOD	FLOOR
9	WOOD	FLOOR	9	WOOD	FLOOR
10	WOOD	FLOOR	10	WOOD	FLOOR
11	WOOD	FLOOR	11	WOOD	FLOOR
12	WOOD	FLOOR	12	WOOD	FLOOR
13	WOOD	FLOOR	13	WOOD	FLOOR
14	WOOD	FLOOR	14	WOOD	FLOOR
15	WOOD	FLOOR	15	WOOD	FLOOR
16	WOOD	FLOOR	16	WOOD	FLOOR
17	WOOD	FLOOR	17	WOOD	FLOOR
18	WOOD	FLOOR	18	WOOD	FLOOR
19	WOOD	FLOOR	19	WOOD	FLOOR
20	WOOD	FLOOR	20	WOOD	FLOOR
21	WOOD	FLOOR	21	WOOD	FLOOR
22	WOOD	FLOOR	22	WOOD	FLOOR
23	WOOD	FLOOR	23	WOOD	FLOOR
24	WOOD	FLOOR	24	WOOD	FLOOR
25	WOOD	FLOOR	25	WOOD	FLOOR
26	WOOD	FLOOR	26	WOOD	FLOOR
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33	WOOD	FLOOR	33	WOOD	FLOOR
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45	WOOD	FLOOR	45	WOOD	FLOOR
46	WOOD	FLOOR	46	WOOD	FLOOR
47	WOOD	FLOOR	47	WOOD	FLOOR
48	WOOD	FLOOR	48	WOOD	FLOOR
49	WOOD	FLOOR	49	WOOD	FLOOR
50	WOOD	FLOOR	50	WOOD	FLOOR

LEGEND

SOFFIT WITH HVAC SUPPLY DUCT ENCLOSED

KITCHEN CABINET SOFFIT ONLY

NOTE: SEE HVAC FLOOR PLAN FOR SOFFIT SIZE THAT IS CONTAINING HVAC DUCTWORK

DESIGNED BY: J.V.D.

DRAWN BY: J.V.D.

DATE: 6/3/2014

SCALE: AS SHOWN

PROJECT: COLUMBIA STREET

CONTRACT NO. CCA-2017-100

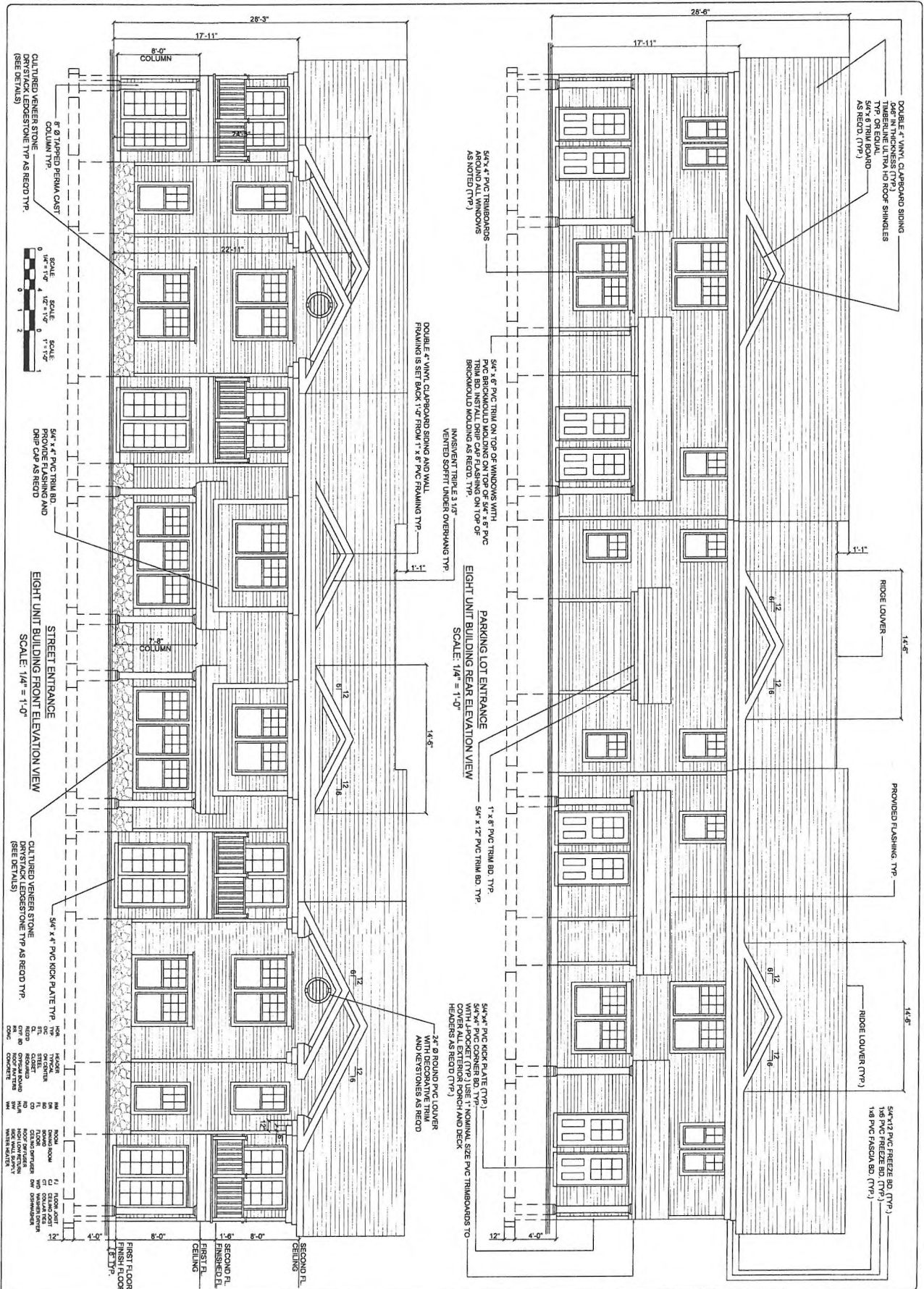
A-14



JAMES V. DE LUCCA, R.A.
12 LINDA LANE EAST
RIVERHEAD, N.Y. 11901
(631) 727-1611

COLUMBIA TERRACE CONDOMINIUMS
HUNTINGTON STATION, NEW YORK

REVISIONS	DATE	BY
1	3/18/2015	JVD
2	5/9/2015	JVD
3	5/18/2016	JVD
4	6/2/2017	JVD



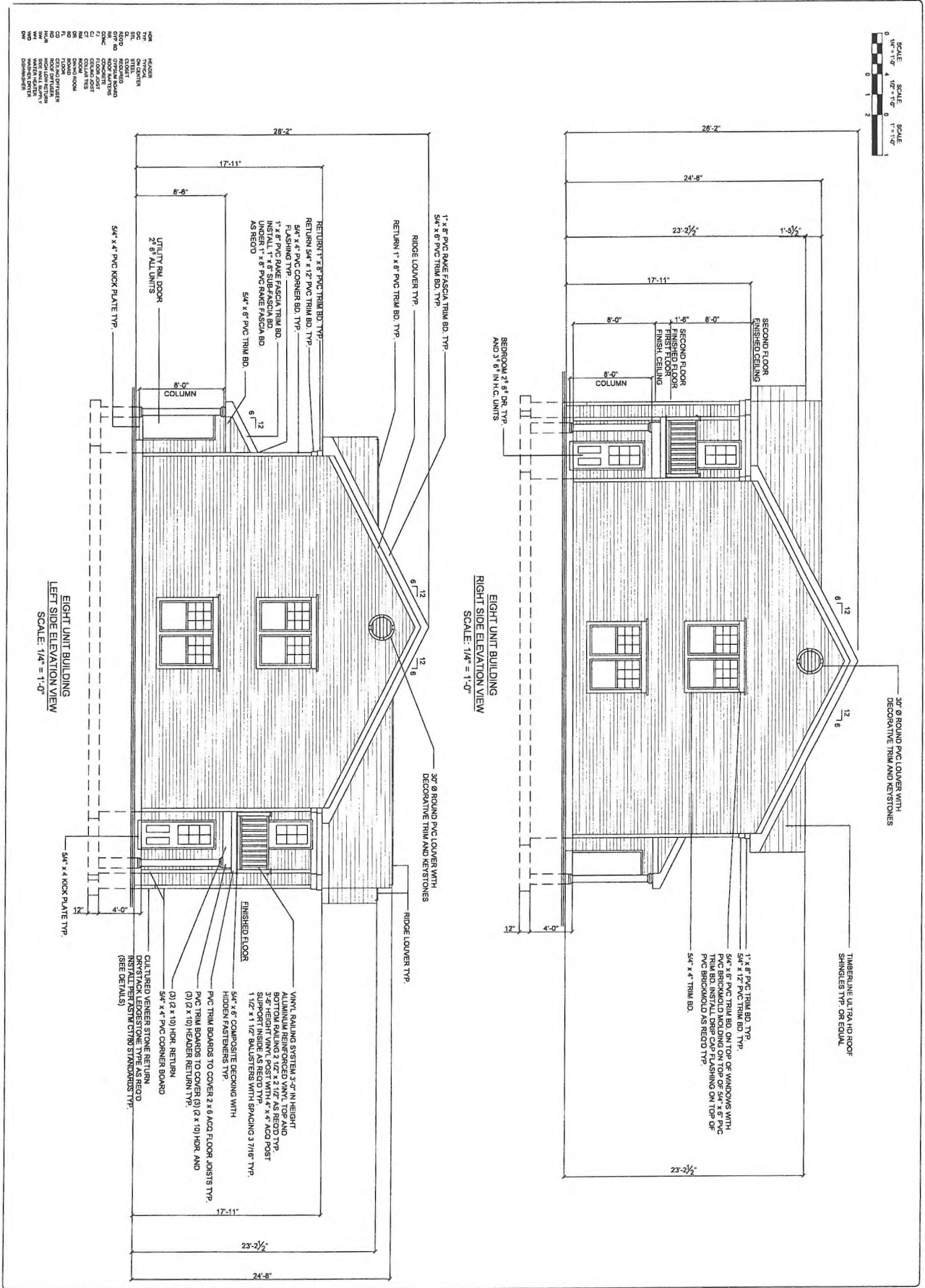
DESIGNED	J.V.D.
DRAWN	L.K.B.
CHECKED	D.H.
DATE	6/17/2014
AS NOTED	
COLUMBIA STREET	
CONTRACT NO.	A-16
	CDA 2017-100



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 12 LINDA LANE EAST
 RIVERHEAD, N.Y. 11901
 (631) 727-1611

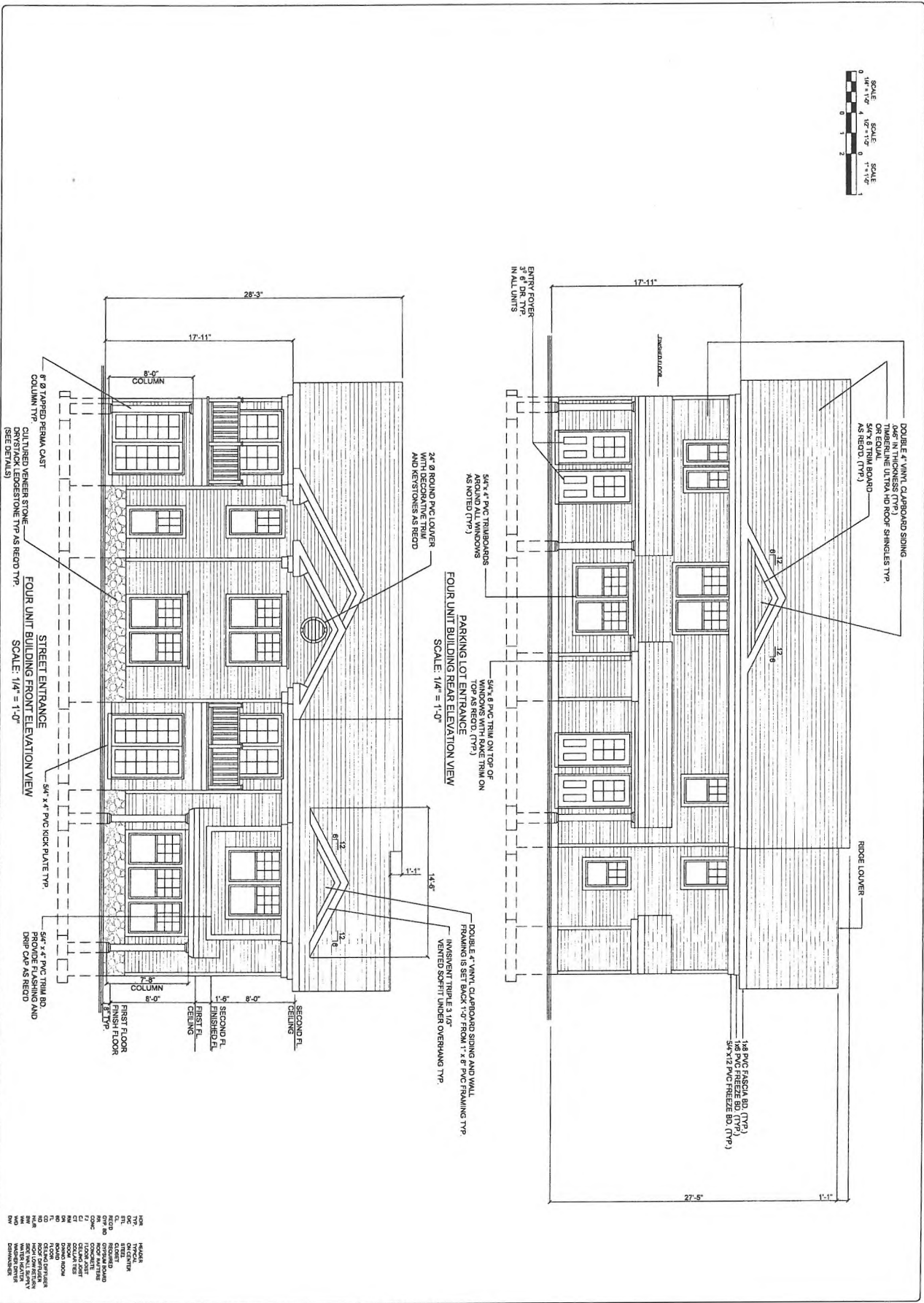
COLUMBIA TERRACE CONDOMINIUMS
 HUNTINGTON STATION, NEW YORK

REVISIONS	DATE	BY
3/18/2015	JVD	
5/19/2015	JVD	
5/16/2016	JVD	
6/12/2017	JVD	



REVISIONS	DATE	BY
3/18/2015	JVD	
5/9/2015	JVD	
5/16/2016	JVD	
6/2/2017	JVD	

DESIGNED	JAMES V. DE LUCCA, R.A.
DRAWN	12 LINDA LANE EAST
CHECKED	RIVERHEAD, N.Y. 11901
SCALE	(631) 727-1611
AS NOTED	
DATE	
PROJECT	COLUMBIA TERRACE CONDOMINIUMS
LOCATION	HUNTINGTON STATION, NEW YORK
CONTRACT NO.	A-17
	CDA 2017-100



