

STATE BOARD OF REAL PROPERTY SERVICES
 16 Sheridan Avenue, Albany, NY 12210-2714

Determination of Adjusted Base Proportions Pursuant to
 Article 19, RPTL, for the 2007 Assessment Roll

Approved Assessing Unit - TOWN OF ORANGETOWN

Check One to Identify Portion: County _____; City _____; Town X _____; Village _____; Town Outside Village Area _____;
 School District _____; Special District _____

Name of Portion - TOWNWIDE

Reference Roll - 2006

Levy Roll - 2007

SECTION I

Determination of Portion Class Net Change in Assessed Value due to Physical and Quantity
 Equalization Changes and Computation of Class Change in Level of Assessment Factor

Class	(A) Total Assessed Value on the Reference Roll	(B) Total Assessed Value of Physical & Quantity Increases Between Reference Roll & Levy Roll	(C) Total Assessed Value of Physical & Quantity Decreases Between Reference Roll & Levy Roll	(D) Net Assessed Value of Physical & Quantity Changes (B-C)	(E) Surviving Total Assessed Value on the Reference Roll (A-C)
Homestead	2,890,066,118	16,121,600	1,767,028	14,354,572	2,888,299,090
Non-Homestead	1,193,430,797	9,949,810	1,962,880	7,986,930	1,191,467,917
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Class	(F) Total Assessed Value of Equalization Increases Between Reference Roll and Levy Roll	(G) Total Assessed Value of Equalization Decreases Between Reference Roll and Levy Roll	(H) Net Equalization Changes (F-G)	(I) Change in Level of Assessment Factor (H/E)+1	
Homestead	19,770,200	10,376,747	9,393,453	1.003252244	
Non-Homestead	1,593,140	28,368,876	(26,775,736)	0.977527103	

EXHIBIT
 8A-07, 8/13/07

SECTION II

Computation of Portion Class Adjustment Factor

	(J)	(K)	(L)	(M)	(N)	(O)
Class	<u>Taxable Assessed Value on the Levy Roll</u>	Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (J/I)	Assessed Value of Special Franchise on the Roll at the Reference Roll Level of Assessment	Total Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (K + L)	(Col E Base) Taxable Assessed Value on the Reference Roll	Class Adjustment Factor (M/N)
Homestead	2,801,261,842	2,792,180,989	0	2,792,180,989	2,766,818,446	1.009166681
Non-Homestead	1,152,454,376	1,178,948,771	55,585,751	1,234,534,522	1,233,462,394	1.000869202

SECTION III

Computation of Adjusted Base Proportions

	(P)	(Q)	(R)
Class	Current Base Proportions	Current Base Proportions Adjusted for Physical & Quantity Changes (P*O)	Adjusted Base Proportions (Q/Sum of Q)
Homestead	66.84470	67.45744	67.02742
Non-Homestead	33.15530	33.18412	32.97258
	100	100.64156	100.00000

I, the Clerk of the Legislative Body of the approved assessing unit identified above, hereby certify that the legislative body determined on _____ (specify date) the adjusted base proportions and the data, procedures and computation used to determine the adjusted base proportions as set forth herein for the assessment roll and portion identified above.

Signature

Title

Date

STATE BOARD OF REAL PROPERTY SERVICES
 16 Sheridan Avenue, Albany, NY 12210-2714

Determination of Adjusted Base Proportions Pursuant to
 Article 19, RPTL, for the 2007 Assessment Roll

Approved Assessing Unit - TOWN OF ORANGETOWN

Check One to Identify Portion: County _____; City _____; Town _____; Village _____; Town Outside Village Area X _____; School District _____; Special District _____

Name of Portion - TOWN OUTSIDE VILLAGE

Reference Roll - 2006

Levy Roll - 2007

SECTION I

Determination of Portion Class Net Change in Assessed Value due to Physical and Quantity
 Equalization Changes and Computation of Class Change in Level of Assessment Factor

Class	(A) Total Assessed Value of Physical & Quantity Increases Between Reference Roll & Levy Roll	(B) Total Assessed Value of Physical & Quantity Decreases Between Reference Roll & Levy Roll	(C) Total Assessed Value of Physical & Quantity Changes & Quantity Changes of Physical (B-C)	(D) Net Assessed Value Surviving Total Assessed Value on the Reference Roll (A-C)	(E)
Homestead	2,264,430,994	13,024,000	1,436,628	11,587,372	2,262,994,366
Non-Homestead	1,026,043,111	9,818,390	1,615,200	8,203,190	1,024,427,911
Class	(F) Total Assessed Value of Equalization Increases Between Reference Roll and Levy Roll	(G) Total Assessed Value of Equalization Decreases Between Reference Roll and Levy Roll	(H) Net Equalization Changes (F-G)	(I) Change in Level of Assessment Factor (H/E)+1	
Homestead	18,874,700	8,081,947	10,792,753	1.004769235	
Non-Homestead	1,567,240	27,239,961	(25,672,721)	0.993909169	

SECTION II

Computation of Portion Class Adjustment Factor

	(J)	(K)	(L)	(M)	(N)	(O)
Class	Taxable Assessed Value on the Levy Roll	Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (J/I)	Assessed Value of Special Franchise on the Roll at the Reference Roll Level of Assessment	Total Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (K + L)	(Col. E Base) Taxable Assessed Value on the Reference Roll	Class Adjustment Factor (M/N)
Homestead	2,191,893,702	2,181,489,664	0	2,181,489,664	2,160,664,616	1.00964
Non-Homestead	982,926,748	988,950,277	46,032,998	1,034,983,275	1,052,257,617	0.98358

SECTION III

Computation of Adjusted Base Proportions

	(P)	(Q)	(R)
Class	Current Base Proportions	Current Base Proportions Adjusted for Physical & Quantity Changes (P*O)	Adjusted Base Proportions (Q/Sum of Q)
Homestead	65.74220	66.37584	66.32858
Non-Homestead	34.25780	33.69541	33.67142
	100	100.07125	100.00000

I, the Clerk of the Legislative Body of the approved assessing unit identified above, hereby certify that the legislative body determined on _____ (specify date) the adjusted base proportions and the data, procedures and computation used to determine the adjusted base proportions as set forth herein for the assessment roll and portion identified above.

Signature

Title

Date

STATE BOARD OF REAL PROPERTY SERVICES
 16 Sheridan Avenue, Albany, NY 12210-2714

Certificate of Adjusted Base Proportions Pursuant to Article 19, RPTL,
 2007 Assessment Roll

Approved Assessing Unit - TOWN OF ORANGETOWN

Check One to Identify Portion: County _____; City _____; Town _____; Village _____; Town Outside Village Area _____;
 School District X; Special District _____

Name of Portion - PEARL RIVER

Reference Roll - 2006

Levy Roll - 2007

SECTION I Determination of Portion Class Net Change in Assessed Value due to Physical and Quantity Equalization Changes and Computation of Class Change in Level of Assessment Factor

Class		(A)	(B)	(C)	(D)	(E)
Total Assessed Value on the Reference Roll		Total Assessed Value of Physical & Quantity Increases Between Reference Roll & Levy Roll	Total Assessed Value of Physical & Quantity Decreases Between Reference Roll & Levy Roll	Net Assessed Value of Physical & Quantity Changes (B-C)	Surviving Total Assessed Value on the Reference Roll (A-C)	
Homestead	873,155,472	5,501,600	705,300	4,796,300	872,450,172	872,450,172
Non-Homestead	300,794,743	8,372,440	0	8,372,440	300,794,743	300,794,743
Class		(F)	(G)	(H)	(I)	
Total Assessed Value of Equalization Increases Between Reference Roll and Levy Roll		Total Assessed Value of Equalization Decreases Between Reference Roll and Levy Roll	Net Equalization Changes (F-G)	Change in Level of Assessment Factor (H/E)+1		
Homestead	10,586,100	4527600	6,058,500	1,006944236		
Non-Homestead	317,730	12,124,281	(11,806,551)	0.960748812		

SECTION II

Computation of Portion Class Adjustment Factor

	(J)	(K)	(L)	(M)	(N)	(O)
Class	Taxable Assessed Value on the Levy Roll	Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (J/I)	Assessed Value of Special Franchise on the Roll at the Reference Roll Level of Assessment	Total Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (K + L)	(Col E Base) Taxable Assessed Value on the Reference Roll	Class Adjustment Factor (M/N)
Homestead	875,829,252	869,789,230	-	869,789,230	861,794,332	1.0092770
Non-Homestead	291,425,558	303,331,687	13,539,983	316,871,670	313,636,559	1.0103148

SECTION III

Computation of Adjusted Base Proportions

	(P)	(Q)	(R)
Class	Current Base Proportions	Current Base Proportions Adjusted for Physical & Quantity Changes (P*O)	Adjusted Base Proportions (Q/Sum of Q)
Homestead	68.38129	69.01567	68.3591
Non-Homestead	31.61871	31.94485	31.6409
	100	100.96052	100.0000

I, the Clerk of the Legislative Body of the approved assessing unit identified above, hereby certify that the legislative body determined on _____ (specify date) the adjusted base proportions and the data, procedures and computation used to determine the adjusted base proportions as set forth herein for the assessment roll and portion identified above.

Signature

Title

Date

STATE BOARD OF REAL PROPERTY SERVICES

16 Sheridan Avenue, Albany, NY 12210-2714

Determination of Adjusted Base Proportions Pursuant to Article 19, RPTL, for the 2007 Assessment Roll

Approved Assessing Unit - TOWN OF ORANGETOWN

Check One to Identify Portion: County _____; City _____; Town _____; Village _____; Town Outside Village Area _____; School District X _____; Special District _____

Name of Portion - SOUTH ORANGETOWN SCHOOL DISTRICT

Reference Roll - 2006

Levy Roll - 2007

SECTION I Determination of Portion Class Net Change in Assessed Value due to Physical and Quantity Equalization Changes and Computation of Class Change in Level of Assessment Factor

Class	(A) Total Assessed Value on the Reference Roll	(B) Total Assessed Value of Physical & Quantity Increases Between Reference Roll & Levy Roll	(C) Total Assessed Value of Physical & Quantity Decreases Between Reference Roll & Levy Roll	(D) Net Assessed Value of Physical & Quantity Changes (B-C)	(E) Surviving Total Assessed Value on the Reference Roll (A-C)
Homestead	1,436,100,543	8,588,600	570,028	8,018,572	1,436,530,515
Non-Homestead	352,685,287	1,404,210	697,480	706,730	351,987,807
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Class	(F) Total Assessed Value of Equalization Increases Between Reference Roll and Levy Roll	(G) Total Assessed Value of Equalization Decreases Between Reference Roll and Levy Roll	(H) Net Equalization Changes (F-G)	(I) Change in Level of Assessment Factor (H/E)+1	
Homestead	6,937,100	4,109,247	2,827,853	1.001969901	
Non-Homestead	1,249,510	15,114,888	(13,865,378)	0.960608357	

RP-6703(5/2001)

SECTION II

Computation of Portion Class Adjustment Factor

	(J)	(K)	(L)	(M)	(N)	(O)
Class	Taxable Assessed Value on the Levy Roll	Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (J/I)	Assessed Value of Special Franchise on the Roll at the Reference Roll Level of Assessment	Total Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (K + L)	(Col E Base) Taxable Assessed Value on the Reference Roll	Class Adjustment Factor (M/N)
Homestead	1,428,022,752	1,425,215,219	0	1,425,215,219	1,416,290,317	1.006301605
Non-Homestead	332,682,285	346,324,579	30,172,491	376,497,070	376,973,446	0.998736315

SECTION III

Computation of Adjusted Base Proportions

Class	(P) Current Base Proportions	(Q) Current Base Proportions Adjusted for Physical & Quantity Changes (P*O)	(R) Adjusted Base Proportions (Q/Sum of Q)
Homestead	73.45340	73.91627	73.60029
Non-Homestead	26.54660	26.51305	26.39971
	100	100.42933	100.00000

I, the Clerk of the Legislative Body of the approved assessing unit identified above, hereby certify that the legislative body determined on _____ (specify date) the adjusted base proportions and the data, procedures and computation used to determine the adjusted base proportions as set forth herein for the assessment roll and portion identified above.

Signature

Title

Date

STATE BOARD OF REAL PROPERTY SERVICES
 16 Sheridan Avenue, Albany, NY 12210-2714

Determination of Adjusted Base Proportions Pursuant to
 Article 19, RPTL, for the 2007 Assessment Roll

Approved Assessing Unit - TOWN OF ORANGETOWN

Check One to Identify Portion: County _____; City _____; Town _____; Village _____; Town Outside Village Area _____;
 School District X; Special District _____

Name of Portion - NYACK SCHOOL DISTRICT

Reference Roll - 2006

Levy Roll - 2007

SECTION I Determination of Portion Class Net Change in Assessed Value due to Physical and Quantity
 Equalization Changes and Computation of Class Change in Level of Assessment Factor

Class	(A) Total Assessed Value on the Reference Roll	(B) Total Assessed Value of Physical & Quantity Increases Between Reference Roll & Levy Roll	(C) Total Assessed Value of Physical & Quantity Decreases Between Reference Roll & Levy Roll	(D) Net Assessed Value of Physical & Quantity Changes (B-C)	(E) Surviving Total Assessed Value on the Reference Roll (A-C)
Homestead	439,601,003	1,678,400	188,500	1,489,900	439,412,503
Non-Homestead	148,801,817	131,420	102,800	28,620	148,699,017
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Class	(F) Total Assessed Value of Equalization Increases Between Reference Roll and Levy Roll	(G) Total Assessed Value of Equalization Decreases Between Reference Roll and Levy Roll	(H) Net Equalization Changes (F-G)	(I) Change in Level of Assessment Factor (H/E)+1	
Homestead	1,072,700	1,077,400	(4,700)	0.99989304	
Non-Homestead	25,900	1,012,713	(986,813)	0.993363688	

RP-6703(5/2001)

SECTION II

Computation of Portion Class Adjustment Factor

	(J)	(K)	(L)	(M)	(N)	(O)
Class	Taxable Assessed Value on the Levy Roll	Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (J/I)	Assessed Value of Special Franchise on the Roll at the Reference Roll Level of Assessment	Total Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (K + L)	(Col. E Base) Taxable Assessed Value on the Reference Roll	Class Adjustment Factor (M/N)
Homestead	436,238,840	436,243,506	0	436,243,506	433,767,503	1.0057081
Non-Homestead	147,236,107	148,219,739	9,067,763	157,287,502	157,425,801	0.9991215

SECTION III

Computation of Adjusted Base Proportions

	(P)	(Q)	(R)
Class	Current Base Proportions	Current Base Proportions Adjusted for Physical & Quantity Changes (P*O)	Adjusted Base Proportions (Q/Sum of Q)
Homestead	62.99650	63.3561	63.14954
Non-Homestead	37.00350	36.9710	36.85046
	100	100.3271	100.00000

I, the Clerk of the Legislative Body of the approved assessing unit identified above, hereby certify that the legislative body determined on _____ (specify date) the adjusted base proportions and the data, procedures and computation used to determine the adjusted base proportions as set forth herein for the assessment roll and portion identified above.

Signature

Title

Date

STATE BOARD OF REAL PROPERTY SERVICES
 16 Sheridan Avenue, Albany, NY 12210-2714

Determination of Adjusted Base Proportions Pursuant to
 Article 19, RPTL, for the 2007 Assessment Roll

Approved Assessing Unit - TOWN OF ORANGETOWN

Check One to Identify Portion: County _____; City _____; Town _____; Village _____; Town Outside Village Area _____;
 School District X; Special District _____

Name of Portion - NANUET SCHOOL DISTRICT

Reference Roll - 2006

Levy Roll - 2007

SECTION I Determination of Portion Class Net Change in Assessed Value due to Physical and Quantity
 Equalization Changes and Computation of Class Change in Level of Assessment Factor

Class	(A) Total Assessed Value on the Reference Roll	(B) Total Assessed Value of Physical & Quantity Increases Between Reference Roll & Levy Roll	(C) Total Assessed Value of Physical & Quantity Decreases Between Reference Roll & Levy Roll	(D) Net Assessed Value of Physical & Quantity Changes (B-C)	(E) Surviving Total Assessed Value on the Reference Roll (A-C)
Homestead	141,209,100	353,000	303,200	49,800	140,905,900
Non-Homestead	391,148,950	41,740	1,162,600	(1,120,860)	389,986,350
Class	(F) Total Assessed Value of Equalization Increases Between Reference Roll and Levy Roll	(G) Total Assessed Value of Equalization Decreases Between Reference Roll and Levy Roll	(H) Net Equalization Changes (F-G)	(I) Change in Level of Assessment Factor (H/E)+1	
Homestead	1,174,300	662,500	511,800	1,003632211	
Non-Homestead	0	116,994	(116,994)	0.999700005	

RP-6703(5/2001)

SECTION II

Computation of Portion Class Adjustment Factor

	(J)	(K)	(L)	(M)	(N)	(O)
Class	Taxable Assessed Value on the Levy Roll	Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (J/I)	Assessed Value of Special Franchise on the Roll at the Reference Roll Level of Assessment	Total Taxable Assessed Value on Levy Roll at Reference Roll Level of Assessment (K + L)	(Col E Base) Taxable Assessed Value on the Reference Roll	Class Adjustment Factor (M/N)
Homestead	139,547,250	139,042,219	0	139,042,219	139,218,660	0.9987326
Non-Homestead	383,670,149	383,785,283	2,957,274	386,742,557	392,139,518	0.9862371

SECTION III

Computation of Adjusted Base Proportions

	(P)	(Q)	(R)
Class	Current Base Proportions	Current Base Proportions Adjusted for Physical & Quantity Changes (P*O)	Adjusted Base Proportions (Q/Sum of Q)
Homestead	22.4631	22.4346	22.68315
Non-Homestead	77.5369	76.4698	77.31685
	100	98.9044	100.00000

I, the Clerk of the Legislative Body of the approved assessing unit identified above, hereby certify that the legislative body determined on _____ (specify date) the adjusted base proportions and the data, procedures and computation used to determine the adjusted base proportions as set forth herein for the assessment roll and portion identified above.

Signature

Title

Date

STATE BOARD OF REAL PROPERTY SERVICES

16 Sheridan Avenue, Albany, NY 12210-2714

Determination of Base Percentages, Current Percentages and
Current Base Proportions Pursuant to Article 19, RPTL,
for the Levy of Taxes on the 2007 Assessment Roll

Approved Assessing Unit - TOWN OF ORANGETOWN

Check One to Identify Portion: County _____; City _____; Town X _____; Village _____; Town Outside Village Area _____;
School District _____; Special District _____

Name of Portion - TOWNWIDE

SECTION I

Determination of Base Percentages

Class	(A) Assessed Value	(B) 1989 Class Equalization Rate	(C) Estimated Market Value A/(B/100)	(D) Base Percentages (C/Sum of C)
Homestead	2,277,790,591	118.22	1,926,738,784	69.86097
Non-Homestead	1,141,435,390	137.32	831,222,976	30.13903
Total	3,419,225,981		2,757,961,760	

SECTION II

Determination of Current Percentages

Class	(E) 2006 Taxable Assessed Value	(F) 2006 Class Equalization Rate	(G) Estimated Market Value E/(F/100)	(H) Current Base Percentages (G/Sum of G)
Homestead	2,766,818,446	37.23	7,431,690,696	78.0596
Non-Homestead	1,233,462,394	59.05	2,088,844,020	21.9404
Total			9,520,534,716	

RP-6701(5/2001)

SECTION IV Determination of Current Base Proportions

	(I)	(J)	(K)	(L)	(M)	(N)	O
Class	Local Base Proportion for the 1990 Assessment Roll	Updated Local Base Proportion I*(H/D)	Prospective Current Base Proportion Column(J) Prorated to 100.00	Adjusted Base Proportion Used for Prior Tax Levy	Percent Difference Between Prior Year Adjusted Base Proportion and Prospective Current Base Proportion ((K/L)-I)*100	Maximum Current Base Base Proportion (L*1.05)	Current Base Proportions for 2007 Roll
Homestead	56.0653	62.6449	66.2011	68.42350	-3.2480%	71.8447	66.8447
Non-Homestead	43.9347	31.9833	33.7989	31.5765	7.0381%	33.1553	33.1553
Total	100	94.6282	100				100

I, the Clerk of the Legislative Body of the approved assessing unit identified above, hereby certify that the legislative body determined on _____ (specify date) base percentages, current percentages and current base proportions as set forth herein for the assessment roll and portion identified above.

Signature

Title

Date

STATE BOARD OF REAL PROPERTY SERVICES
 16 Sheridan Avenue, Albany, NY 12210-2714

Determination of Base Percentages, Current Percentages and
 Current Base Proportions Pursuant to Article 19, RPTL,
 for the Levy of Taxes on the 2007 Assessment Roll

Approved Assessing Unit - TOWN OF ORANGETOWN

Check One to Identify Portion: County _____; City _____; Town _____; Village _____; Town Outside Village Area X;
 School District _____; Special District _____

Name of Portion - TOWN OUTSIDE VILLAGE

SECTION I
 Determination of Base Percentages

Class	1989 Taxable Assessed Value	1989 Class Equalization Rate	Estimated Market Value A/(B/100)	Base Percentages (C/Sum of C)
	(A)	(B)	(C)	(D)
Homestead	1,810,483,106	118.62	1,526,288,236	69.89837
Non-Homestead	919,093,679	139.83	657,293,627	30.10163
Total	2,729,576,785		2,183,581,864	

SECTION II
 Determination of Current Percentages

Class	2006 Taxable Assessed Value	2006 Class Equalization Rate	Estimated Market Value E/(F/100)	Current Base Percentages (G/Sum of G)
	(E)	(F)	(G)	(H)
Homestead	2,160,664,616	37.17	5,812,926,059	77.6799
Non-Homestead	1,052,257,617	63.00	1,670,250,186	22.3201
Total			7,483,176,244	

RR-6701(5/2001)

SECTION IV Determination of Current Base Proportions

	(I)	(J)	(K)	(L)	(M)	(N)	O
Class	Local Base Proportion for the 1990 Assessment Roll	Updated Local Base Proportion I*(H/D)	Prospective Current Base Proportion Column(J) Prorated to 100.00	Adjusted Base Proportion Used for Prior Tax Levy	Percent Difference Between Prior Year Adjusted Base Proportion and Prospective Current Base Proportion ((K/L)-I)*100	Maximum Current Base Base Proportion (L*1.05)	Current Base Proportions for 2007 Roll
Homestead	55.7591	61.9665	65.3857	67.37348	-2.9504%	70.7422	65.7422
Non-Homestead	44.2410	32.8042	34.6143	32.6265	6.0926%	34.2578	34.2578
Total	100	94.7708	100	100			100

I, the Clerk of the Legislative Body of the approved assessing unit identified above, hereby certify that the legislative body determined on _____ (specify date) base percentages, current percentages and current base proportions as set forth herein for the assessmentroll and portion identified above.

Signature

Title

Date

STATE BOARD OF REAL PROPERTY SERVICES
 16 Sheridan Avenue, Albany, NY 12210-2714

3/8/2004

Determination of Base Percentages, Current Percentages and
 Current Base Proportions Pursuant to Article 19, RPTL,
 for the Levy of Taxes on the 2007 Assessment Roll

Approved Assessing Unit - TOWN OF ORANGETOWN

Check One to Identify Portion: County ; City ; Town ; Village ; Town Outside Village Area ;
 School District XX; Special District

Name of Portion - Pearl River

SECTION I Determination of Base Percentages

Class	(A) Assessed Value	(B) 1989 Class Equalization Rate	(C) Estimated Market Value A/(B/100)	(D) Base Percentages (C/Sum of C)
Homestead	725,067,880	120.43	602,065,831	73.8327
Non-Homestead	285,139,606	133.63	213,379,934	26.1673
Total	1,010,207,486		815,445,765	

SECTION II Determination of Current Percentages

Class	(E) 2006 Taxable Assessed Value	(F) 2006 Class Equalization Rate	(G) Estimated Market Value E/(F/100)	(H) Current Base Percentages (G/Sum of G)
Homestead	861,794,332	37.18	2,317,897,612	79.6406
Non-Homestead	313,636,559	52.93	592,549,705	20.3594
Total	1,175,430,891		2,910,447,317	

RP-6701(5/2001)

SECTION IV

Determination of Current Base Proportions

	(I)	(J)	(K)	(L)	(M)	(N)	O
Class	Local Base Proportion for the 1990 Assessment Roll	Updated Local Base Proportion I*(H/D)	Prospective Current Base Proportion Column(J) Prorated to 100.00	Adjusted Base Proportion Used for Prior Tax Levy	Percent Difference Between Prior Year Adjusted Base Proportion and Prospective Current Base Proportion ((K/L)-I)*100	Maximum Current Base Base Proportion (L*1.05)	Current Base Proportions for 2007 Roll
Homestead	60.9369	65.7304	68.3813	69.0811	-1.0130%	72.53516	68.38129
Non-Homestead	39.0631	30.3930	31.6187	30.9189	2.2634%	32.46485	31.61871
Total	100	96.1233	100	100			100

I, the Clerk of the Legislative Body of the approved assessing unit identified above, hereby certify that the legislative body determined on _____ (specify date) base percentages, current percentages and current base proportions as set forth herein for the assessmentroll and portion identified above.

Signature

Title

Date

STATE BOARD OF REAL PROPERTY SERVICES

16 Sheridan Avenue, Albany, NY 12210-2714

Determination of Base Percentages, Current Percentages and
Current Base Proportions Pursuant to Article 19, RPTL,
for the Levy of Taxes on the 2007 Assessment Roll

Approved Assessing Unit - TOWN OF ORANGETOWN

Check One to Identify Portion: County _____; City _____; Town _____; Village _____; Town Outside Village Area _____;
School District X; Special District _____

Name of Portion - NANUET

SECTION I Determination of Base Percentages

Class	1989 Taxable Assessed Value	1989 Class Equalization Rate	Estimated Market Value A/(B/100)	Base Percentages (C/Sum of C)
Homestead	123,995,310	119.56	103,709,694	56.4832
Non-Homestead	163,503,056	204.63	79,901,801	43.5168
Total	287,498,366		183,611,495	

SECTION II Determination of Current Percentages

Class	2006 Taxable Assessed Value	2006 Class Equalization Rate	Estimated Market Value E/(F/100)	Current Base Percentages (G/Sum of G)
Homestead	139,218,660	37.21	374,143,134	48.1985
Non-Homestead	392,139,518	97.52	402,111,893	51.8015
Total	531,358,178		776,255,027	

RP-6701(5/2001)

SECTION IV Determination of Current Base Proportions

	(I)	(J)	(K)	(L)	(M)	(N)	O
Class	Local Base Proportion for the 1990 Assessment Roll	Updated Local Base Proportion I*(H/D)	Prospective Current Base Proportion Column(J) Prorated to 100.00	Adjusted Base Proportion Used for Prior Tax Levy	Percent Difference Between Prior Year Adjusted Base Proportion and Prospective Current Base Proportion ((K/L)-I)*100	Maximum Current Base Base Proportion (L*1.05)	Current Base Proportions for 2007 Roll
Homestead	30.8128	26.2933	24.1994	21.3934	13.1163%	22.4631	22.4631
Non-Homestead	69.1873	82.3592	75.8006	78.6066	-3.5697%	82.5369	77.5369
Total	100	108.6524	100	100			100

I, the Clerk of the Legislative Body of the approved assessing unit identified above, hereby certify that the legislative body determined on _____ (specify date) base percentages, current percentages and current base proportions as set forth herein for the assessmentroll and portion identified above.