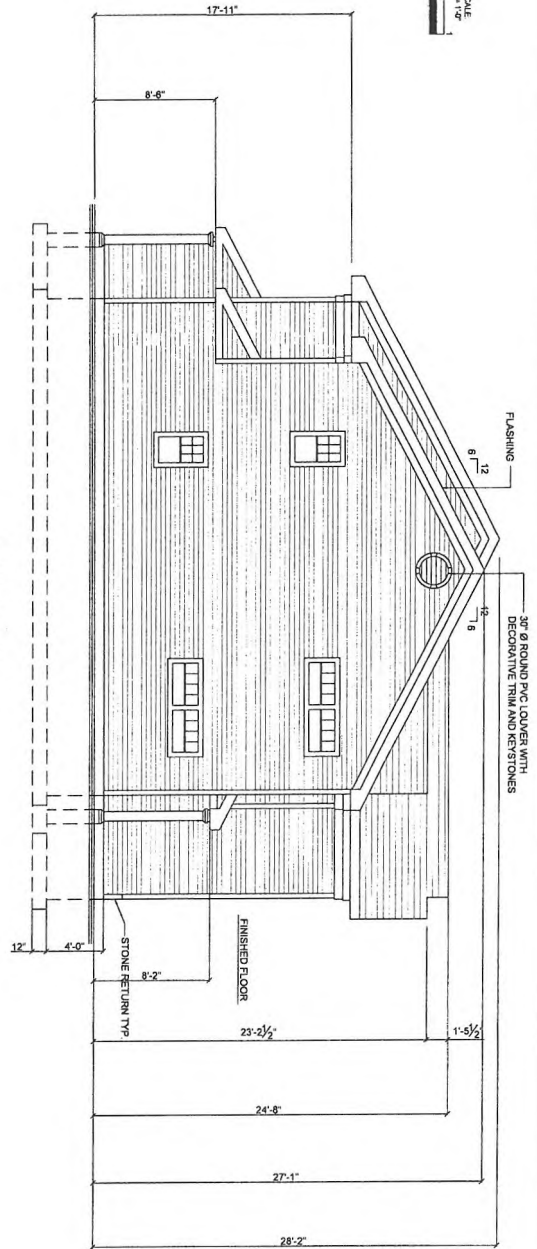
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CONTRACT NO.	CDA 2017-100	SCALE	1/4" = 1'-0"	DATE	6/3/2014	DRAWN	J.V.D.	DESIGNED	J.V.D.	PROJECT	COLUMBIA STREET	ADDRESS	12 LINDA LANE EAST RIVERHEAD, N.Y. 11901	ARCHITECT	JAMES V. DE LUCCA, R.A.	PHONE	(631) 727-1611	REVISIONS	



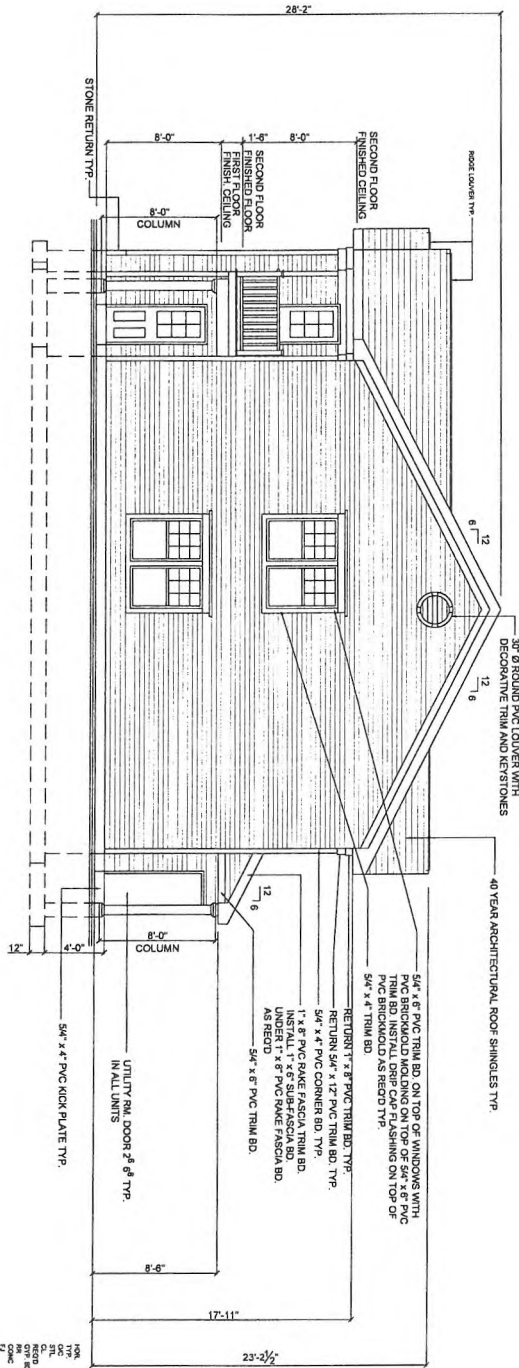
JAMES V. DE LUCCA, R.A.
 12 LINDA LANE EAST
 RIVERHEAD, N.Y. 11901
 (631) 727-1611

COLUMBIA TERRACE CONDOMINIUMS
 HUNTINGTON STATION, NEW YORK

REVISIONS	DATE	BY
1	3/18/2015	JVD
2	5/8/2015	JVD
3	5/16/2016	JVD
4	6/12/2017	JVD



FOUR UNIT BUILDING
LEFT SIDE ELEVATION VIEW
ONE BEDROOM H.C. UNIT
SCALE: 1/4" = 1'-0"



FOUR UNIT BUILDING
RIGHT SIDE ELEVATION VIEW
TWO BEDROOM H.C. UNIT
SCALE: 1/4" = 1'-0"

- 3/8" Ø ROUND PVC LOUVER WITH DECORATIVE TRIM AND KEYS/TONES
- FLASHING
- 3/8" x 4" PVC KICK PLATE TYP.
- UTILITY RM. DOOR 2'-8" x 8" TYP. IN ALL UNITS
- 40 YEAR ARCHITECTURAL ROOF SHINGLES TYP.
- 3/8" x 4" TRIM BD.
- 5/4" x 8" PVC TRIM BD. ON TOP OF WINDOWS WITH PVC BIRCHWOOD MOLDING ON TOP OF 5/4" x 8" PVC TRIM BD. INSTALL DRIP CAP FLASHING ON TOP OF 5/4" x 8" TRIM BD.
- RETURN 1" x 8" PVC TRIM BD. TYP.
- 5/4" x 4" PVC CORNER BD. TYP.
- INSTALL 1" x 6" SURFASCOA BD. UNDER 1" x 8" PVC MAKE FASCOA BD. AS NEEDED
- 5/4" x 6" PVC TRIM BD.
- 5/4" x 6" PVC TRIM BD. ON TOP OF WINDOWS WITH PVC BIRCHWOOD MOLDING ON TOP OF 5/4" x 8" PVC TRIM BD. INSTALL DRIP CAP FLASHING ON TOP OF 5/4" x 8" TRIM BD.
- RETURN 1" x 8" PVC TRIM BD. TYP.
- 5/4" x 4" PVC CORNER BD. TYP.
- INSTALL 1" x 6" SURFASCOA BD. UNDER 1" x 8" PVC MAKE FASCOA BD. AS NEEDED
- 5/4" x 6" PVC TRIM BD.

NO.	DATE	BY	DESCRIPTION
1	8/13/2014	JVD	ISSUED FOR PERMITS
2	5/16/2016	JVD	REVISED PER COMMENTS
3	6/21/2017	JVD	REVISED PER COMMENTS

REVISIONS	DATE	BY
3/18/2015	JVD	
5/9/2015	JVD	
5/16/2016	JVD	
6/21/2017	JVD	

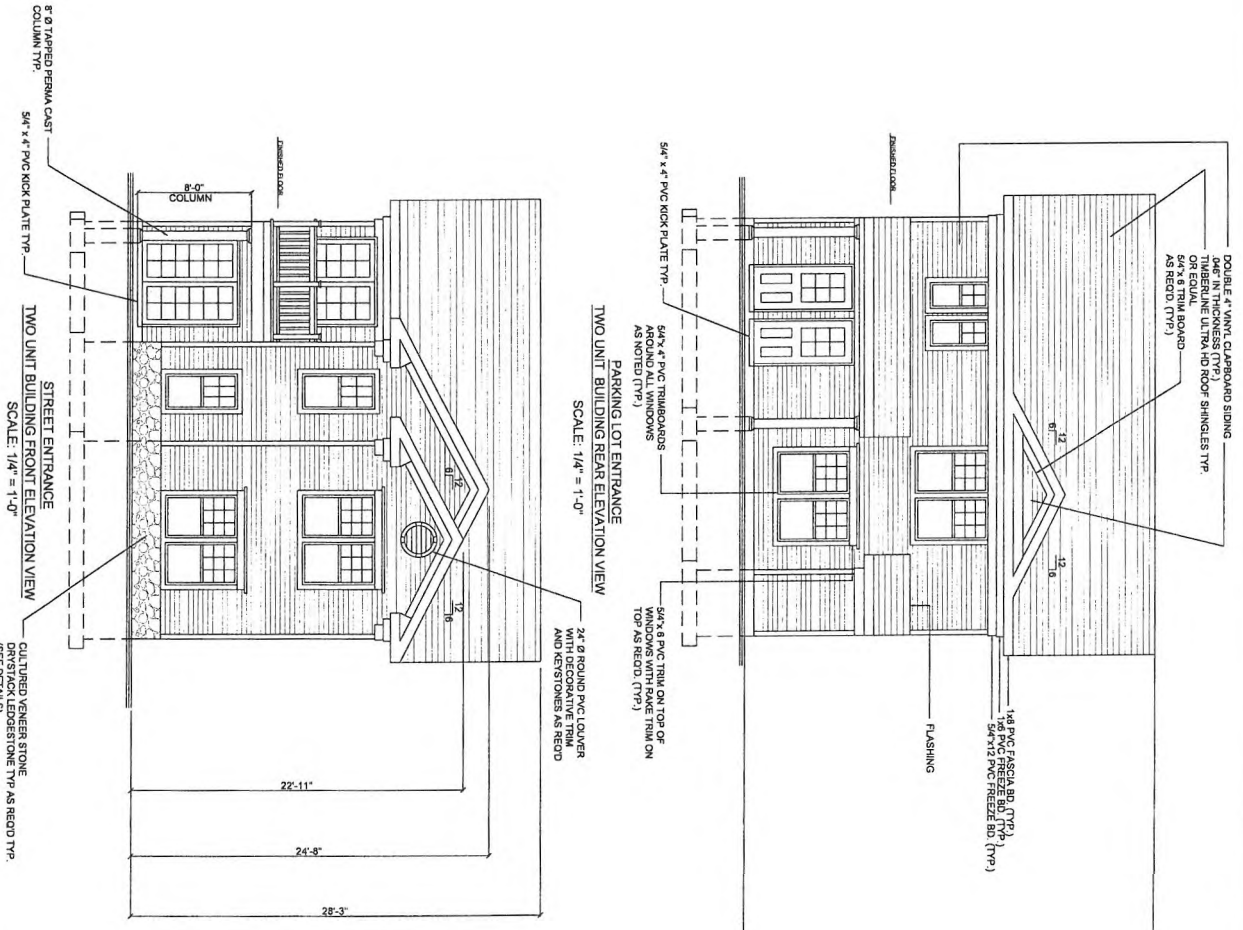


JAMES V. DE LUCCA, R.A.
12 LINDA LANE EAST
RIVERHEAD, N.Y. 11901
(631) 727-1611

COLUMBIA TERRACE CONDOMINIUMS
HUNTINGTON STATION, NEW YORK

NO.	DATE	BY
1	8/13/2014	JVD
2	5/16/2016	JVD
3	6/21/2017	JVD

DESIGNED BY: J.V.D.
DRAWN BY: J.V.D.
DATE: 8/13/2014
SCALE: AS SHOWN
PROJECT NO.: 2014-001
COLUMBIA STREET
A-19
CONTRACT NO.: CDA 2017-1-00



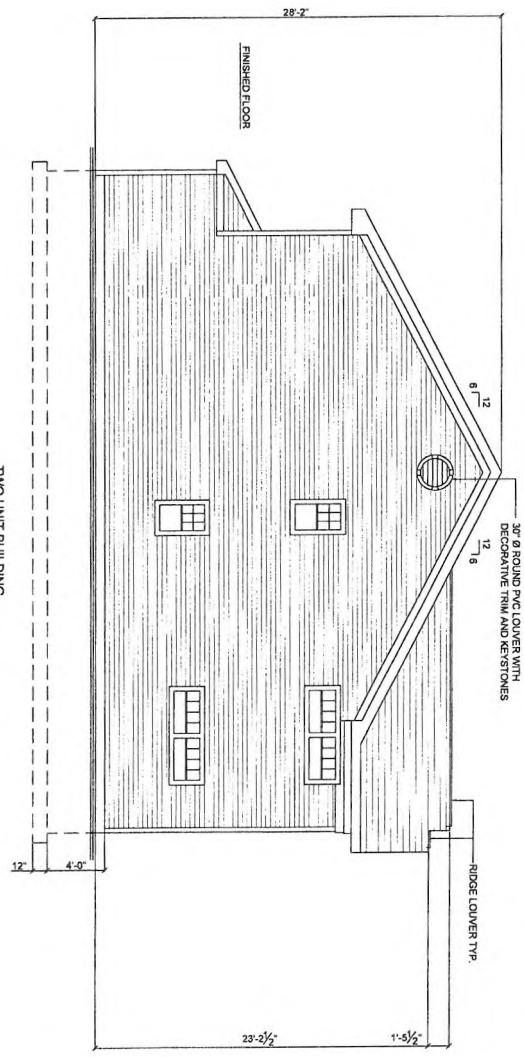
NO.	DATE	BY	DESCRIPTION
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2	5/9/2015	JVD	REVISED PER COMMENTS
3	5/16/2016	JVD	REVISED PER COMMENTS
4	6/21/2017	JVD	REVISED PER COMMENTS



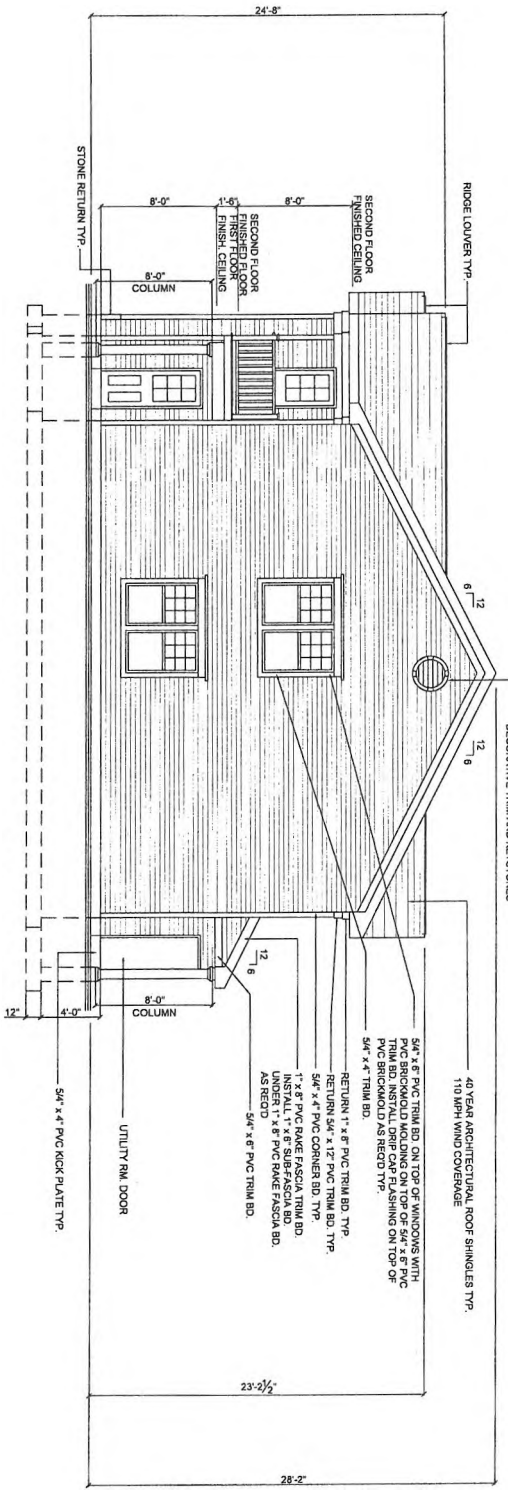
JAMES V. DE LUCCA, R.A.
12 LINDA LANE EAST
RIVERHEAD, N.Y. 11901
(631) 727-1611

COLUMBIA TERRACE CONDOMINIUMS
HUNTINGTON STATION, NEW YORK

DESIGNED	JVD
DRAWN	LKE
CHECKED	JVD
DATE	6/21/2017
SCALE	AS NOTED
PROJECT	COLUMBIA STREET
CONTRACT NO.	A-20
CDM	2017-100



TWO UNIT BUILDING
LEFT SIDE ELEVATION VIEW
TWO BEDROOM SINGLE H.C. UNIT
SCALE: 1/4" = 1'-0"



TWO UNIT BUILDING
RIGHT SIDE ELEVATION VIEW
TWO BEDROOM SINGLE H.C. UNIT
SCALE: 1/4" = 1'-0"