Signature

Title

Date

STATE BOARD OF REAL PROPERTY SERVICES
 16 Shendan Avenue, Albany, NY 12210-2714

Determination of Base Percentages, Current Percentages and
 Current Base Proportions Pursuant to Article 19, RPTL,
 for the Levy of Taxes on the 2007 Assessment Roll

Approved Assessing Unit - TOWN OF ORANGETOWN

Check One to Identify Portion: County _____; City _____; Town _____; Village _____; Town Outside Village Area _____;
 School District XX _____; Special District _____

Name of Portion - SouthOrangetown

SECTION I
 Determination of Base Percentages

Class	(A) 1989 Taxable Assessed Value	(B) 1989 Class Equalization Rate	(C) Estimated Market Value A/(B/100)	(D) Base Percentages (C/Sum of C)
Homestead	1,144,567,880	115.92	987,377,398	72.5790
Non-Homestead	488,534,067	130.96	373,040,674	27.4210
Total	1,633,101,947		1,360,418,072	

SECTION II
 Determination of Current Percentages

Class	(E) 2006 Taxable Assessed Value	(F) 2006 Class Equalization Rate	(G) Estimated Market Value E/(F/100)	(H) Current Base Percentages (G/Sum of G)
Homestead	1,416,290,317	37.17	3,810,304,861	83.3983
Non-Homestead	376,973,446	49.70	758,497,879	16.6017
Total	1,793,263,763		4,568,802,741	

RP-6701(5/2001)

SECTION IV Determination of Current Base Proportions

	(I)	(J)	(K)	(L)	(M)	(N)	O
Class	Local Base Proportion for the 1990 Assessment Roll	Updated Local Base Proportion I*(H/D)	Prospective Current Base Proportion Column(J) Prorated to 100.00	Adjusted Base Proportion Used for Prior Tax Levy	Percent Difference Between Prior Year Adjusted Base Proportion and Prospective Current Base Proportion ((K/L)-I)*100	Maximum Current Base Base Proportion (L*1.05)	Current Base Proportions for 2007 Roll
Homestead	59.3147	68.1568	73.4534	74.10797	-0.8832%	77.8134	73.4534
Non-Homestead	40.6853	24.6323	26.5466	25.89203	2.5280%	27.1866	26.5466
Total	100	92.7891	100	100			100

I, the Clerk of the Legislative Body of the approved assessing unit identified above, hereby certify that the legislative body determined on _____ (specify date) base percentages, current percentages and current base proportions as set forth herein for the assessmentroll and portion identified above.

Signature

Title

Date

STATE BOARD OF REAL PROPERTY SERVICES
 16 Sheridan Avenue, Albany, NY 12210-2714

Determination of Base Percentages, Current Percentages and
 Current Base Proportions Pursuant to Article 19, RPTL,
 for the Levy of Taxes on the 2007 Assessment Roll

Approved Assessing Unit - TOWN OF ORANGETOWN

Check One to Identify Portion: County _____; City _____; Town _____; Village _____; Town Outside Village Area _____;
 School District XX _____; Special District _____

Name of Portion - Nyack

SECTION I

Determination of Base Percentages

Class	(A) Assessed Value	(B) 1989 Class Equalization Rate	(C) Estimated Market Value A/(B/100)	(D) Base Percentages (C/Sum of C)
Homestead	385,549,825	121.54	317,220,524	67.1393
Non-Homestead	201,636,566	129.87	155,260,311	32.8607
Total	587,186,391		472,480,835	

SECTION II

Determination of Current Percentages

Class	(E) 2006 Taxable Assessed Value	(F) 2006 Class Equalization Rate	(G) Estimated Market Value E/(F/100)	(H) Current Base Percentages (G/Sum of G)
Homestead	433,767,503	37.21	1,165,728,307	76.8181
Non-Homestead	157,425,801	44.75	351,789,499	23.1819
Total			1,517,517,806	

RP-6701(5/2001)

SECTION IV Determination of Current Base Proportions

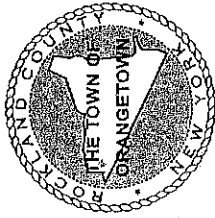
	(I)	(J)	(K)	(L)	(M)	(N)	O
Class	Local Base Proportion for the 1990 Assessment Roll	Updated Local Base Proportion I*(H/D)	Prospective Current Base Proportion Column(J) Prorated to 100.00	Adjusted Base Proportion Used for Prior Tax Levy	Percent Difference Between Prior Year Adjusted Base Proportion and Prospective Current Base Proportion ((K/L)-I)*100	Maximum Current Base Proportion (L*1.05)	Current Base Proportions for 2007 Roll
Homestead	50.2710	57.5181	62.1146	64.7586	-4.0829%	67.9965	62.9965
Non-Homestead	49.7290	35.0818	37.8854	35.2414	7.5025%	37.0035	37.0035
Total	100	92.5999	100	100			100

I, the Clerk of the Legislative Body of the approved assessing unit identified above, hereby certify that the legislative body determined on _____ (specify date) base percentages, current percentages and current base proportions as set forth herein for the assessmentroll and portion identified above.

Signature

Title

Date



Department of Environmental Management and Engineering
Town of Orangetown

Route 303 Orangetown New York 10962
Tel: (845) 359-6502 • Fax: (845) 359-6951

EXHIBIT

8-B-07 8/13/07

August 6, 2007

To: Thom Kleiner, Supervisor
Town Board

From: Ronald C. Delo, P.E., BCEE
Director

Re: **Capital Improvement Plan -
Orangetown's Wastewater Infrastructure
Tier I Pumping Stations**

Bids were received for the General, Electrical, Heating, Ventilation, and Air Conditioning (HVAC), and Plumbing Contracts for the above referenced project on August 1, 2007 and Stearns & Wheeler, LLC and I recommend award of these contracts to the lowest bidders as follows:

<u>Contract</u>	<u>Lowest Bidder</u>	<u>Total Bid Amount</u>
PS-06-2G (General)	Arben Group, LLC Pleasantville, NY	\$3,996,000.00
PS-06-2E (Electrical)	Fanshawe, Inc. d/b/a Rockland Electric Nanuet, NY	\$2,296,000.00
PS-06-2HV (HVAC)	Hauser Bros., Inc. Orangetown, NY	\$362,600.00
PS-06-2P (Plumbing)	Hauser Bros., Inc. Orangetown, NY	\$78,447.00

Thom Kleiner
Town Board
August 6, 2007
Page 2 of 2

The bid documents submitted by the contractors were found to be complete. References were checked and found to be satisfactory. Please see attached letters from Stearns & Wheeler, LLC, dated August 6, 2007, regarding the above.

Please note that the total amount of these bids of \$6,733,047.00 is within the engineer's estimate of \$7,000,000.00 for this part of the project.

Should you have any questions on the above, please contact me.

Thank you for your consideration in this matter.

FAX TRANSMITTAL

Stearns & Wheeler, LLC
Environmental Engineers and Scientists

One Remington Park Drive
Cazenovia, NY 13035
Tel: (315) 655-8161
Fax: (315) 655-4180
www.stearnswheler.com

Date: August 6, 2007 No. of Pages (Including Cover): 4
From: Michael Tamblin, P.E. Job No.: 50189-30.2300
Re: Tier 1 Pumping Stations - General Contract

Please deliver the following page(s) to:

Name	Company	Fax Number
Ronald Delo, P.E.	Town of Orangetown	845-359-6951

Message:

Please see the following.

If you do not receive all pages, please call us at (315) 655-8161 as soon as possible.

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This facsimile transmission, including this cover sheet and any accompanying documents (individually and collectively, "the Transmission"), contains information from *Stearns & Wheeler, LLC*. The Transmission is intended solely for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential, and/or otherwise exempt from disclosure under applicable law.

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Stearns & Wheeler, LLC

Environmental Engineers and Scientists

One Remington Park Drive
Cazenovia, NY 13035

tel. (315) 655-8161

fax. (315) 655-4180

web. www.stearnswheler.com

August 6, 2007

Mr. Ronald C. Delo, P.E., Director
Department of Environmental Management and Engineering
Town of Orangetown
Route 303
Orangeburg, NY 10962

Re: Tier I Pumping Stations – General Contract
Town of Orangetown
Orangeburg, New York
S&W No. 50189.0

Dear Mr. Delo:

On Wednesday, August 1, 2007, two bids were received by the Town of Orangetown and opened for Contract No. PS-06-2G, Tier I Pumping Stations, General Contract. All bids are listed on the enclosed Canvass of Bids. The low bid submitted is:

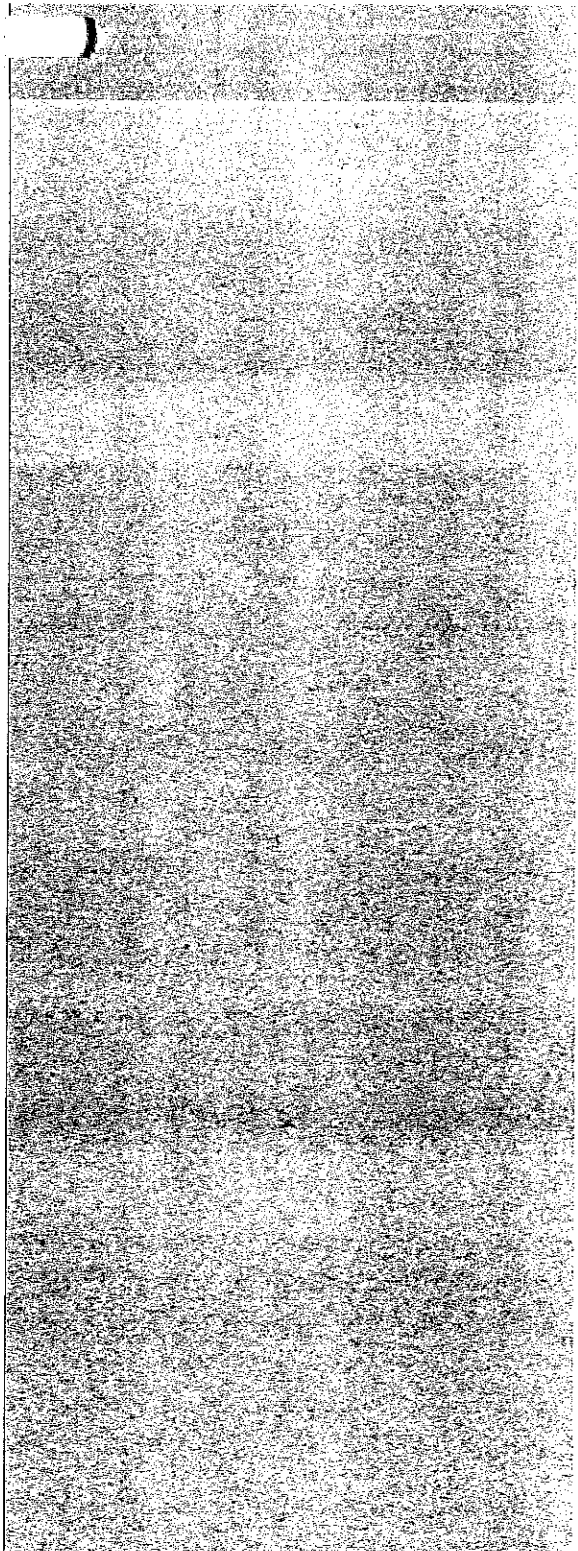
Contract No.	Low Bidder	Total Bid Amount
PS-06-2G	Arben Group, LLC 175 Marble Avenue Pleasantville, NY 10570	\$3,996,000

Per the Contract Documents, the contracts are to be awarded based on the lowest responsive bid. This contractor has submitted the required documents for bidding per Contract PS-06-2G. Stearns & Wheeler has reviewed these documents for completeness and have found no errors. In addition, we have checked references submitted in the bid proposal for the low bidder. Based on our review, we recommend this contract be awarded to Arben Group, LLC in the amount they bid. We have also contacted representatives of this contractor who have recognized that there is a significant difference between their bid and the next bidder, but have indicated to us they are willing to proceed with the project's scope of work.

F:\Shared Projects\0109\Word Proc\Letter\Delo\DELLET15.doc



Connecticut Maryland Massachusetts New York North Carolina Virginia



Mr. Ronald C. Delo, P.E., Director
Town of Orangetown

August 6, 2007
Page 2

If you have any questions or concerns regarding this matter, please do not hesitate to contact us.

Very truly yours,

STEARNS & WHEELER, LLC



Michael E. Tamblin, P.E., BCEE
Vice President

MET/jas

Enclosure

cc: Thom Kleiner, Town of Orangetown (w/enc.)
Timothy Burns, P.E., NYSEFC (w/enc.)
Manju Cheriau, NYSDEC (w/enc.)
Robert Butterworth, P.E., Stearns & Wheeler, LLC (w/o enc.)
Charles Prior, P.E. Stearns & Wheeler, LLC (w/o enc.)





CANVASS OF BIDS

PROJECT: Tier I Pumping Stations
 CONTRACT NO.: PS-06-2G GENERAL
 LOCATION: Town of Orangetown, NY
 S&W JOB NO.: 50189

Stearns & Wheeler, LLC
 Environmental Engineers and Scientists

BIDS OPENED: August 1, 2007 @ 11:00 AM @ Town Clerk's Office

BID NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL PRICE	ESTIMATED COST	ESTIMATED SAVINGS
1	General Mobilization and Demobilization -	LS	1.00	\$300,000.00	\$300,000.00		
2	General Construction - Nyack Pumping Station	LS	1.00	\$2,150,000.00	\$2,150,000.00		
3	General Construction - Upper Nyack Pumping Station	LS	1.00	\$699,000.00	\$699,000.00		
4	General Construction - Jetter Brands Pumping Station	LS	1.00	\$600,000.00	\$600,000.00		
5	General Construction - Pearl Street Pumping Station	LS	1.00	\$955,000.00	\$955,000.00		
6	Miscellaneous Additional Work	LS	1.00	\$150,000.00	\$150,000.00		
7	Operation and Maintenance Manuals	LS	1.00	\$12,500.00	\$12,500.00		
8	Record Drawings	LS	1.00	\$7,500.00	\$7,500.00		
9	Excavations Below Subgrade, Test Pits, and Exploratory Excavations	Cubic Yards	200	\$5,000.00	\$5,000.00		
10	Special Bedding Materials	Cubic Yards	200	\$10,000.00	\$10,000.00		
				TOTAL BID AMOUNT	\$3,996,000.00		
					\$4,889,000.00		

Project: Project\10189\10189-06-2 (Tier I PS) Bid Documents DTB\10189-06-2

Stearns & Wheeler, LLC

Environmental Engineers and Scientists

FAX TRANSMITTAL

One Remington Park Drive
Cazenovia, NY 13035
Tel: (315) 655-8161
Fax: (315) 655-4180
www.stearnswheler.com

Date: August 6, 2007 No. of Pages (Including Cover): 4
From: Michael Tamblyn, P.E. Job No.: 50189.30.2300
Re: Tier I Pumping Stations - Electrical Contract

Please deliver the following page(s) to:

Name	Company	Fax Number
Ronald Delo, P.E.	Town of Orangetown	845-359-6951

Message:

Please see the following.

If you do not receive all pages, please call us at (315) 655-8161 as soon as possible.

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Stearns & Wheeler, LLC

Environmental Engineers and Scientists

One Remington Park Drive
Cazenovia, NY 13055

tel. (315) 655-8161

fax. (315) 655-4180

web. www.stearnswheler.com

August 6, 2007

Mr. Ronald C. Delo, P.E., Director
Department of Environmental Management and Engineering
Town of Orangetown
Route 303
Orangetown, NY 10962

Re: Tier I Pumping Stations – Electrical Contract
Town of Orangetown
Orangetown, New York
S&W No. 50189.0

Dear Mr. Delo:

On Wednesday, August 1, 2007, two bids were received by the Town of Orangetown and opened for Contract No. PS-06-2E, Tier I Pumping Stations, Electrical Contract. All bids are listed on the enclosed Canvass of Bids. The low bid submitted is:

Contract No.	Low Bidder	Total Bid Amount
PS-06-2E	Fanshawe, Inc. d/b/a Rockland Electric 58 East Route 59 – 2 nd Floor Nanuet, NY 10954	\$2,296,000

Per the Contract Documents, the contracts are to be awarded based on the lowest responsive bid. This contractor has submitted the required documents for bidding per Contract PS-06-2E. Stearns & Wheeler has reviewed these documents for completeness and have found no errors. In addition, we have checked references submitted in the bid proposal for the low bidder. Based on our review, we recommend this contract be awarded to Fanshawe, Inc. in the amount they bid. We have also contacted representatives of this contractor who have recognized that there is a significant difference between their bid and the next bidder, but have indicated to us they are willing to proceed with the project's scope of work.

F:\Shared Projects\50189\Word Prod\Contract\Delo\DEL02E14.doc



Stearns & Wheeler
Companies

Connecticut Maryland Massachusetts New York North Carolina Virginia

Mr. Ronald C. Delo, P.E., Director
Town of Orangetown

August 6, 2007
Page 2

If you have any questions or concerns regarding this matter, please do not hesitate to contact us.

Very truly yours,

STEARNS & WHEELER, LLC



Michael E. Tamblin, P.E., BCEE
Vice President

MET/jas

Enclosure

cc: Thom Kleiner, Town of Orangetown (w/enc.)
Timothy Burns, P.E., NYSEFC (w/enc.)
Manju Cherian, NYSDEC (w/enc.)
Robert Butterworth, P.E., Stearns & Wheeler, LLC (w/o enc.)
Charles Prior, P.E. Stearns & Wheeler, LLC (w/o enc.)





CANASS OF BIDS
 PROJECT: Tier I Pumping Stations
 CONTRACT NO.: PS-06-2E ELECTRICAL
 LOCATION: Town of Orangeburg, NY
 S&W JOB NO.: 50189

Stearns & Wheeler, LLC
 Environmental Engineers and Scientists

BIDS OPENED: August 1, 2007 @ 11:00 AM @ Town Clerk's Office

ITEM NO.	DESCRIPTION	QUANTITIES	UNIT	ESTIMATED AMOUNT	ESTIMATED AMOUNT	ESTIMATED AMOUNT	ESTIMATED AMOUNT
11	Electrical Mobilization and Demobilization -	-	LS	1.00	\$20,080.00	\$20,080.00	\$110,000.00
12	Electrical Construction - Nyack Pumping Station	-	LS	1.00	\$1,479,000.00	\$1,479,000.00	\$1,455,879.00
13	Electrical Construction - Upper Nyack Pumping Station	-	LS	1.00	\$258,080.00	\$258,080.00	\$362,500.00
14	Electrical Construction - Belter Brads Pumping Station	-	LS	1.00	\$200,900.00	\$200,900.00	\$395,400.00
15	Electrical Construction - Pearl Street Pumping Station	-	LS	1.00	\$218,000.00	\$218,000.00	\$463,500.00
16	Miscellaneous Additional Work	-	LS	1.00	\$190,000.00	\$190,000.00	\$190,000.00
				TOTAL BID AMOUNT		\$2,796,000.00	\$1,886,879.00

Project: PS-06-2E ELECTRICAL
 Project No.: PS-06-2E ELECTRICAL
 Location: Town of Orangeburg, NY
 S&W Job No.: 50189

Stearns Wheeler, LLC

FAX TRANSMITTAL

Stearns & Wheler, LLC
Environmental Engineers and Scientists

One Remington Park Drive
Cazenovia, NY 13035
Tel: (315) 655-8161
Fax: (315) 655-4180
www.stearnswheler.com

Date: August 6, 2007 **No. of Pages (Including Cover):** 4
From: Michael Tamblin, P.E. **Job No.:** 50189.30.2300
Re: Tier I Pumping Stations – HVAC Contract

Please deliver the following page(s) to:

Name	Company	Fax Number
Ronald Delo, P.E.	Town of Orangetown	845-359-6951

Message:

Please see the following.

If you do not receive all pages, please call us at (315) 655-8161 as soon as possible.

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Stearns & Wheeler, LLC

Environmental Engineers and Scientists

One Remington Park Drive
Cazenovia, NY 13035

tel. (315) 655-8161

fax. (315) 655-4180

web. www.stearnswheler.com

August 6, 2007

Mr. Ronald C. Delo, P.E., Director
Department of Environmental Management and Engineering
Town of Orangetown
Route 303
Orangetown, NY 10962

Re: Tier I Pumping Stations – HVAC Contract
Town of Orangetown
Orangetown, New York
S&W No. 50189.0

Dear Mr. Delo:

On Wednesday, August 1, 2007, one bid was received by the Town of Orangetown and opened for Contract No. PS-06-2HV, Tier I Pumping Stations, HVAC Contract. The bid is listed on the enclosed Canvass of Bids. The low bid submitted is:

Contract No.	Low Bidder	Total Bid Amount
PS-06-2HV	Hauser Bros., Inc. 17 Old Schoolhouse Lane Orangetown, NY 10962	\$362,600

Per the Contract Documents, the contracts are to be awarded based on the lowest responsive bid. This contractor has submitted the required documents for bidding per Contract PS-06-2HV. Stearns & Wheeler has reviewed these documents for completeness and have found no errors. In addition, we have checked references submitted in the bid proposal for the low bidder. Based on our review, we recommend this contract be awarded to Hauser Bros., Inc. in the amount they bid.

P:\Shared Projects\50189\Word Prop\Letters\Delo\DELMEY13.doc



Stearns & Wheeler
Companies

Connecticut Maryland Massachusetts New York North Carolina Virginia

Mr. Ronald C. Delo, P.E., Director
Town of Orangetown

August 6, 2007
Page 2

If you have any questions or concerns regarding this matter, please do not hesitate to contact us.

Very truly yours,

STEARNS & WHEELER, LLC

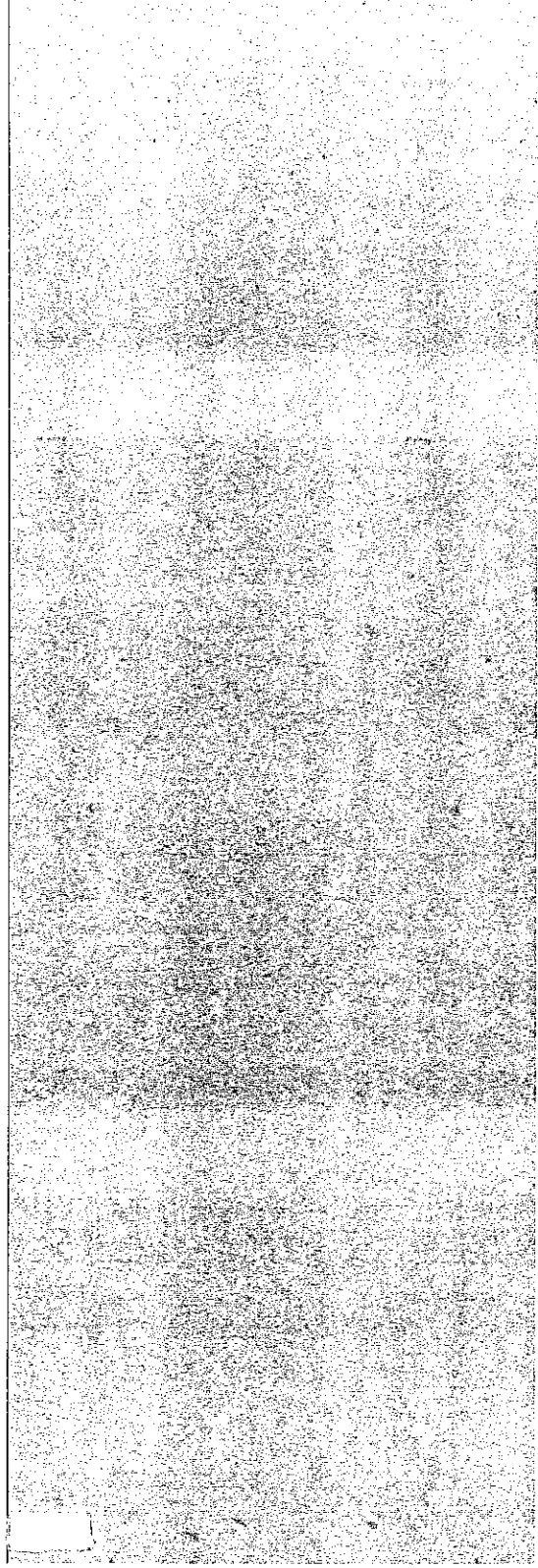


Michael E. Tamblin, P.E., BCEE
Vice President

MET/jas

Enclosure

cc: Thom Kleiner, Town of Orangetown (w/enc.)
Timothy Burns, P.E., NYSEFC (w/enc.)
Mauju Cherian, NYSDEC (w/enc.)
Robert Butterworth, P.E., Stearns & Wheeler, LLC (w/o enc.)
Charles Prior, P.E. Stearns & Wheeler, LLC (w/o enc.)





CANASSA OF BIDS

PROJECT: Tier I Pumping Stations
 CONTRACT NO.: PS-06-2HV HVAC
 LOCATION: Town of Orangetown, NY
 S&W JOB NO.: 50189

Stearns & Wheeler, LLC
 Environmental Engineers and Scientists

BIDS OPENED: August 1, 2007 @ 11:00 AM @ Town Clerk's Office

BID NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL BID AMOUNT
17	HVAC Mobilization and Demobilization -	LS	1.00	\$9,600.00	
18	HVAC Construction - Nyack Pumping Station	LS	1.00	\$145,000.00	
19	HVAC Construction - Upper Nyack Pumping Station	LS	1.00	\$65,000.00	
20	HVAC Construction - Better Brinks Pumping Station	LS	1.00	\$51,000.00	
21	HVAC Construction - Pearl Street Pumping Station	LS	1.00	\$67,000.00	
22	Miscellaneous Additional Work	LS	1.00	\$25,000.00	
					\$362,600.00

PASSED PROFESSIONAL SEAL FOR THE BID DOCUMENTS OF BIDS
 02/07

Stearns Wheeler, LLC

Stearns & Wheeler, LLC
 Environmental Engineers and Scientists

FAX TRANSMITTAL

One Remington Park Drive
 Cazenovia, NY 13035
 Tel: (315) 655-8161
 Fax: (315) 655-4180
 www.stearnswheler.com

Date: August 6, 2007 **No. of Pages (Including Cover):** 4
From: Michael Tamblin, P.E.
Re: Tier I Pumping Stations - Plumbing Contract **Job No.:** 50189.30.2300

Please deliver the following page(s) to:

Name	Company	Fax Number
Ronald Delo, P.E.	Town of Orangetown	845-359-6951

Message:

Please see the following.

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Stearns & Wheeler, LLC

Environmental Engineers and Scientists

One Remington Park Drive
Cazenovia, NY 13035

tel. (315) 655-8161

fax. (315) 655-4180

web. www.stearnswheler.com

August 6, 2007

Mr. Ronald C. Delo, P.E., Director
 Department of Environmental Management and Engineering
 Town of Orangetown
 Route 303
 Orangetown, NY 10962

Re: Tier I Pumping Stations – Plumbing Contract
 Town of Orangetown
 Orangetown, New York
 S&W No. 50189.0

Dear Mr. Delo:

On Wednesday, August 1, 2007, one bid was received by the Town of Orangetown and opened for Contract No. PS-06-2HV, Tier I Pumping Stations, HVAC Contract. The bid is listed on the enclosed Canvass of Bids. The low bid submitted is:

Contract No.	Low Bidder	Total Bid Amount
PS-06-2P	Hauser Bros., Inc. 17 Old Schoolhouse Lane Orangetown, NY 10962	\$78,447

Per the Contract Documents, the contracts are to be awarded based on the lowest responsive bid. This contractor has submitted the required documents for bidding per Contract PS-06-2P. Stearns & Wheeler has reviewed these documents for completeness and have found no errors. In addition, we have checked references submitted in the bid proposal for the low bidder. Based on our review, we recommend this contract be awarded to Hauser Bros., Inc. in the amount they bid.

P:\Shared Projects\50189\Word Files\Contract\Delo\DELMEET12.doc


Stearns & Wheeler
 Companies

Connecticut Maryland Massachusetts New York North Carolina Virginia

Mr. Ronald C. Delo, P.E., Director
Town of Orangetown

August 6, 2007
Page 2

If you have any questions or concerns regarding this matter, please do not hesitate to contact us.

Very truly yours,

STEARNS & WHEELER, LLC



Michael E. Tamblin, P.E., BCCEE
Vice President

MET/jas

Enclosure

cc: Thom Kleiner, Town of Orangetown (w/enc.)
Timothy Burns, P.E., NYSEFC (w/enc.)
Manju Chertan, NYSDEC (w/enc.)
Robert Butterworth, P.E., Stearns & Wheeler, LLC (w/o enc.)
Charles Prior, P.E. Stearns & Wheeler, LLC (w/o enc.)





PROJECT: Tier 1 Pumping Stations
CONTRACT NO.: PS-06-2P PLUMBING
LOCATION: Town of Orangeburg, NY
S&W JOB NO.: 50189

CANVASS OF BIDS

Stearns & Wheeler, LLC

Environmental Engineers and Scientists

BIDS OPENED: August 1, 2007 @ 11:00 AM @ Town Clerk's Office

BID NO.	BID DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL BID AMOUNT
23	Plumbing - Mobilization and Demobilization	LS	-	\$9,600.00	\$9,600.00
24	Plumbing Construction - Nyack Pumping Station	LS	-	\$22,243.00	\$22,243.00
25	Plumbing Construction - Upper Nyack Pumping Station	LS	-	\$12,851.00	\$12,851.00
26	Plumbing Construction - Pearl Street Pumping Station	LS	-	\$23,753.00	\$23,753.00
27	Miscellaneous Additional Work	LS	-	\$10,080.00	\$10,080.00
					\$78,447.00

Prepared Project: PS-06-2P (The 180000) Drawings of Bids: 02/07

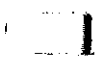
**Budget Transfers for August 13
(Attachment for Agenda Item 21)**

Line #	Fund	Type	Department	Line Item	Account Number	Existing	Change	Result	Comment
1	Police	Increase	Police	Salaries	B3120161	50011 \$	7,944,058 \$	750,000 \$	OT Retro included
2	Police	Decrease	Police	Workers Comp	B9040168	50800 \$	307,000 \$	(150,000) \$	
3	Police	Decrease	Police	Overtime	B3120161	50012 \$	1,236,000 \$	(150,000) \$	
4	Police	Decrease	Police	Pensions	B9015168	50800 \$	2,200,000 \$	(450,000) \$	
Total							\$	-	
5	Police	Increase	Police	Salaries	B3120161	50011 \$	8,694,058 \$	111,116 \$	BOCES Cost
6	Police	Increase	Police	Police Fees	B0152016	41520	0 \$	80,000 \$	80,000
7	Police	Increase	Police	Federal Aid	B0496016	41155	0 \$	31,116 \$	Engel grant
8	Police	Increase	Police	Capital Outlay	B3120162	50200 \$	276,700 \$	31,322 \$	Vehicle flooded
9	Police	Increase	Police	FEMA Aid	B0490116	44089	0 \$	31,322 \$	FEMA/SEMO
10	General	Increase	Parks	Contracts	A7710004	50457	80000 \$	17,020 \$	Tappan Park flooding
11	General	Increase	Parks	FEMA Aid	A0408956	44089	0 \$	17,020 \$	FEMA/SEMO
12	Sewer	Increase	Collection	Capital Outlay	G8187002	50200	112500 \$	30,612 \$	Pumps flooded
13	Sewer	Increase	Collection	FEMA Aid	G0496000	44089	0 \$	30,612 \$	FEMA/SEMO

FINAL

EXHIBIT

XC-01-8113107



10/17

10/17/2017 10:17 AM

EXHIBIT

8-D-07, 8/13/07

DEVELOPER'S AGREEMENT

By and Between

TOWN OF ORANGETOWN

-and-

K. Hovnanian Companies of New York, Inc.

for Property located in

Town of Orangetown, Rockland County
New York

- dated -

August 16, 2007

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DEVELOPER'S AGREEMENT

THIS DEVELOPER'S AGREEMENT (this "Agreement") made on August 2007 by and between the TOWN OF ORANGETOWN (the "Town"), a political subdivision of the State of New York having an office at Town Hall, 26 Orangeburg Road, Orangeburg, New York 10962 and K. HOVNIANIAN COMPANIES OF NEW YORK, INC., a New York business corporation with offices at 110 Fieldcrest Avenue, Edison, New Jersey 08818 (the "Company"). The Town and the Company may be individually referred to herein as a "party" and, collectively, as the "parties."

RECITALS

WHEREAS, the Town owns a parcel of real property located in the Town of Orangetown, Rockland County, New York consisting of: (1) a part of the interior property formerly a part of the Rockland Psychiatric Center (the "Core Property"); and (2) additional property located along Blaisdell Road between Veterans Memorial Drive and Old Orangeburg Road (the "Blaisdell Property"), both such parcels are more fully shown on Exhibit A attached hereto and made a part hereof; and

WHEREAS, the Town also owns parcels of other real property consisting of (3) the existing Town owned Broadacres Golf Course (the "Broadacres Golf Course") which property is also more fully shown on Exhibit A attached hereto and made a part hereof; and

WHEREAS, the aforementioned parcels 1, 2 and a portion of 3, as more fully shown on Exhibit A annexed hereto and made a part hereof, collectively, are intended to comprise the "Property" as that term is used under this Agreement; and

WHEREAS, on April 12, 2004 the Town Board of the Town of Orangetown (the "Town Board") adopted The Rockland Psychiatric Center Redevelopment Plan; and

WHEREAS, the Town Board circulated a Request for Proposals for Redevelopment at the Rockland Psychiatric Center dated January 24, 2005 (the "RFP") for a qualified developer to redevelop the Property; and

WHEREAS, K. Hovnianian Developments of New York, Inc., (an affiliate of the Company) along with several other prospective developers, responded to the RFP with a proposal for the development of the Property; and

WHEREAS, due to K. Hovnianian Developments of New York, Inc.'s experience and qualifications with regard to large-scale residential and mixed-use development, the Town Board selected it, operating through a subsidiary under the direction and control of the Company, as the "preferred developer" for this Project (as hereinafter defined), based upon its general preliminary proposal (the "Proposal"); and

WHEREAS, the Town and the Company are seeking to revitalize and enhance the Property for the benefit of the residents of the Town of Orangetown, New York; and

WHEREAS, in order to permit the redevelopment of the Property consistent with the proposal, the Town will need to amend the zoning applicable to the Property (the "Proposed Zoning Change"); and

WHEREAS, prior to considering the Proposed Zoning Change, the Town will prepare a Generic Environmental Impact Statement ("GEIS") and adopt a findings statement in order to evaluate any potentially significant adverse environmental impacts of the Proposed Zoning Change and any Conceptual Development Plans for the Project in accordance with SEQRA (as hereinafter defined); and

WHEREAS, concurrent with the Town's evaluation of the Proposed Zoning Change, the parties desire to cooperate to finalize a Conceptual Development Plan, based upon the Proposal, that will describe redevelopment of the Property consisting, generally, of residential dwelling units, possibly, certain commercial components, and realignment and renovation of the existing 9-hole Broadacres Golf Course, all to be finally determined; and

WHEREAS, the Company and the Town desire the opportunity to fully investigate the Property and commence certain preliminary planning activities with respect to the Project (as hereinafter defined) under the terms and conditions contained herein.

NOW THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS.

For all purposes of this Agreement, the following terms shall have the respective meanings set forth below. Capitalized terms used but not defined herein shall have the meaning given them in the Contract of Purchase and Sale which is attached hereto and made a part hereof as Exhibit C.

"Affiliate" means with respect to any Person any entity that, directly or indirectly, controls or is controlled by that Person, or is under common control with that Person. For purposes of this definition "control", as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise and in the case of a specified Person who is a natural person, his/her spouse, his/her issue, his/her parents, his/her estate and any trust entirely for the benefit of his/her spouse and/or issue.

"All Approvals" shall mean all Approvals, permits, agreements and zoning ordinance amendments issued by Governmental Authorities including, without limitation, SEQRA compliance, site plan approval and subdivision approval for all units in the Project, a Work Plan, approval of the New York State Legislature for any necessary alienation of designated "parkland" (as defined by applicable law) and other approvals necessary to proceed with the uninterrupted development of all units in the Project, and the very first building permit only (for which the Company shall apply within 30 days of the last Approval other than such building permit) which Approvals contain terms and conditions acceptable to Buyer in its sole discretion. Each such approval shall be referred to as an "Approval." This definition shall expressly exclude

all building permits (except the first building permit), and approval of any Offering Plan by the New York State Attorney General as well as discretionary funding as set forth in Section 2(f) hereof.

"Approval" shall mean each individual final, non-appealable approval of those defined as All Approvals. An Approval shall be deemed final and non-appealable where the time to challenge or appeal the grant or denial of the Approval, or a term or condition of the Approval, before any administrative body or court of law has expired, and no challenge or appeal is pending and/or has been decided in the Company's favor, and all terms and conditions contained in the Approval have been satisfied; such time period, the parties agree, shall be four (4) months, or such shorter period as may be provided by state or local law not to exceed four (4) months, measured from the formal grant or denial of any individual Approval, respectively. With regard to each Approval or component thereof required for the Project, the Company agrees to use its best, commercially reasonable efforts to diligently apply for and pursue same.

"Brownfield Programs" shall mean, without limitation and as applicable, the New York State Brownfield Program pursuant to Articles 14 and 56 of the New York State Environmental Conservation Law and the Federal Brownfield Program pursuant to 42 USCA § 9601 et. seq. and any other applicable laws, rules, regulations or programs.

"Buildings" means, collectively, any and all buildings, structures and other improvements located on the Property.

"Business Day" means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized or required to close under the laws of the State of New York.

"Conceptual Development Plan" shall have the meaning ascribed to such term in Section 2(e) hereof.

"Contract of Purchase and Sale" means the Contract of Purchase and Sale by and between the Town and the Company, attached hereto as Exhibit C and made a part hereof, and setting forth the terms by which the Town will sell and the Company will purchase the Property if all conditions set forth therein are satisfied.

"Contracts" means all contracts, leases, agreements and obligations currently in force relating to the Property, including, without limitation, all sale, management, construction, leasing, insurance, commission, architectural, engineering, operating, employment, service, supply and maintenance agreements.

"DEC" shall mean the New York State Department of Environmental Conservation.

"Effective Date" means the date on which both the Town and the Company have executed this Agreement.

"Environmental Documents" shall mean all environmental documentation in the possession or under the immediate control of Seller or its consultants concerning the Property or its environs including, without limitation, preliminary assessments, Phase I reports, remedial investigation reports, or any other plans, reports and sampling results, and any correspondence or

other documentation to or from any Governmental Authority. Environmental Documents shall not include such documents in the possession of the State of New York or any of its departments, agencies or authorities, or any predecessor owner or tenant, unless same shall have been delivered to, and are in the possession of, the Seller.

"Environmental Laws" (and individually, "Environmental Law") shall mean all federal, state and local laws, statutes, rules, regulations, ordinances, orders, directives, binding written interpretations, and binding written policies applicable to Hazardous materials, pollution, human health and safety, and the environment issued by any Governmental Authorities and in effect as of the date of this Agreement with respect to or which otherwise pertain to or affect the Property or the improvements thereon, or any portion thereof, the use, ownership, occupancy or operation of the Property or the improvements thereon, or any portion thereof, or any owner of the Property, and as same have been amended, modified or supplemented from time to time prior to the date of this Agreement, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. § 1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. § 7401 note, et seq.), the Superfund Amendment Reauthorization Act of 1986 (42 U.S.C. § 9601 et seq.), the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), and all applicable state and local laws, including without limitation the New York State Environmental Conservation Law and the New York State Navigation Law, and any and all rules and regulations, all as may from time to time be amended and including any successor statutes thereto.

"GEIS" shall have the meaning ascribed to such term in Section 6 hereof.

"Governmental Authorities" means any governmental or quasi-governmental body or agency having jurisdiction over the Property and/or the Project, including, without limitation, the federal government, State of New York, County of Rockland, and Town of Orangetown.

"Governmental Regulation" means any laws, ordinances, rules, requirements, resolutions, policy statements and regulations (including, without limitation, those relating to land use, subdivision, zoning, environmental, toxic or Hazardous Materials, occupational health and safety, water, earthquake hazard reduction, and buildings and fire codes) of the Governmental Authorities bearing on the construction, occupancy, alteration, rehabilitation, development, re-development, maintenance, use, operation or sale of the Property.

"Guaranty" shall mean the corporate guaranty of K. Hovnanian Holdings of New Jersey, L.L.C, a New Jersey limited liability company which maintains at least \$300,000,000.00 in assets on a yearly basis.

"Hazardous Materials" means toxic materials, hazardous waste, or hazardous substances as any of these terms are defined in the New York State Environmental Conservation

Law; the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. § 6901, et seq.); in the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; and/or in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601, et seq.), asbestos or asbestos-related products, oils, petroleum-derived compounds, petroleum by-products, radon, soil vapor intrusions, polychlorinated biphenyls ("PCBs"), PCB-containing equipment, storage tanks, lead-based paint, radioactive elements, infectious agents, urea-formaldehyde insulation or other materials, substances, wastes, pollutants or pesticides as from time to time identified in any laws, rules, ordinances or regulations from time to time applicable to the Property.

"Person" means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, limited liability company, limited liability partnership, governmental authority, or other entity of whatever nature.

"Project" shall mean a residential development on the Property, together with, possibly, certain commercial components as and if approved by the Planning Board, the renovation and realignment of the existing nine-hole Broadacres Golf Course, and the development of a walking trail or series of walking trails, all as more fully shown on the Preliminary Concept Plan and the Preliminary Golf Course Concept Plan, annexed hereto Exhibits B and D, together with related on and off-site improvements.

"Property" shall mean the Core Property, the Blaisdell Property, and certain portions of the Broadacres Golf Course, including all rights of way, covenants, easements and any other rights appurtenant to such property, as more fully set forth in Exhibit A attached hereto and made a part hereof.

"Proposed Zoning Change" shall have the meaning set forth in the Recitals.

"SEORA" means the State Environmental Quality Review Act, New York Environmental Conservation Law Article 8 and its accompanying regulations set forth in 6 NYCRR Part 617, as amended.

"SEORA Deposit" shall have the meaning ascribed to such term in Section 3 hereof.

"Studies" means title examinations; surveys; architecture, financial, financing, economic, marketing, environmental, engineering, and other tests, studies or reports, including test borings, inspections, audits, investigations, reviews, and/or other similar studies or reports.

"Town" shall have the meaning set forth in the preamble.

2. PURPOSE AND RESPONSIBILITIES

(a) Generally. The purpose of this Agreement is to set forth the respective preliminary rights, obligations, conditions, and agreements of the Town and the Company in connection with the Town's evaluation of the Proposed Zoning Change and the planning of the Project. Nothing in this Agreement, or in the Contract of Purchase and Sale, annexed hereto and made a part hereof as Exhibit C, shall bind the Town to adopt any Proposed Zoning Change or to redevelop the Property, or shall in any way abridge the Town's authority with respect to the

Property. The parties agree that the Company has been selected by the Town as the preferred developer for this Project. During the term of this Agreement, the Town agrees not to negotiate with any person or entity regarding the selection of another developer for this Project. It is the expectation of the parties that if the Town decides to adopt the Proposed Zoning Change and the Company decides to purchase the Property, the completed Project will serve a valuable public purpose by providing a productive re-use for the Property, improving the appearance of same, increasing the tax base and sales revenue of the Town of Orangetown and other taxing jurisdictions, and identifying and alleviating environmental concerns with respect to the Property, among other things.

(b) **Town's Obligations.** The obligations of the Town during the term of this Agreement shall include, without limitation, the following:

- (i) Carrying out the activities listed on the SEQRA Schedule attached hereto as Exhibit E and made a part hereof, the cost of which activities shall be borne solely and exclusively by the Company, all as more fully set forth at Section 3 hereof;
- (ii) Inviting the Company to participate in (1) all meetings and negotiations with all Government Authorities, regulatory officials, and others related to the Property, the Project the SEQRA process and the Proposed Zoning Change; and (2) all public meetings and hearings and all public comment periods related to the Project, the Property, the SEQRA process, and the Proposed Zoning Change;
- (iii) Diligently pursuing approval of the State Legislature for the alienation of Town "parkland"; including, without limitation, the applicable portion of the Broadacres Golf Course, as may be necessary for the Project;
- (iv) Making available to the Company the Property Documents as hereinafter referred to at Section 4, and subject to the limitations and reservations set forth therein;
- (v) Reasonably cooperating with respect to the Company's investigations of the Property and developing and refining a Conceptual Development Plan reasonably satisfactory to the Town;
- (vi) Providing the Company with full access to the Property; and
- (vii) Reasonably cooperating with and assisting the Company with respect to the Company's identification and investigation of All Approvals required for the Project; and in increased costs to the Town, reasonably cooperating with the Company in:
 - (a) Discussions with the DEC relating to any funds, programs or incentives which may be available to the Property or Project under the Brownfield Programs or other state programs; and
 - (b) Discussions with the Rockland County Industrial Development Agency in relation to advocating for and utilizing any available economic development

incentives for the Project including, without limitation, and to the extent applicable, for sales tax and mortgage recording tax exemptions, but excluding real property tax exemptions (other than a full tax Payment in Lieu of Taxes Agreement).

(c) Company's Obligations. The obligations of the Company during the term of this Agreement shall include, without limitation, the following:

(i) Developing and refining a Conceptual Development Plan reasonably satisfactory to the Town and phasing plan for development of the Project;

(ii) Carrying out due diligence investigations with respect to the Property;

(iii) Providing to the Town with evidence of the insurance coverage in the forms and in the amounts amounts required herein;

(iv) Providing the Town with a copy of the title insurance report and the Company's Title Objections; and

(v) Cooperating with the Town in connection with the Town's environmental review of the Property and its preparation of a GEIS in connection with the Proposed Zoning Change and any Conceptual Development Plan for the Project, including, but not limited to, paying the reasonable costs associated therewith.

(d) Insurance. The Company shall provide the Town with proof of the Company's liability insurance coverage for its employees, agents and representatives, naming the Town as an Additional Insured and covering the Town with respect to all of the Company's investigation activities of the Property and having a combined single limit of not less than \$1,000,000 with at least \$5,000,000 excess liability coverage. The Company or Company's agents shall also maintain at all times during the terms of this Agreement worker's compensation insurance and other forms of insurance required by law for such activities. The Company shall repair any damage caused by such testing and shall restore the Property to substantially the same condition as existed immediately prior to such testing.

(e) Conceptual Development Plan. During the term of this Agreement, the Company shall develop and refine the Preliminary Conceptual Development Plan (the "Conceptual Development Plan", as refined) in a manner agreeable to the Company and the Town for development of the Property and the Project. The overall Conceptual Development Plan that will be developed shall include, among other things, general site plans, building types, architectural styles, streetscapes, street lighting, pedestrian and vehicle circulation plans, and other elements typical of a Conceptual Development Plan. The Company shall (i) be solely responsible for the costs associated with the development of the Conceptual Development Plan incurred during the Investigation Period; (ii) meet regularly with the Town to cooperatively develop the Conceptual Development Plan; and (iii) complete such Conceptual Development Plan on or before the expiration of the term of this Agreement and the completion of the SEQRA process. The parties understand and agree that such plans shall be preliminary and conceptual only, and more specific development plans will be developed should the zoning classification of the Property be changed. The parties agree that the Conceptual Development Plan shall be

owned by the Company and not be submitted to any Governmental Authority (other than the Town) or any other third party, or otherwise used without the Company's written consent, other than in connection with the Town's activities in connection with the Proposed Zoning Change of the Property, the related SEQRA process and other necessary actions under or derivative of this Agreement.

(f) Funding. During the term of this Agreement, the Town shall reasonably cooperate with and assist the Company to maximize federal, state and local funding of the Project, including, without limitation, funding and liability releases available under the Brownfield Programs. The parties will work cooperatively in the preparation of such applications. The parties acknowledge that most of such applications require either direct application by the Town or the Town's consent to an application, which actions are subject to formal approval by the Town in its sole discretion in order to be submitted. It is intended that any such incentives received shall accrue to the Company and, as and to the extent applicable, be applied to the Property and the Project. Nothing herein, however, shall be deemed to commit the Company to fund, proceed with or undertake the Project; nor shall the Town be required to sign or otherwise participate in such applications where the Town, in its sole discretion, concludes that any such application would not be in the best interest of the Town.

(g) Approvals. During the term of this Agreement, the Company shall identify, investigate all necessary approvals and permits the Company may require from Governmental Authorities for the development of the Project. During such period, it is expected that the Company may hold preliminary discussions with Governmental Authorities including, without limitation, planning and zoning boards. The Town agrees to reasonably cooperate with the Company with respect to such meetings and negotiations and, if requested by the Company, to send knowledgeable representatives of the Town to such meetings. However, nothing herein shall be construed to be a decision by any Governmental Authority in relation to a future course of action for the development of the Project. The Town retains full authority to consider each and every aspect of the Project and its benefits and impacts independently.

(h) Diligent Efforts. The parties agree to proceed diligently and in good faith with respect to all matters set forth in this Agreement. The parties shall cooperate with one another as may be reasonably requested. The parties shall adhere to all regulatory and statutory timeframes that may be applicable to any activities conducted under this Agreement.

(i) Contract of Purchase and Sale. The parties agree that, within thirty (30) days of the later of (i) the completion of the SEQRA process as evidenced by the adoption of a SEQRA findings statement, relating to the Proposed Zoning Change, or (ii) adoption of the Proposed Zoning Change, they shall execute the Contract of Purchase and Sale in the form attached hereto as Exhibit C. The parties acknowledge and agree that after the Orangetown Town Board adopts a SEQRA findings statement, the Town Board must adopt a resolution authorizing the conveyance of the property to the Company and that such resolution is subject to a permissive referendum in accordance with Article 7 of the New York Town Law. Nothing in this Section 2(i) shall preclude the Town Board from affirmatively sending such resolution to a referendum on its own motion; provided, however, that if the Town Board makes such a motion against the written wishes of the Company and the resolution authorizing the conveyance of the Property is not approved in such referendum, such action by the Town Board shall trigger the remedies

applicable as if same were a material breach of this Agreement under Section 9(a) hereof. Notwithstanding the foregoing, nothing herein shall obligate the Town to litigate or otherwise challenge the validity of any petition for permissive referendum. However, the Town does hereby agree that, should a petition for permissive referendum require such referendum be held as a pre-condition to the sale of the Property, the Town shall duly pursue such referendum and shall have no right to terminate this Agreement (except as otherwise stated herein).

3. SEQRA DEPOSIT.

Upon execution of this Agreement, the Company shall deliver a deposit to the Town in the amount of One Hundred Seventy-Five Thousand Dollars (\$175,000.00) (the "SEQRA Deposit"). The SEQRA Deposit shall be non-refundable except as specifically set forth herein, and shall be used by the Town to pay the costs and expenses, including but not limited to the cost of the Town's professional consultants, incurred in connection with the SEQRA process including the preparation of a GEIS for the Proposed Zoning Change. In this regard, it is expressly understood and agreed that the dollar amount set forth herein is not intended to be, nor shall it constitute, a limitation on the Company's obligation to pay the full amount of such costs and expenses, and the Company expressly agrees that, in the event this amount shall be expended by the Town (as required by SEQRA), the Company shall replenish such deposit by a further deposit of \$25,000.00 (and with subsequent deposits in like amount as each such deposit shall be expended until the SEQRA process shall be complete as evidenced by the Town's adoption of SEQRA Findings) to be held in trust by the Town and disbursed to cover expenses if and as incurred and required in connection with the SEQRA process for the proposed Zoning Change.

It is further expressly understood and agreed that, in the event the Company shall elect to terminate this Agreement during the SEQRA process, any balance of monies advanced by the Company and remaining unexpended in the Town's possession shall be returned to the Company. This Agreement does not affect, in any way, the Company's rights to dispute any costs it feels are inequitable so long as such dispute is in writing and delivered to the Town within thirty (30) days of any such bill. Such dispute shall be resolved by the parties in accordance with Section 9(b) hereof. Unless otherwise agreed, the time periods herein shall be suspended pending resolution of any such dispute.

4. PROPERTY DOCUMENTS.

Throughout the period of this Agreement, the Town shall use its best, reasonable efforts to make available for the Company's inspection, review and photocopying complete copies of all documents, contracts, leases, reports, Studies, surveys, title reports, test or inspection results of any kind or nature in the Town's possession, custody or control, or in the possession, custody or control of Town's agents and consultants, concerning the Property, including, but not limited to, all documents relating to administrative proceedings, civil or criminal litigation and/or approvals of and for the Property. These documents shall include, without limitation: (1) all applications submitted to and approvals, grants, programs, protections, incentives, subsidies, agreements and permits issued by appropriate Governmental Authorities, including any correspondence, reports or plans referenced therein; (2) all agreements entered into by the Town relating to the development of the Property, e.g., developer's agreements, utility service agreements, easements, off-site improvement agreements, etc.; (3) current or pending engineering plans, concept plans,

bond estimates and quantity take-offs for the Property and any associated off-site improvements for land development, utilities, grading, traffic improvements, etc.; (4) title insurance policies, reports or commitments for the Property; (5) boundary line and topographic surveys of the Property; (6) environmental documents, including, without limitation, environmental analyses or reports prepared on behalf of the Town or any prior owners of the Property, and any applications for grants, monies, inventories or the inclusion in any governmental program; (7) documents relating to any litigation or governmental action concerning the Property, whether or not such litigation has been resolved by a court of competent jurisdiction or is pending; and (8) tax bills (if any) for the prior three (3) tax years and any notice of a change in assessment or additional tax assessment, charge, fee or levy (collectively, the "Property Documents"). The Town shall make a diligent search for the Property Documents and, to the extent applicable, shall request its consultants to do the same. Seller shall further reasonably cooperate with the Company in the Company's efforts to acquire all such documents relating to the Property in the possession of and from the State of New York, as the immediate past owner of the Property. If requested by the Company, the Town shall provide written authorization to the Company to contact any of the Town's consultants and professionals that may have (or had) information or documentation relating to the Property and/or the transactions contemplated by this Agreement. Thereafter, the Company may obtain such information and/or documentation directly from such consultant or professional. The Town's obligations pursuant to this Section 4 shall be ones of good faith, with reasonable efforts, to assist the Company in obtaining all information relating to the Property. Nothing herein shall be deemed or be construed as a representation or warranty as to the completeness or accuracy of any documents reproduced or made available to the Company or otherwise constitute a representation or warranty by the Town, relating to the condition of the Property, it being expressly understood and agreed that the Town makes no representation whatsoever concerning the Property or its condition, environmental or otherwise, and that the Company's decision to move forward and purchase the Property is based upon its own independent investigation, assessment and analysis.

5. SITE ACCESS.

(a) Access Rights. Subject to the terms of this Agreement, and provided the Company has delivered to the Town proof of the insurance coverage required under Section 2 (d) hereof, the Company, its officers, agents and employees, and the officers, agents and employees of the Company's contractors shall have full and complete access to the Property during the term of this Agreement without further authorization from the Town. The Company shall, likewise, be given reasonable access to all Town-owned property where it is contemplated hereunder (i.e. the would have a license to perform the incidental improvements contemplated hereunder (i.e. the Golf Course and the Walking Trails). The access granted to the Company pursuant to this Section shall consist of, without limitation, inspection, surveying, coring, installation of groundwater monitoring wells and piezometers, access for the purpose of sampling and other activities incident to the performance of an environmental assessment and any environmental monitoring work that is permitted by this Agreement, or by Environmental Laws.

(b) Hazardous Materials/Site Conditions. The Town shall notify the Company as and to the extent of its actual knowledge of any Hazardous Materials, utilities, underground structures, underground tanks or any conditions that are in violation of applicable laws, rules or

regulations which relate to the Property, or written notices of any claimed violation of Environmental Laws.