NOI	MAJOR
PC	CONTRACT
STL	DATE
RT	REVISION
RI	REVISION
7/1	REVISION
7/2	REVISION
7/3	REVISION
7/4	REVISION
7/5	REVISION
7/6	REVISION
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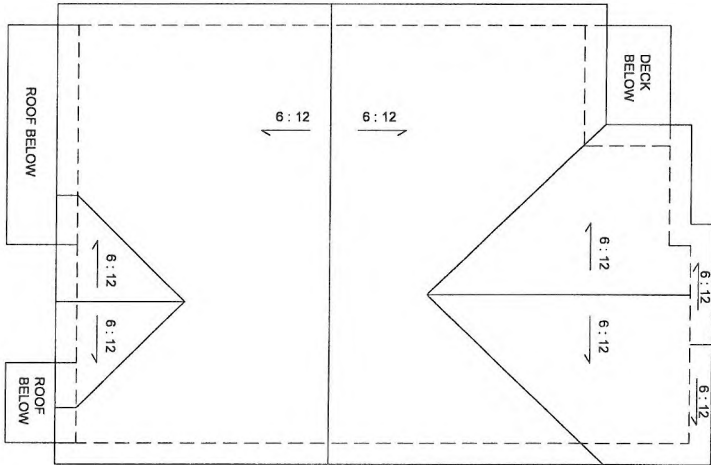
REVISIONS	DATE	BY
1	3/18/2015	JVD
2	5/19/2015	JVD
3	5/16/2016	JVD
4	6/21/2017	JVD



JAMES V. DE LUCCA, R.A.
12 LINDA LANE EAST
RIVERHEAD, N.Y. 11901
(631) 727-1611

COLUMBIA TERRACE CONDOMINIUMS
HUNTINGTON STATION, NEW YORK

DESIGNED
J.V.D.
DRAWN
L.K.E.
DATE
8/3/2014
SCALE
AS SHOWN
COLUMBIA STREET
A-21
CONTRACT NO.
CDA 2017-100



- | | |
|------|------------------|
| HDR. | HEADER |
| TR | TRUSS |
| STL | STEEL |
| CL | CLOSED |
| REQD | REQUIRED |
| RR | ROOF RAFTERS |
| CONC | CONCRETE |
| FJ | FLOOR JOIST |
| CL | Ceiling Joist |
| RM | ROOM |
| DR | DINING ROOM |
| CD | Ceiling Diffuser |
| RD | ROOF DIFFUSER |
| SW | SWITCH |
| WH | WATER HEATER |
| WD | WASHER DRYER |
| DW | DRINKING WATER |

TWO UNIT BUILDING
ROOF PLAN
SCALE: 1/4" = 1'-0"

DESIGNED	BY
DRAWN	DATE
SCALE	PROJECT NO.
AS NOTED	NO.
COLUMBIA STREET	



JAMES V. DE LUCCA, R.A.
12 LINDA LANE EAST
RIVERHEAD, N.Y. 11901
(631) 727-1611

COLUMBIA TERRACE CONDOMINIUMS
HUNTINGTON STATION, NEW YORK

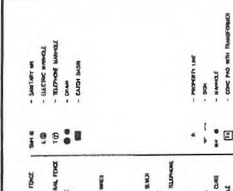
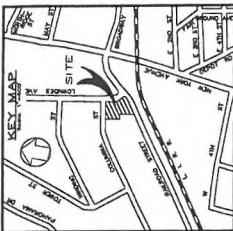
REVISIONS

R-2

CONTRACT NO.
CDA 2017-100

SCHEDULE G-4

LANDSCAPE PLAN



NOTES

A All trees, shrubs, grasses and groundcovers shall be planted in accordance with the Town of Huntington, Chapter 224, Subdivision and Site Plan Regulations, Section 224.02(L) and 224.02(M).

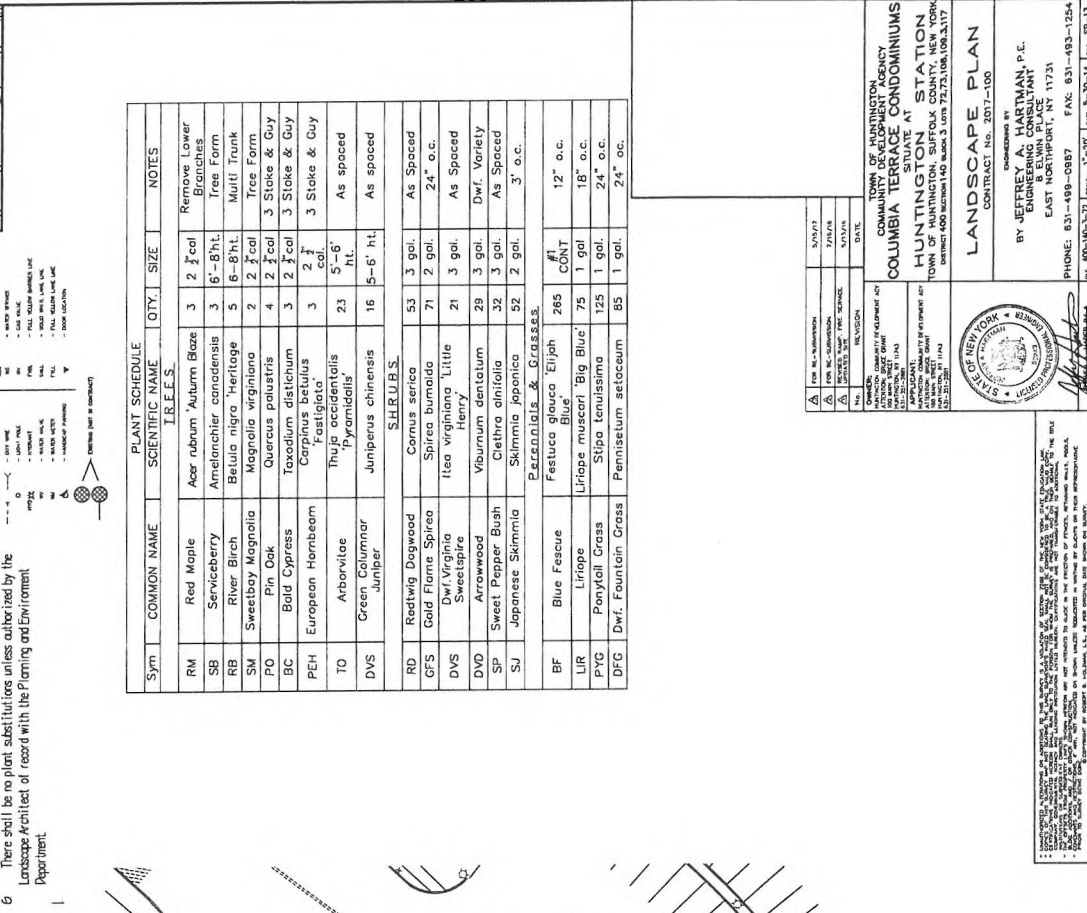
B Existing vegetation shall be retained unless specified otherwise on this plan.

C Plantings other than lawn or low ground cover, shall be placed no closer than two feet from curb lines adjacent to parking stalls.

D All deciduous trees shall be staked and guyed.

E All root ball lines and wrapping around the tree trunks shall be removed at the time of planting.

F All planting beds shall be weeded and have a minimum of four (4) inch layer of shredded bark mulch (natural, no dyed mulch) will be accepted. There shall be no plant substitution unless authorized by the Landscape Architect of record with the Planning and Environment Department.



Sym	COMMON NAME	PLANT SCHEDULE	QTY.	SIZE	NOTES
TREES					
RM	Red Maple	Acer rubrum Autumn Blaze	3	2 1/2 cal	Remove Lower Branches
SB	Serviceberry	Amelanchier canadensis	3	6'-8'h.t.	Tree Form
RB	River Birch	Betula nigra 'Heritage'	5	6'-8'h.t.	Multi Trunk
SM	Sweetbay Magnolia	Magnolia virginiana	2	2 1/2 cal	Tree Form
PO	Pin Oak	Quercus palustris	4	2 1/2 cal	3 Stake & Guy
BC	Bald Cypress	Taxodium distichum	3	2 1/2 cal	3 Stake & Guy
PEH	European Hornbeam	Carpinus betulus 'Fastigiata'	3	2 1/2 cal	3 Stake & Guy
TO	Arborvitae	Thuja occidentalis 'Pyramidalis'	23	5'-6' h.t.	As spaced
DVS	Green Columnar Juniper	Juniperus chinensis	16	5'-6' h.t.	As spaced
SHRUBS					
RD	Redtwig Dogwood	Cornus sericea	53	3 gal.	As Spaced
GS	Gold Flame Spirea	Spirea bumalda	71	2 gal.	24" o.c.
DVS	Dwarf Virginia Sweetspire	Itea virginica 'Little Henry'	21	3 gal.	As Spaced
DVD	Arrowwood	Viburnum dentatum	29	3 gal.	Dwf. Variety
SP	Sweet Pepper Bush	Chitra ohiolola	32	3 gal.	As Spaced
SJ	Japanese Skimmia	Skimmia japonica	52	2 gal.	3" o.c.
PERENNIALS & GRASSES					
BF	Blue Fescue	Festuca glauca 'Elph Blue'	265	CONT	12" o.c.
LIR	Liriope	Liriope muscari 'Big Blue'	75	1 gal	18" o.c.
PYG	Ponytail Grass	Stipa tenuissima	125	1 gal.	24" o.c.
DFG	Dwf. Fountain Grass	Pennisetum setaceum	85	1 gal.	24" o.c.

FOR ALL INFORMATION: 3/27/17
 FOR ALL INFORMATION: 3/27/17
 DATE: 3/27/17

NO. 1
 REVISION: 1/17/17

TOWN OF HUNTINGTON
 COMMUNITY DEVELOPMENT DEPARTMENT
 100 SOUTH STREET, 3RD FLOOR
 HUNTINGTON, NY 11731
 PHONE: 631-489-0987 FAX: 631-493-1254

COLUMBIA TERRACE CONDOMINIUMS
 SITUATE AT
 HUNTINGTON STATION
 HUNTINGTON, NY
 PROJECT NO. 17-001
 SHEET NO. 17-001-01

LANDSCAPE PLAN
 CONTRACT NO. 2017-100

DESIGNED BY
 BY JEFFREY A. HARTMAN, P.E.
 ENGINEERING CONSULTANT
 EAST NORFOLK, NY 11731
 PHONE: 631-489-0987 FAX: 631-493-1254
 MAIL: 600-100-31-71 MAIL: 1"-20 SCALE: 3/8"=1'-0"

NOTICE: THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE TOWN OF HUNTINGTON AND THE STATE OF NEW YORK. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE TOWN OF HUNTINGTON AND THE STATE OF NEW YORK. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE TOWN OF HUNTINGTON AND THE STATE OF NEW YORK.

SCHEDULE G-5

FEE TITLE DESCRIPTION

FEE TITLE DESCRIPTION

A "Home" as hereinafter referred to shall be defined as follows:

"Each Home is measured horizontally from the exterior surface of the sheetrock of all opposite walls to the exterior surface of the sheetrock of all opposite walls and vertically from the lower surface of the concrete slab or sub-floor forming the floor of the Home up to the exterior surface of the sheetrock or other material forming the ceiling of the Home. Doors, windows, interior walls and fire places which abut a Home are part of the Home. The Description of Homes set forth herein pertains to the location of the walls, floors and roof of the Homes as they are finally set forth in the building plans to be filed simultaneously with the recording of this Declaration."

SCHEDULE H

**HOUSING MERCHANT IMPLIED WARRANTY LAW
(ARTICLE 36-B OF THE GENERAL BUSINESS LAW)**

HOUSING MERCHANT IMPLIED WARRANTY LAW

ARTICLE 36-B

WARRANTIES ON SALE OF NEW HOMES

Section 777.	Definitions.
777-a.	Housing Merchant Implied Warranty
778-b.	Exclusion or Modification of Warranties

Section 777. Definitions. As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building Code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in titled twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit which the builder has resided in or leased continuously for three years or more following the date of completion of construction, as evidenced by the certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling, and ventilation systems" shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; water supply waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems; all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

Section 777-a. Housing Merchant Implied Warranty.

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects

due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4.

a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The Owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or

replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

777-b. Exclusion or Modification of Warranties.

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitation on or exclusion of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5.

a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under Section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

SCHEDULE I

DECLARATION OF CONDOMINIUM

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PLAN OF CONDOMINIUM HOME OWNERSHIP

DECLARATION OF
COLUMBIA TERRACE CONDOMINIUM
PURSUANT TO ARTICLE 9-B OF THE REAL
PROPERTY LAW OF THE STATE OF NEW YORK

In the Town of Huntington, Suffolk County and State of New York on this ____ day of _____, 20__, Huntington Community Development Agency organized and existing under the laws of the State of New York, whose principal office is situated in the County of Suffolk, State of New York, hereinafter referred to as the "Owner" represented in this Declaration by Leah-Michelle Jefferson, who is fully empowered and qualified to execute this Declaration on behalf of the organization does hereby state:

FIRST: Submission of Property. By this Declaration the Owner submits the property described in this Declaration, including the land and the Buildings and all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith, to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: Description of Property. The Owner owns all that certain plot, piece or parcel of land, with the Buildings and improvements thereon erected, situate, lying and being in Huntington Station, Town of Huntington, Suffolk County, State of New York, and more particularly bounded and described on Schedule A annexed hereto and made a part hereto.

THIRD: Definitions.

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

(b) A "Home" as hereinafter referred to shall be defined as follows: Each Home is measured horizontally from the outside face of the exterior walls to the center line of interior demising walls and vertically from the lower surface of the concrete slab or sub-floor forming the floor of the Home up to the exterior surface of the sheetrock or other material forming the ceiling of the Home. The center of wall is used as division line

when computing square foot separations. Doors, windows, interior walls and fireplaces which abut a Home are part of the Home. The Description of Homes set forth herein pertains to the location of the walls, floors and roof of the Homes as they are finally set forth in the Building plans to be filed simultaneously with the recording of this Declaration.

(c) "Owner" or "Sponsor" shall mean and refer to Huntington Community Development Agency and its successors and assigns.

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

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

(f) "Condominium" as hereinafter referred to shall mean Columbia Terrace Condominium which is composed of the Home Owners.

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

FOURTH: Community. The Owner is constructing on the parcel of land located in Huntington Station, Town of Huntington known as Columbia Terrace Condominium, according to the plans filed simultaneously with the recording of this Declaration in the Office of the Clerk of Suffolk County, which Plans set forth a description of the Buildings stating the number of stories and number of Homes.

The Community will consist of 14 Homes to be located in three (3) Buildings containing two (2) stories each as set forth on the Plot Plan filed simultaneously herewith. All fourteen (14) Homes have been designated as Affordable Homes by the Declarant subject to affordable housing requirements. The Homes are constructed of concrete foundations, wood studs and asphalt shingle roof. Each of the Homes has access to a public street by means of a walk, driveway or parking area. For the purposes of describing the location of the Buildings, approximate area, type and number of rooms of each Home and the common elements to which each Home has immediate access, each Home is described on Schedule B annexed hereto. Each Home will be sold to one or more Owners, each Owner obtaining fee ownership in, and exclusive right of occupancy and possession of the Home, together with an undivided interest in the common elements of the Community, as listed hereinafter in this Declaration, and referred to as the "common elements", all of the above in accordance with Article 9-B of the Real Property Law of the State of New York. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities may be changed by mutual consent of the Owner and the Home Owner at the time of construction of the Home.

The aforesaid Community has a total plot area of approximately .973 acres.

FIFTH: Common Elements. The common elements of the Community will consist of all of the Community, except the Homes, including, but without limitation, outside walls and roofs of the Buildings, the land, Buildings and improvements (other than the Homes) comprising the Community (including the land under the Homes and under the improvements), all utility or other pipes and material located outside of the Homes.

IRREVOCABLY RESTRICTED AREAS

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

1. Any deck or patio that is located adjacent to a Home is restricted in use to the owner of such Home.

2. Any heating and/or cooling unit, if located in the common elements adjacent to each Home and serving such Home, is restricted in use to the Owner of such Home and shall be maintained and repaired by such Owner at their sole cost and expense.