(c) Due Diligence. Throughout the period of this Agreement, the Company shall have the opportunity to perform due diligence, of a nature, type and extent that it, in its sole discretion, deems necessary, relating to the Property and to the suitability of the Property for the development of the Project. In its sole and absolute discretion, the Company may waive all or a portion of the Investigation Period by written notice in accordance with the terms of Section 10(a) hereof. The Company, throughout the term of this Agreement, may conduct investigations, tests, Studies and inspections of any kind or nature whatsoever including, without limitation, Phase I and Phase II environmental tests, soil and groundwater sampling, and may make a complete and independent investigation of all aspects of the transaction contemplated by this Agreement including, but not limited to, the condition of the Property, all correspondences, instruments, agreements, contracts, books, documents, records, plans, drawings, specifications, brochures, permits, licenses, registrations, consents, Property Documents and authorizations concerning the Property to determine the feasibility of development of the Property. The Town shall reasonably cooperate with all of the investigations, inquiries and Studies to be conducted by the Company. The Company shall meet with the New York State Department of Environmental Conservation to determine the protocols, procedures and methods for collection data which will be applicable to the Company's investigation of the Property, as well as any cleanup standards that may be relevant to any remediation of the Property for residential development.

(d) Defense and Indemnification. Until such time as the Company closes title, if ever, on the Property, the Company shall not be responsible for the remediation, or cost of remediation, of any existing condition on the Property, except for the ascertainable exacerbation of such existing condition attributable to the intentional or negligent acts or omissions of the Company, its agents, employees or invitees. In the event of such ascertainable exacerbation of an existing condition by the Company, the Company shall be solely financially responsible for the cost of same, and the Company hereby indemnifies and holds the Town harmless from all claims, liabilities, damages, losses, costs, expenses (including, without limitation, reasonable attorneys' fees), actions and causes of action arising out of or in any way relating to the ascertainable exacerbation of such condition and/or as a result of any entry onto the Property, or any tests or inspections performed by the Company, its agents, independent contractors, servants, employees or invitees. This obligation to indemnify and hold the Town harmless shall exclude any and all claims, liabilities, damages, costs, expenses, actions and causes of action arising out of or related in any way to any pre-existing condition unless the exacerbation of any such condition is due to the Company's negligent or intentional acts or omissions on the Property provided, however that this exception to the Company's obligation to indemnify and hold the Town harmless shall not apply, and shall not be effective, as to any claims, liabilities, damages, costs, expenses and causes of action brought by, or in the name of, or in any way relating to the Company's employees, agents, contractors or others who are on the Property at the Company's request, invitation or otherwise in connection with the Company's activities thereon. This obligation shall survive Closing and be binding on any successors, assigns or successors in interest of Buyer.

(e) Voluntary Termination By the Company. The Company may terminate this Agreement at any time during and throughout its term for any reason. If the Company elects to

terminate this Agreement pursuant to this Section, the Company shall give written notice in accordance with Article 10 hereof, to the Town, in which event the Company shall: (1) return the Property Documents to Seller, and (2) with respect to any portion of the Property damaged or otherwise adversely affected by testing, restore the Property to substantially the same condition as existed before the Company entered upon the Property in furtherance of its due diligence. This obligation shall survive Closing and be binding on any successors, assigns or successors in interest of Buyer.

6. SEQRA.

The parties understand and acknowledge that the Town cannot commit to undertake any action with respect to the Proposed Zoning Change or the Project until it has complied with the provisions of SEQRA. However, the parties agree that the execution of this Agreement, the development of a Conceptual Development Plan, and all acts performed by either party in connection with or pursuant hereto shall constitute preliminary investigation and planning activities and shall be Type II actions under Part 617.5(c) of the SEQRA, which do not require review under SEQRA. At no time during the term of this Agreement shall any party hereto take, cause to be taken, or allow to be taken any act in connection with this Agreement, the activities contemplated herein or the Conceptual Development Plan, that could be construed to require review pursuant to SEQRA. The parties contemplate that the Town will prepare a Generic Environmental Impact Statement ("GEIS") in connection with the Proposed Zoning Change and any Conceptual Development Plan and, as to the extent required, the Company, in the future, may need to prepare one or more project-specific environmental reviews prior to approval of the Project. The Town and the Company will work together to ensure that all actions are taken in accordance with SEQRA.

7. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE TOWN.

The Town makes the following representations, warranties and covenants to the Company, each of which shall be deemed a continuing representation, warranty and covenant that is of the essence of this Agreement and upon which the Company has relied in entering into this Agreement:

- (a) The Town has the full right, power and authority to enter into this Agreement.
- (b) This Agreement is duly authorized, executed and delivered by the Town and constitutes a legal, binding obligation upon the Town, its successors and assigns and does not violate any provisions or any agreement or judicial or administrative order to which the Town is a party or to which the Town is subject.
- (c) There are no actions, legal proceedings or investigations pending or threatened that would adversely affect the Property or the Town's ownership thereof or the Town's obligations hereunder.
- (d) The execution of this Agreement by the Town is effectual without the joinder of any other party.

(e) During the term of this Agreement, the Town shall (i) not cause or permit any activity to take place on, in or under the Property which will generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process any Hazardous Materials, except in compliance with all applicable federal, state and local laws, regulations or ordinances; and (ii) give the Company prompt notice of the Town's actual notice of the existence and/or release of Hazardous Materials on, in or under the Property, or of any action brought by or threatened by any governmental agency against the Town to enforce any law, regulation or ordinance relating to protection of health or the environment, or any litigation brought or threatened, or any settlements reached by or with any person(s) or group(s) alleging the presence, disposal, release or threatened release of any Hazardous Materials on or arising from any activity conducted on the Property, or of the discovery of PCBs, asbestos, lead-based paint or underground tank(s) on, in or under the Property.

(f) During the term of this Agreement, and provided the Company shall not be in breach of its obligations under this Agreement, the Town shall not negotiate regarding the sale of the Property to any person or entity other than the Company.

(g) The Town shall not increase the amount of any Town fees (payable by the Company) from those amounts set forth on the Fee Schedule attached hereto as Exhibit F and made a part hereof.

(h) On or before the execution of this Agreement, the Town shall provide the Company with duly adopted resolutions of the Town Board (i) authorizing this Agreement; and (ii) naming the Company as the "preferred developer" of the Project

(i) To the best of the Town's actual knowledge and belief, no representation, warranty or covenant of the Town set forth in this Section 7 omits or will omit a material fact, is inaccurate or would operate to make the statements contained herein or therein materially misleading.

(j) The truth of the representations set forth in this Section 7 is a condition precedent to the Company's performance of its obligations under this Agreement. The Town has an affirmative obligation to notify the Company of any changes in the representations during the term of this Agreement.

8. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to the Town that:

(a) The Company is a business corporation duly organized, existing and in good standing under the laws of New York. The Company has the power to own its property and to carry on its business as it is now conducted, in the places where such business is now conducted, including the State of New York.

(b) The Company is not a party or subject to any judgment, order or decree entered in any action or proceeding brought by any governmental agency or any other party against it enjoining it in respect of any business practice, with a conduct of business in any area or the

acquisition of any property or which would prevent the consummation of the transactions provided for herein.

(c) To the best of the Company's actual knowledge and belief, no representation or warranty of the Company contained in this Section 8 omits or will omit a material fact, is inaccurate or would operate to make the statements contained herein or therein materially misleading.

(d) The Company has full power and authority to enter into and perform this Agreement in accordance with its terms and execution and delivery of this Agreement by the Company has been fully authorized by all requisite corporate action, and the execution and delivery of this Agreement does not and, the consummation of the transactions contemplated hereby will not, violate any provision of any agreement to which the Company is a party or by which it is bound.

(e) As discussed in this Agreement, during and throughout the term of this Agreement, the Company shall meet with and cooperate with the Town in connection with pre-planning components of the Project. Such cooperation shall include, without limitation, the formulation of the Conceptual Development Plan, scoping of the GEIS, and preparation of funding applications for the Project and the payment of all costs, fees and expenses as set forth herein in Section 3 hereof.

(f) The truth of these representations and warranties is a condition precedent to the Town's performance of its obligations under this Agreement. The Company has an affirmative obligation to notify the Town of any changes in the representations and warranties during the term of this Agreement.

(g) On or before the execution of this Agreement, the Company shall provide the Town with duly adopted resolution(s) authorizing the Company, and the individual signing on behalf of the Company, to sign this Agreement, together with corresponding resolution(s) related to the Guaranty.

9. DEFAULTS AND TERMINATION.

(a) Defaults with Respect to Obligations and Termination.

(i) If the Company or the Town defaults as to any of the material provisions of this Agreement, and the nondefaulting party serves the defaulting party with written notice specifying the default, the defaulting party shall have thirty (30) days from receipt of such notice to cure such default. Should any default be of a nature which cannot, with diligent efforts, be cured within thirty (30) days, the defaulting party shall not be deemed to be in default hereof so long as that party commences the cure within such thirty (30) days and thereafter diligently prosecutes such cure to completion. Failure of the defaulting party to cure the default within such time period shall automatically entitle the nondefaulting party to exercise its rights set forth below. The parties agree and acknowledge that the failure of the Town to adopt any Proposed Zoning Change is a discretionary act of the Town and shall not constitute a default of the Town under this Agreement.

(ii) If the Company fails to cure a default, the Town, provided it has satisfied all of its obligations under this Agreement and is not otherwise in default hereunder, may terminate this Agreement and, except as otherwise provided at Section 9(iv) below, this Agreement shall then become null and void and neither party shall have any further obligation to the other except for those obligations which expressly survive the termination of this Agreement.

(iii) If the Town fails to cure a default, the Buyer, provided it has satisfied all of its obligations under this Agreement and is not otherwise in default hereunder, shall be entitled to terminate this Agreement, in which case the Town shall refund the entire SEQRA Deposit paid by the Company, and the Company shall further be entitled to recover damages, as limited by Section 9(iv) below, provided, however, if the Company elects not to terminate this Agreement, but instead to move forward with its investigation, the Company shall not be entitled to a return of the SEQRA Deposit, or to recover monetary damages.

(iv) As actual damages are difficult to predict, the parties have agreed to liquidated amounts of damages reasonably estimated to relate to the amount each party would be damaged in the event of a breach by the other. These amounts substitute fully for actual damages and are intended as reasonable, fair, estimates and not as a penalty. In the event of the Town's uncured breach or default, the Company shall be entitled to a return of the SEQRA Deposit, together with a further payment of Five Hundred Thousand Dollars (\$500,000.00) as liquidated damages. In the event of an uncured breach or default on the part of the Company (and a voluntary termination shall not be deemed a default hereunder), Town's remedy shall be to retain the full amount of any monies paid by the Company as its SEQRA Deposit, together with the additional sum of \$100,000.00.

The liquidated amounts set forth herein shall be the parties sole remedy against the other, provided, however, such amounts are not intended to be in lieu of, or constitute a limitation on, the Company's obligation to defend and indemnify the Town as set forth herein, or as to other matters of restoration or remediation expressly made to survive the termination of this Agreement.

(b) Non-Binding Mediation. If there is a good faith dispute as to whether a default exists hereunder, or a dispute under Section 3 hereof, the parties agree to submit such dispute to non-binding mediation in accordance with the then prevailing Construction Industry Mediation Rules of the American Arbitration Association. Mediation shall proceed in advance of legal or equitable proceedings, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the parties or court order.

(c) Termination for Discretionary Acts of the Town. The Company may terminate this Agreement at any time during the term of this Agreement if the Town makes any discretionary act or decision with respect to the Proposed Zoning Change or the Property that renders the Project economically or otherwise unfeasible in the Company's sole, absolute and unfettered discretion. If the Company terminates this Agreement pursuant to this Section 9(c), the Company shall give written notice to the Town in accordance with Section 10 hereof, in which event the Company shall return the Property Documents to the Town and the parties

hereto shall be relieved of any further obligation or liability to each other, except as to those obligations and liabilities as shall expressly survive termination of this Agreement.

(d) Executing the Contract of Purchase and Sale. The parties agree that they, within thirty (30) days of the later of the adoption of (i) the SEQRA findings statement; or (ii) the Proposed Zoning Change; and provided this Agreement has not otherwise been terminated shall execute the Contract of Purchase and Sale annexed as Exhibit C hereto. Should either party then be in default of its obligations, the non-defaulting party may choose not to execute the Contract of Purchase and Sale and terminate this Agreement.

10. MISCELLANEOUS.

(a) Notices. All notices hereunder to the respective parties will be in writing and will be served by personal delivery or by prepaid, express mail (next day) via a reputable courier service, or by prepaid, registered or certified mail, addressed to the respective parties at their addresses set forth below. Any such notice to the Town or the Company will be deemed to be given and effective: (i) if personally delivered, then on the date of such delivery, (ii) if sent via express mail (next day), then one (1) business day after the date such notice is sent, (iii) if sent by registered or certified mail, then three (3) business days following the date on which such notice is deposited in the United States mail addressed as aforesaid, or (iv) if sent by telecopy, then at the time and on the date set forth on the telecopy confirmation sheet, provided that if the time of delivery is after 5:00 p.m. Eastern Time, delivery shall be deemed given on the next Business Day. Copies of all notices will be sent to the following:

If to the Town:

Town of Orangetown
Town Hall
26 Orangeburg Road
Orangeburg, New York 10962
Attn: Supervisor

And to its Attorney:

Town Attorney
Town Hall
26 Orangeburg Road
Orangeburg, New York 10962
Tel.: (845) 359-5100
Fax: (845) 359-2715

If to the Company:

James Driscoll, Area President
Steven Caporaso, Area Vice President
K. Hovnanian Companies
100 Fieldcrest Avenue
Edison, New Jersey 08837

And to its Attorney:

Stephanie Bortnyk, Esq.
K. Hovnanian Companies
110 Fieldcrest Avenue, CN7825
Edison, New Jersey 08837
Tel.: (732) 623-6819
Fax: (732) 225-3530

David R. Everett, Esq.
Robert M. Gach, Esq.
Whiteman Osterman & Hanna LLP
One Commerce Plaza
Albany, New York 12260
Tel.: (518) 487-7600
Fax: (518) 487-7777

All such addresses may be changed by notice given in accordance with this Section 10(a).

(b) Entire Agreement. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. No waiver of any of the provisions of this Agreement shall be valid unless in writing and signed by the party against whom it is sought to be enforced. This Agreement contains the entire agreement between the parties relating to the Proposed Zoning Change and the investigation of the Property by the Company. All prior negotiations between the parties with respect to the preliminary investigation stages of the Project are merged in this Agreement, and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between them, with respect to the preliminary investigation stages of the Project, other than as set forth in this Agreement. The parties expressly acknowledge that the Contract of Purchase and Sale attached hereto shall be the definitive agreement between the parties with respect to all matters concerning the purchase and sale of the Property other than the preliminary investigation matters set forth herein.

(c) Survival of Representations, Warranties and Agreements. The representations, warranties, covenants, agreements and indemnities set forth herein and expressly stated to survive this Agreement shall remain operative and shall survive the termination of this Agreement and shall not be merged with any subsequent instrument of conveyance.

(d) Risk of Loss. Except as otherwise expressly provided herein, the risk of loss or damage to the Property by fire or other casualty during the term of this Agreement is assumed by the Town.

(e) Governing Law. This Agreement concerns real property located in the State of New York, and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York.

(f) Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

(g) Time. Time periods under this Agreement will exclude the first day and include the last day of such time period. If the date on which either the Town or the Company is required to take action under this Agreement is not a Business Day, the action shall be taken on the next succeeding Business Day.

(h) Captions. The captions of the various sections and paragraphs of this Agreement have been inserted only for the purpose of convenience; such captions are not a part of this Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Agreement.

(i) No Third Party Beneficiaries. This Agreement is for the sole benefit of the Company and the Town and their respective legal representatives, successors, heirs and permitted assigns, and no other person or entity shall be entitled to rely upon or receive any benefit from this Agreement.

(j) Severability. Any term or provision of this Agreement that is determined by a court of competent jurisdiction to be invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement, or affecting the validity or enforceability of any of the terms or provisions of this Agreement.

(k) Limitation on Liability. Neither the members, managers, employees or agents of the Town or the Company, nor the shareholders, officers, directors, employees or agents of any of them shall be liable under this Agreement and all parties hereto shall look solely to the assets of the Town or the Company (including the Company's Guarantor), respectively, for the payment of any claim or the performance of any obligation hereunder.

(l) Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver, nor shall a waiver in any instance constitute a waiver in any subsequent instance. No waiver shall be binding unless executed in writing by the Party making the waiver.

(m) Headings. All Section headings contained in this Agreement are inserted only as a matter of convenience and reference and shall not be construed to define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions.

(n) Construction. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. No provision of this Agreement shall be interpreted in favor of, or against, a party by reason of the extent to which such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft of such provision of this Agreement.

(o) Limitation on Assignment. Neither this Agreement nor any of the Approvals that may be granted may be assigned by the Company without the express written consent of the Town, it being specifically recognized and understood that the Company was selected after a multi-year selection process because the Town believes the Company is capable of executing the Project in a manner consistent with the goals of the Town for the development of the Project, including the recreation improvements to be developed for the Town. Notwithstanding the foregoing, the Company may assign this Agreement to an entity in which the Company maintains a controlling ownership interest or has common ownership with the Company, and further provided that; (i) in connection with the golf course improvements, the Company's Assignee shall provide, at a minimum, the same components as shown on Exhibit D hereto, and the same or better quality in the design, construction and execution of the golf course improvements as would be provided were "Bergstol Enterprises" the golf course designer/developer; (ii) such Assignee has a business office, and is otherwise authorized to do business, in New York State; and (iii) the Guarantor hereunder continues to guarantee the Assignee's performance hereunder. Provided further that no assignment shall be deemed to occur if the Company (i) enters into a joint venture to complete one or more elements of the Project; or (ii) participates in another form of financial partnership or arrangement with a third-party in relation to the Project. (It being expressly understood and agreed that the Guarantor's guaranty of obligations of the Company and Project under this Agreement shall be unaffected by any such joint or other internal business arrangement).

No assignment may take place without providing the Town with notice and documentation demonstrating compliance with the terms and conditions of this Agreement.

Provided the Company is not then in default of the terms of this Agreement, the Town may not assign this Agreement or negotiate with another party regarding the Property or the Project without the express written consent of the Company.

(p) Recording. Except as set forth hereafter, neither this Agreement nor any document referenced in this Agreement shall be recorded in any public office by or on behalf of either party. Notwithstanding the foregoing, the Company and the Town shall execute contemporaneously: (a) the "Short Form Agreement," attached hereto as Exhibit G, together with a New York State Form TP-584; and (b) the "Cancellation of Short Form Agreement," attached hereto as Exhibit H. The Company is authorized to record the Short Form Agreement in the Rockland County Clerk's Office. The Cancellation of Agreement shall be held by the Town's attorney until the earlier of: (a) the recording of a replacement Short Form Agreement, if ever, pursuant to the Contract of Purchase and Sale (which replacement Short Form Agreement shall be accompanied by a replacement Cancellation of Agreement); (b) written authorization from the Company to record the Cancellation of Agreement to the Town; (c) termination of this

Agreement in accordance with the terms hereof, or (d) upon the order of a court of competent jurisdiction.

(g) Binding Agreement. All terms of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective legal representatives, successors and assigns. This provision shall survive this Agreement and bind successors and assigns with respect to any post-closing obligations hereto.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

TOWN:

TOWN OF ORANGETOWN

Susan Payne
me this
16th day of
August, 2007

By: *[Signature]*
Name: THOM KLENOW
Title: SUPERVISOR 8-16-07

COMPANY:

K. HOVNANIAN COMPANIES OF NEW YORK, INC.

Donna A. Morrison

By: *[Signature]* 8-16-07
Name: STEPHEN J. CAPOKATS
Title: AREA VICE PRESIDENT

DONNA A. MORRISON
Notary Public, State of New York
No. 01MO5081099
Qualified in Rockland County
Commission Expires June 30, 2011

UNCONDITIONAL GUARANTY
OF DEVELOPER'S AGREEMENT

In consideration of the agreement by the TOWN OF ORANGETOWN, a municipal corporation having offices at 26 Orangeburg Road, Orangeburg, New York 10962 (hereinafter the "Town") to enter into a Developer's Agreement (hereinafter the "Developer's Agreement") with K. HOVNANIAN COMPANIES OF NEW YORK, INC., a New York business corporation, with offices at 110 Fieldcrest Avenue, Edison, New Jersey 08818 (hereinafter the "Company"), relating to property located in the Town of Orangetown, formerly a part of the Rockland Psychiatric Center, K. HOVNANIAN HOLDINGS OF NEW JERSEY, LLC, a New Jersey limited liability company, with offices at 110 West Front Street, Red Bank, New Jersey

07701. (hereinafter the "Guarantor") hereby unconditionally guarantees to the Town against the Company the faithful performance of every obligation of the Company in and under the said Developer's Agreement, financial or otherwise, including such additional or different obligations as may arise in the future by agreement of the Town and Company ("Obligations").

Guarantors consent and agree that the Obligations of the Company may, from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised, settled or released by agreement of the Town and the Company or otherwise dealt with by the Company, all without any notice to, further assent by, or loss of any rights against the Guarantor, and without in any way affecting or releasing the liability of the Guarantor hereunder.

If the Guarantor shall fail to perform any agreement contained herein or in any other agreement delivered by the Guarantor to the Town or, if default occurs in the punctual payment of any sum payable upon any of said Obligations or, if Guarantor or the Company or any other party to said Obligations should (i) dissolve or be dissolved; (ii) enter, voluntarily or involuntarily, into any insolvency proceedings, state or federal; or (iii) fail to pay any taxes when due or (iv) any other occurrence of default under any writing by the Company with the Town, the Obligations, upon the occurrence of any such event, shall become forthwith due and payable and otherwise the obligations of the Guarantor.

The Guarantor acknowledges that the Town may first seek recovery from the Guarantor before the Town brings any action against the Company.

The Guarantor waives any and all notices of acceptance of this Guaranty, of the creation of said Obligations, or of any renewals or extension thereof or of the reliance by the Town upon this Guaranty. The Guarantor waives protest, demand for payment, notice of default or non-payment to the Guarantor, the Company or any other party liable for any of said Obligations. This Guaranty shall be a continuing, absolute and unconditional guarantee of performance, including payment.

The execution and delivery hereafter to the Town by any Guarantor of a new instrument of guarantee shall not terminate, supersede or cancel this instrument, unless expressly provided therein. All rights and remedies of the Town hereunder or under any instrument of guarantee hereafter executed and delivered to the Town by any Guarantor shall be cumulative and may be exercised singly or concurrently.

No course of dealing between the Guarantor and the Town shall change or modify or discharge, in whole or in part, this Guaranty unless expressly agreed to in writing executed by the Town and Guarantor. No waiver of any rights or powers of the Town or consent by it shall be valid unless in writing and signed by the Town.

Any notice to Town shall be deemed effective only if sent to and received in the manner set forth in the Developer's Agreement. Any notice to the Guarantor shall be deemed sufficient if sent to Guarantor at the address of the Guarantor set forth herein, unless written notice of such change of address of Guarantor is sent to and received by the Town, with such change acknowledged as received by the Town.

The Guarantor agree that whenever any attorney, including the Town Attorney, is used to obtain payment under or otherwise enforce the Obligations of the Developer's Agreement or under this Guaranty, whether by suit or by any other means whatsoever, a reasonable attorneys' fee shall be an obligation of the Guarantor. Such sums are in addition to any amounts that the Town may otherwise be entitled to recover. The Town and Guarantor, in any litigation in which the Town and Guarantor shall be adverse parties, waive trial by jury and the Guarantor, in addition, waives the right to interpose any defense based on any claim of laches and any set-off or counterclaim of any nature. This Guaranty shall be governed by and construed in accordance with the laws of New York State.

Guarantor, if more than one, shall be jointly and severally bound and liable hereunder.

Each Guarantor acknowledges that Guarantor has had an opportunity to consult counsel of Guarantor's choice before executing this document.

Guarantors acknowledge that there are not representations that have been made by the Town upon which any Guarantor has relied in executing this document, other than those contained herein.

This Guaranty may not be changed orally. Any representations by the Town hereafter made by the Town to the Guarantor must be written in order for the Guarantor to rely upon said representations.

IN WITNESS WHEREOF, the undersigned have duly executed this instrument this ____ day of August, 2007.

K. HOVNANIAN HOLDINGS OF NEW JERSEY, LLC,

By: _____
(Name and Title)

STATE OF NEW JERSEY)
: ss.:
COUNTY OF)

On the ____ day of _____, 2007, before me, the undersigned a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name(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 individual(s) acted, executed the instrument.

Notary Public

/// = APPROXIMATE BOUNDARY OF PROPERTY TO BE CONVERTED TO K. HUNTMANIAN

1. Town Pool and Community Center
2. Commercial Recreation
3. Athletic Fields
4. Athletic Fields
5. Athletic Fields
6. Affordable Housing
7. Affordable Housing
8. Low Impact Housing or Economic Development
9. Open Space
10. Low Impact Housing or Economic Development
11. Open Space
12. Religious Institution
13. CAA Recreation Building
14. Golf
15. Cemetery
16. Religious Use
17. Low Impact Housing or Economic Development

NOTE: Map does not include an off-site 6.5-acre parcel to the southeast of RPC; the use of which is yet to be determined.

NOTE: Open space boundary lines are approximate.

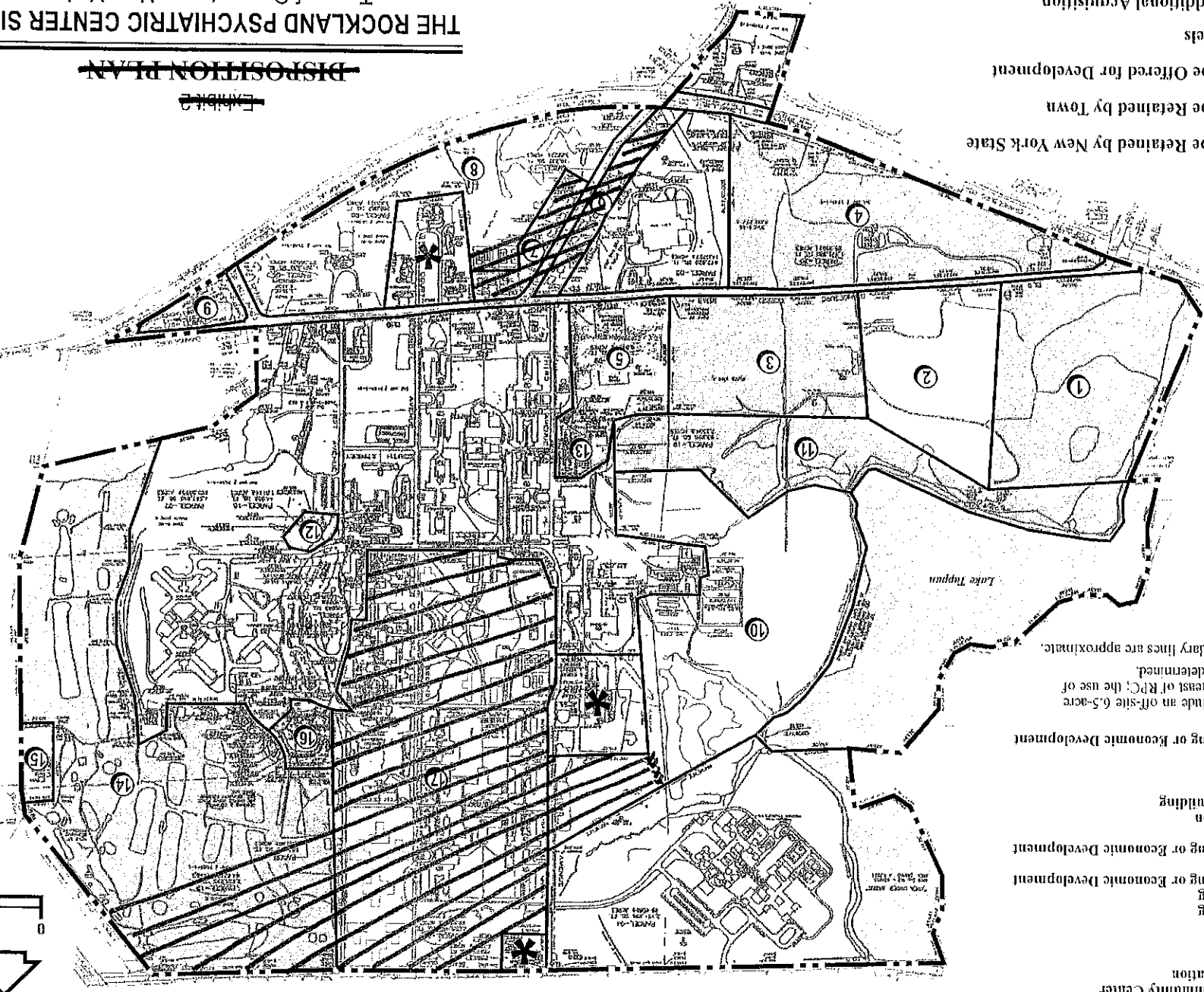
- Parcels to be Retained by New York State
- Parcels to be Retained by Town
- Parcels to be Offered for Development
- Other Parcels
- * Potential Additional Acquisition

BASE MAP SOURCE: Hawk Engineering, PC

THE ROCKLAND PSYCHIATRIC CENTER SITE
 Town of Orangetown, New York

DISPOSITION PLAN

Exhibit 2



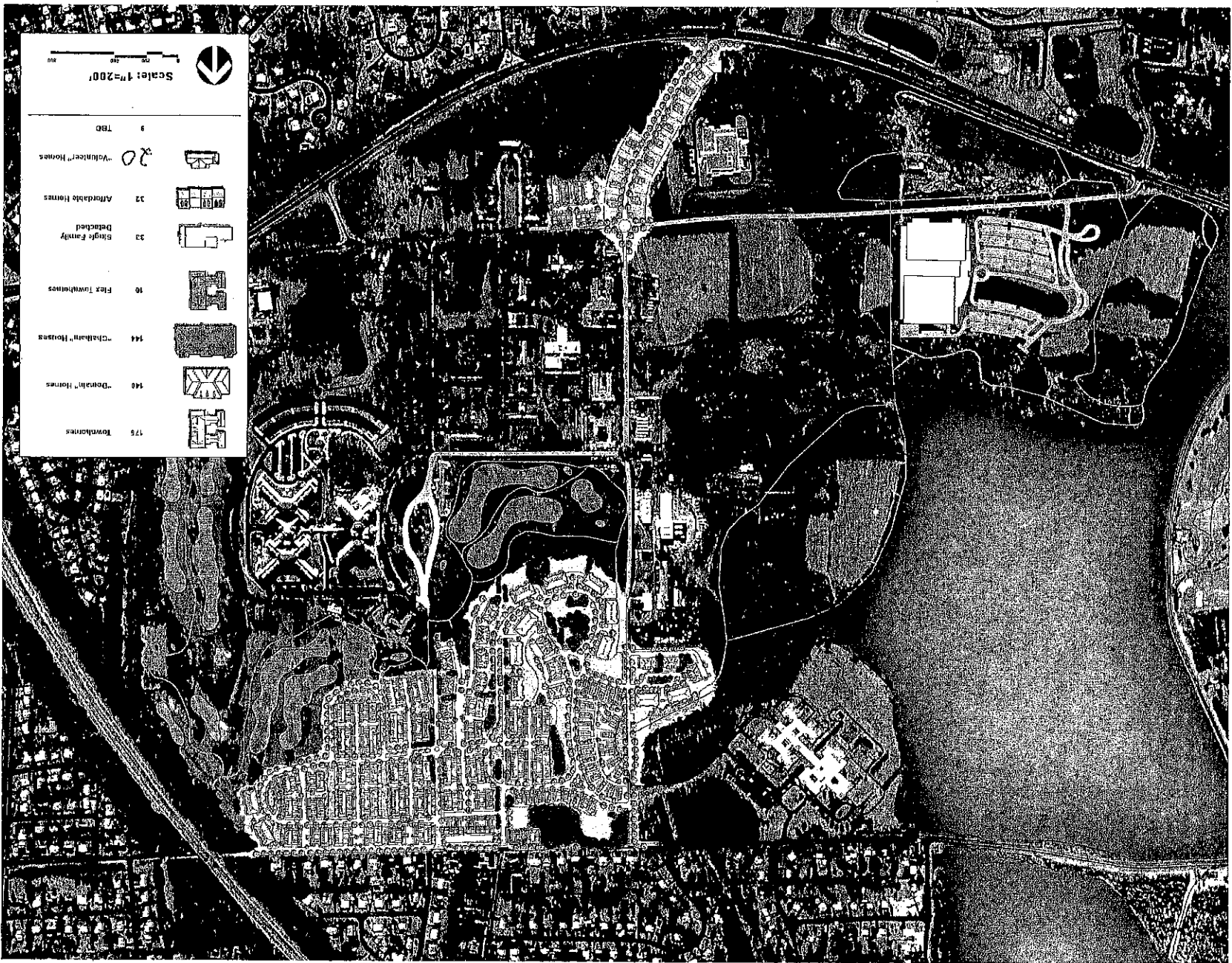
Sacardi & Schiff, Inc. - Planning and Development Consultants

EXHIBIT B

PRELIMINARY CONCEPT PLAN

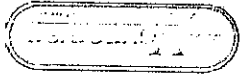
Overall Site Context

Four Seasons at Craggstown
K Hovanian • Edison, New Jersey
03.04031.01 • November 21, 2006

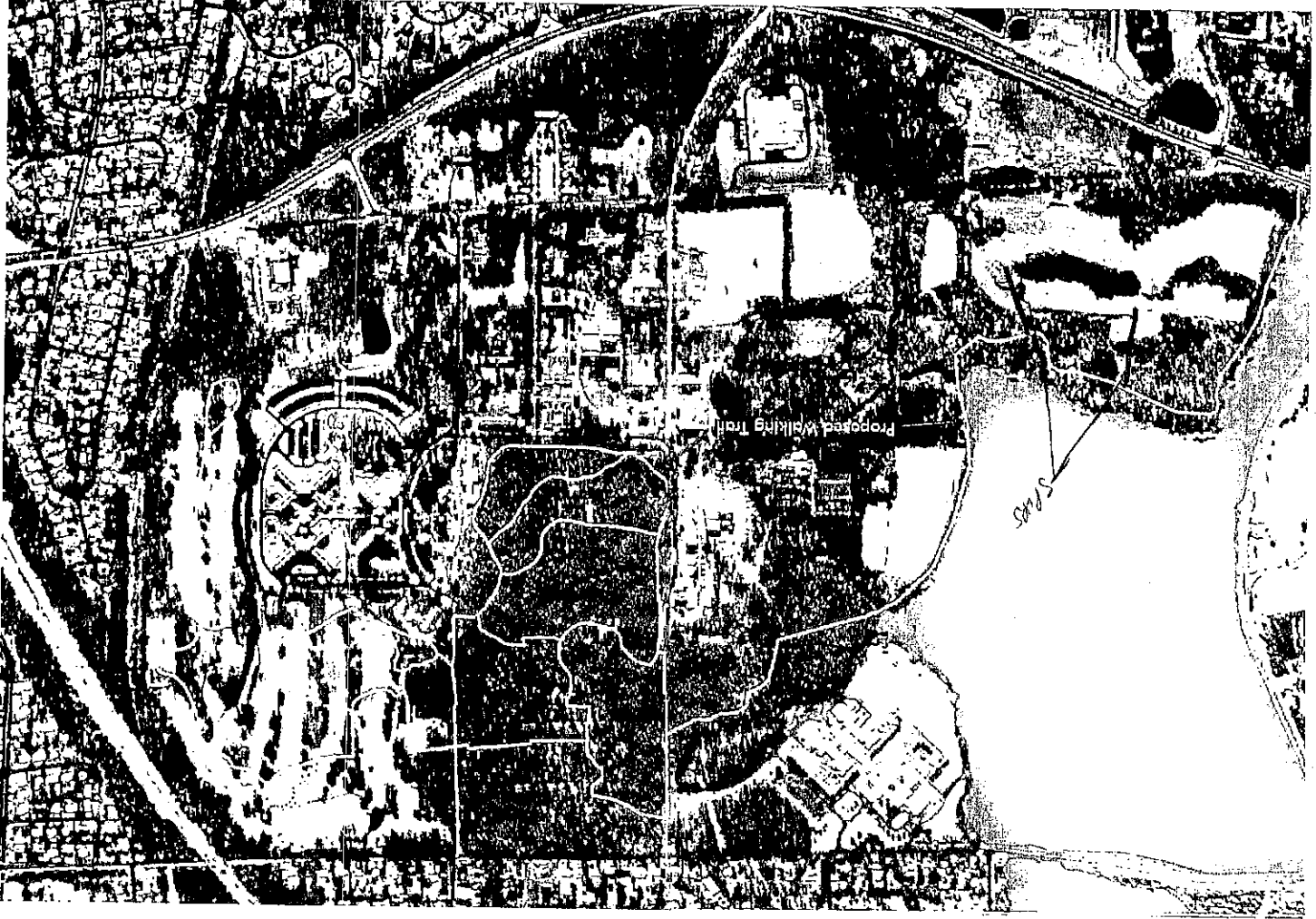




FOUR SEASONS AT ORANGETOWN
K Hovnanian, Edison, New Jersey
July 11, 2007



PROPOSED WALKING TRAIL SITE PLAN



100% Scale: 1" = 100' (approximate)

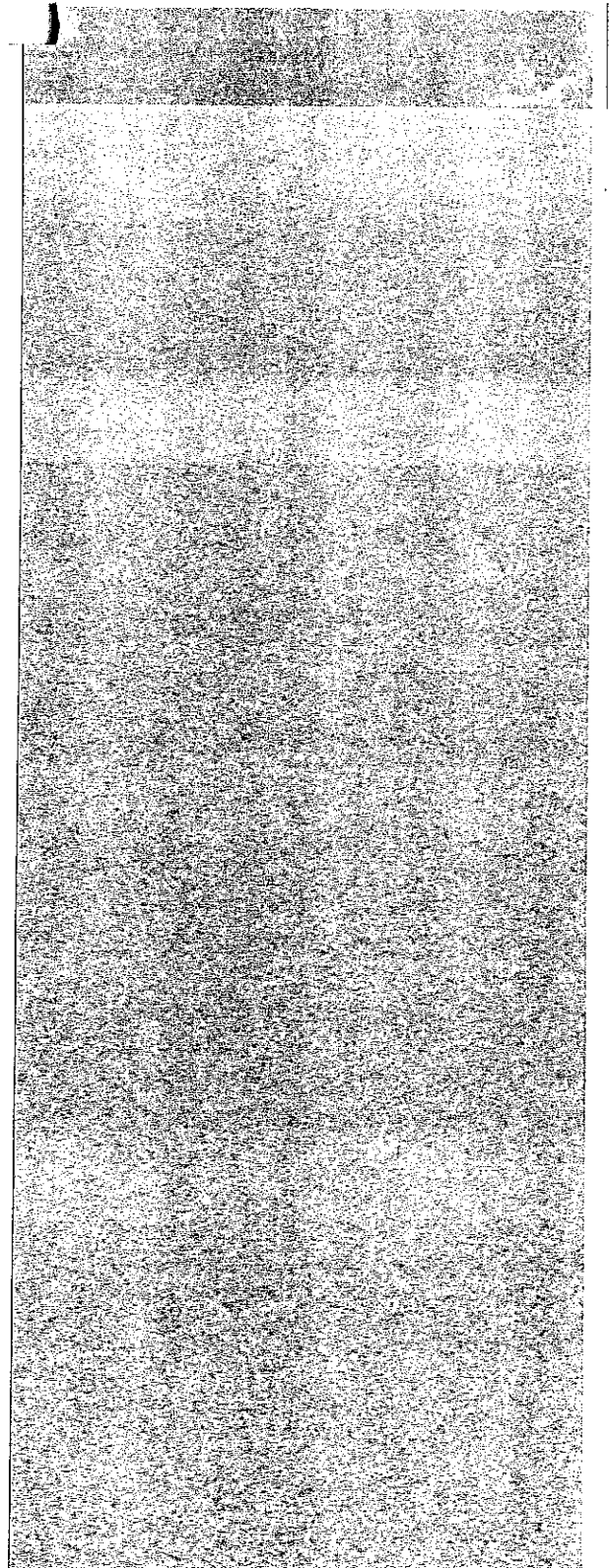


EXHIBIT C

CONTRACT OF PURCHASE AND SALE

CONTRACT OF PURCHASE AND SALE

between

Town of Orangetown
as "Seller"

-and-

K. Hovnanian Companies of New York, Inc.
as "Buyer"

for Premises located in

Town of Orangetown, Rockland County
New York

- dated -

_____, 200__

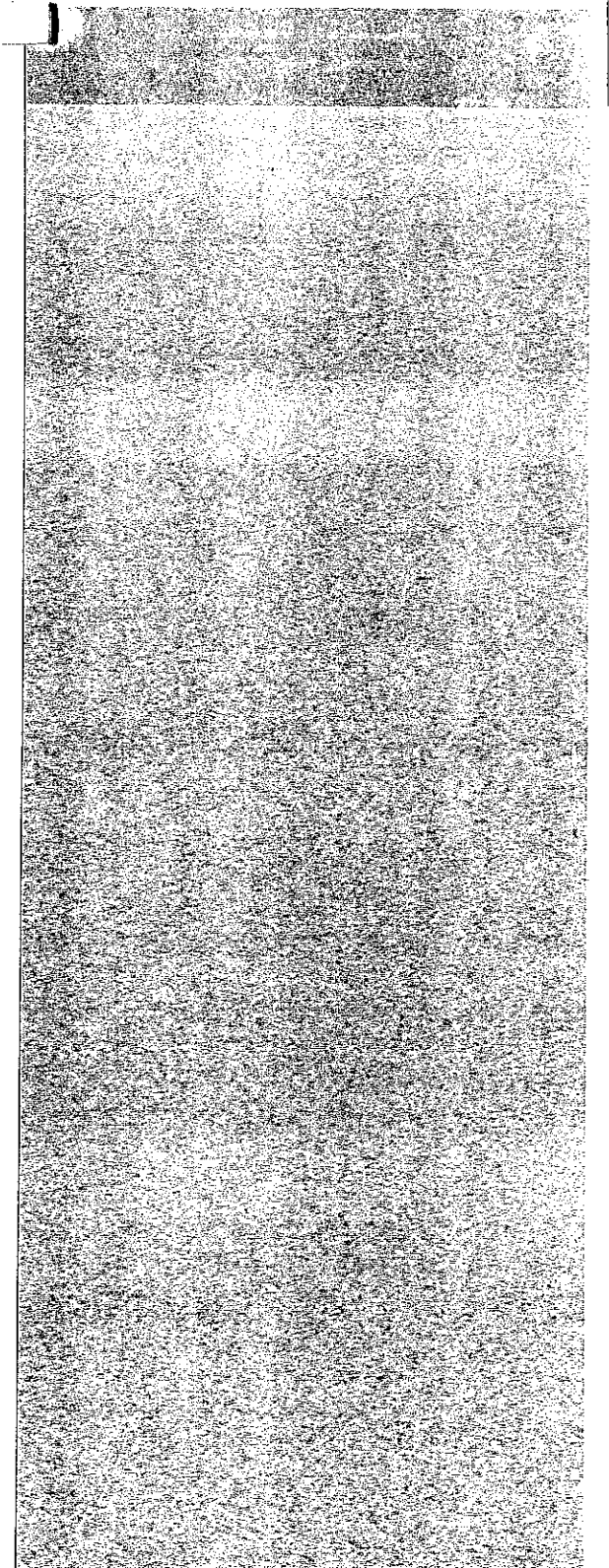


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EXHIBITS

Exhibit "A"	-	Description of Property
Exhibit "B"	-	Preliminary Conceptual Site Plan (with Walking Trail and Other Site Amenities)
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Exhibit "F"	-	Short Form Agreement
Exhibit "G"	-	Cancellation of Short Form Agreement
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CONTRACT OF PURCHASE AND SALE

THIS CONTRACT OF PURCHASE AND SALE (this "Agreement") is entered into this 20th day of August, 2007 between the Town of Orangetown, a political subdivision of the State of New York, with offices located at Town Hall, 26 Orangeburg Road, Orangeburg, New York 10962 ("Seller" or "Town") and K. Hovnanian Companies of New York, Inc., a corporation of the State of New York, with offices located at 110 Fieldcrest Avenue, CN 7825, Edison, New Jersey 08818-7825 ("Buyer"). Seller and Buyer may, individually, be referred to as a "party" and, collectively, as the "parties."

WHEREAS, Seller owns parcels of real property located in the Town of Orangetown, Rockland County, New York consisting of (1) a part of the interior property formerly a part of the Rockland Psychiatric Center (the "Core Property"); and (2) additional property located along Blaisdell Road between Veterans Memorial Drive and Old Orangeburg Road (the "Blaisdell Property"), both such parcels as more fully shown on Exhibit A attached hereto and made a part hereof; and

WHEREAS, the Seller also owns other parcels of property which Seller intends to convey to Buyer under this Agreement for development and/or improvement and immediately return to the Seller upon the completion of such development and/or improvement, said property consisting of (3) a portion of the existing Town owned Broadacres Golf Course (the "Broadacres Golf Course") which property is also more fully shown on Exhibit A attached hereto and made a part hereof; and

WHEREAS, the aforementioned parcels 1, 2 and 3, as more fully shown on Exhibit A annexed hereto and made a part hereof, collectively, are intended to comprise the "Property" as that term is used under this Agreement; and

WHEREAS, Seller and Buyer have entered into that certain Developer's Agreement, dated as of August 1, 2007 (the "Developer's Agreement"), which sets forth, among other things, certain conditions that must be satisfied before Buyer shall have any obligation to purchase or Seller has any obligation to sell the Property pursuant to this Agreement; and

WHEREAS, all of the conditions for purchase and sale of the Property set forth in the Developer's Agreement have been satisfied (or waived by Buyer), Seller wishes to convey, and Buyer wishes to purchase, Seller's right, title and interest in the Property pursuant to the terms and conditions of this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, Buyer and Seller agree as follows:

1. DEFINITIONS AND TERMS

As used herein, the following terms shall have the respective meanings set forth below.

1.1. **"Deposit"** shall mean the amount posted by Buyer on the Effective Date of this Agreement either in the form of cash or by Letter of Credit, at Buyer's option, as set forth at Article 6 hereof.

1.2. **"Agreement"** shall mean this Contract of Purchase and Sale when fully executed.

1.3. **"All Approvals"** shall mean all Approvals, permits, agreements and zoning ordinance amendments issued by Governmental Authorities including, without limitation, compliance, site plan approval and subdivision approval for all units in the Project, a Work Plan, approval of the New York State Legislature for any necessary alienation of designated "parkland" (as defined by applicable law) and other approvals necessary to proceed with the uninterrupted development of all units in the Project, and the very first building permit only (for which the Company shall apply within 30 days of the last Approval other than such building permit) which Approvals contain terms and conditions acceptable to Buyer in its sole discretion. Each such approval shall be referred to as an "Approval." This definition shall expressly exclude all building permits and approval of any Offering Plan by the Attorney General as well as any discretionary funding such as the Brownfield Programs.

1.4. **"Approval"** shall mean each individual final, non-appealable approval of those defined as All Approvals. An Approval shall be deemed final and non-appealable where the time to challenge or appeal the grant or denial of the Approval, or a term or condition of the Approval, before any administrative body or court of law has expired, and no challenge or appeal is pending and/or has been decided in Buyer's favor, and all terms and conditions contained in the Approval have been satisfied; such time period, the parties agree, shall be four (4) months, or such shorter period as may be provided by state or local law not to exceed four (4) months, measured from the filing of the formal grant or denial of any individual Approval, respectively. With regard to each Approval or component thereof required for the Project, Buyer agrees to use its best, commercially reasonable efforts to diligently apply for and pursue same.

1.5. **"Approval Costs"** shall mean all costs and expenses including, without limitation, attorneys', consulting, engineering, and application fees associated with obtaining All Approvals.

1.6. **"Approved Map"** shall mean a site plan and/or subdivision plat delineating the Project on the Property which has received final site plan and/or final subdivision approval from the planning board or the zoning board of appeals of the Town, and which has been fully stamped as approved by such Board and is signed as final by the Board Clerk pursuant to authorization delegated to her/him and/or filed with the County Clerk as may be required. Provided, however, all required fees, at the rates

set forth on Exhibit C, shall be paid within sixty (60) days of the resolution of the respective Board granting final approval, or such map or plat shall be automatically deemed approved for purposes of this Agreement. Approved Maps shall be herein considered to be an Approval.

1.7. "Brownfield Programs" shall mean, without limitation and as applicable, the New York State Brownfield Program pursuant to Articles 14 and 56 of the New York State Environmental Conservation Law and the Federal Brownfield Program pursuant to 42 USCA § 9601 et. seq. and any other applicable laws, rules, regulations or programs.

1.8. "Business Day" shall mean a day, other than a Saturday, Sunday or holiday, on which commercial banks in the State of New York are open for the general transaction of business.

1.9. "Buyer's Title Report" shall mean a copy of the commitment to insure title from Chicago Title Company, or the report from such company which refuses to issue a commitment to insure marketable title.

1.10. "Closing" shall mean (a) the transfer of the Property from Seller to Buyer; (b) the transfer of the Purchase Price from Buyer to Seller, as adjusted; and (c) the delivery and performance of all other items and obligations to be delivered or performed hereunder at the time the Property is conveyed and the Purchase Price is paid. It is understood and agreed, however, that this Agreement shall contain certain post-Closing obligations which shall specifically survive Closing.

1.11. "Closing Date" shall mean the Business Day on which a Closing is to occur pursuant to this Agreement.

1.12. "Deed" shall mean a Bargain and Sale Deed with a covenant against grantor's acts and a lien covenant pursuant to Section 13 of the New York Lien Law in form and substance acceptable to Buyer's title company containing either: (a) a metes and bounds description in accordance with a survey that Buyer may obtain; or (b) referenced lots on a filed subdivision Approved Map.

1.13. "Deposit" shall have the meaning ascribed to such term in Section 6 hereof.

1.14. "Developer's Agreement" shall have the meaning ascribed thereto in the Recitals.

1.15. "Discharge" shall mean the use, generation, transportation, manufacture, treatment, delivery, storage, handling, release, spill, leak, disposal, pouring, emitting, emptying or dumping of a Hazardous Materials.

1.16. "Effective Date" shall have the meaning ascribed to such term in Section 2.1 hereof.

1.17. "Engineering Controls or Institutional Controls" shall mean engineering or institutional controls at the Property including, without limitation, any deed notice, deed restriction, consent order, declaration of environmental restriction, groundwater classification exception area or well restriction area.

1.18. "Environmental Documents" shall mean all environmental documentation in the possession or under the immediate control of Seller or its consultants concerning the Property or its environs including, without limitation, preliminary assessments, Phase I reports, remedial investigation reports, or any other plans, reports and sampling results, and any correspondence or other documentation to or from any Governmental Authority. Environmental Documents shall not include such documents in the possession of the State of New York or any of its departments, agencies or authorities, or any predecessor owner or tenant, unless same shall have been delivered to, and are in the possession of, the Seller.

1.19. "Environmental Laws" (and individually, "Environmental Law") shall mean all federal, state and local laws, statutes, rules, regulations, ordinances, orders, directives, binding written interpretations, and binding written policies applicable to Hazardous materials, pollution, human health and safety, and the environment issued by any Governmental Authorities and in effect as of the date of this Agreement with respect to or which otherwise pertain to or affect the Property or the improvements thereon, or any portion thereof, the use, ownership, occupancy or operation of the Property or the improvements thereon, or any portion thereof, or any owner of the Property, and as same have been amended, modified or supplemented from time to time prior to the date of this Agreement, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. § 7401 note, et seq.), the Superfund Amendment Reauthorization Act of 1986 (42 U.S.C. § 9601 et seq.), the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), and all applicable state and local laws, including without limitation the New York State Environmental Conservation Law and the New York State Navigation Law, and any and all rules and regulations, all as may from time to time be amended and including any successor statutes thereto.

1.20. "Governmental Authority" shall mean any governmental or quasi-governmental body or agency having jurisdiction over the Property and/or the Project, including, without limitation, the federal government, State of New York, County of Rockland, and the Town of Orangetown.

1.21. "Guaranty" shall mean the corporate guaranty made a part hereof of K. Hovnanian Holdings of New Jersey, LLC, a New Jersey limited liability company which

maintains at least \$300,000,000.00 in assets on a yearly basis. The Guaranty shall be signed as a condition of and contemporaneous with this Agreement.

1.22. "Hazardous Materials" shall mean toxic materials, hazardous waste, or Hazardous Materials as any of these terms are defined in the New York State Environmental Conservation Law; the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. § 6901, et seq.); in the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; and/or in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601, et seq.), asbestos or asbestos-related products, oils, petroleum-derived compounds, petroleum by-products, radon, soil vapor intrusions, polychlorinated biphenyls ("PCBs"), PCB-containing equipment, storage tanks, lead-based paint, radioactive elements, infectious agents, urea-formaldehyde insulation or other materials, substances, wastes, intrusive vapors, pollutants or pesticides as from time to time identified in any laws, rules, ordinances or regulations from time to time applicable to the Property.

1.23. "Investigation Period" shall have the meaning ascribed thereto in Section 4.1.

1.24. "Letter of Credit" shall have the meaning ascribed to such term in Section 6 hereof.

1.25. "NYSDEC" shall mean the New York State Department of Environmental Conservation and any successor Governmental Authority.

1.26. "PCBs" shall mean polychlorinated biphenyls.

1.27. "PCB Item" shall have the meaning ascribed thereto by 40 C.F.R. § 761.3, as amended.

1.28. "Product Value" shall have the meaning ascribed to such term in Section 3.2.1 hereof.

1.29. "Project" shall mean a residential development on the Property, together with, possibly, certain commercial components as and if approved by the Planning Board, as well as the renovation and realignment of the existing nine-hole Broadacres golf course, and the development of a walking trail or series of walking trails, all as more fully shown on the Preliminary Concept Plan and the Preliminary Golf Course Concept Plan, annexed hereto, together with related on and off-site improvements, all as more fully set forth in Article 3 hereof.

1.30. "Property" shall mean the Core Property, the Blaisdell Property, and certain portions of the Broadacres Golf Course, including all rights of way, covenants, easements and any other rights appurtenant to such property, as more fully set forth in Exhibit A attached hereto and made a part hereof. (The exact boundaries of the portions of Broadacres Golf Course to be transferred are to be determined and set forth by metes and bounds description upon survey of the Property and a determination of the areas to be developed).

1.31. "Purchase Price" shall have the meaning ascribed thereto in Article 3, subject to adjustment as set forth in this Agreement.

1.32. "Rezoning" shall mean final and nonappealable rezoning of the Property by the Town of Orangetown to permit the Project contemplated by this Agreement. Rezoning is an Approval.

1.33. "SEORA Deposit" shall mean the initial deposit in the amount of \$175,000 previously delivered by Buyer to Seller, and all subsequent deposits, if any.

1.34. "Studies" means title examinations; surveys; architecture, financial, financing, economic, marketing, environmental, engineering, and other tests, studies or reports, including test borings, inspections, audits, investigations, reviews, and/or other similar studies or reports.

1.35. "Tank Laws" shall mean the federal underground storage tank law (Subtitle I) of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901 et seq., together with any amendments thereto, regulations promulgated thereunder, and all substitutions thereof, any successor legislation and regulations and all applicable provisions of New York State law.

1.36. "Underground Storage Tank" shall mean each and every "underground storage tank," whether or not subject to Tank Laws, as well as the "monitoring system," the "leak detection system," the "discharge detection system," and the "tank system" associated with the underground storage tank, as those terms are defined by the Tank Laws.