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

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

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

SIXTH: Easements. All pipes, wires, conduits and public utility lines located within each Home shall be owned by such Home Owner. Any portion of such pipes, wires, conduits and public utility lines located in the common elements including electric meter banks located on the exterior of a home and servicing one or more other homes, will be owned in common by the Home Owners. Every Home Owner shall have an easement in common with the owners of other Homes to maintain and use all pipes,

wires, conduits and public utility lines located in other Homes and servicing such Home Owner's Home. Each Home shall be subject to an easement in favor of the Home Owners of other Homes to maintain and use the pipes, wires, conduits and public utility lines servicing such other Homes and located in such Home. The Board of Managers shall have a right of access to each Home on reasonable notice to the Home Owner for maintenance, repair or improvements to any pipes, wires, conduits and public utility lines located in any Home and servicing any other Home. The cost of such repairs and any damage caused by such entry shall be a common expense. The Board of Managers shall have a right of access to all common elements for maintenance, repair or improvement whether such common elements are restricted or not.

The Board of Managers of the Condominium or any of its agents, employees or contractors shall have a right of access through, under, over and across the common elements for the purpose of performing any of its obligations as provided for in this Declaration or in a certain Declaration of Covenants, Restrictions, Easements Charges and Liens, and By-Laws of the Condominium filed or to be filed in the Suffolk County Clerk's Office.

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

SEVENTH: Service of Process: Service of process on the Home Owners in any action with relation to the common elements shall be made upon the Secretary of State as the agent of the Board of Managers of Columbia Terrace Condominium. The post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon him as agent of this Condominium during the period the Declarant controls the Board of Managers is: Huntington Community Development Agency, 100 Main Street, Huntington, New York 11743. Once the Declarant no longer controls the Board of Managers, the Board of Managers must notify the Secretary of State that the post office address to which the Secretary of state shall

mail a copy of any process against this Condominium served upon his as agent of this Condominium is: Board of Managers, Columbia Terrace Condominium, Columbia Terrace, Town of Huntington, Suffolk County, New York 11747.

EIGHTH: Common Interest. Each Home Owner shall have such percentage interest in the common elements as is set forth in Schedule B attached hereto and shall bear such percentage of the common expenses of the Condominium. Each Home Owner shall have one vote for all voting purposes at any meeting of the Home Owners. The percentage of interest of each Home in the common elements has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Home, the availability of Common Elements for exclusive or shared use, and overall dimensions of the particular Home.

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

TENTH: Amendments and Withdrawal.

(a) The dedication of the property to Condominium ownership herein shall not be revoked or the property withdrawn from Condominium ownership unless 80% of the Home Owners in number and in common interest and the first mortgagees, if any, of each of these same homes agree to such revocation or removal of the property from the Plan by duly recorded instruments.

(b) The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the Home Owners in number held at a duly-called meeting of the Home Owners, provided however, that:

(i) No amendment shall change any condominium parcel, nor a home owner's proportionate share of the common charges, nor the voting rights appurtenant to any home, unless all of record owner(s) in number and common interest thereof and the first mortgagees, if any, of each of these same homes agree to such revocation by recorded instrument.

(ii) No amendment shall be passed which shall impair or prejudice the validity, interest, rights and priorities of mortgagees.

There shall be a presumption for a period of 60 days subsequent to the recording of the amendment that the vote of the home owners was made at a duly called meeting

and that the requisite voting percentage was obtained. After the 60 day period such presumption will be deemed conclusive.

(c) The Owner, its successors and assigns shall have the right without vote or consent of the Home Owners, the Board of Managers or the holders of Home mortgages to execute or (on its request) to require the Board of Managers to execute and record in the Office of the Clerk of Suffolk County and elsewhere, if required by law, an amendment or amendments to this Declaration (together with such other documents, plan and maps as may be required to effectuate the same) to reflect (i) the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the Buildings and fully and fairly depict the layout, location, designation and approximate dimensions of the Homes as built, or (ii) utility easements, or (iii) technical corrections to the Declaration to conform to other documents including but not limited to the Offering Plan or as-built plans (iv) to amend Schedule B of this Declaration to conform the Model type, square footage and type and number of rooms and any other required information for a specified Home, so long as the appurtenant percentage of common interest does not change for said Home, or (v) the carrying out of other provisions of the Offering Plan of Columbia Terrace Condominium.

(d) Any amendment to this Declaration shall not take effect until it is recorded in the Office of the Clerk of Suffolk County.

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

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

TWELFTH: Common Charges. All sums assessed as common charges by the Board of Managers of the Condominium but unpaid together with the maximum interest

permitted in New York thereon, chargeable to any Home Owner shall constitute a lien on his Home prior to all other liens except: (a) tax or assessment liens on the Home by the taxing subdivisions of any governmental authority, including but not limited to State, County and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Home. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorneys' fees (but such right shall not be a lien against the Home). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid common charges, the unpaid balance shall be charged to all Home Owners as a common expense. However, where the holder of an institutional mortgage of record, or other purchaser of a Home at a foreclosure sale of an institutional mortgage, obtains title to the Home as a result of foreclosure, or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall not be liable and the Home shall not be subject to a lien for the payment of common charges chargeable to such Home which were assessed and became due prior to the acquisition of title to such Home by such acquirer. In such event, the unpaid balance of common charges will be charged to all other Home Owners as a common expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, mortgage company, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Owner to a purchaser of a Home or in which the Owner participates with one of the above.

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

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

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

lease, sublease, mortgage, vote or otherwise deal with such Home under such terms as the Board in its sole discretion shall deem proper.

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

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

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

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

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

(b) No alterations to any part of the common elements may be made and no structure may be built on any portion of the common elements or restricted

common elements without the written consent of the Board of Managers. No alterations to the inside of a Home which would impair the structural soundness of the Buildings may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested to the Management Agent, if any, or to the President of the Board of Managers, if no Management Agent is employed. The Board of Managers shall have the obligation to answer within sixty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. All work done pursuant to this Section must be done in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof. All necessary approvals must be obtained and submitted to the Board of Managers upon submission of the written request for consent to do the work to the Board of Managers. The provisions of this paragraph shall not apply to Owner.

(c) Any interior alterations or improvements made to a Home shall be made in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof.

(d) Any Home Owner who mortgages his Home shall notify the Board of Managers providing the name and address of his mortgagee.

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

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

(g) No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

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

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

(j) In accordance with the Declaration of Covenants and Restrictions ("Declaration of C & R's") dated June 9, 2021 and to be recorded in the Suffolk County Clerk's Office, there are affordability sales and resale restrictions in the Declaration of C & R's. All sales and resales of Homes shall be monitored for

compliance by the Huntington Community Development Agency as specified in §198-13(1) of the Affordable Housing Law.

EIGHTEENTH: First Lien Holder Rights

(a) Notices of Action. A holder, insurer or guarantor of a first mortgage, upon written request to the Condominium, (such request to state the name and address or such holder, insurer or guarantor and the Home number), shall be entitled to timely written notice of:

- (1) Any proposed amendment of the Condominium instruments effecting a change in (i) the boundaries of any Home or the exclusive easement rights appertaining thereto, (ii) the interest in the general or limited Common Elements appertaining to any Home or the liability for common expenses appertaining thereto, (iii) the number of votes in the Condominium appertaining to any Home or (iv) the purposes to which any Home or the Common Elements are restricted;
- (2) Any proposed termination of the Condominium regime;
- (3) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Home on which there is a first mortgage held, insured or guaranteed by such eligible holder;
- (4) Any delinquency in the payment of assessments or charges owed by a Home Owner of a Home subject to the mortgage of such eligible holder, insurer or guarantor, which such delinquency has continued for a period of sixty (60) days; and
- (5) Any lapse, cancellation or material modification of any insurance policy maintained by the Condominium.

(b) Other Provisions for First Lien Holders. To the extent permitted under applicable law, the following protections for the benefit of first mortgage holders will be legally binding with respect to the Condominium:

- (1) Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications unless the approval of the eligible holders of first mortgages on Homes to which at least 51% of the votes of Homes subject to mortgages held by such eligible holders are allocated, is obtained;

- (2) Any election to terminate the Condominium regime after substantial destruction or a substantial taking in condemnation of the Condominium property must require the approval of the eligible holders of first mortgages on Homes to which at least 51% of the votes of Homes subject to mortgages held by such eligible holders are allocated; and
- (3) Unless the formula for reallocation of interests in the Common Elements after a partial condemnation or partial destruction of the Condominium project is fixed in advance by the Declaration or by applicable law, no reallocation of interests in the Common Elements resulting from a partial condemnation or partial destruction of the Condominium project may be effected without the approval of the eligible holders of first mortgages on Homes to which at least 51% of the votes of Homes subject to mortgages held by such eligible holders are allocated.

Implied approval is assumed when a mortgagee fails to submit a response to any written proposal for an amendment within 60 days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

As used in this section, the term "eligible holder, insurer or guarantor" shall mean a holder, insurer or guarantor of a first mortgage on a Home in a Condominium which has requested notice in accordance with the provisions of (a) above.

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

**HUNTINGTON COMMUNITY
DEVELOPMENT AGENCY**

By: _____

Leah-Michelle Jefferson, Director

SCHEDULE A

INSERT METES AND BOUNDS DESCRIPTION OF CONDOMINIUM
(14 HOME PARCEL)

SCHEDULE J

CONDOMINIUM BY-LAWS

BY-LAWS
OF
COLUMBIA TERRACE CONDOMINIUM

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BY-LAWS
OF
COLUMBIA TERRACE CONDOMINIUM

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

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

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

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

Section 4. Definitions. The definitions contained in the Declaration of Condominium shall be applicable to these By-Laws unless otherwise indicated.

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

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

Section 2. Voting. Each Home Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Homes) shall be entitled to cast one vote at all Home Owners' meetings for each

Home or Homes owned by such Home Owner, but in the event the Board of Managers acquires a Home on behalf of the Condominium it shall not cast any of its votes appurtenant to said Home for the election of any member to the Board.

Section 3. Quorum. So many Home Owners as shall represent at least 51% of the total authorized votes of all Home Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Home Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Homes Owners, the Home Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting so many Home Owners as shall represent at least 33 1/3% of the total authorized votes of all Home Owners shall constitute a quorum. If, however, such reduced quorum shall not be present or represented at such adjourned meeting of the Condominium, the Home Owners entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting. At least 5 days written notice of such adjourned meeting shall be given to all Home Owners. At such adjourned meeting, any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting, so many Home Owners as shall represent at least 25% of the total authorized votes of all Home Owners shall constitute a quorum.

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

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

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

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

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

Section 9. Annual Meetings Control of Board of Managers by Sponsor. The initial Board of Managers will call for the first annual meeting of the Home Owners to elect a new Board of Managers within one (1) year of the closing of the first Home. At such meeting, members of the Board of Managers shall be elected by the Home Owners, other than the members of the Board the Sponsor shall have the right to designate, and the former members of the Board shall thereupon resign. Thereafter annual meetings shall be held on the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the Home Owners a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Home Owners may also transact such other business of the Condominium as may properly come before them. The Sponsor will have voting control until the closing of title to all Homes in the Condominium.

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

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

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

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

ARTICLE III. BOARD OF MANAGERS

Section 1. Number and Term. The affairs of the Condominium shall be governed by a Board of Managers. The first Board of Managers shall consist of three Managers designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Home Owners. Until succeeded by the Managers elected at the first annual meeting of Home Owners, Managers need not be Home Owners; thereafter, all Managers, other than designees or nominees of the Sponsor, shall be Home Owners. The Managers shall be elected or designated at the annual meeting of the Home Owners. At the first annual meeting of Home Owners called pursuant to Section 9 of Article II a total of three (3) Managers shall be elected or designated. All managers, other than those designated by the Sponsor, shall be elected by the Home Owners. The term of office of one (1) of the Managers shall be fixed for three (3) years, the term of office of one (1) of the Managers shall be fixed at two (2) years, and the term of office of one (1) of the Managers shall be fixed at one (1) year. Separate ballots shall be conducted for each of the three terms of office. Each Home Owner shall be entitled to cast one vote on each ballot for each Home he owns. The nominee on each of the ballots, as the case may be, receiving the highest number of votes on their ballot shall constitute the duly elected Board of Managers. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. The Managers shall hold office until their successors have been elected and hold their first meeting. Notwithstanding the foregoing, the Sponsor shall have the right to designate a majority of the Board of Managers until the closing of title to all Homes in the Condominium. This Section may not be amended without the written consent of Sponsor.

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

Section 3. Removal. Managers, other than Sponsor designated Members, may be removed for cause by an affirmative vote of a majority of the Home Owners. No manager, other than a member of the First Board of Managers or a designee of the Sponsor, shall continue to serve on the Board if, during his term of office, he shall cease to be a Home Owner. In the event a Sponsor designee is removed for cause, the Sponsor shall have the sole right to designate a replacement.

Section 4. First Board of Managers. The first Board of Managers shall consist of three individuals designated by Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Home Owners. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 5. Powers.

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

1. To determine and levy monthly assessments ("common charges") to cover the cost of common expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Home Owners pro-rata according to their respective common interest;

2. To collect, use, and expend the assessments collected to maintain, care for and preserve the Homes, Buildings, and other common elements;

3. To make repairs, restore or alter any Homes or the common elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

4. To enter into and upon the Homes when necessary and at as little inconvenience to the Home Owners as possible in connection with the maintenance, care, and preservation of the property;

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

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

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

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

9. To employ 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.

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

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

12. To make additions, alterations, or improvements to the common elements of the Community.

13. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that (i) the consent of at least 66-2/3% in number of all Home Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of \$250,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Home or its appurtenant interest in the common elements without the written consent of the Owner of said Home.

14. To act as an agent for one or more Home Owners to file a single complaint and bring a special proceeding on behalf of Home Owners who wish to contest the real estate tax assessments of their Home pursuant to Section 339-y(4) of the New York Property Law. In such event, the Board could retain counsel on behalf of such Home Owners and charge each Home Owner for whom it is acting a pro rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Home. The Board of Managers is not obligated to perform such services and it is necessary to obtain the written authorization of the Home Owners.

15. To grant utility or other easements over or to the common elements as may, at any time, be required for the benefit of the Condominium and the Home Owners without the necessity of the consent thereto, or joinder therein, by the Home Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Home Owners who have the right to use such common elements to the exclusion of any other Home Owner, the consent of all such affected Home Owners shall be required in writing before such easement shall be granted);

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

C. Notwithstanding anything to the contrary contained in these By-Laws, for a period ending five (5) years after the first closing or when the unsold Homes constitute less than twenty five (25%) of the common interest, the Board of Managers may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the common elements or to any Home, costing cumulatively more than \$5,000, the foregoing not to include necessary repairs and maintenance work, or (ii) assess any common charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, in excess of the reserve for contingencies contained in the condominium budget for the first year of operation, (iii) hire any employee in addition to the employees referred to in the Plan of Condominium ownership, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of closing of the First Home, or (v) borrow money on behalf of the Condominium, or of the Offering Plan (vi) reduce the services or maintenance set forth in the Condominium budget for the first year of operation, or (vii) charge any special assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the condominium; or (viii) increase the common charges of the Condominium more than ten (10%) from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates, evidencing the need for an increase greater than ten (10%) percent; or (ix) utilize Condominium funds to commence a law suit against the Sponsor or any of its Principals in connection with a matter pertaining to the Condominium. The above provisions do not apply if there is an increase in the budget or an assessment as a result of expenses required (i) to comply with applicable laws or regulations; or (ii) to remedy any work order by an insurer. The provisions of this paragraph may not be amended without the written consent of Sponsor.

Section 6. Repairs and Maintenance. All maintenance (including electrical and plumbing repairs in the Homes and painting and decorating of the inside of the Homes), repairs and replacements to the Homes including windows (including all glass breakage), doors, windows and doors which open from a Home (except painting and maintenance of the exterior surface which is performed by the Board of Managers), and repairs to any heating/air conditioning system servicing a unit, pipes, wires and conduits located within or without the same Home other than as set forth above shall be made by

the respective Home Owners at their own expense. In addition, all costs and maintenance associated with a limited common element appurtenant to a Home (except heating and cooling systems) shall be the sole responsibility of the Board of Managers and the cost thereof shall be a common expense, except for minor repairs and general cleaning which shall be the sole responsibility of the Home Owner. However, the Board of Managers shall repair and replace any public utility lines located underground or overhead of any irrevocably restricted common element except where such repair or replacement is necessitated because of the negligence or misuse or neglect of the Home Owner to which the common element is restricted in use, in which event such Home Owner shall make such repairs or replacements at his own expense. The Board of Managers and its agents, employees and contractors shall have a right of access to any Home and to all portions of the common elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of the Condominium. In the event that a Home Owner fails to make any maintenance or repair which maintenance or repair is necessary to protect any of the common elements or any other Home, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Home Owner to do so after 10 days written notice, or written or oral notice of a shorter duration in the event of any emergency situation) and to charge the Home Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Home Owner for repairs or maintenance to his Home or for repairs to any common element restricted in use to such Home Owner, and the Home Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Home Owner shall be liable for the reasonable Attorneys' fees and costs of such suit or proceeding together with interest on all sums due.

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

Section 8. Meetings.

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

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

(c) Special meetings of the Board may be called by the President on two (2) days notice to each manager either personally or by mail or telegram.

Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least three (3) managers.

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

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

(f) Members of the Board may participate in a meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting.

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

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

Section 11. Liability of the Board of Managers, Officers and Home Owners. Any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers, as agent for the Home Owners as a group only and that no member of the Board of Managers, Officer of the Condominium nor individual Home Owners shall be liable for such contract, agreement or commitment. The Home Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Home Owner shall be limited to such proportion of the total liability thereunder as his common interest bears to the common interest of all

Home Owners. The Board of Managers and Officers of the Condominium shall have no liability to the Home Owners in the management of the Community except for wilful misconduct or bad faith and the Home Owners shall severally indemnify all members of the Board of Managers and Officers of the Condominium against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties as such member except acts of wilful misconduct or acts made in bad faith. Such several liability of the Home Owners shall, however, be limited as to each Home Owner to such proportion of the total liability thereunder as such Home Owner's common interest bears to the common interest of all Home Owners.

ARTICLE IV. OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. All officers must be Home Owners, members of the First Board of Managers or designated members of the Board of Managers of the Sponsor.

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

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

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

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

Section 6. The Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of

Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

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

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

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

He shall keep detailed financial records and books of account of the Condominium, including a separate account for each Home which, among other things, shall contain the amount of each assessment of common charges against such Home, the date when due, the amounts paid thereon and the balance remaining unpaid.

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

ARTICLE V. NOTICES

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

Section 2. Service of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in

writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI. FINANCES

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

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

The Home Owner agrees to pay promptly when due the monthly common charges and all special assessments assessed against his own Home. In the event any Home Owner fails to make payment of his Common Charge, the Home Owner who owns such Home shall be obligated to pay (a) a "late charge" of \$.04 for each \$1.00 of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of 2% per month (but in no event in excess of the maximum rate theretofore collected on such amounts) computed from the due date thereof, and (c) all expenses, including, without limitation, attorneys' fees paid or incurred by the Board or by any Managing Agent in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Home Owner's Home arising from said unpaid Common Charges in the manner permitted by applicable law. All such "late charges", interest and expenses shall be added to and shall constitute Common Charges payable by such Home Owner. In addition, in the event of a default in payment of common charge assessments by any Home Owner, the Board, at its sole option, may declare the common charge assessment on said Home Owner's Home for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board shall send notice to the delinquent Home Owner and the mortgagee, if any, of such Home giving the Home

Owner a five day grace period in which to make his payment. The Board may take action to collect any common charges due from any Home Owner which remains unpaid 90 days from its due date by way of foreclosure of the lien on such Home in accordance with Section 339 of the Real Property Law or otherwise. The Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Homes in which Sponsor is more than 30 days in arrears of common charges while it is in control of the Board of Managers.

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

Section 3. Foreclosures of Liens for Unpaid Common Charges. The Board shall have the power to purchase any Home at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Home because of unpaid common charges. In the event of such purchase, the Board shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Home. A suit to recover a money judgment for unpaid common charges shall also be obtainable separately without waiving the lien on the Home.

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

Section 5. Liability for Utilities. Any utility, including gas and electricity, consumed in the Homes shall be an expense of each individual Home Owner.

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

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

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: blanket property insurance, liability insurance as provided below, flood insurance (if applicable), fidelity bond coverage, insuring all of the Common Elements, Limited Common Elements and the Homes in the Building in the Condominium (except land, foundations, excavation and other items normally excluded from coverage) including fixtures, to the extent they are part of the Common Elements of the Condominium, building service equipment and supplies, and other common personal property belonging to the Condominium. In addition, any fixtures, equipment or other property within the Homes originally provided by Sponsor which are to be financed by a mortgage (regardless of whether or not such property is part of the Common Elements, but not including wall, ceiling or floor decoration, furniture, furnishings or other personal property supplied or installed by the Home Owners), contained therein, covering the interest of the Condominium, the Board of Managers and all Home Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building, exclusive of land foundation, excavation and other items normally excluded from coverage. Each of such policies shall be in favor of the Condominium, and shall contain a New York standard mortgagee clause in favor of each mortgagee of a Home which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee as defined below; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, as defined below, and that the net proceeds thereof, if \$100,000 or less, shall be payable to the Board of Managers, and if more than \$100,000 shall be payable to the Insurance Trustee. Each Home Owner and each Home Owner's mortgagee, if any, shall be beneficiaries of the policy in the percentage of common ownership applicable to said Home.

The fire insurance will commence with the Closing of Title to the first Home in an amount as required by the mortgagee of such Home and such amount will be increased upon the Closing of Title to all Homes. Until the first meeting of the Board of Managers following the first Home Owners meeting, such insurance will be at least in the sum as provided for in the estimated first year budget contained in the Offering Plan upon completion of the Building.

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

then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building, including all of the Common Elements appurtenant thereto for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

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

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering the Common Elements, each Member and Officer of the Board of Managers, the managing agent and each Home Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Home Owners meeting, such public liability insurance shall be a minimum of \$1,000,000 covering all claims for bodily injury, deaths and property damage arising out of one occurrence in connection with the operation, maintenance or use of the Common Elements. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least 10 days' prior written notice to the Condominium and to each holder of a first mortgage on any Home in the Condominium which is listed as a scheduled holder of a first mortgage in the insurance policy. Such coverage may also include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and use, including, but not limited to, host liquor liability, employers liability insurance, contractual and all-written contract insurance, comprehensive automobile liability insurance and Directors and Officers Liability Insurance, if available. Such public liability insurance shall commence on the closing of title to the first Home.

In addition to the above, blanket fidelity bonds shall be required to be maintained by the Condominium for all officers, directors and employees of the Condominium and all other persons handling or responsible for, funds of or administered by the Condominium. In the event a management agent has the responsibility for handling or administering funds of the Condominium, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of the Condominium. Such fidelity bonds shall name the Condominium as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Condominium or the management agent, as the case may be, at any given time during the term of each bond. In no event may the aggregate amount of such bonds be less

than a sum equal to 3 months aggregate assessments on all Homes plus reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Condominium as a Common Expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Condominium or Insurance Trustee. Such bonds shall also provide that, if applicable, the Federal National Mortgage Association, ("FNMA") Services on behalf of FNMA, also receive such notice of cancellation or modification.

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

Section 2. The Insurance Trustee. The Board of Managers on behalf of the Condominium, shall name an authorized representative, including any trustee with whom the Condominium may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee") who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose subject to the adjustment of loss provision contained in the first paragraph of this Section 1 of Article VII. The Insurance Trustee shall be a bank or trust company located in the State of New York, designated by the Board of Managers and costs associated with the Insurance Trustee shall constitute a Common Expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York. The Insurance Trustee shall have a capital, surplus and undivided profits of \$50,000 or more.

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

restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Home Owners for such deficit as part of the common charges.

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

ARTICLE VIII. HOUSE RULES

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

Section 2. In accordance with the Declaration of Covenants and Restrictions ("Declaration of C & R's") recorded in the Suffolk County Clerk's Office in Liber _____ cp ____ there are affordability sale and resale restrictions in the Declaration of C & R's (a copy of which is set forth in Part II of the Offering Plan, as Schedule L), and in Section 198-13(l) of the Huntington Town Code ("Affordable Housing Law", a copy of which is set forth in Part II of the Offering Plan as Schedule M).

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

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

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

Section 6.

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

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

(c) All screen storm doors must conform to models installed by the builder and may not be installed without the approval of the Board of Managers.

Section 7. A Home Owner may not make any alterations to any part of the common elements nor may any structure be built on any portion of the common elements or restricted common elements without the written consent of the Board of Managers. No alterations to the inside of a Home which would impair the structural soundness of the building may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested to the Management Agent, if any, or to the President of the Board of Managers, if no Management Agent is employed. The Board of Managers shall have the obligation to answer within sixty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. All work done pursuant to this Section must be done in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof. All necessary approvals must be obtained and submitted to the Board of Managers upon submission of the written request for consent to do the work to the Board of Managers. Any interior alterations or improvements made to a Home shall be made in accordance with all applicable rules, regulations and zoning ordinances of any governmental agencies having jurisdiction thereof. This paragraph shall not apply to Sponsor.

Section 8.

(a) No resident of the Condominium shall post any signs, advertisement, or posters of any kind in or on the Condominium including "For Sale" and "For Rent" signs except as authorized and approved by the Board of Managers.

(b) It is prohibited to hang garments, rugs, etc., from the windows or from the Building or to string clothes lines on or over the common elements or to use any of the common elements for storage purposes.

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

(d) Commercial license plate vehicles may not be parked in the Community for a period in excess of 24 hours or between the hours of 10:00 P.M. and 6:00 A.M.

(e) No person shall park an automobile, boat, trailer, off-track vehicle, camper, bus, truck, snowmobile or other commercial or recreational vehicle (collectively "Vehicles") or otherwise obstruct any Home Owner's use of ingress or egress to any parking space, nor may any Vehicle be parked on the Common Areas except in designated parking areas. The driveway in front of each garage is restricted in use to the owner of the Home in which such garage is located.

(f) No repair of a Vehicle as referred in (e) above shall be made in any of the roadways, driveways or parking areas of the Condominium, nor shall such areas be used for storage or overnight parking of any Vehicle as referred to in (e) above, except for a Members automobile, without the written permission of the Board.

(g) No tents are permitted on any portion of the common areas without the consent of the Board of Managers.

(h) All dogs, cats, and other pets must be leashed and shall not be permitted to run loose. Home Owners shall be responsible for picking up and disposing of their pet's waste and for any damage caused by their pets to the Common Areas. No cages or "runs" shall be constructed on the Common Areas.

(i) No television or radio antenna or any other type of receiving or transmitting antenna or structure shall be erected on the exterior Home without the prior written consent of the Board of Managers, except for individual satellite dishes not exceeding 18" in diameter provided that do not extend beyond the highest point of the roof and are not visible from the street.

(j) Any Home Owner who mortgages or sells his Home shall immediately notify the Board of Managers, providing the name and address of his mortgagee or new Home Owner.

(k) The Board of Managers shall, at the request of the mortgagee of the Home, report any delinquent assessments due from the Owner of such Home.

(l) No Home Owner shall install or permit to be installed any window mounted or through the wall mounted air conditioning unit in his Home.

(m) Every Member shall be liable for any and all damage to the Common Area, which shall be caused by said Member, its permitted lessees and occupants of Homes, their respective family members and guests and such other person for whose conduct the Member is legally responsible.

(n) No Home Owner shall make or permit any disturbing noises in any Home or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Home Owners.

(o) Upon receipt, by the President of the Board of Managers or by the Managing Agent, of a signed written complaint alleging violation of any of the House Rules or other provisions of the By-Laws as herein established or hereafter established or adopted by the Board of Managers, the President of the board, or in his absence, the Vice President together with a minimum of two (2) other members of the Board, without a formal meeting of the Board, shall make a determination as to the validity of the complaint. If in their determination the complaint is valid and justified the Managing Agent shall be directed to send written notice to the violator. If the violation is not corrected or eliminated within a period of three (3) days from the date of receipt of such notice, another notice will be sent levying a fine of up to \$100.00 upon the violator; such fine is to be considered as an additional common charge to the account of the violator and shall be treated as such regarding late penalties and a lien upon the property as elsewhere provided for in the Declaration of Condominium, By-Laws or Offering Plan. If after imposition of a fine the violation is not corrected or eliminated, the Board of Managers may assess additional fines of up to \$100.00 each after serving written notice upon the violator as provided for above. If the violation results in loss of or damage to property classified as common area, the Board of Managers shall itself or direct the Managing Agent, if employed, to have said loss or damage repaired or replaced and the actual cost of said repair or replacement shall be assessed to the violator as an additional common charge.

The above provisions shall not apply to the Sponsor unless required: (a) to comply with applicable laws or regulations, or (b) to remedy any notice of violation.

ARTICLE IX. DEFAULT

In the event a Home Owner does not pay any sums, charges or assessments required to be paid when due, the Board of Managers, acting in behalf of the Board shall notify the Home Owner and the mortgagee, if any, of such Home. If such sum, charge or assessment shall remain unpaid for 90 days after the giving of such notice, the Board may foreclose the lien encumbering the Home as a result of the non-payment of the required monies as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure of a mortgage. In the event the owner of a Home does not pay the assessment required to be paid by him on its due date, the Board of Managers may collect said fees and take such action as is provided in Article VI Section 2 of these By-Laws and said Home Owner shall be liable for the Condominium's reasonable costs and a reasonable attorney's fee incurred by it incident to the collection or enforcement of such lien.

ARTICLE X. AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Home Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty-six and two-thirds percent (66 ²/₃%) of the Home Owners in number and common interest and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Home Owners' interest and the interests of holders of a mortgage encumbering a Home or Homes. No amendment, modification, addition or deletion of, to or from the By-Laws or any Rules and Regulations shall be effective in any way against Sponsor or its designee or any unsold Home, as long as the Sponsor owns an unsold Home in the Condominium unless Sponsor has given its prior written consent thereto. This provision is not subject to Amendment.

In addition, in the case of material changes, approval must be obtained from first mortgage holders representing at least 51% of the votes of Homes that are subject to first mortgages. A change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of common areas; responsibility for maintenance and repairs; reallocation of interests in the general or limited common areas, or rights to their use; boundaries of any Home; convertibility of Homes into common areas or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; leasing of Homes; imposition of any restrictions on a Home Owner's right to sell or transfer his or her Home; a decision by the Condominium to establish self management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors.

An addition or amendment to these By-Laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request to approve amendments who does not deliver to the Condominium a negative written response within 30 days of the receipt of the request shall be deemed to have approved such amendment.

ARTICLE XI. SELLING AND LEASING HOMES

Section 1. Selling and Leasing Homes. Any Home may be conveyed by its Homeowner subject to local zoning ordinances and the requirements set forth in the Affordable Housing Law of the Town of Huntington and the Declaration of Covenants and Restrictions dated June 9, 2021 and to be recorded in the Suffolk County Clerk's

Office. No Home Owner shall convey, mortgage, pledge, hypothecate or sell his Home unless and until all unpaid common charges assessed against his Home shall have been paid to the Board of Managers. However, such unpaid common charges can be paid out of the proceeds from the sale of a Home, or by the Grantee. The Homes are subject to Section 198-13(i) of the Huntington Town Code ("Affordable Housing Law") and the affordability provisions set forth in the foregoing Declaration of Covenants and Restrictions. All sales and resales of Homes shall be monitored for compliance by the Community Development Agency as specified in §198-13(l)

Further, a Home Owner may convey his Home and his common interest appurtenant thereto, to the Board of Managers on behalf of all Home Owners free of any cost to the Board or the Home Owners and upon such conveyance such Home Owner shall not be liable for any common charges thereafter accruing against such Home. Any sale or lease of any Home in violation of this section shall be voidable at the election of the Board of Managers.

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

ARTICLE XII. CONDEMNATION

In the event all or part of the common elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than \$100,000 and to the Board of Managers if the award is \$100,000 or less, to be distributed in accordance with Section 3 of Article VII but in the following amounts:

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

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

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

ARTICLE XIII. MISCELLANEOUS

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

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

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

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

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

Section 6. Reports to Unit Owners. It is the obligation of the Board of Managers of the Condominium to give all Unit Owners annually:

- (i) a financial statement of the Condominium prepared by a certified public accountant or public accountant by a specific date; such statement shall be certified while the Sponsor retains a majority of the Members of the Board of Managers and such statement shall be provided within four (4) months of the end of each fiscal year;
- (ii) prior notice of the annual Unit Owners meeting; and
- (iii) a copy of the proposed annual budget of the Condominium within thirty (30) days of the date set for adoption by the Board of Managers. While Sponsor is in control of the Board of Managers such budget will be certified in accordance with the regulations of the Department of Law.