1.37. "Volunteer Housing Units" shall have the meaning set forth in Section 3.1.4 hereof.

1.38. "Work Plan" shall mean, as and to the extent applicable, the document issued and approved by the NYSDEC that demonstrates how the Property must be remediated to facilitate and allow the Project to proceed in accordance with Environmental Laws. Any Work Plan shall; (i) not include the use of Engineering Controls or Institutional Controls unless specifically agreed to in writing by Buyer; and (ii) be acceptable to Buyer in its reasonable discretion.

2. AGREEMENT TO PURCHASE

2.1. The effective date of this Agreement (the "Effective Date") shall be the later of (i) thirty (30) days after the adoption of a resolution by the Orangetown Town Board authorizing the sale of the Property to Buyer; or (ii) the approval of such sale by the electors of the Town of Orangetown if a special election upon such resolution is required in accordance with Article 7 of the New York State Town Law; neither of which shall occur prior to the Rezoning (if at all).

2.2. Seller agrees to convey to Buyer and Buyer agrees to purchase the Property from Seller upon and subject to the terms and conditions of this Agreement.

3. PURCHASE PRICE

3.1. Components. The Purchase Price shall consist of five components, as set forth below. The Purchase Price shall consist of: (i) \$24,000,000 in cash (with the Deposit credited) as adjusted, if at all, in accordance with Section 3.2 hereof; and (ii) other improvements having an approximate value of \$8,500,000, for a total value to Seller of approximately \$32,500,000.00.

3.1.1. Cash. Buyer shall pay to Seller a cash component consisting of \$24,000,000.00, subject to adjustment as set forth in Section 3.2.

3.1.2. Golf Course Improvements. Incidental to and as a part of the Project, for the benefit of both Buyer and Seller, Buyer shall renovate the existing Broadacres Golf Course (a nine-hole golf course owned and operated by the Seller adjacent to the Core Property), such renovation to include, at a minimum, the components set forth and shown in Exhibit D annexed hereto. As part of the Purchase Price, Buyer shall provide development and construction services to renovate the golf course in accordance with that certain Preliminary Golf Course Concept Plan, attached hereto as Exhibit D, having an approximate value of \$4.0 million. Provided, however, such approximate value shall not constitute a limitation on Buyer's obligation to renovate, realign and restore, using commercially reasonable practices taking into consideration, during the construction and post-construction operation periods, the proximity of the course to a public water supply, the existing Broadacres Golf Course, and deliver same back to the Seller in a finished and "play-ready" condition. In the event the Town wishes to make changes to the Preliminary Concept Plan resulting in additional costs in excess of \$25,000 in the aggregate, then and only then, the Buyer's obligation relating to the golf course shall be absolutely capped at \$4.025 Million. Buyer and its agents and subcontractors are hereby granted by Seller a license to enter the applicable lands owned by Seller and realign and renovate the golf course for the period of time necessary to perform such work. The parties acknowledge and agree that renovation and realignment of the golf course: (a) is integral to Buyer's Project; and (b) will involve a swap of certain lands between Seller and Buyer to realign the Golf Course and that, accordingly, Seller shall diligently pursue obtaining any required approval of the New York State Legislature for such swap of lands. This Section 3.1.2 shall survive Closing and bind any successors, successors in interest, and assigns.

3.1.3. Volunteer Housing. Buyer shall construct 20 housing units for the use and benefit of the Town of Orangetown volunteer fire and emergency personnel (the "Volunteer Housing Units"), on the southeasterly side of the intersection of Old Orangeburg Road and Blaisdell Road on the Blaisdell Property, having a value of approximately \$4.5 Million, to replace existing volunteer housing located on the Property. Upon completion and the issuance of certificates of occupancy, such units and the property on which they are constructed shall be re-conveyed to the Town, or its designee (which may be a third-party, if so agreed by the parties hereto) at a cost of \$1.00. Each Volunteer

Housing Unit shall have a minimum size of 1000 square feet measured from the exterior walls. The parties agree that the number of volunteer units may be increased, by mutual agreement of the parties, also allowing a reduction of the size of individual units. This Section 3.1.3 shall survive Closing and bind any successors, successors in interest and assigns.

3.1.4. Affordable Housing. Buyer shall construct 32 units of age-restricted, affordable housing on the Blaisdell Property, in the vicinity of the 20 units to be conveyed to the Town. It is understood that the Project assumes the affordable housing units shall be geographically separate and apart from the Core Property. Any decision to integrate affordable housing units into the Core Property must (i) not involve a reduction in the number of market-rate units on the Core Property; or (ii) a written determination by the Town Board that Buyer may use the Non-Core Property for market-rate units; or (iii) otherwise as may be acceptable to both parties. This Section 3.1.4 shall survive Closing and bind any successors, successors in interest and assigns.

3.1.5. Walking Trail. Buyer, for the benefit of both Buyer and Seller and incidental to the Project, shall develop and construct a walking trail or system of trails to and along the adjacent lakefront area, and other nearby property owned by the Seller being a part of the lands formerly a part of the Rockland Psychiatric Center, reasonably satisfactory to the Seller, Town Planning Board and Buyer. Said trail shall be located approximately as shown on the annexed Preliminary Concept and Site Plan, and shall be no wider than 8 feet, having a 4 inch gravel base course and 2 inch asphalt top coat, with related benches as may be reasonable and appropriate. Buyer and its agents and subcontractors are hereby granted by Seller a license, coupled with an interest to enter the applicable lands owned by Seller and to construct such trail for the period of time necessary to perform such work. This Section 3.1.5 shall survive Closing and bind any successors, successors in interest and assigns.

3.2. Purchase Price Adjustments.

3.2.1. The cash portion of the Purchase Price in Section 3.1.1 above is based upon an assumption that the Rezoning and site development plan to be approved by the Town will permit construction of the following:

- 32 age restricted affordable homes (Blaisdell Property)
- 140 age restricted domain condominium homes (Core Property)
- 144 age restricted Master condominium homes (Core Property)
- 185 age restricted Town homes (Core Property)
- 33 age restricted single family homes (Core Property)
- 12 market-rate single family homes along Blaisdell Avenue (Blaisdell Property). The parties understand that these units in these numbers are critical to the pricing structure and the economic viability of the Project.

- 9 additional units on the Core Property made up of age restricted single family, town home or condominium type houses, at Buyer's election, having a total "Product Value", as hereinafter set forth, of \$881,592 or more.

The total number of units contemplated by the Project (not including 20 Volunteer Housing Units) is 555, subject to adjustment as set forth below.

The \$24,000,000 total cash component of the Purchase Price includes \$19,500,000 which is based on the above housing type/density computed by reference to a "Product Value" or "PV" assigned to the various numbers and types of housing stock proposed. Those Product Values are as follows:

Age restricted single-family home -	\$ 47,508 { 33 x PV = \$1,567,764 }
Age restricted Town home -	\$ 43,188 { 185 x PV = \$7,989,780 }
Age restricted Master Condominium -	\$ 25,481 { 144 x PV = \$3,669,264 }
Age restricted Domain Condominium -	\$ 21,594 { 140 x PV = \$3,023,160 }
Market Rate single-family home -	\$ 197,370 { 12 x PV = \$2,368,440 }
Additional Age Restricted Units on Core Property -	\$ 881,592

Total Product Value \$19,500,000

Architectural renderings and related floor plans developed by Looney Ricks and Kiss, depicting the various housing types referred to herein are annexed hereto, and made a part hereof, as Exhibit E. Although the annexed renderings are intended to depict the style and diversity of architecture to be developed by the Buyer on the Property, which is of material concern to the Seller, and otherwise to describe the types of housing units referred to for "Product Value" purposes, the inclusion of such renderings as an Exhibit to this Agreement is not intended to bind the Buyer or the Town's Architecture and Community Appearance Board of Review to the architectural details depicted in such renderings, the details of which shall be determined in the planning and architectural review processes.

3.2.2. Recognizing that a density that will yield a certain minimum dollar threshold is necessary if Buyer is to pay the \$19.5 million portion of the cash component of the Purchase Price, in full, the parties hereby acknowledge and agree that said cash component of the Purchase Price will be adjusted should the number and types of units ultimately approved by the Town Planning Board in the site development process be fewer or greater than as contemplated above.

While certain product types are used herein for purposes of this Agreement, the parties understand and agree that the exact numbers of different unit types initially proposed shall be at the discretion of the Buyer so long as the plan(s) submitted to the Town Planning Board for site plan and subdivision approval includes a diversity in architecture, and all components, taken together,

shall have a total Product Value of no less than the \$19.5 million Product Value set forth above at Section 3.2.1.

More specifically, the parties agree:

(a) If the site development plan ultimately approved by the Planning Board results in 501 Core units or more (511 less 10), there shall be no reduction in the cash component of the Purchase Price, unless there also shall be fewer than 12 market rate single-family homes along Blaisdell Road, in which event there shall be an adjustment to the Purchase Price in an amount equal to the PV assigned to the Blaisdell homes multiplied by the number of homes less than 12 that are approved. (By way of illustration, if Buyer loses up to 10 Core units through the approval process, there is to be no decrease in the cash component.)

(b) If the site development plan ultimately approved by the Planning Board results in the approval of between 490 and 500 Core units, and the PV of the Core units approved shall be less than \$17,131,560, there shall be a reduction in the cash component of the Purchase Price equal to the *lesser* of \$300,000.00 or the difference between \$17,131,560 and the Product Value of the units actually approved, together with a further reduction, if applicable, for the approval of fewer than 12 market rate single-family homes on Blaisdell Road, as computed at (a) above.

(c) If the site development plan ultimately approved by the Planning Board results in fewer than 490 Core units, there shall be a further reduction in the cash component of the Purchase Price allocable to the Core units which shall be pro rata together with a further reduction, if applicable, for the approval of fewer than 12 market rate single-family homes on Blaisdell Road, as computed at (a) above.

(d) Seller shall reserve the right to terminate and cancel this Agreement if, by reason of any dollar adjustment under this provision, the total cash component of the Purchase Price would be less than \$16,000,000; *provided, however*, that such right of cancellation shall not apply if Buyer agrees to waive any reduction in the cash component of the Purchase Price below \$16,000,000.

(e) Buyer shall reserve the right to terminate and cancel this Agreement if the total Product Value of the number and types of Core units actually approved by the Planning Board would be less than \$ 16,000,000.

3.3. Timing of Purchase Price. The parties agree that the cash component of the Purchase Price, crediting the Deposit, shall be due and payable at the Closing. The remaining components of consideration shall be satisfied in accordance with the estimated schedule below; such obligation to construct and/or develop such components, other than the cash component, to survive Closing and bind any successors, successors in interest, and assigns :

<u>Phase</u>	<u>Cash</u>	<u>Golf Course</u>	<u>Volunteer Homes</u>	<u>Total</u>
Phase 1 @ All Approvals	\$24,000,000			\$24,000,000
Phase 2 @ + 12 months		\$4,000,000	*\$4,500,000	\$8,500,000
Phase 3 @ + 24 months				
Phase 4 @ + 36 months				
TOTAL	\$24,000,000	\$4,000,000	\$4,500,000	\$32,500,000

* The Buyer agrees that the Volunteer Housing Units shall be constructed prior to the demolition of the existing structures along Blaisdell Road now under lease to Orangetown Volunteer Emergency Services Coalition, Inc. ("OVESC"). This provision of Section 3.3 shall survive Closing and bind Buyer's successors, successors in interest and assigns.

3.4. Town Recreation Fee. As a material part of the purchase price, and term of this Agreement, Buyer has agreed to provide certain additional improvements to the Town (golf course) which have an estimated value of \$4.0 million, as well as other recreational amenities, as and to the extent set forth in this Agreement, including a walking trail (as provided at Section 3.1.6). In connection with the development of the residential units proposed by this Project, the Town Code requires either that recreation facilities be developed or that money be paid to the Town in lieu of such facilities. The Town Board shall advise the Town Planning Board that it would be appropriate for there to be a reduction of recreation fees by 50%, such reduction attributable to the recreational improvements to be constructed by Buyer. It is understood that final approval of any reduction of the recreation fees rests with the Town Planning Board, as required by the Town Code, and that Buyer hereby agrees that it shall have the right to challenge such a determination only if it shall be granted less than a 50% reduction, in which event the Buyer's challenge, if any, shall be limited to 50% of the amount that otherwise would be due and owing.

4. INVESTIGATION PERIOD

4.1. Buyer shall have the opportunity to perform Studies and other due diligence on the Property until the ninetieth (90th) day following the Rezoning (the "Investigation Period"). In its sole and absolute discretion, Buyer may waive all or a portion of the Investigation Period by written notice in accordance with the terms of Article 17 hereof. Buyer, during the Investigation Period, may conduct investigations, tests, Studies and inspections of any kind or nature whatsoever including, without limitation, Phase I and Phase II environmental tests, soil and groundwater sampling, and may make a complete and independent investigation of all aspects of the transaction contemplated by this Agreement including, but not limited to, the condition of the Property, all correspondence, instruments, agreements, contracts, books, documents, records, plans, drawings, specifications, brochures, permits, licenses, registrations, consents, Property Documents and authorizations concerning the Property to determine the feasibility of development of the Property. Seller shall reasonably cooperate with all of the investigations, inquiries and Studies to be conducted by Buyer, provided any cost or expense associated therewith shall be borne fully and solely by Buyer. Buyer shall

meet with the New York State Department of Environmental Conservation to determine the protocols, procedures and methods for collecting data which will be applicable to Buyer's investigation of the Property, as well as any cleanup standards that may be relevant to the remediation of the Property for residential development.

4.2. Seller shall use its best, reasonable efforts to make available for Buyer's inspection, review and photocopying complete copies of all documents, contracts, leases, reports, studies, surveys, title reports, test or inspection results of any kind or nature in Seller's possession, custody or control, or in the possession, custody or control of Seller's agents and consultants, concerning the Property, including, but not limited to, all documents relating to administrative proceedings, civil or criminal litigation and/or approvals of and for the Property. These documents shall include, without limitation: (1) all applications submitted to and approvals, grants, programs, protections, incentives, subsidies, agreements and permits issued by appropriate Governmental Authorities, including any correspondence, reports or plans referenced therein; (2) all agreements entered into by Seller relating to the development of the Property, e.g., developer's agreements, utility service agreements, easements, off-site improvement agreements, etc.; (3) current or pending engineering plans, concept plans, bond estimates and quantity take-offs for the Property and any associated off-site improvements for land development, utilities, grading, traffic improvements, etc.; (4) title insurance policies, reports or commitments for the Property; (5) boundary line and topographic surveys of the Property; (6) Environmental Documents, including, without limitation, environmental analyses or reports prepared on behalf of Seller or any prior owners of the Property, and any applications for grants, monies, inventories or the inclusion in any governmental program; (7) documents relating to any litigation or governmental action concerning the Property, whether or not such litigation has been resolved by a court of competent jurisdiction or is pending; and (8) tax bills (if any) for the prior three (3) tax years and any notice of a change in assessment or additional tax assessment, charge, fee or levy (collectively, the "Property Documents"). Seller shall make a diligent search for the Property Documents and, to the extent applicable, shall request its consultants to do the same. Seller shall further reasonably cooperate with Buyer in Buyer's efforts to acquire all such documents relating to the Property in the possession of and from the State of New York, as the immediate past owner of the Property. If requested by Buyer, Seller shall provide written authorization to Buyer to contact any of Seller's consultants and professionals that may have (or had) information or documentation relating to the Property and/or the transactions contemplated by this Agreement. Thereafter, Buyer may obtain such information and/or documentation directly from such consultant or professional. The Seller's obligations pursuant to this Section 4.2 shall be ones of good faith, with reasonable efforts, to assist Buyer in obtaining all information relating to the Property. Nothing herein shall be deemed or be construed as a representation or warranty as to the completeness or accuracy of any documents reproduced or made available to Buyer or otherwise constitute a representation or warranty by Seller relating to the condition of the Property. It is expressly understood and agreed that Seller makes no representation whatsoever concerning the Property or its condition, environmental or otherwise, except as otherwise expressly provided at Article 19 hereof, and that the Buyer's decision to purchase the Property is based upon its own independent investigation, assessment and analysis.

4.3. Subject to the terms of this Agreement and provided Buyer has delivered proof of the insurance coverage required by Section 4.6 hereof, Buyer, its officers, agents and employees, and the officers, agents and employees of the Buyer's contractors shall have full and complete access to the Property during the Investigation Period without further authorization from Seller subject to the terms of this Agreement. Additionally, Buyer shall require that its contractors carry insurance at levels reasonable and customary in their respective industry, naming Seller as an Additional Insured and covering Seller with respect to all of said contractor's activities of the Property. The access granted to Buyer pursuant to this Article shall consist of, without limitation, inspection, surveying, coring, installation of groundwater monitoring wells and piezometers, access for the purpose of sampling and other activities incident to the performance of an environmental assessment and any environmental monitoring work that is permitted by this Agreement, or by Environmental Laws. Should Buyer terminate this Agreement, or if the transaction contemplated hereby should otherwise fail to close, Buyer shall take all reasonable measures to restore the Property to substantially its condition prior to such Studies, due diligence or inspections, including the removal of all groundwater monitoring wells and/or piezometers if requested by Seller, unless otherwise prohibited from doing so by a Governmental Authority having jurisdiction over the Property.

4.4. Seller shall notify Buyer as and to the extent of its actual knowledge of any Hazardous Materials, utilities, underground structures, underground tanks or any conditions that are in violation of applicable laws, rules or regulations which relate to the Property, or written notices of any claimed violation of Environmental Laws. If any Hazardous Materials are brought onto any of the Property by Seller, or Seller becomes aware that any such Hazardous Materials are brought onto the Property by others, during the period following the expiration of the Investigation Period, Seller shall so notify Buyer and Buyer shall be entitled to terminate this Agreement and receive a full refund of the Deposit, provided, however, that Buyer shall notify Seller of its decision to terminate within forty-five (45) days of such notice by Seller.

4.5. Until such time as Buyer closes title on the Property, Buyer shall not be responsible for the remediation, or cost of remediation, of any existing condition on the Property, except for the ascertainable exacerbation of such existing condition attributable to the intentional or negligent acts or omissions of Buyer, its agents, employees or invitees. In the event of such ascertainable exacerbation of an existing condition by Buyer, Buyer shall be solely financially responsible for the cost of same, and Buyer hereby indemnifies and holds Seller harmless from, all claims, liabilities, damages, losses, costs, expenses (including, without limitation, reasonable attorneys' fees), actions and causes of action arising out of or in any way relating to the exacerbation of such condition and/or as an independent (unrelated to an existing condition) result of any entry onto the Property by, or any tests or inspections performed by Buyer, its agents, independent contractors, servants, employees or invitees. This obligation to indemnify and hold Seller harmless shall exclude any and all claims, liabilities, damages, costs, expenses, actions and causes of action arising out of or related in any way to any pre-existing condition unless the exacerbation of any such condition is due to Buyer's negligent or intentional acts or omissions on the Property provided, however that this exception to Buyer's obligation to indemnify and hold Seller harmless shall not apply,

and shall not be effective, as to any claims, liabilities, damages, costs, expenses and causes of action brought by, or in the name of, or in any way relating to Buyer's employees, agents, contractors or others who are on the Property at the Buyers request, invitation or otherwise in connection with Buyer's activities thereon.

4.6. Buyer shall provide Seller with proof of Buyer's liability insurance coverage for its employees, agents and representatives, naming Seller as an Additional Insured and covering Seller with respect to all of Buyer's activities of the Property and having a combined single limit of not less than \$1,000,000 with at least \$5,000,000 excess liability coverage. Buyer or Buyer's agents shall also maintain at all times during the term of this Agreement worker's compensation insurance for such activities. Buyer shall repair any damage caused by such testing and shall restore the Property to substantially the same condition as existed immediately prior to such testing.

4.7. Buyer may terminate this Agreement at any time prior to the end of the Investigation Period for any reason or for no reason. If Buyer elects to terminate this Agreement pursuant to this Section, Buyer shall give written notice in accordance with Article 17 hereof, to Seller on or before the expiration of the Investigation Period, in which event Buyer shall: (1) return the Property Documents to Seller, and (2) with respect to any portion of the Property damaged or otherwise adversely affected by testing, restore the Property to substantially the same condition as existed before Buyer entered upon the Property in furtherance of its due diligence. Upon notice from Seller that Buyer has satisfied its obligations as aforesaid, Buyer may terminate the Letter of Credit or Seller shall return the cash Deposit, as the case may be, and the parties hereto, thereafter, shall be relieved of any further obligation or liability to each other.

4.8. Nothing herein shall be construed to prohibit or impair Buyer's access to the Property for its continuing investigation activities after the end of the Investigation Period and before Closing.

4.9. The term "Property", as used in this Article 4, shall include the Property to be conveyed, as defined at Section 1.30 hereof, and, in addition, all other property upon which the Buyer performs work by license pursuant to, or in connection with, this Agreement.

4.10. Not just limited to the term of the Investigation Period and so long as such does not extend the time periods set forth in this Agreement, or result in increased costs to the Town, the Town shall reasonably cooperate with the Company in:

- (a) Discussions with the DEC relating to any funds, programs or incentives which may be available to the Property or Project under the Brownfield Programs or other state programs; and
- (b) Discussions with the Rockland County Industrial Development Agency in relation to advocating for and utilizing any available economic development incentives for the Project including, without limitation, and to the extent applicable, for

sales tax and mortgage recording tax exemptions, but excluding real property tax exemptions (other than a full tax Payment in Lieu of Taxes Agreement).

(c) Assisting the Company in maximizing federal, state and local funding of the Project, including, without limitation, funding and liability releases available under the Brownfield Programs. The parties will work cooperatively in the preparation of such applications. The parties acknowledge that most of such applications require either direct application by the Town or the Town's consent to an application, which actions are subject to formal approval by the Town in its sole discretion in order to be submitted. It is intended that any such incentives received shall accrue to the Company and, as and to the extent applicable, be applied to the Property and the Project. Nothing in this Section 4.10, however, shall be deemed to commit the Company to fund, proceed with or undertake the Project; nor shall the Town be required to sign or otherwise participate in such applications where the Town, in its sole discretion, concludes that any such application would not be in the best interest of the Town.

4.11. The indemnification obligations, and/or post-closing or termination obligations, of Sections 4.3, 4.5, 4.6 and 4.7 hereof shall survive Closing of title or termination of this Agreement, as the case may be, and shall bind any successors, successors in interest and assigns.

5. POST CLOSING LIABILITY AND INDEMNIFICATION

The Parties specifically acknowledge that there may be material on the Property that would constitute Hazardous Material requiring environmental cleanup. The Seller shall have no obligation with respect to the environmental cleanup or injuries or other claims or liability occurring on or after the date of Closing. As part of the consideration in entering into this Agreement, the Parties agree as follows:

5.1. To the maximum extent permitted by law, for any claim against the Seller, its officers and employees, the Buyer hereby assumes the entire responsibility and liability for any and all damages (direct or consequential) and injury (including death), disease or sickness of any kind of nature whatsoever, not caused by the Seller, Seller's Employees, Seller's Officers, Seller's Attorneys and/or Seller's Consulting Engineers (hereinafter collectively "Indemnitees"), to all persons, caused by, resulting from, arising out of, or occurring on or after the date of Closing, in connection with the presence or removal of any Hazardous Material or toxic material and/or substance from the Property on or after the date of Closing. Except to the extent, if any, expressly prohibited by law, should any claims for such damage or injury be made or asserted against any of the Indemnitees, unless such claim is determined to be based upon a Seller's Employee, Officer, Attorney or Consulting Engineers or any of their assigns actual negligence or participating in the wrong, the Buyer shall indemnify, defend and save such Indemnitees harmless of, from and against any and all loss, cost, expense, and liability, cost and disbursements, that Indemnitees may directly or indirectly sustain, suffer or incur. This provision shall survive delivery of the Deed and shall bind any successors, successors in interest and assigns.

5.2. In addition, the Buyer will assume, on behalf of any and all Indemnitees the defense (with counsel selected by the Buyer, but subject to the reasonable approval of the party indemnified) including the cost thereof and any other cost of any action at law or in equity, or other legal proceeding, which may be brought against any Indemnitee, the amount of any judgment, decree, award, or order that may be entered against each said Indemnitee in any such action or proceeding. This provision shall survive delivery of the Deed and shall bind any successors, successors in interest and assigns.

5.3. Notwithstanding anything contained in this paragraph to the contrary, the Buyer's pre-closing obligations for defense and indemnification under this Agreement are governed by Article 4 hereof.

The provision of this Article 5 shall survive delivery of the Deed and shall bind any successors, successors in interest and assigns.

6. DEPOSIT OR LETTER OF CREDIT

Upon the Effective Date of this Agreement, Buyer shall deliver to Seller, at Buyer's option, a cash deposit in the amount of One Million Dollars (\$1,000,000) (the "Deposit") or a standby letter of credit in the amount of One Million Dollars (\$1,000,000) (the "Letter of Credit") in form and content acceptable to Seller able to be purchased at commercially reasonable rates and drawn on a bank or other financial institution having offices and licensed to do business in New York State. The purpose of the Deposit or Letter of Credit, as the case may be, is to provide security to Seller in the event of default under this Agreement by Buyer. The Letter of Credit shall be terminable and revocable or the Deposit shall be fully refundable, as the case may be, if Buyer terminates this Agreement in accordance with the terms of this Agreement. Any interest earned on the Deposit shall follow the principle.

7. GOVERNMENTAL APPROVALS

7.1. If All Approvals have not been obtained by Buyer, after diligent effort, then (a) Buyer, at its sole option, may either: (i) terminate this Agreement or (ii) proceed to Closing, in which event the Purchase Price shall be determined in accordance with Article 3, or (b) Seller may terminate this Agreement. In the event either party shall elect to terminate this Agreement under this provision, the party seeking to terminate shall provide the other party with fifteen (15) business days notice thereof, during which period the other party shall have the right to challenge that determination and require that the party seeking to terminate demonstrate, in writing, that the Buyer has, or has not, as the case may be, exercised diligent effort in seeking to obtain All Approvals, but has been unable to do so.

If either Buyer or Seller terminates this Agreement pursuant to this Article 7, Buyer shall: (1) return the Property Documents to Seller; and (2) with respect to any portion of the Property damaged or otherwise adversely affected by testing, restore the Property to substantially the same condition as existed before Buyer entered upon the Property in furtherance of its due diligence. Upon written confirmation from Seller that

Buyer has satisfied its obligations as aforesaid. Seller shall return the cash Deposit or Buyer may terminate the Letter of Credit, as the case may be, and the parties hereto. Such thereafter, shall be relieved of any further obligation or liability to each other. Such written confirmation shall not be unreasonably withheld, conditioned or delayed.

7.2. In connection with Buyer's obligation to diligently seek All Approvals, Buyer shall have the right, but not the obligation, to undertake any litigation in order to obtain All Approvals including, without limitation, the right to litigate to the ultimate decision maker. Seller shall not, acting in its capacity as a party to this Agreement only, appeal or initiate litigation challenging any Approval for the Property. This provision shall not limit, alter, or abrogate any of the Town's responsibility to impartially consider any matter within its governmental authority and to pursue or initiate any action, proceeding or appeal it may deem appropriate as a municipal entity. If any party including, but not limited to, Buyer initiates litigation or otherwise appeals the grant, denial or revocation of any Approval, or if any moratorium is in effect directly or indirectly related to the development of the Property, the time periods in this Agreement shall be tolled and suspended during the time of any such appeal or moratorium. If an appeal/litigation results in the denial of any Approval or sustains the denial of Approval, Buyer, at its sole option, may, by written notice to Seller within twenty (20) days after the date of the Court Order memorializing such denial, either (a) waive any such Approval and close title to the Property and pay the Purchase Price therefore as and at the time required by this Agreement; (b) terminate this Agreement; or (c) expediently modify the Project or any document or correct any defect to gain such Approval. Buyer's ability to extend Closing by its appeal of decisions, claims, suits and litigation relating to Approvals shall exclude suits, appeals, claims and litigation to achieve results greater than the minimum levels required pursuant to Section 3.2.2 hereof.