The cost of such reports shall be a Condominium expense. In addition, during said period the Sponsor will be required to provide a Certification of Adequacy of the budget for the Condominium from a Managing Agent or other expert who is unaffiliated with the Sponsor.

Section 7. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural; wherever the context so requires.

Section 8. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

SCHEDULE K

REAL PROPERTY LAW SECTION 339-kk

REAL PROPERTY LAW

SECTION 339-kk

The Real Property Law is amended by adding a new Section 339-kk to read as follows:

“§ 339-kk. Rents. (a) For the purposes of this section, “non-occupying owner” shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association’s claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner’s position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

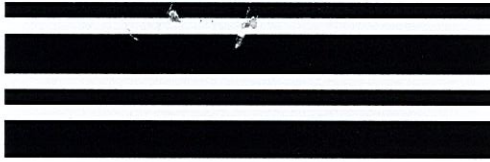
(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.”

This act may be enforced by any party by means of a special proceeding brought pursuant to Article 4 of the Civil Practice Law and Rules.

SCHEDULE L

DECLARATION OF COVENANTS AND RESTRICTIONS



SUFFOLK COUNTY CLERK
RECORDS OFFICE
RECORDING PAGE

Type of Instrument: DECLARATION
Number of Pages: 17
Receipt Number : 21-0124492

Recorded: 07/09/2021
At: 09:35:43 AM

LIBER: D00013111
PAGE: 711

District: 0400 Section: 140.01 Block: 01.00 Lot: 001.000

EXAMINED AND CHARGED AS FOLLOWS

Received the Following Fees For Above Instrument

		Exempt			Exempt
Page/Filing	\$85.00	NO	Handling	\$20.00	NO
COE	\$5.00	NO	NYS SRCHG	\$15.00	NO
TP-584	\$0.00	NO	Notation	\$1.00	NO
Cert.Copies	\$0.00	NO	RPT	\$3,000.00	NO
			Fees Paid	\$3,126.00	

THIS PAGE IS A PART OF THE INSTRUMENT
THIS IS NOT A BILL

JUDITH A. PASCALE
County Clerk, Suffolk County

1 2

Number of pages

17

RECORDED
2021 Jul 09 09:35:43 AM
JUDITH A. PASCALE
CLERK OF
SUFFOLK COUNTY
L 000013111
P 711

This document will be public record. Please remove all Social Security Numbers prior to recording.

Deed / Mortgage Instrument Deed / Mortgage Tax Stamp Recording / Filing Stamps

3 FEES

Page / Filing Fee 85

Handling 20.00

TP-584 _____

Notation 2N 1.00

EA-52 17 (County) _____

EA-5217 (State) _____

R.P.T.S.A. 14 3000 -

Comm. of Ed. _____ 5.00

Affidavit _____

Certified Copy _____

NYS Surcharge _____ 15.00

Other _____

Sub Total 106

Sub Total 3020

Grand Total 3126



Mortgage Amt. _____

1. Basic Tax _____

2. Additional Tax _____

Sub Total _____

Spec./Assit. _____

or _____

Spec./Add. _____

TOT. MTG. TAX _____

Dual Town _____ Dual County _____

Held for Appointment _____

Transfer Tax _____

Mansion Tax _____

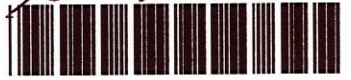
The property covered by this mortgage is or will be improved by a one or two family dwelling only.

YES _____ or NO _____

If NO, see appropriate tax clause on page # _____ of this instrument.

4 Dist. 0400 4541634 *See Attached*

Real Property Tax Service Agency Verification



5 Community Preservation Fund

Consideration Amount \$ _____

CPF Tax Due \$ _____

6 Satisfactions/Discharges/Releases List Property Owners Mailing Address RECORD & RETURN TO:

Huntington Community Development Agency
100 Main Street
Huntington, NY 11743

Improved _____

Vacant Land _____

TD _____

TD _____

TD _____

Mail to: Judith A. Pascale, Suffolk County Clerk
310 Center Drive, Riverhead, NY 11901
www.suffolkcountyny.gov/clerk

7 Title Company Information
Co. Name Advantage Title Agency
Title # REC26999

8 Suffolk County Recording & Endorsement Page

This page forms part of the attached Declaration of Covenants and Restrictions made by: _____ (SPECIFY TYPE OF INSTRUMENT)

Huntington Community Development Agency The premises herein is situated in SUFFOLK COUNTY, NEW YORK.

TO _____ In the TOWN of Huntington
Huntington Community Development Agency In the VILLAGE _____
or HAMLET of _____

IMPORTANT NOTICE

If the document you've just recorded is your SATISFACTION OF MORTGAGE, please be aware of the following:

If a portion of your monthly mortgage payment included your property taxes, *you will now need to contact your local Town Tax Receiver so that you may be billed directly for all future property tax statements.

Local property taxes are payable twice a year: on or before January 10th and on or before May 31st. Failure to make payments in a timely fashion could result in a penalty.

Please contact your local Town Tax Receiver with any questions regarding property tax payment.

Babylon Town Receiver of Taxes
200 East Sunrise Highway
North Lindenhurst, N.Y. 11757
(631) 957-3004

Brookhaven Town Receiver of Taxes
One Independence Hill
Farmingville, N.Y. 11738
(631) 451-9009

East Hampton Town Receiver of Taxes
300 Pantigo Place
East Hampton, N.Y. 11937
(631) 324-2770

Huntington Town Receiver of Taxes
100 Main Street
Huntington, N.Y. 11743
(631) 351-3217

Islip Town Receiver of Taxes
40 Nassau Avenue
Islip, N.Y. 11751
(631) 224-5580

Riverhead Town Receiver of Taxes
200 Howell Avenue
Riverhead, N.Y. 11901
(631) 727-3200

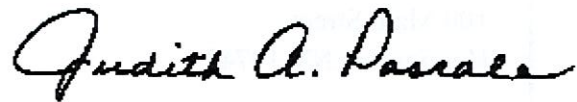
Shelter Island Town Receiver of Taxes
Shelter Island Town Hall
Shelter Island, N.Y. 11964
(631) 749-3338

Smithtown Town Receiver of Taxes
99 West Main Street
Smithtown, N.Y. 11787
(631) 360-7610

Southampton Town Receiver of Taxes
116 Hampton Road
Southampton, N.Y. 11968
(631) 283-6514

Southold Town Receiver of Taxes
53095 Main Street
Southold, N.Y. 11971
(631) 765-1803

Sincerely,



Judith A. Pascale
Suffolk County Clerk

dw
2/99

Stat ID: 4541634



Tax Maps

District	Secton	Block	Lot	School District
0400	14001	0100	001000	
0400	14001	0100	002000	
0400	14001	0100	003000	
0400	14001	0100	004000	
0400	14001	0100	005000	
0400	14001	0100	006000	
0400	14001	0100	007000	
0400	14001	0100	008000	
0400	14001	0100	009000	
0400	14001	0100	010000	
0400	14001	0100	011000	
0400	14001	0100	012000	
0400	14001	0100	013000	
0400	14001	0100	014000	
0400	14000	0300	117001	

ADDENDUM TO COVER PAGE

0400-140.01-01.00-002.000

0400-140.01-01.00-003.000

0400-140.01-01.00-004.000

0400-140.01-01.00-005.000

0400-140.01-01.00-006.000

0400-140.01-01.00-007.000

0400-140.01-01.00-008.000

0400-140.01-01.00-009.000

0400-140.01-01.00-010.000

0400-140.01-01.00-011.000

0400-140.01-01.00-012.000

0400-140.01-01.00-013.000

0400-140.01-01.00-014.000

0400-140.00-03.00-117.001

AMENDED
DECLARATION OF COVENANTS & RESTRICTIONS

THIS DECLARATION, made this 9th day of June, 2021, by Huntington Community Development Agency having an address at 100 Main street, Huntington, NY 11743 (hereinafter referred to as "DECLARANT").

WITNESSETH

WHEREAS, the DECLARANT is the owner of a certain property, more fully described on the attached Schedule "A" (hereinafter referred to as "the Property"). The Property encompasses the following residential units:

WHEREAS, the property was the subject of an application to the Town Board of the Town of Huntington, known as "Columbia Terrace" seeking a change of zone from R-5 Residence District to C-1 Office Residence District for the property located on the west side of Lowndes Avenue between Railroad Street and Columbia Street, Huntington Station, New York SCTM# 0400-140.01-01- 001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, 012, 013, 014 and 0400-140-03-117.001; and

WHEREAS, the Town Board of the Town of Huntington granted the Rezoning Application by Town Board Resolution, #2014-39 and Local Law Introductory Number 33-2013, adopted January 7, 2014 (collectively the "Town Board Resolution"), (copies of which are

attached hereto as Scheduled "B"), which comprise the land area described more fully and completely on the Schedule "A", and;

WHEREAS, in accordance with the Town Code of the Town of Huntington, as a condition to the Rezoning Approval, the units to be constructed on the Property are to be designated as Affordable Units under Town Code Chapter 74.

WHEREAS, in accordance with the Town Code of the Town of Huntington, units to be developed on the Property have been designated as the Affordable Units.

WHEREAS, the Town Board Resolution requires the filing of certain covenants and restrictions as a condition of the approval; and

WHEREAS, the DECLARANT desires to satisfying all conditions of the Town Board Resolution, and;

NOW THEREFORE, the DECLARANT, for itself and its successors and assigns, covenant that:

1. The Covenants and Restrictions filed in Liber 12674 Page 728 on October 24, 2011 as part of zone change application #2011-ZM-385 were previously revoked and the existing Covenants and Restrictions filed in Liber 13024 Page 176 on August 14, 2019 are hereby revoked and replaced with the terms herein.



2. **Conditions of the Change of Zone - Town Code Section 74-18**

All units within Columbia Terrace shall be subject to the restrictions contained in Town Code Chapter 74 or successor law, in all respects and in perpetuity. The following shall be established conditions of the change of zone and shall run with the land in perpetuity, whether or not specifically incorporated in the Town Board Resolution granting such change of zone:

(A) Unless approved by the Town Board, the affordable housing shall be offered to first-time homebuyers and shall not be age-restricted except in the R-RM Retirement Community District.

(B) In residential districts, fifty (50%) percent of the non-age restricted units shall have two (2) or more bedrooms. In commercial districts where mixed-use is applied, the units may be an equal mix of one (1) bedroom units and studios, and in the event an odd number of affordable units are required, the Director of the Huntington Community Development Agency shall determine whether the unit is a studio or one bedroom, as circumstances warrant.

(C) Once a certificate of occupancy is issued, the affordable housing units shall not be expanded (made larger).

(D) To maintain consistency with market rate units, affordable housing units shall be substantially the same as the development's market rate housing units in appearance, finishes, or other features, as determined by the Director of the Community Development Agency, and shall be distributed evenly among market rate housing.

(E) Builder's upgrades shall not be permitted in affordable housing units for an additional cost.

(F) Affordable housing units shall not be leased, rented, subleased, or offered for lease, rent, or sublease other than as set forth in the Town of Huntington's Affordable Housing Law.

(G) Ownership, possession or occupancy of affordable housing units shall not be transferred by will, devise, intestacy, gift, purchase on the open market, or by any means other than as set forth in the Town of Huntington's Affordable Housing Law.

(H) The gross floor area of affordable housing units shall not be increased, and the basements, garages, or attics shall not be converted into habitable space.

(I) Owners of affordable housing units shall, upon request of the Huntington Community Development Agency or other housing administrator, submit an Affidavit and Disclosure Statement annually certifying that their unit is their domicile (primary residence).

(J) Handicapped accessibility shall be addressed during the site plan or building permit review process.

(K) All deeds transferring title to affordable units shall contain a reference to the Liber and Page of the recorded covenants and restrictions.

(L) All units shall be connected to the public sewer system in accordance with sewer district regulations and the Code of the Town of Huntington; and

(M) The use of the property shall be limited to residential uses as permitted in Sections 198-22(A)(1, 5 & 7). No commercial use shall be permitted.

3. Sale and Resale of Affordable Units. The Huntington Community Development Agency shall monitor the sale and resale of all affordable units for compliance with Chapter 74. All contracts of sale shall be provided by the Agency, and shall not be amended except as authorized by the Director. The Director may pre-approve the developer's standard contract of sale in advance.

(A) Initial Sales Price. The initial sale price of each newly-created affordable unit shall be calculated based upon the Nassau-Suffolk median income for a family of four (4) at the time of the Town's lottery announcement, and shall remain at that price until all of the initial units are sold, as follows:

(1) The initial sale price of two (2) bedroom units shall be an amount equal to eighty (80%) percent of the Nassau-Suffolk median income for a family of four (4) multiplied by 2.5

(2) The initial sale price of one (1) bedroom units shall be an amount equal to eighty (80%) percent of the Nassau-Suffolk median income for a family of four (4) multiplied by 2.5 minus twenty thousand dollars (20,000.00).

(B) Resale of Affordable Units. All purchasers must be approved by the Huntington Community Development Agency and taken from a waiting list maintained by the Agency or its designee. Any individual interested in selling an affordable unit must notify the Agency in writing that the unit is for sale, and the Agency shall notify the prospective seller of the next qualified applicant in the order of their appearance on the Agency-maintained list, until a qualified purchaser has agreed to purchase the available unit.

Resale prices shall be restricted and calculated using the initial sales price increased by the cumulative annual increases of the Consumer Price Index (CPI). Notwithstanding any other provision to the contrary, the resale price of an affordable unit may be increased by an amount not to exceed fifty (50%) percent of the documented capital improvements made by the seller, as approved by the Director, up to a maximum amount of ten thousand (\$10,000.) dollars.

Notwithstanding the above, for as long as the County of Suffolk holds a second mortgage on the premises, the sale price of the unit shall be the lesser of the amount called for above or the amount equal to sixty percent (60%) of the median sales price for Suffolk County based on State of New York Mortgage Agency guidelines and in accordance with the provisions promulgated by the Town or of such other regulations as is promulgated by Town Board Resolution.

(C) Qualifications of Prospective Purchasers; Management of Applications.

(1) In order to qualify as an eligible purchaser of an affordable unit in Columbia Terrace, the purchaser must be a first time homebuyer and, the annual household income may not exceed eighty (80%) percent of the Nassau-Suffolk median income adjusted by family size. In all cases, applicants may not have assets, which, after deduction of the down payment and estimated closing costs, exceed twenty-five (25%) percent of the contract sale price.

(2) An applicant must have adequate resources to purchase the property without financing or sufficient assets and credit to qualify for a home mortgage.

(3) Management of Applications. For the initial sales, applicants who meet the Town of Huntington Code Chapter 74 requirements and/or live in Suffolk County, served in the military and received an honorable discharge will be given first priority status in this lottery. Applicants who are residents of or who provide documented employment by a business or entity that maintains a verifiable physical location within the Town of Huntington, or non-residents who have parents, children, grandchildren or grandparents who are residents of the Town of Huntington shall have second priority to purchase affordable units. Applicants who do not meet the above criteria may also enter a Town affordable housing lottery.

4. Ownership of affordable units may not be transferred by will, devise, intestacy, gift, purchase on the open market, or otherwise, except that if the Town Code allows, an affordable unit may be conveyed by its owner to a trust, provided that the owner is a beneficiary of the trust and the terms of the trust require that the trustee, within one-hundred and twenty (120) days of the date of the beneficiary's death, or the date when the unit is no longer being used as the beneficiary's primary residence (domicile), notify the affordable housing program administrator and offer the unit for sale to the next eligible applicant. Prior to conveying an affordable unit to a trust, a copy of the trust instrument shall be provided to, and approved by, the Director of the Huntington Community Development Agency. Title may also be transferred to a court-appointed referee in mortgage foreclosure proceedings provided the unit is offered for sale and transferred to the next eligible applicant in accordance with the provisions of this legislation, and a copy of the Order of Reference and Order of Sale is provided to the Director.

5. Prior to closing, a copy of the executed Contract of Sale shall be provided to the Huntington Community Development Agency along with an executed and sworn affidavit by the Seller and Purchaser, attesting that the Contract of Sale is true and accurate, that there are no other agreements between the Seller and Purchaser, and that the Purchaser has not and will not pay any amounts to the Seller which are not reflected in the Contract of Sale.

6. Affidavit of Owner. The Huntington Community Development Agency or other housing administrator may, at its discretion, require owners of affordable units under their jurisdiction to verify that their unit is their domicile (primary residence) by signing an annual Affidavit and Disclosure Statement.

7. Waiting List. If the waiting list for the development is depleted, the Huntington Community Development Agency shall re-open the list. Placement on the re-opened list may occur either by a first come, first-served basis or a new lottery with priority given based upon the criterion set forth under.

8. Administrative Fees. The Seller shall be required to pay One Percent (1%) of the contract sale price to the Huntington Community Development Agency at or prior to closing.

9. All of the covenants and restrictions contained herein shall be construed to be in addition to and not in derogation or limitation upon any provisions of local, state and federal laws, ordinances, and/or regulations in effect at the time of the execution of this Declaration, or at the time such laws, ordinances and/or regulations thereafter be revised, amended, or promulgated.

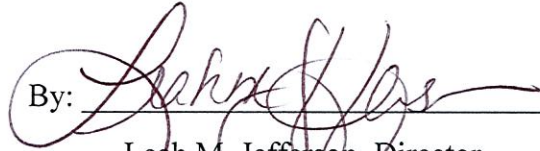
10. These covenants and restrictions shall be enforceable by the Town of Huntington or any agency of the Town of Huntington, by the Home Owners Association for the development in which the premises is located or by any affected property owner, meaning any property owner of the subject premises or of a property located within five hundred (500) feet of the subject property, or any property owner who would have standing to challenge a land use determination by the Town of Huntington or any of its agencies regarding the subject premises, by injunctive relief or by any other remedy and equity or at law. The failure of any agency of the Town of Huntington to enforce this Declaration of Covenants and Restrictions shall not impose any liability whatsoever upon the Town of Huntington or any officer or employee thereof.

11. If any section, sub-section, paragraph, clause, phrase or provision of these covenants and restrictions shall, by a court of competent jurisdiction be adjudged illegal, unlawful, invalid or held to be unconstitutional, the same shall not affect the validity of the remaining portion of the covenants and restrictions as a whole, or any other point or provision thereof, other than the part so adjudged to be illegal, unlawful, invalid or unconstitutional.

12. These covenants and restrictions are imposed for the benefit of the Town of Huntington and the applicant, and may only be changed, altered, amended and/or deleted by mutual action of the Town Board of the Town of Huntington and the applicant, or its successor in interest.

IN WITNESS WHEREOF, the DECLARANT has placed its hand and seal hereon the day and year for above written.

Huntington Community Development Agency

By: 
Leah M. Jefferson, Director

STATE OF NEW YORK)

ss.:

COUNTY OF SUFFOLK)

On the 9th day of June in the year 2021, before me, the undersigned, personally appeared **Leah M. Jefferson**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

TIMOTHY R. FRANCIS
Notary Public, State of New York
Registration No. 01FR638949
Qualified in Suffolk County
Commission Expires March 25, 2023



(Notary Public)

Schedule "A"
(Description of Property)





SCHEDULE A

ALL that certain plot, piece or parcel of land, situate, lying and being in Huntington Station, Town of Huntington, County of Suffolk and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the Southerly side of Columbia Street with the Westerly side of Lowndes Avenue;

RUNNING THENCE along the Westerly side of Lowndes Avenue, the following three (3) courses and distances:

1. South 10 degrees 31 minutes 28 seconds East, 63.33 feet;
2. Southeasterly along the arc of a curve bearing to the left having a radius of 66.00 degrees, a length of 44.19 feet;
3. South 48 degrees 53 minutes 13 seconds East, 51.32 feet to the Northwesterly end of the arc of a curve which connects the Westerly side of Lowndes Avenue with the Northerly side of Railroad Street;

THENCE Southeasterly, Southerly and Southwesterly along the arc of said curve, bearing to the right, having a radius of 20.00 feet, a length of 30.83 feet to a point on the Northerly side of Railroad Street;

THENCE along the Northerly side of Railroad Street, the following two (2) courses and distances:

1. Southwesterly along the arc of a curve bearing to the right having a radius of 200.00 feet, a length of 51.56 feet;
2. South 54 degrees 11 minutes 55 seconds West, 150.00 feet;

THENCE North 10 degrees 31 minutes 28 seconds West, 114.05 feet;

THENCE South 79 degrees 28 minutes 32 seconds West, 50.00 feet;

THENCE North 10 degrees 31 minutes 28 seconds West, 150.00 feet to the Southerly side of Columbia Street;

THENCE along the Southerly side of Columbia Street, North 79 degrees 28 minutes 32 seconds East, 185.64 feet to the Westerly side of Lowndes Avenue and the point or place of BEGINNING.

FOR
CONVEYANCING
ONLY

The policy to be issued under this report will insure the title to such buildings and improvements erected on the premises which by law constitute real property.

TOGETHER with all the right, title and interest of the party of the first part, of, in and to the land lying in the street in front of and adjoining said premises.

TITLE # 18-CS-54029

Schedule "B"

(Town Board Resolution #2014-39)



ENACTMENT: ADOPT LOCAL LAW INTRODUCTORY NUMBER 33-2013, AMENDING THE ZONING MAP ON THE TOWN BOARD'S OWN MOTION TO CHANGE THE ZONING FROM R-5 RESIDENCE DISTRICT TO C-1 OFFICE-RESIDENCE DISTRICT FOR THE PROPERTY LOCATED ON THE WEST SIDE OF LOWNDES AVENUE, BETWEEN RAILROAD STREET AND COLUMBIA STREET, HUNTINGTON STATION, SCTM# 0400-140-03-(072, 073, 108, 109.003 & 117).

Resolution for Town Board Meeting Dated: January 7, 2014

The following resolution was offered by: Supervisor Petrone

and seconded by: COUNCILWOMAN BERLAND

WHEREAS, the Huntington Community Development Agency is developing the Columbia Terrace veterans affordable housing project on the west side of Lowndes Avenue, between Railroad Street and Columbia Street, Huntington Station, as a veteran's preference, 14-unit attached dwelling development; and

WHEREAS, the zone change to C-1 Office-Residence is proposed to result in two fewer dwelling units than initially contemplated on the property, all of which will be affordable ownership/equity units instead of 7 ownership/equity units with accessory rental apartments in each unit; and

WHEREAS, commercial uses that are permitted in the C-1 zoning district will be prohibited as a condition of any zone change approval; and

WHEREAS, the Town Board adopted a Negative Declaration pursuant to SEQRA on May 3, 2011 for the original zone change application on this property by the Huntington Community Development Agency, #2011-ZM-385, and this proposed zoning change and the future site development contemplate a residential housing project very similar to the original proposal, with no substantive impacts identified by the Environmental Assessment Form (EAF) Part III Addendum;

NOW THEREFORE BE IT

RESOLVED, upon due deliberation of the completed EAF Part III Addendum on file in the offices of the Town Clerk and the Department of Planning and Environment, the Town Board finds that the action will not result in any substantive impacts that were not considered in the review of the original zone change application, and therefore determines that the original Negative Declaration for the redevelopment of this property will not be amended in accordance with SEQRA, 6 NYCRR Part 617.7(e); and further finds that the proposed action to rezone the property is consistent with the Town of Huntington Comprehensive Plan and with long term planning policies and goals and is unlikely to pose significant adverse environmental impacts; and additionally finds that any subdivision or site plan resulting therefrom may require its own determination of significance, following SEQRA assessment of the specific project's environmental consequences based upon new

information or revisions to the concept plans, the Town Board hereby finds that the requirements for a SEQRA review have been met; and

BE IT FURTHER RESOLVED, that the Town Board, having held a public hearing on the 10th day of December, 2013, to consider adopting Local Law Introductory Number 33-2013 amending the "Amended Zoning Map of the Town of Huntington", as referenced in Chapter 198 (Zoning), §198-7 of the Huntington Town Code, thereby rezoning from R-5 Residence District to C-1 Office-Residence District the property designated on the Suffolk County Tax Map as 0400-140-03-(072, 073, 108, 109.003 & 117), and due deliberation having been had

HEREBY APPROVES the change of zone as set forth below, except that this Local Law shall not be filed with the Secretary of State by the Huntington Town Clerk or be deemed effective against the subject property until the Covenants and Restrictions identified in this Resolution are approved by the Town Attorney as to form and content, and proof of filing with the Suffolk County Clerk is submitted to the Department of Planning and Environment, Town Attorney, and Town Clerk; and

FURTHER RESOLVES that no subdivision or site plan shall be approved by the Planning Board or signed by the Director of Planning unless the plan is in full compliance with the requirements of this Resolution, the Covenants and Restrictions, and any applicable condition, restriction, or limitation established by the Planning Board during subdivision or site plan review; and

HEREBY ADOPTS

Local Law Introductory No. 33-2013, amending the Code of the Town of Huntington, Chapter 198 (Zoning), Article II (Zoning Districts, Map, General Regulations), as follows on the terms and conditions as set forth herein.

BE IT ENACTED BY THE TOWN BOARD OF THE TOWN OF HUNTINGTON AS FOLLOWS:

LOCAL LAW NO. ____ - 2014
AMENDING THE CODE OF THE TOWN OF HUNTINGTON
CHAPTER 198 (ZONING)
ARTICLE II (ZONING DISTRICTS; MAP; GENERAL REGULATIONS)
SECTION 7 (ZONING MAP)

Section 1. The Code of the Town of Huntington, Chapter 198 (Zoning), Article II (Zoning Districts; Map; General Regulations), Section 7 (Zoning Map) is amended as follows:

CHAPTER 198 (ZONING)
ARTICLE II (ZONING DISTRICTS; MAP; GENERAL REGULATIONS)

* * *

§ 198-7 Zoning Map

The boundaries of the districts enumerated in §198-6 of this Chapter are hereby established as shown on the map designated as the "Amended Building Zone Map of the Town of Huntington." The said map, together with all notations, references and every other detail shown thereon shall be as much a part of this chapter as if the map and every other detail shown thereon was fully described therein. Section 198-55 contains symbols on the map for the aforesaid districts.

* * *

The premises to be rezoned to C-1 Office-Residence District, located on the west side of Lowndes Avenue, between Railroad Street and Columbia Street, Huntington Station, containing 0.97 acres, and designated as 0400-140-03-(072, 073, 108, 109.003 & 117) on the Suffolk County Tax Map, more particularly described as:

BEGINNING at a POINT at the intersection of the south side of Columbia Street with the west side of Lowndes Avenue,

THENCE from said POINT OF BEGINNING South 10 degrees 31 minutes 28 seconds East, 63.33 feet,

THENCE southerly along the arc of a curve bearing left, having a radius of 66 feet and a length of 44.19 feet,

THENCE South 48 degrees 53 minutes 13 seconds East, 51.32 feet,

THENCE southerly along the arc of a curve bearing right, having a radius of 20 feet and a length of 30.83 feet,

THENCE southerly along the arc of a curve bearing right, having a radius of 200 feet and a length of 51.56 feet,

THENCE South 54 degrees 12 minutes 0 seconds West, 150.00 feet,

THENCE North 10 degrees 31 minutes 28 seconds West, 114.05 feet,

THENCE South 79 degrees 28 minutes 32 seconds West, 50.00 feet,

THENCE North 10 degrees 31 minutes 28 seconds West, 150.00 feet,

THENCE North 79 degrees 28 minutes 32 seconds East, 185.64 feet to the POINT OF BEGINNING.

Such change of zone shall be specifically conditioned upon the filing by the applicant of the following Covenants and Restrictions, to run with the land, in a form acceptable to the Town Attorney. Such deed and Covenants and Restrictions shall be filed at the property owner's own cost and expense in the Office of the Suffolk County Clerk. Proof of such filing shall be provided by the property owner to the Town Attorney.

Director of Planning, and Huntington Town Clerk. All such Covenants and Restrictions shall be in addition to such terms and conditions as deemed necessary by the Town Attorney to assure compliance with the Covenants.

- (1) The existing Covenants and Restrictions filed in Liber 12674 Page 728 on October 24, 2011 as part of zone change application #2011-ZM-385 are hereby revoked.
- (2) All properties sold, resold, purchased or leased shall be owner-occupied homes and shall remain subject to the provisions of the Town's Affordable Housing Law under §198-13(D) or successor law, in all respects and in perpetuity. All properties shall be monitored for compliance by the Community Development Agency as specified in §198-13(D); and
- (3) Conditions of the change of zone set forth in §198-13(D)(3) shall be specifically set forth in the Covenants and Restrictions to be executed and filed by the applicant; and
- (4) All houses shall be connected to the public sewer system in accordance with sewer district regulations and the Code of the Town of Huntington; and
- (5) The use of the property shall be limited to residential uses as permitted in Sections 198-22(A)(1, 5 & 7). No commercial use shall be permitted.

*

*

*

Section 2. Severability

If any clause, sentence paragraph, subdivision, section or other part of this Local Law shall for any reason be adjudged by any court of competent jurisdiction to be unconstitutional or otherwise invalid, such judgment shall not affect, impair, or invalidate the remainder of this local law, and it shall be construed to have been the legislative intent to enact this local law without such unconstitutional or invalid parts therein.

Section 3. Effective Date

This Local Law shall take effect immediately upon filing in the Offices of the Secretary of State of New York.

* * * INDICATES NO CHANGE TO PRESENT TEXT.
 ADDITIONS ARE INDICATED BY UNDERLINE.
 DELETIONS ARE INDICATED BY [BRACKETS].

SCHEDULE M

**SECTION 74 OF THE HUNTINGTON CODE
(AFFORDABLE HOUSING LAW)**

I. Affordable housing. The provisions of this section, known as the Affordable Housing Law, shall apply to the subdivision, re-subdivision or development of land (site plans) in all zoning districts where five (5) or more residential lots or dwelling units are proposed, and where the land has been the subject of an applicant-initiated zone change which has resulted in an increase in the lot yield or density allowance. **[Added 12-12-2000 by L.L. No. 37-2000; amended 11-20-2001 by L.L. No. 19-2001; 5-24-2005 by L.L. No. 21-2005; 3-9-2010 by L.L. No. 5-2010]**

(1) Affordable Housing Yield.

- (a) Where an increase in lot yield or density results from an applicant-initiated change of zone, and five (5) or more residential lots or dwelling units are proposed for development, an applicant shall be required to set-aside and establish, as a condition of the zone change, affordable housing equal to twenty (20%) percent of the increase in lot yield or density (owner-occupied or rental units). In the event the number of units to be established results in a fraction of a unit, the applicant shall pay an amount equal to that fraction multiplied by the fee set forth in § 198-13(1)(1)(d).
- (b) Calculation. The number of affordable dwelling units to be provided shall be determined by the Planning Board as part of the review and approval process. Applicants shall provide a fully conforming yield study for the subject property, as it would appear before the zone change took place, showing road configuration and park set-aside, drainage and grading, wetlands, steep slopes, and other required features. In addition, the applicant shall provide a fully conforming yield study at the property's new zoning classification, containing the same features for the Planning Board's consideration. The difference in the number of lots or residential units shown in the two maps or plans, shall be the number upon which the twenty (20%) percent shall be assessed.
- (c) Fulfillment of Requirements. The applicant shall provide at least seventy-five (75%) percent of the required affordable housing on site, unless the applicant proposes and the Planning Board finds, in its discretion after applying planning principles, that the location of such housing is better suited off-site, and provided further that the property proposed for development of off-site affordable housing is (1) located within the same school district as the subject property; and (2) is zoned so as to yield the same or greater yield of affordable housing than would have been attained on the original site.
- (d) In lieu of providing the remaining twenty-five (25%) percent of the affordable units, the applicant may pay over to the Town of Huntington Affordable Housing Trust and Agency Fund the amounts shown below. The Affordable Housing Advisory Board may

recommend increases in the amounts payable from time to time, and such increases may be instituted as approved by the Town Board. The Planning Board shall specify the amount to be paid in any resolution granting conditional final approval of a subdivision, re-subdivision or site plan, and the amount shall be paid in full prior to the signing of a map or plan by the Director.