7.3. Seller will reasonably cooperate with Buyer's pursuit of All Approvals. Seller shall reasonably consider and act upon all applications and related documents that are presented to Seller in connection with obtaining All Approvals. Seller understands that, as owner of the Property, it may be required to execute applications or other documents necessary for Buyer to obtain certain Approvals. Approval Costs shall be the responsibility of Buyer. Buyer has total control of and responsibility to seek All Approvals, including, without limitation, the right to designate all of its professionals who will be engaged in the approval process for Buyer. Nothing herein shall limit the Seller's right to hire its own professionals for its own purposes and to obtain payment or reimbursement of the cost of such professionals from Buyer in accordance with the professional reimbursement provisions of the Town Code.

7.4. To the extent reasonably necessary, Seller shall join Buyer in filing/recording an Approved Map in the County Clerk's Office and, in the dedication of streets, rights-of-way, any easements or other documents necessary to effectuate this Agreement, prior to the Closing, provided, however, that any such documents and plans are approved by Seller, which approval shall not be unreasonably withheld, conditioned or delayed. This provision is not intended, nor shall it be construed, to delay Closing until after the Town's acceptance of any such dedications, rights-of-way, easements or other such documents, but is intended solely to assist the Buyer in satisfying any condition that

may be imposed requiring Seller's signature. Buyer shall post the necessary performance guarantees, recreation fees, inspection fees and any other required fees or expenses required to permit the Approved Map to be signed by the required public officials including, but not limited to, the Clerk to the Town Planning Board, Chairman of the Rockland County Drainage Agency, and others, as may be required to permit filing in the County Clerk's Office. If Buyer has posted said performance guarantees, recreation fees, inspection fees and any other reasonable fees required to be posted as a condition of any Approval, and Closing does not occur pursuant to this Agreement, and Buyer is not then in default, Seller shall allow Buyer's performance guarantee and fees then on deposit to be released and/or refunded to Buyer.

8. TITLE AND SURVEY INVESTIGATION

8.1. Buyer shall deliver to Seller within the Investigation Period (i) a copy of the title insurance report for the Property, including the exception sheets, tax search, and other matters customary to such reports, together with a written notice setting forth any and all objections to title, as known at such time, and (ii) at Buyer's sole cost, a certified survey of the Property together with a list of any items appearing on the survey to which Buyer objects (collectively "Objections").

8.2. Not later than ten (10) business days after Seller receives Buyer's Objections, Seller shall notify Buyer of those Objections Seller agrees to cure and when and in what manner said items shall be cured. If Buyer is dissatisfied with the Seller's response or lack of response, Buyer may either: (a) terminate this Agreement or (b) waive such Objections and proceed under this Agreement. It is expressly understood and agreed that Seller may, but shall have no obligation to, cure any Objections.

8.3. Buyer shall have the further right to order a run-down title examination prior to Closing, at Buyer's cost and expense, and to submit to Seller any liens, restrictions, encroachments or encumbrances of any kind or nature which may have occurred, been created or placed of record since the initial title examination. Any such liens, restrictions, encroachments and/or encumbrances against the Property created subsequent to the initial title examination shall be considered "Run-down Objections" unless otherwise agreed to in writing by Buyer. Any such liens, restrictions, encroachments or encumbrances caused or contributed to by Seller after the expiration of the Investigation Period which are not remedied by Seller at or prior to Closing shall entitle Buyer to terminate this Agreement, receive a full refund of its Deposit (including, to the extent applicable, the termination of the Letter of Credit), and seek enforcement of all rights and remedies at law or in equity, provided, however, that Buyer may not obtain both damages and specific performance compelling Seller to convey the Property.

8.4. If Seller agrees to cure any such Objection under Section 8.2 above and/or Run-down Objection in the nature of liens, restrictions, encroachments and/or encumbrances under Section 8.3, and Seller fails to fully cure any such Objection or Run-down Objection prior to Closing, Buyer, at its sole option, may: (a) delay Closing to a date specified by Buyer so that Seller or Buyer removes or cures such Objection at Seller's expense; or (b) terminate this Agreement.

8.5. From the Effective Date of this Agreement, Seller shall not consent to any further encumbrance on the Property, without Buyer's prior written consent, except those encumbrances that may be satisfied by the payment of money.

8.6. To the extent applicable, Seller shall provide Buyer with evidence of the appropriate release documents for any and all liens against the Property at or prior to Closing.

9. CLOSING

9.1. Closing shall take place at Seller's offices, or at such other place as Buyer and Seller may agree, within thirty (30) days following the satisfaction of all conditions to Closing set forth in Article 10 hereof.

9.2. In addition to all transactional documents requiring Seller's execution, Seller shall deliver the following documents at Closing in form and substance satisfactory to Buyer and to Buyer's title insurance company: (1) Deed; (2) Seller's resolution authorizing the sale; (3) tax and utility bills, if any, required to be paid at Closing; (4) certificate of compliance with Section 1445 of the Internal Revenue Code (FIRPTA); (5) bill of sale for personal property, if any; (6) IRS Form 1099 (if required); (7) New York State Form TP-584; (8) easements, licenses or cross-easement agreements as may be required by the State of New York, or otherwise as may be agreed by and between the parties; (9) such other documents as Buyer's title insurance company reasonably may require in order to induce it to insure the conveyance; and (10) such other documents or agreements as may be reasonably required under this Agreement.

9.3. In addition to all transactional documents requiring Buyer's execution, as well as delivery of the Purchase Price, Buyer shall deliver the following documents at Closing: (1) New York State Form RP-5217; (2) cross-easement agreements as may be required; (3) title closing statement; (4) Buyer's resolution authorizing the sale; and (5) such other documents or agreements as may be reasonably required under this Agreement.

9.4. Any real estate transfer taxes or other fees related to the conveyance of the Property shall be paid by Buyer. Buyer shall further pay the cost of recording the Deed, its own title insurance premiums and any other expenses customary to be paid by Buyer at Closing.

9.5. If any governmental moratorium or prohibition is in effect at the time of the Closing, including, without limitation, moratorium or prohibitions regarding water, sewer, electrical, telephone or utility availability or service to the Property, then the Closing shall be suspended until such moratorium or prohibition is lifted.

10. CONDITIONS PRECEDENT TO CLOSING

The parties respective obligations to close under this Agreement are conditioned upon the satisfaction of each of the following (any one of which may be waived in whole

or in part in writing by the party not responsible for the fulfillment of such respective condition or obligation at or prior to Closing):

10.1. All material representations and warranties by Seller and Buyer set forth in this Agreement shall be true and correct and complete in all material respects as of Closing; and

10.2. Seller and Buyer shall have performed all material covenants, agreements, obligations and conditions required by this Agreement to be performed by Seller or Buyer, respectively, prior to Closing and shall have cured all defaults; and

10.3. Buyer shall have obtained All Approvals, and, to the extent required, if at all, Seller shall have transferred and assigned to Buyer all of Seller's rights, if any, in and to All Approvals, provided, however, Seller's obligation in this regard may be satisfied at Closing unless same shall be earlier required in order to permit Buyer to obtain another, or other, Approvals; and

10.4. Seller shall have satisfied all conditions relating to the conveyance of fee simple, marketable title insurable at regular rates and subject to standard non-property specific terms and conditions of a Title Policy in accordance with Article 8 hereof; and

10.5. Seller has obtained approval for the New York State Legislature, as and to the extent required by applicable law, related to the transfer of "parkland".

10.6. Neither party has terminated this Agreement in accordance with the terms set forth herein.

11. EMINENT DOMAIN

11.1. If, prior to the Closing, any condemnation or eminent domain proceeding has been commenced by any Governmental Authority or any utility authority, company or other agency having the power of eminent domain against all or any part of the Property, Seller shall so notify Buyer and shall provide Buyer with all information concerning such proceedings, in which event Buyer may (a) terminate this Agreement or (b) proceed to Closing as provided hereunder, in which case, any award in condemnation and/or unpaid claims or rights in connection with such condemnation shall be assigned to Buyer at Closing, or, if paid to Seller prior to Closing, credited to Buyer against the Purchase Price at such Closing. If Buyer does not terminate this Agreement, Seller shall (a) not adjust or settle any condemnation proceedings without the prior written approval of Buyer; (b) keep Buyer fully advised as to the status of the proceedings; and (c) allow Buyer to participate in all proceedings. Condemnation shall include a transfer resulting from negotiations under threat of taking.

11.2. From and after the Effective Date of this Agreement, Seller shall not initiate any communication with any Governmental Authority regarding possible governmental acquisition of the Property for open space or park land or any other public purpose. Should any Government Authority initiate communications with Seller

regarding possible government acquisition of the Property, Seller shall notify Buyer so that Buyer may participate in such discussions.

12. DEFAULTS AND TERMINATION

12.1. If Buyer or Seller defaults as to any of the material provisions of this Agreement, and the nondefaulting party serves the defaulting party with written notice specifying the default, the defaulting party has thirty (30) days from receipt of such notice to cure such default. Should any default be of a nature which cannot, with diligent efforts, be cured within thirty (30) days, the defaulting party shall not be deemed to be in default hereof so long as that party commences the cure within such thirty (30) days and thereafter diligently prosecutes such cure to completion. Failure of the defaulting party to cure the default within such time period shall automatically entitle the nondefaulting party to exercise its rights set forth below.

12.2. Subject to Section 12.4 below, if Buyer fails to cure a default, Seller shall have the right to recover its actual damages up to the amount of the cash Deposit or, Letter of Credit, as may be the case, as Seller's sole remedy against Buyer, in which event Seller shall have no further recourse against Buyer and this Agreement shall then become null and void and neither party shall have any further obligation to the other except for Buyer's indemnity obligation pursuant to Article 4 hereof which expressly survives the termination of this Agreement.

12.3. If Seller fails to cure a default, Seller shall refund the entire Deposit, or Buyer shall be entitled to revoke the Letter of Credit (to the extent applicable) and exercise any and all remedies available at law (as limited by Section 12.4) or in equity, including specific performance, provided, however, if Buyer is granted specific performance, it shall not be entitled to a return of the Deposit, which shall be applied to the Purchase Price, nor shall it be entitled to recover money damages of any kind or nature, including damages under Section 12.4.

12.4. The parties have agreed to limit the amounts of damages that each may recover in the event of a breach or default by the other. These amounts are intended as reasonable, fair, estimates and not as a penalty. In the event of Seller's uncured breach or default, Buyer shall be entitled to a return of the Deposit (or release of the Letter of Credit, as may be applicable), together with its actual damages up to a maximum of Two Million Five Hundred Thousand Dollars (\$2,500,000.00). In the event of an uncured breach or default on the part of Buyer, Seller's remedy shall be as set forth at Section 12.2.

12.5. Where Buyer has discretionary rights of termination under this Agreement (including, without limitation, those related to the failure to obtain All Approvals), it shall not be entitled to a refund of the SEQRA Deposit unless, exclusively, Seller has defaulted on the terms of this Agreement. The return of the Deposit (or cancellation of the Letter of Credit, as the case may be) is treated differently pursuant to Section 4.7 hereof.

12.6. Upon termination of this Agreement, neither party shall have any further rights or obligations pursuant to this Agreement except for those rights and obligations which expressly survive termination of this Agreement.

13. REAL ESTATE COMMISSION

Seller and Buyer represent to each other that each has had no dealings with any broker, salesperson or agent in connection with the sale of the Property. Seller and Buyer agree to defend and indemnify each other and hold each other (including its affiliates, subsidiaries and officers) harmless from and against any and all claims, liabilities, losses, damages and expenses (including court costs and reasonable attorneys' fees) asserted by any and all brokers, salespersons or agents with whom either has dealt in connection with the sale of the Property, if any. The representations and indemnifications set forth in this Article 13 shall survive Closing.

14. GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York. The parties, including the Guarantor, further agree that any claim between them brought under, or arising out of, this Agreement shall be brought in the Supreme Court of the State of New York, in the County of Rockland or the United States District Court for the Southern District of New York.

15. POSSESSION ON CLOSING/RISK OF LOSS

Possession of the Property, including, without limitation, all buildings, garages and other structures, shall be delivered to Buyer by Seller at Closing vacant and free of any leases, licenses or rights of use by others (other than as set forth and established by easements, covenants or licenses of record as shown in Buyer's title investigation to be conducted during the Investigation Period). Buyer agrees to remove and properly dispose of any furniture, furnishings, equipment, machinery, inventory and other contents of all buildings and other structures on the Property, except for such items as may be expressly listed on an inventory prepared by Seller and delivered to Buyer prior to Closing. Such listed items shall be removed by Seller, at Seller's sole cost and expense, prior to Closing. Until delivery of the Property at Closing, all risk of loss with respect to the Property, except with respect to Buyer's activities on the Property, shall be Seller's. Seller shall deliver the Property at Closing in the same physical condition as exists at the time of execution of this Agreement, with the exception of conditions resulting from Buyer's activities on the Property. The provisions of this Article 15 shall be in addition to and not by way of limitation of the parties' rights under Section 5-1311 of the New York State General Obligations Law.

16. TAXES, ADJUSTMENTS AND INCIDENTAL COSTS

16.1. Seller shall keep all real estate taxes, levies or fees current for the Property during the term of this Agreement.

16.2. All assessments for improvements (confirmed or unconfirmed), as of the date of Closing, except those which are a result of Buyer's construction activities on the Property, shall be paid by Seller prior to Closing or shall be deducted from the Purchase Price. Assessments for improvements shall include, but are not limited to, assessments for water, sewer and other charges against the Property. In the event Buyer shall require temporary utilities in the course of its investigation and other activities on the Property prior to Closing, Buyer shall make such arrangements with the appropriate public utility and shall be responsible for the cost thereof.

16.3. At Closing, the Property shall be free of any amounts of taxes, assessments or levies due for the period prior to the Closing Date and any and all liens related thereto.

16.4. All tax apportionment, except rollback taxes as and to the extent applicable, shall be on the basis of the fiscal year used by the municipal taxing authority and shall be prorated to the date of Closing. If, at Closing, the tax rate for the fiscal year in which the Closing occurs is not fixed, the tax apportionment at Closing shall be tentative and shall be made on the basis of the preliminary tax bills for the Property. A final tax adjustment shall be made promptly after final tax bills have been issued.

16.5. Rollback taxes, if any, shall be paid at or prior to the time of Closing by Seller. If, at the time of Closing, the final rollback tax bill has not been determined, the rollback tax adjustment at Closing shall be tentative and shall be determined by Buyer's title company, which shall hold in escrow the estimated amount of any such adjustment until the final rollback tax adjustment is made. A final rollback tax adjustment on the basis of the final rollback tax bill for the Property shall be made promptly after such bill has been issued.

The provisions of this Article 16 shall survive Closing and delivery of the Deed.

17. NOTICES

17.1. Notices. All notices hereunder to the respective parties will be in writing and will be served by personal delivery or by prepaid, express mail (next day) via a reputable courier service, or by prepaid, registered or certified mail, addressed to the respective parties at their addresses set forth below. Any such notice to Seller or Buyer will be deemed to be given and effective: (i) if personally delivered, then on the date of such delivery, (ii) if sent via express mail (next day), then one (1) business day after the date such notice is sent (unless it be shown that delivery was not made on such date), (iii) if sent by registered or certified mail, then three (3) business days following the date on which such notice is deposited in the United States mail addressed as aforesaid, or (iv) if sent by telecopy, then at the time and on the date set forth on the telecopy confirmation sheet, provided that if the time of delivery is after 5:00 p.m. Eastern Time, delivery shall

be deemed given on the next Business Day. Copies of all notices will be sent to the following:

If to the Seller:

Town of Orangetown
Town Hall
26 Orangeburg Road
Orangeburg, New York 10962
Attn: Supervisor

And to its Attorney:

Town of Orangetown
Town Hall
Orangeburg, New York 10962
Tel.: (845) 359-5100
Fax: (845) 359-2715
Attn: Town Attorney

If to the Buyer:

James Driscoll, Area President
Steven J. Caporaso, Area Vice-President
K. Hovnanian Companies
100 Fieldcrest Avenue
Edison, New Jersey 08837

And to its Attorney:

Stephanie Bortnyk, Esq.
K. Hovnanian Companies
110 Fieldcrest Avenue, CN7825
Edison, New Jersey 08837
Tel.: (732) 623-6819
Fax: (732) 225-3530

David R. Everett, Esq.
Robert M. Gach, Esq.
Whiteman Osterman & Hanna LLP
One Commerce Plaza
Albany, New York 12260
Tel.: (518) 487-7600; Fax: (518) 487-7777

17.2. Either party may change its notice address, entity or party upon not less than ten (10) days' prior written notice to the other party in accordance with this Article 17. All such notices shall be effective when received.

18. BUYER'S REPRESENTATIONS

18.1. Buyer represents and warrants as follows:

18.1.1. Buyer represents that it has the full right and authority to execute this Agreement and consummate all of the transactions hereby contemplated.

18.1.2. Buyer is a business corporation which is duly organized and validly existing under the laws of the State of New York and is in good standing in such State as well as New York and is duly authorized to do business in New York. Buyer maintains an office for the conduct of business in New York.

18.1.3. All post-Closing obligations of Buyer hereunder shall survive Closing including, but not limited to, those relating to the Golf Course, Walking Trails and Volunteer Housing Units all as and to the extent set forth in this Agreement and shall bind any successors, successors in interest and assigns.

18.1.4. As of Closing and subject to the Seller's obligations and representations and warranties expressly made herein, Buyer accepts the Property in its "As Is" condition.

18.1.5. As of Closing, except as otherwise expressly set forth herein, Seller, including Seller's employees, consultants, agents and/or other persons, have not made any verbal or written representation, warranties, or other promise or guaranties, express or implied, with respect to the physical condition of the Property, or to the future zoning of the Property, and Buyer has not relied upon any such representations, warranties, or other promises or guaranties, express or implied, with respect to the physical condition of the Property, as a including informational documents, or to the future zoning of the Property, as a reason or inducement for it to enter into this Agreement, but is making such decision solely upon its own independent inspection, analyses and evaluation of the Property and other factors relevant to its determination.

18.1.6. The above representations shall survive Closing.

19. SELLER'S REPRESENTATIONS

19.1. Seller represents and warrants, as follows:

19.1.1. Subject to statutory or constitutional limitations and/or restrictions on the conveyance of municipally owned real property, Seller has the full right and authority to execute this Agreement and consummate all of the transactions hereby contemplated. This Agreement has been duly authorized, executed and delivered by and on behalf of Seller. The execution, delivery, performance of and compliance with this Agreement by Seller will not (with or without the giving of notice or lapse of time, or both) result in any violation of, or

be in conflict with, or constitute a default under, the terms of any contract, note, indenture or other agreements to which Seller is a party, or of any judgment, decree or order to which Seller is subject. Seller makes no representation or warranty relating to the SEQRA process.

19.1.2. There are no attachments, executions, assignments for the benefit of creditors or any pending proceedings, either voluntary or involuntary, in bankruptcy, which are contemplated or threatened against Seller.

19.1.3. To the best of Seller's actual knowledge, there are no existing or pending litigation, claims, condemnations or sales in lieu thereof, contracts of sale, options to purchase or rights of first refusal with respect to the Property or any part thereof, nor have any such actions, suits, proceedings, claims or other such matters been, to the best of Seller's knowledge and belief, threatened or asserted that would affect Seller's ability to perform under this Agreement.

19.1.4. Seller has received no notice of and has no actual knowledge of any pending or threatened improvements, liens, special taxes or assessments, fees, or levies to be made on or against the Property by any Governmental Authority.

19.1.5. The execution of this Agreement by Seller is effectual without the joinder of any other party and no signatures other than Seller's will be required to be affixed to the Deed in order to close title as contemplated by this Agreement.

19.1.6. Recognizing that the Property may require environmental remediation precedent to its development in the manner contemplated under this Agreement, as of the Effective Date of this Agreement, Seller has not received actual notice from any Governmental Authority having jurisdiction over the Property of any violation of Environmental Laws.

19.1.7. Seller represents that it is not now, nor will be at time of Closing, a "foreign person" as described in Section 1445 of the Internal Revenue Code of 1986, as amended.

19.1.8. The Property Documents to be made available by Seller to Buyer pursuant to this Agreement, whether an Exhibit to this Agreement or otherwise, are not actually known by Seller to be materially false.

19.1.9. Other than as disclosed to Buyer, including disclosure relating to easements and cross-easements with the State and others, Seller has not made, and will not make, any commitments or representations to any applicable Governmental Authorities, or to adjoining or surrounding property owners, which would, in any manner, be binding upon Buyer, or impact Buyer's construction of the Project.

19.1.10. Other than as disclosed to Buyer, including disclosure relating to easements and cross-easements with the State and others, Seller has granted no person any contract or other legal right to the use of any portion of the Property, or the furnishings or use of any facility or amenity on, or relating to, the Property.

19.1.11. Seller has no knowledge of the institution or proposed institution of any judicial, administrative or other proceeding related to the proposed taking of any part or all of the Property whether by eminent domain or for proposed open space acquisition.

19.1.12. Seller shall diligently pursue: (a) any required permissive referendum required by the New York State Town Law; and (b) approval of the New York State Legislature, as and to the extent required, to sell, convey or transfer "parkland".

19.1.13. All post-Closing obligations of Seller hereunder shall survive Closing, including, but not limited to, those obligations relating to the Golf Course, Volunteer Housing and Walking Trails all as and to the extent set forth in this Agreement, and shall bind any successors, successors in interest and assigns.

19.2. Seller has an affirmative obligation to notify Buyer of any changes in the representations and warranties from the Effective Date up and to Closing. The representations and warranties set forth in this Article 19 shall: (a) be true and correct as of Closing; and (b) survive Closing. In addition, the truth of these representations and warranties is a condition precedent to Buyer's performance of its obligations under this Agreement.

19.3. If any of Seller's representations or warranties set forth in this Agreement are not true as of the date of Closing, Buyer, at its sole option, may either (a) close title; or (b) terminate this Agreement. Notwithstanding the foregoing, prior to Closing, Seller shall be entitled to notice of any representation or warranty which Buyer believes is not true and Seller shall have ten (10) business days after receipt of notice from Buyer within which to cure or dispel the alleged misrepresentation or breach of warranty, unless such alleged breach or misrepresentation cannot, with diligent efforts, be cured within ten (10) business days, in which event Seller shall be required to commence the cure within such ten (10) days and thereafter diligently prosecutes such cure to completion, before Buyer shall have the right to exercise its options pursuant to this Article 19.

20. LICENSES

Subject to the rights of others to safely use the roadways in and about the Property, and the other reasonable needs of the Town and adjacent psychiatric center, Buyer is hereby granted a license to erect signs and place sales and/or construction trailers with utility connections and adequate parking at appropriate locations on the Property after the Investigation Period and prior to Closing. If this Agreement is

terminated for any reason. Buyer will promptly remove, at Buyer's sole cost and expense, any signs, trailers or utility connections installed in accordance herewith.

21. RECORDING

Except as set forth hereafter, neither this Agreement nor any document referenced in this Agreement shall be recorded in any public office by or on behalf of either party. Buyer and Seller shall execute contemporaneously: (a) the "Short Form Agreement," attached hereto as Exhibit F, together with a New York State Form TP-584; and (b) the "Cancellation of Short Form Agreement," attached hereto as Exhibit G. Buyer is authorized to record the Short Form Agreement in the Rockland County Clerk's Office. The Cancellation of Agreement shall be held by Seller's attorney until the earlier of: (a) the completion of Buyer's post-closing obligations hereunder; (b) following the completion of Buyer's post-closing obligations, written direction from Buyer to record the Cancellation of Agreement; (c) termination of this Agreement in accordance with the terms hereof; or (e d) upon the order of a court of competent jurisdiction.

22. BUYER'S EMPLOYMENT PRACTICES.

22.1. The Buyer shall use reasonable efforts to hire qualified local contractors and qualified union contractors to work on the Project, which may include the issuance of a Project Labor Agreement. Additionally, the Buyer, in cooperation with the Town, shall establish a Building Trades Committee. The Building Trades Committee shall work to provide opportunities for qualified local trades and suppliers to bid and obtain work on the Project. Notwithstanding the foregoing, the Buyer shall have the final decision as to the trade contractors and suppliers employed on the Project. This provision shall survive delivery of the Deed and shall bind any successors, successors in interest and assigns.

22.2. At all times during the performance of its work on the Project under this Agreement, the Buyer shall not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, sexual orientation, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons and women are afforded equal opportunity without discrimination. This provision shall survive delivery of the Deed and shall bind any successors, successors in interest and assigns.

22.3. Nothing in this Section or in this Agreement shall be deemed to create any third party beneficiaries to this Agreement or grant or create any third party rights or benefits to any person or entity.

23. MISCELLANEOUS

23.1. All captions and headings are for reference only and do not define, limit, explain or amplify any provisions of this Agreement.

23.2. This Agreement, as a matter of convenience to both parties, was initially prepared by the attorney for Buyer. Both parties agree that if there is an ambiguity in this

Agreement, such ambiguity shall not be resolved against Buyer solely on the basis that the Agreement was prepared initially by Buyer's attorney.

23.3. This Agreement constitutes the entire agreement between the parties. No representations have been made by the parties, except as set forth herein. Any modifications and amendments to this Agreement shall be in writing signed by Buyer and Seller.

23.4. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be original, and all of which together shall constitute one and the same instrument.

23.5. Notwithstanding any presumption to the contrary, all covenants, conditions and representations contained in this Agreement which, by their nature, impliedly or expressly involve performance in any way after Closing, or which cannot be ascertained to have been fully performed until after Closing, shall survive Closing.

23.6. Each party shall, at the other party's request, take such further actions and execute such further documents that are reasonably necessary to effectuate the purposes and terms of this Agreement. This obligation shall survive Closing and shall bind any successors, successors in interest and assigns.

23.7. All payments to Seller shall be made by wire transfer or otherwise as agreed by the parties.

23.8. Whenever the date set forth for any action, meeting or Closing as provided in this Agreement is a Saturday, Sunday or legal holiday, such action, meeting or Closing shall be held on the next succeeding Business Day.

23.9. Neither this Agreement nor any of the Approvals that may be granted may be assigned by the Buyer without the express written consent of the Seller, it being specifically recognized and understood that the Buyer was selected after a multi-year selection process because the Seller believes the Buyer is capable of executing the Project in a manner consistent with the goals of the Seller for the development of the Project, including the recreation improvements to be developed and conveyed to the Seller. Notwithstanding the foregoing, the Buyer may assign this Agreement and any Approvals to an entity in which the Buyer maintains a controlling ownership interest or has common ownership with the Buyer, and further provided that; (i) in connection with the golf course improvements, the Buyer, or the Buyer's Assignee, shall provide, at a minimum, the same components as shown on Exhibit D hereto, and the same or better quality in the design, construction and execution of the Golf Course improvements as would be provided were "Bergstol Enterprises" the Golf Course designer/developer; (ii) such Assignee has a business office, and is otherwise authorized to do business, in New York State; and (iii) the Guarantor hereunder continues to guarantee the Assignee's performance hereunder.

Provided further that no assignment shall be deemed to occur if the Buyer (i) enters into a joint venture to complete one or more elements of the Project; or (ii) participates in

another form of financial partnership or arrangement with a third-party in relation to the Project. (It being expressly understood and agreed that the Guarantor's guaranty of obligations of the Buyer and Project under this Agreement shall be unaffected by any such joint or other internal business arrangement).

No assignment may take place without providing the Seller with notice and documentation demonstrating compliance with the terms and conditions of this Agreement and the Approvals.

Provided the Buyer is not then in default of the terms of this Agreement, the Seller may not assign this Agreement or negotiate with another party regarding the Property or the Project without the express written consent of the Buyer.

This provision shall survive delivery of the Deed, and shall bind any successors, successors in interest and assigns.

23.10. Any provision required by law to be included in an Agreement such as this Agreement shall be deemed to be included herein.