- (i) One Hundred Thousand (\$100,000) Dollars per lot/dwelling in the R-5, R-7, R-10, R-15, R-3M and R-RM Zoning Districts.
 - (ii) One Hundred Seventy-Five Thousand (\$175,000) Dollars per lot/dwelling in the R-20 Zoning District.
 - (iii) Two Hundred Twenty-Five Thousand (\$225,000) Dollars per lot/dwelling in the R-40 Zoning District.
 - (iv) The amount payable in non-residential zoning districts where residential development is permitted, or in any newly-created zoning district containing a residential component shall be the same as in the zoning classification which has the closest yield.
- (2) Affordable Housing Board. An Affordable Housing Advisory Board is created for the purpose of administering this fund in accordance with rules and regulations recommended by the Advisory Board and approved by the Town Board.
- (a) The funds held in the Affordable Housing Trust and Agency Fund shall be used to finance affordable housing initiatives that increase the number of available affordable units, including but not limited to renovation to existing homes, down payment assistance, purchase of land, construction of affordable homes, purchase of homes, rent assistance, sewer district extension or connection, mortgage assistance, purchase subsidies, and planning studies to identify and implement housing initiatives.
 - (b) Management of the Affordable Housing Trust and Agency Fund.
 - (i) No expenditures shall be made from these funds except upon the specific authorization of the Town Board, and based on the recommendations of the Affordable Housing Advisory Board. The Affordable Housing Advisory Board shall develop criteria for the expenditure of funds deposited in the Affordable Housing Trust and Agency Fund and shall submit same to the Town Board for approval. Thereafter, the Advisory Board shall make recommendations to the Town Board based on the approved criteria.
 - (ii) Membership. The Town Board shall appoint members to the Affordable Housing Advisory Board, and a Chairperson thereto none of whom shall be Town or Community Development Agency employees. The Affordable Housing Advisory Board shall be comprised of thirteen (13) voting members who shall serve without compensation. Each Town Board member shall appoint one (1) individual whose term of office shall coincide with that of the sponsoring Town Board Member. The Town Board shall select five (5) persons from among the member

organizations of the Huntington Township Housing Coalition whose term of office shall be staggered as follows: one (1) individual to serve for a one-year term, two (2) individuals to serve for a two-year term and two (2) individuals to serve for a three-year term. Thereafter each member appointed shall serve for a term of three (3) years. The Town Board shall appoint three (3) additional persons, who shall be representatives of the various school districts within the Town and who shall be selected by the Town Board, at large, and who shall serve for a term of three (3) years. In addition, the Director of the Huntington Community Development Agency or their designee; the Director of the Planning Department or their designee; and the Town Attorney or their designee shall serve as ex-officio, nonvoting members.

- (3) Conditions of the Change of Zone. The following shall be established conditions of the change of zone, whether or not specifically incorporated in the town board resolution granting such change of zone:
- (a) Unless approved by the Town Board, the affordable housing shall not be age-restricted except in the R-RM Retirement Community District.
 - (b) Fifty (50%) percent of the non-age restricted units shall have two (2) or more bedrooms.
 - (c) Once a certificate of occupancy is issued, the affordable housing units shall not be expanded (made larger) except as may be permitted by the Zoning Board of Appeals pursuant to criteria established by the Town Board, based on the recommendations of the Affordable Housing Advisory Board.
 - (d) To maintain a consistent streetscape, affordable housing units may not stand out by their location or appearance as determined by the Planning Board, and shall be distributed among market rate housing.
 - (e) Builder's extras shall not be permitted in affordable housing units.
 - (f) Handicapped accessibility shall be addressed during the site plan or building permit review process.
 - (g) Covenants and Restrictions. To insure continued compliance with this legislation, and as a condition of the change of zone, all affordable units shall be subject to covenants and restrictions that run with the land, and restrict the sale, resale and rental of such units in accordance with the requirements of the District. The covenants shall contain other restrictions established by the Town Board on the rezone. Said covenants and restrictions shall be prepared by the applicant and submitted to the Town Attorney for approval as to form and content. Upon approval by the Town Attorney, the applicant shall record the covenants and restrictions in the Office of the Suffolk County Clerk, at his or her own expense and provide the Town Attorney and the Department of Planning and Environment with a copy of the recorded instrument before the local law will be filed. A copy of the recorded instrument shall be submitted to the Planning Board as part of any application for site plan, subdivision or

re-subdivision approval for the property, and shall be noted on the map or plan signed by the Director. All deeds transferring title to affordable units shall contain a reference to the Liber and Page of the recorded covenants and restrictions.

- (4) Building permits and other approvals. Affordable units shall be developed in advance of or at the same time as market value units as provided herein. The Planning Board may impose such restrictive covenants to aid in the enforcement of this section as it may deem advisable.
 - (a) Off-site units. No certificate of occupancy may be issued for any unit located on-site until certificates of occupancy for all off-site affordable housing units have been issued.
 - (b) On-site units. In order to ensure that on-site affordable housing is developed in a timely fashion, for every one certificate of occupancy issued for an affordable unit, the Town may release up to seven (7) certificates of occupancy for market-value units.
- (5) Sale, Resale and Rental of Affordable Units. The Community Development Agency shall monitor the sale, resale and rental of all affordable units for compliance with the Affordable Housing Law. All contracts of sale and lease agreements shall be provided by the Community Development Agency, and shall not be amended except as authorized by the Director. The Director may pre-approve the developer's standard contract of sale and lease agreement in advance.
 - (a) Initial Sales Price. The initial sale price of each newly-created affordable unit shall be calculated based upon the median family income for a family of four (4) at the time of the contract of sale, as follows:
 - (i) For developments requiring the construction of only one (1) affordable unit, the initial sale price of the unit shall be an amount equal to eighty (80%) percent of the median family income multiplied by 2.5.
 - (ii) For developments in which more than one (1) affordable unit is required, the initial sale price of half the units shall be an amount equal to eighty (80%) percent of the median family income multiplied by 2.5. If the developer can demonstrate to the satisfaction of the Director of Community Development sufficient justification for the construction of one (1) or more units containing additional square footage, such as additional bedrooms over the number required, the initial sale price of such units shall be one hundred twenty (120%) percent of the median family income multiplied by 2.5. In no event shall these larger units comprise more than half of the number of affordable units. In the event an odd number of affordable units is required, the initial sale price of the additional unit shall be an amount equal to eighty (80%) percent of the median family income multiplied by 2.5.
 - (b) Resale of Affordable Units.

- (i) Ownership of affordable units may not be transferred by will, devise, intestacy, gift, purchase on the open market, or otherwise, except that an affordable unit may be conveyed by its owner to a trust, provided that the owner is a beneficiary of the trust and the terms of the trust require that the trustee, within one-hundred and twenty (120) days of the date of the beneficiary's death, or the date when the unit is no longer being used as the beneficiary's primary residence, notify the affordable housing program administrator and offer the unit for sale to the next eligible applicant. Prior to conveying an affordable unit to a trust, a copy of the trust instrument shall be provided to, and approved by, the Director. Title may also be transferred to a court-appointed referee in mortgage foreclosure proceedings provided the unit is offered for sale and transferred to the next eligible applicant in accordance with the provisions of this legislation, and a copy of the Order of Reference and Order of Sale is provided to the Director.
 - (ii) All purchasers must be pre-approved by the Community Development Agency and taken from a waiting list maintained by the Agency. Any individual interested in selling an affordable unit must notify the Community Development Agency in writing that the unit is for sale, and the Community Development Agency shall notify the prospective seller of the next qualified applicant in the order of their appearance on the list maintained by the Agency, until a qualified purchaser has agreed to purchase the available unit.
 - (iii) Resale prices shall be restricted and calculated in accordance with the applicable percentage set forth in § 198-13(l)(5)(a)(i) using the median family income for a family of four (4) in effect at the time of the execution of the contract of sale, multiplied by 2.5. Notwithstanding any other provision to the contrary, the resale price of an affordable unit may be increased by an amount not to exceed fifty (50%) percent of the documented capital improvements made by the seller, as approved by the Director, up to a maximum amount of ten thousand (\$10,000.) dollars.
 - (iv) Prior to closing, a copy of the executed Contract of Sale shall be provided to the Community Development Agency along with an executed and sworn affidavit by the Seller and Purchaser, attesting that the Contract of Sale is true and accurate, that there are no other agreements between the Seller and Purchaser, and that the Purchaser has not and will not pay any amounts to the Seller which are not reflected in the Contract of Sale.
- (c) Rental Units.
- (i) Rental Unit Developments. In developments where the units are specifically approved for rental, the monthly rental price shall be no greater than eighty (80%) percent of the HUD Fair Market Rental Value for Nassau-Suffolk County in effect at the time of the execution of the lease agreement, provided all utilities are included in the rental price. If all utilities are not included, the monthly rental price shall be no greater than eighty (80%) percent of the HUD Fair Market Rental Value for Nassau-Suffolk County reduced by the monthly utility allowance in effect at the time the lease agreement is executed.

- (ii) Short Term Rental of Owner Occupied Units. Owner Occupied Units may only be rented with the prior written consent of the Community Development Agency. The Community Development Agency may consent to a rental for not more than six (6) months if the unit owner establishes to the satisfaction of the Director of the Community Development Agency a financial hardship through no fault of the owner requiring such rental. The Director may, for good cause shown, grant no more than one six-month extension of the rental period at his discretion. All tenants must meet the income and asset qualifications established hereunder. The monthly rental price shall be no greater than eighty percent (80%) of the HUD Fair Market Rental for Nassau-Suffolk County in effect at the time of the execution of the lease agreement.
 - (iii) No lease shall be transferred or assigned.
 - (iv) Prior to occupancy of a leased unit, a copy of the executed lease agreement shall be provided to the Community Development Agency along with an executed and sworn affidavit by the landlord and tenant, attesting that the lease agreement is true and accurate, that there are no other agreements between the parties, and that the tenant has not and will not pay any amounts to the landlord which are not reflected in the lease agreement.
- (6) Financial Qualifications of Prospective Purchasers/Owners.
- (a) In order to qualify as an eligible purchaser of an affordable unit, the annual household income may not exceed one hundred twenty (120%) percent of the median family income adjusted by family size at the time of the contract of sale. Applicants who have an annual household income of up to eighty (80%) percent of the median family income shall be eligible for the lower priced affordable units and those whose annual household income is between eighty-one (81%) percent and one hundred twenty (120%) percent of the median family income shall be eligible for the higher priced units. In all cases, applicants may not have assets which after deduction of the downpayment and estimated closing costs exceed twenty-five (25%) percent of the contract sale price for non-senior housing and one hundred (100%) percent of the contract sale price for senior housing.
 - (b) Applicants must have adequate resources and credit to qualify for a home mortgage if he/she/they are not able to establish that they have sufficient funds to pay the purchase price and estimated closing costs.
 - (c) Priority of Applications. Applicants who are residents of the Town of Huntington, parents, children, grandchildren or grandparents of town residents shall have priority to purchase affordable units.
 - (d) A list of eligible purchasers for affordable units shall be created by a lottery system which will establish the order of eligibility for qualified purchasers. After the initial list is created, applicants will be added to the list in the order their completed application is accepted. It shall be the obligation of the qualified purchaser to update his/her contact information and verify eligibility on an annual basis, unless otherwise

requested by the Director.

- (e) Applicants who are qualified financially and are not residents of the Town of Huntington or a parent, grandparent, child or grandchild of a resident, may file an application with the Community Development Agency. In the event there are no qualified purchasers who meet all of the requirements, the applicants on the non-priority list will be confirmed and contacted by the Community Development Agency. The applicants on this list will be added in the order their complete application is accepted.
- (7) *Financial Qualifications of Prospective Tenants.* The annual household income of prospective tenants shall not exceed the following thresholds upon application and at the time the lease is signed:
- (a) One bedroom or studio unit: Fifty (50%) percent of the medium family income for a family of two (2).
 - (b) Two bedroom unit: Fifty (50%) percent of the medium family income for a family of four (4).
 - (c) Three bedroom unit: Fifty (50%) percent of the medium family income for a family of six (6).
- (8) *Administration Fees.* The Community Development Agency shall receive the following fee for monitoring compliance with the provisions of this legislation:
- (a) One (1%) percent of the contract sale price per transfer of owner-occupied affordable unit paid by the seller at or prior to closing; and
 - (b) One thousand (\$1,000) dollars per rental unit or short term rental of owner-occupied unit, or one month's rent, whichever is lower, paid by the tenant upon approval of the lease agreement by the Director.

SCHEDULE N-1

CERTIFICATION OF SPONSOR

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPAL
PURSUANT TO 13 NYCRR 20.4 (b)

State of New York
Department of Law
28 Liberty Street
New York, NY 10005

RE: COLUMBIA TERRACE CONDOMINIUM

We are the sponsor and the principal of the sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20, and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where we: (a)

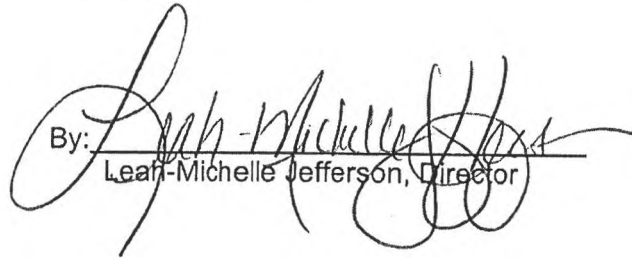
knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

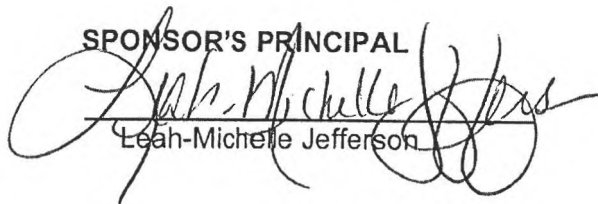
We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

Huntington Community
Development Agency

By: 
Leah-Michelle Jefferson, Director

SPONSOR'S PRINCIPAL


Leah-Michelle Jefferson

Sworn to before me this
13th day of July, 2021.


Notary Public

TIMOTHY R. FRANCIS
Notary Public, State of New York
Registration No. 01FR638949
Qualified in Suffolk County
Commission Expires March 25, 2023

SCHEDULE N-2

**CERTIFICATION OF SPONSOR'S
ARCHITECT AND ENGINEER**

CERTIFICATION BY SPONSOR'S ENGINEER
PURSUANT TO 13 NYCRR 20.4(c)

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

RE: COLUMBIA TERRACE CONDOMINIUM

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction of the property (the "Report"). I examined the building plans and specifications that were prepared by Jeffrey Hartman dated June 22, 2018 and prepared the Report dated September 14, 2021 a copy of which is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report.

I am a registered Engineer in the State in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

- (i) sets forth in narrative form the description of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- (ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;

- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.



 Jeffrey A. Hartman, P.E

Sworn to before me this
 14th day of September, 2021



 Notary Public

TIMOTHY R. FRANCIS
 Notary Public, State of New York
 Registration No. 01FR638949
 Qualified in Suffolk County
 Commission Expires March 25, 2023



SCHEDULE N-3

**CERTIFICATION OF SPONSOR'S EXPERT
CONCERNING ADEQUACY OF BUDGET**

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**CERTIFICATION OF ADEQUACY OF OPERATING BUDGET
PURSUANT TO 13 NYCRR 20.4 (d)**

Legal Dept Fax:

516.719.0096

July 12, 2021

State of New York
Department of Law
120 Broadway – 23rd Street
New York, NY 10271

RE: Columbia Terrace Condominium

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property retained our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes the active management and supervision of more than fifty (50) multifamily communities consisting of condominiums, cooperatives and homeowners' associations throughout New York as well as more than thirty (30) years' experience in property management.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in the Part 20 insofar as they are applicable to Schedule B.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the first year of condominium operation.

We certify that the Schedule:

- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) does not omit any material fact;



ALEXANDER WOLF & COMPANY, INC.

- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

Charles J. Incandela
Vice-President, Director of Management
Alexander Wolf & Company, Inc.

Sworn to before me this
12th day of July 2021

Notary Public
STEVEN MIRSKY
Notary Public, State of New York
No. 02MI4894293
Qualified in Nassau County
Commission Expires April 20, 2023