23.11. Any Notice given hereunder to Buyer shall be deemed to have been given to the Guarantor as well. The Guarantor, by signing the Guaranty contained herein, and made a part hereof, consents to any modification, waiver, or extension of time agreed to by Buyer, and further expressly consents to the provisions of Article 14, relating to jurisdiction and venue in the event of any dispute hereunder.

23.12. All terms of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective legal representatives, successors, successors in interest and assigns. This provision shall survive Closing and bind successors, successors in interest and assigns with respect to any of the post-closing obligations hereof.

23.13. Any term or provision of this Agreement that is invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement, or affecting the validity or enforceability of any of the terms or provisions of this Agreement.

23.14. The representations, warranties, covenants, agreements and indemnities set forth in or made pursuant to this Agreement shall remain operative and shall survive the termination of this Agreement and shall not be merged with any subsequent instrument of conveyance. Any provision hereof referencing an obligation which survives the effectiveness of this Agreement shall be deemed to survive.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, each party hereto, being authorized to do so and intending to be legally bound hereby, has duly executed and entered into this Agreement on the date first set forth above.

BUYER:

K. Hovnanian Companies of New York, Inc.

By: _____

Name:

Title: President/Manager

SELLER:

Town of Orangetown

By: _____

Name:

Title:

**UNCONDITIONAL GUARANTY OF
CONTRACT OF PURCHASE AND SALE**

In consideration of the agreement by the TOWN OF ORANGETOWN, a municipal corporation having offices at 26 Orangeburg Road, Orangeburg, New York 10962 (hereinafter the "Town") to enter into a Contract of Purchase and Sale (hereinafter the "Agreement") with K. HOVNANIAN COMPANIES OF NEW YORK, INC., a New York business corporation, with offices at 110 Fieldcrest Avenue, Edison, New Jersey 08818 (hereinafter the "Company"), relating to property located in the Town of Orangetown, formerly a part of the Rockland Psychiatric Center, K. HOVNANIAN HOLDINGS OF NEW JERSEY, LLC, a New Jersey limited liability company, with offices at 110 West Front Street, Red Bank, New Jersey 07701 (hereinafter the "Guarantor") hereby unconditionally guarantees to the Town against the Company the faithful performance of each and every obligation of the Company, and any Successor or Assign of the Company in and under the said Agreement, monetary or otherwise, including such additional or different obligation(s) as may arise in the future by agreement of the Town and Company ("Obligations").

Guarantors consent and agree that the Obligations of the Company may, from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised, settled or released by agreement of the Town and the Company or otherwise dealt with by the Company, all without any notice to, further assent by, or loss of any rights against the Guarantor, and without in any way affecting or releasing the liability of the Guarantor hereunder.

If the Guarantor shall fail to perform any agreement contained herein or in any other agreement delivered by the Guarantor to the Town or, if default occurs in the punctual payment of any sum payable upon any of said Obligations or, if Guarantor or the Company or any other party to said Obligations should (i) dissolve or be dissolved; (ii) enter, voluntarily or involuntarily, into any insolvency proceedings, state or federal; or (iii) fail to pay any taxes when due; or (iv) any other occurrence of default under any writing by the Company with the Town, the Obligations, upon the occurrence of any such event, shall become forthwith due and payable and otherwise the obligations of the Guarantor.

The Guarantor acknowledges that the Town may first seek recovery from the Guarantor before the Town brings any action against the Company.

The Guarantor waives any and all notices of acceptance of this Guaranty, of the creation of said Obligations, or of any renewals or extension thereof or of the reliance by the Town upon this Guaranty. The Guarantor waives protest, demand for payment, notice of default or non-payment to the Guarantor, the Company or any other party liable for any of said Obligations. This Guaranty shall be a continuing, absolute and unconditional guarantee of performance, including payment.

The execution and delivery hereafter to the Town by any Guarantor of a new instrument of guarantee shall not terminate, supersede or cancel this instrument, unless expressly provided therein. All rights and remedies of the Town hereunder or under any instrument of guarantee hereafter executed and delivered to the Town by any Guarantor shall be cumulative and may be exercised singly or concurrently.

No course of dealing between the Guarantor and the Town shall change or modify or discharge, in whole or in part, this Guaranty unless expressly agreed to in writing executed by the Town and the Guarantor. No waiver of any rights or powers of the Town or consent by it shall be valid unless in writing and signed by the Town.

Any notice to Town shall be deemed effective only if sent to and received in the manner set forth in the Agreement. Any notice to the Guarantor shall be deemed sufficient if sent to Guarantor at the address of the Guarantor set forth herein, unless written notice of such change of address of Guarantor is sent to and received by the Town, with such change acknowledged as received by the Town.

The Guarantor agree that whenever any attorney, including the Town Attorney, is used to obtain payment under or otherwise enforce the Obligations of the Agreement or

under this Guaranty, whether by suit or by any other means whatsoever, a reasonable attorneys' fee shall be an obligation of the Guarantor. Such sums are in addition to any amounts that the Town may otherwise be entitled to recover. The Town and Guarantor, in any litigation in which the Town and Guarantor shall be adverse parties, waive trial by jury and the Guarantor, in addition, waives the right to interpose any defense based on any claim of laches and any set-off or counterclaim of any nature. This Guaranty shall be governed by and construed in accordance with the laws of New York State.

Guarantor, if more than one, shall be jointly and severally bound and liable hereunder.

Guarantor acknowledges that Guarantor has had an opportunity to consult counsel of Guarantor's choice before executing this document.

Guarantors acknowledge that there are no representations that have been made by the Town upon which any Guarantor has relied in executing this document, other than those contained herein.

This Guaranty may not be changed orally. Any representations by the Town hereafter made by the Town to the Guarantor must be written in order for the Guarantor to rely upon said representations.

IN WITNESS WHEREOF, the undersigned have duly executed this instrument this ___ day of August, 2007.

K. HOVNVANIAN HOLDINGS OF NEW JERSEY, LLC,

By: _____
(Name and Title)

STATE OF NEW JERSEY)
: ss.:
COUNTY OF)

On the _____ day of _____, 2007, before me, the undersigned a Notary Public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name(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 individual(s) acted, executed the instrument.

Notary Public

35

Buyer _____ Seller _____

EXHIBIT "A"
DESCRIPTION OF PROPERTY

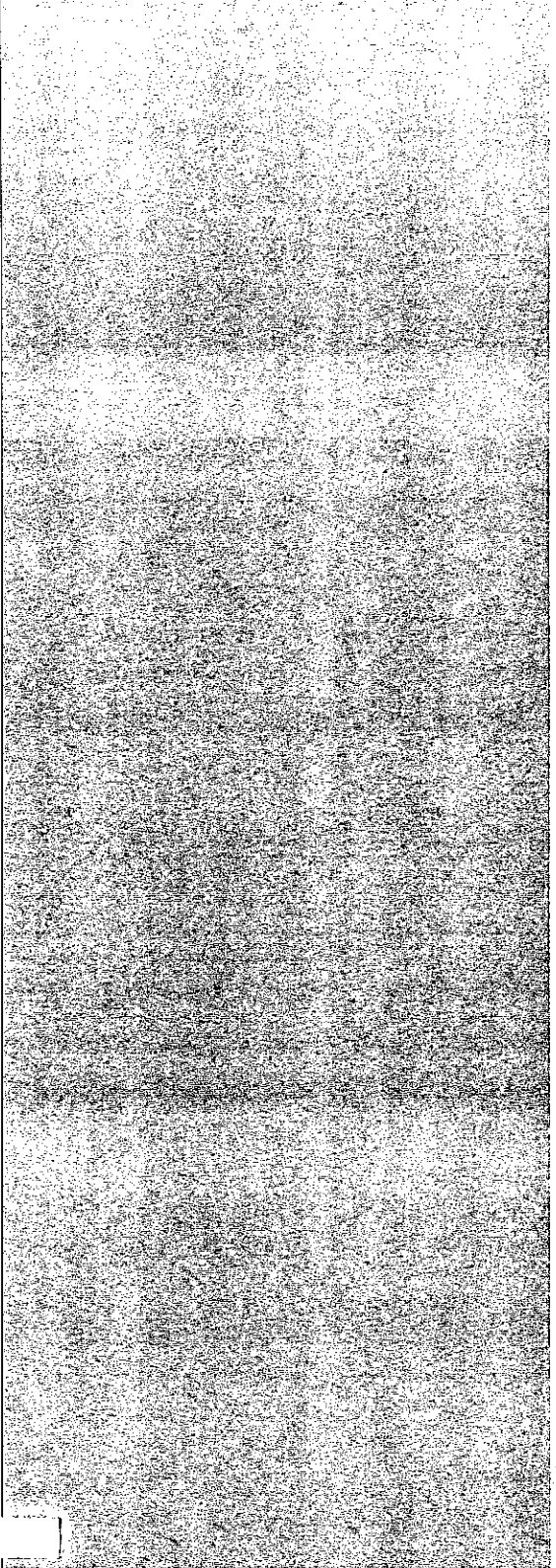
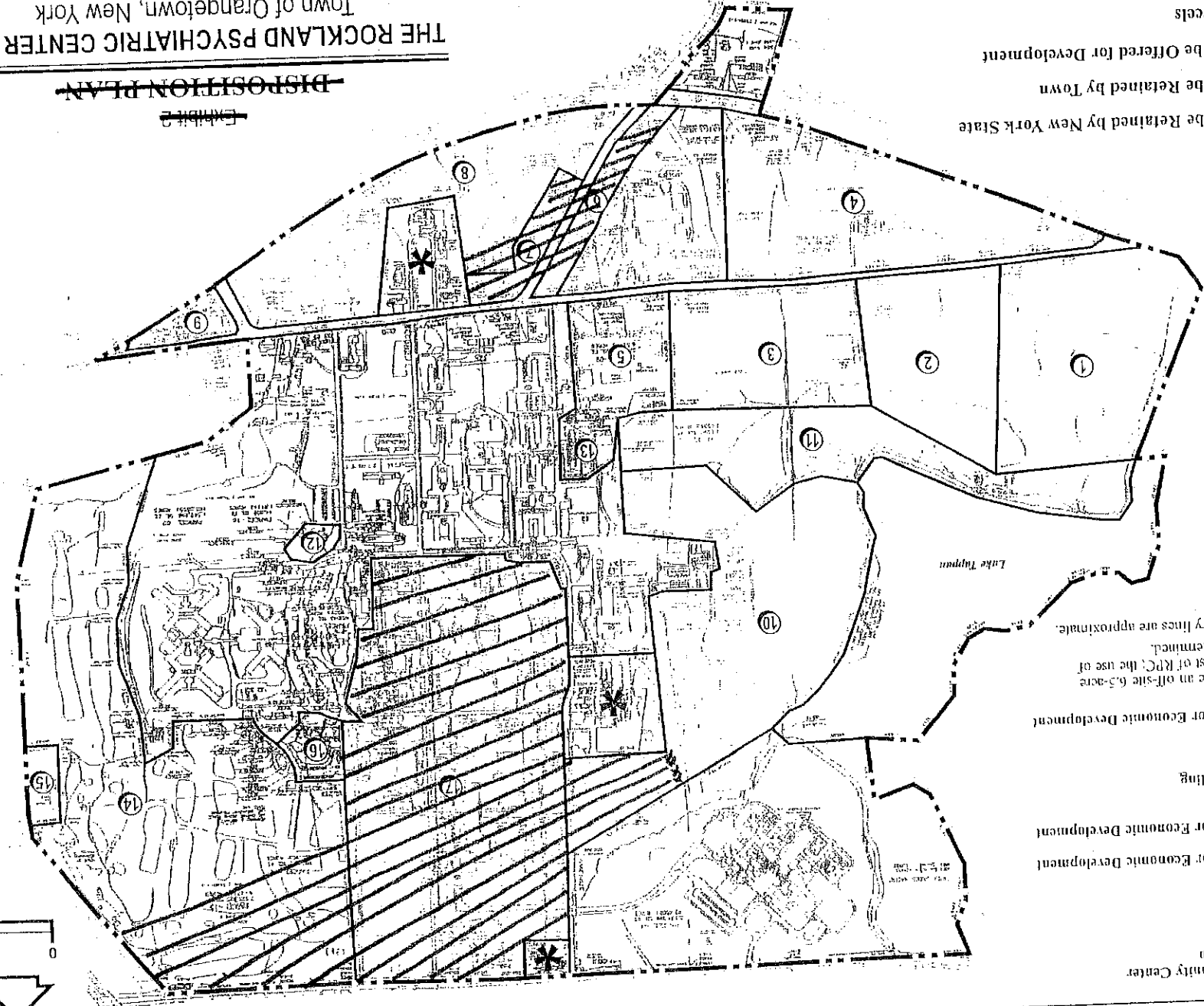
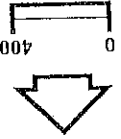


EXHIBIT A = APPROXIMATE BOUNDARIES OF PROPERTY TO BE COVERED TO K. HOVANNIAN



- 1. Town Pool and Community Center
- 2. Commercial Recreation
- 3. Athletic Fields
- 4. Athletic Fields
- 5. Athletic Fields
- 6. Affordable Housing
- 7. Affordable Housing
- 8. Low Impact Housing or Economic Development
- 9. Open Space
- 10. Low Impact Housing or Economic Development
- 11. Open Space
- 12. Religious Institution
- 13. CAA Recreation Building
- 14. Golf
- 15. Cemetery
- 16. Religious Use
- 17. Low Impact Housing or Economic Development

NOTE: Map does not include an off-site 6.5-acre parcel to the southeast of RPC, the use of which is yet to be determined.

NOTE: Open space boundary lines are approximate.

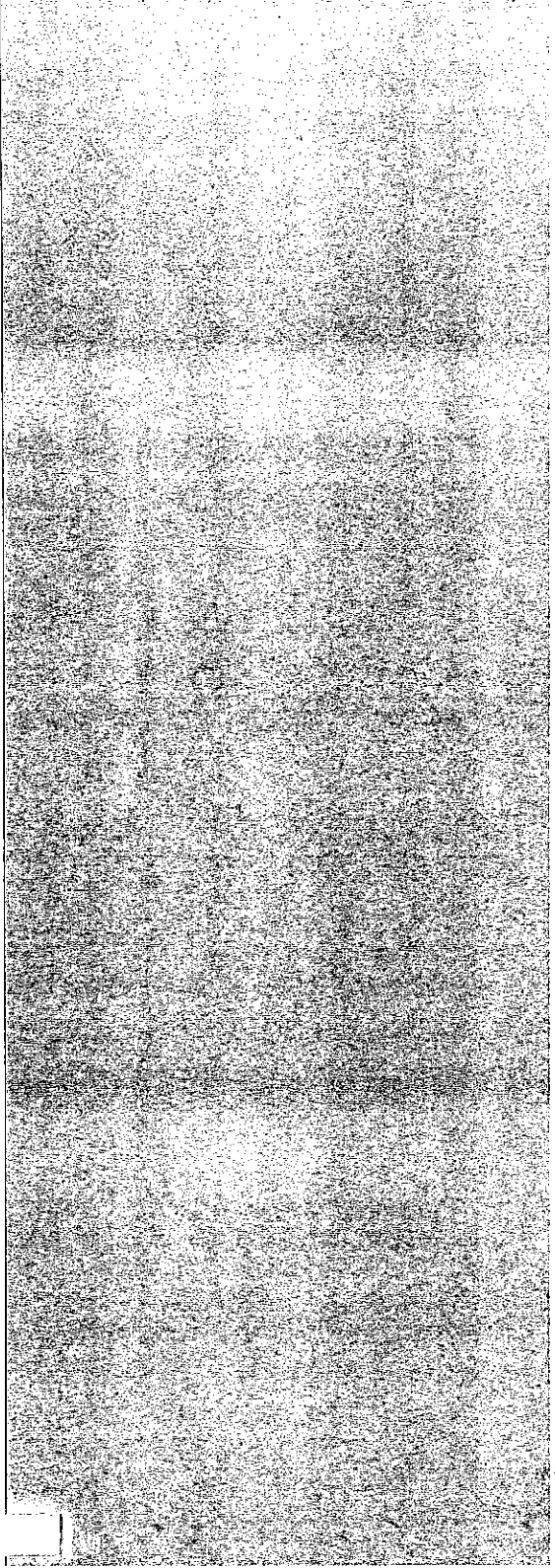
- Parcels to be Retained by New York State
- Parcels to be Retained by Town
- Parcels to be Offered for Development
- Other Parcels
- Potential Additional Acquisition

BASE MAP SOURCE: Hawk Engineering, PC

THE ROCKLAND PSYCHIATRIC CENTER SITE
DISPOSITION PLAN
 Exhibit 2
 Town of Orangetown, New York
 Sacardi & Schiff, Inc. - Planning and Development Consultants

EXHIBIT "B"
PRELIMINARY CONCEPTUAL SITE PLAN

H:\Cranger\crv - Hovmann\Hovmann Contract of Purchase and Sale (Final for adoption) 8 13 07.doc



Overall Site Context

Four Seasons at Orangelawn

K Hovnanian • Edison, New Jersey

03.04031.01 • November 21, 2006

187 Nassau Street, Suite 201
Princeton, New Jersey 08542
Telephone 609 683 3600
Fax 609 683 0054
Internet: www.lrk.com
Looney Ricks Kiss
Memphis Nashville Princeton Colerain
Architects • Planning • Interiors • Landscape



Scale: 1"=200'

0	TBD	
20	"Volunteer" Homes	
32	Affordable Homes	
33	Single Family Detached	
48	Five Townhomes	
144	"Chatham" Houses	
180	"Donah" Homes	
175	Townhomes	

FOUR SEASONS AT ORANGETOWN

K Hovnanian, Edison, New Jersey
July 11, 2007

PROPOSED WALKING TRAIL SITE PLAN

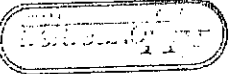
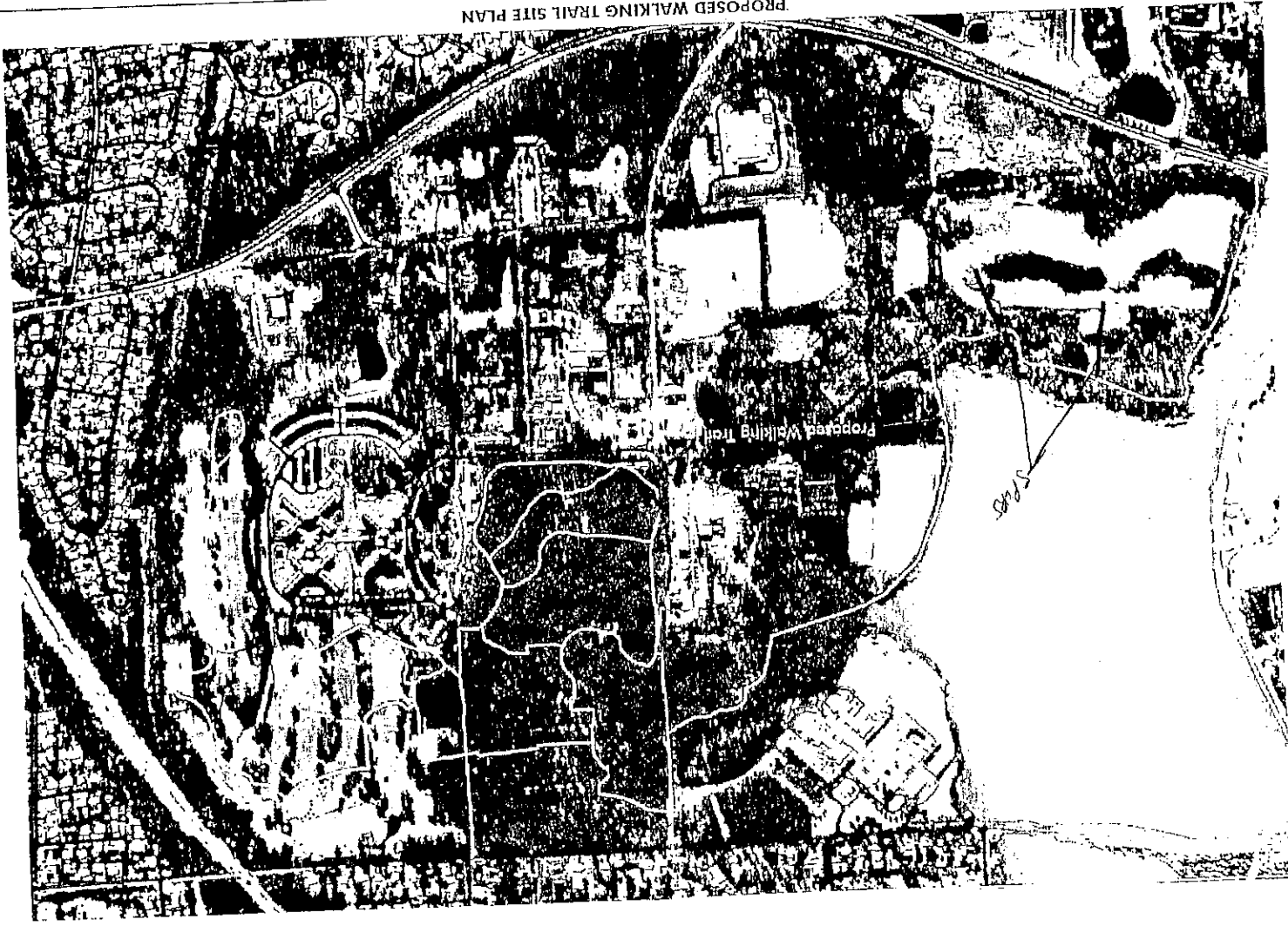
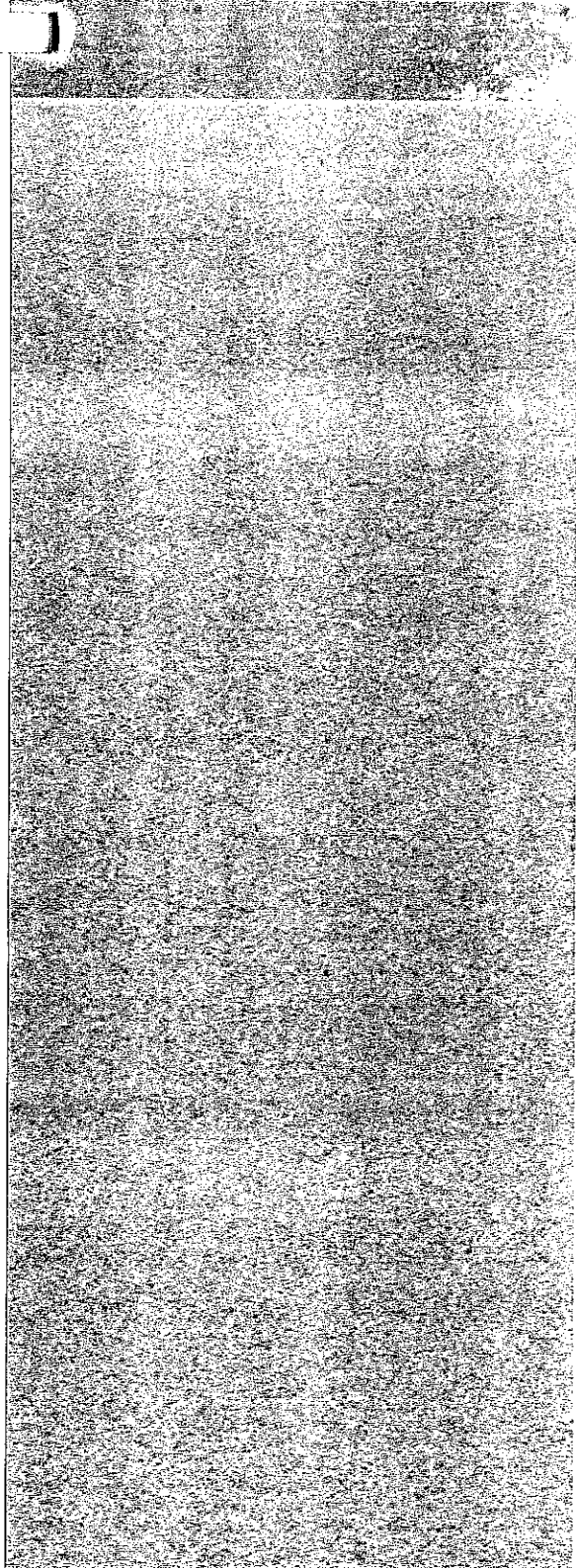


EXHIBIT C
SCHEDULE OF FEES



RPC Proposal
Term Sheet – August 23, 2006

TOWN OF ORANGETOWN CONSTRUCTION FEES

BUILDING	
Building Permit	\$100.00 for first \$1,000.00 and \$10.00 each additional \$1,000.00 of construction value
Sign Permit	\$ 125.00
Demolition Permit	\$ 125.00
Temporary C.O.	\$ 100.00
Use C.O.	\$ 100.00
Tank Removal	\$ 100.00
6-month Extension	\$ 100.00
Renewal of permit (ONLY Final Inspection needed)	\$ 100.00
Outdoor Dining Permit	\$ 100.00
Sidewalk Dining Permit	\$ 100.00
Permit renewal prior to Expiration (6-month Extension of permit)	\$ 100.00 or 10% of original (whichever is greater)
Violation Search	\$ 125.00 (Covers complete request)
Copy of Certificate of Occupancy	\$ 25.00 (Individual requests)
ARCHITECTURE & COMMUNITY APPEARANCE BOARD OF REVIEW	
Residential Site Plans	\$ 125.00
Commercial Site Plans	\$ 300.00
Subdivision Plans	\$ 300.00
Signs	\$ 50.00
Other	\$ 50.00
PLANNING BOARD	
Consultation	\$ 100.00
Subdivision Review	
Pre-preliminary	\$ 50.00
Minor	\$ 100.00+\$50.00 per new lot
Major	
Preliminary	\$ 100.00+\$70.00 per new lot
Minor/Major	
Final	\$ 100.00+\$80.00 per new lot
Minor/Major	
Site Plan Review	
Pre-preliminary/Preliminary/Final Residential	\$150+\$25.00 for each dwelling
Pre-preliminary/Preliminary/Final Non-residential	\$150.00+\$25.00 for every 2000 sq.ft. of floor space
Consultation/Other	\$ 100.00
Escrow Amount for Drainage Review	
Minor Subdivision	\$1,000.00
Major Subdivision	\$1,500.00 +\$100.00/lot over 10 lots
Commercial Site Plan	\$1,500.00+\$200.00/acre over 2 acres
Residential Site Plan (in CEA)	\$ 650.00
Commercial Sub-division (involving exterior changes that may affect drainage)	\$1,000.00

RPC Proposal
Term Sheet – August 23, 2006

ZONING BOARD OF APPEALS

<u>Variance</u>	
Residential District	\$ 100.00
Other	\$ 150.00
<u>Special Permit</u>	
Residential District	\$ 100.00
Other	\$ 200.00
Performance Standards	\$ 200.00
All Other Applications	\$ 100.00

ROAD OPENING FEES

GIS Fee	\$ 10.00
Application Fee	\$ 50.00
Shoulder	\$ 200.00
Half a Road	\$ 300.00
Whole Road	\$ 500.00
Per Inspection	\$ 25.00

(work involving sidewalks will be charged an additional \$12. per sq. ft. as escrow)

DRIVEWAY PERMITS/ROAD CONNECTION

GIS Fee	\$ 10.00
Application Fee	\$ 50.00
(Includes 1st Inspection. Additional Inspections will be billed)	\$ 25.00 Non-refundable

ROAD HAULING PERMITS

Application Fee	\$ 50.00
Per month per vehicle	\$ 50.00
Six months per vehicle	\$ 100.00
One year per vehicle	\$ 150.00

SEWER FEES

Permit Fees	\$ 200.00 per unit
Inspection Fee for connections	\$ 150.00 per connection

INFRASTRUCTURE FEES

3% Inspection Fee on construction value of roads, drainage improvements, sewer lines, pumping station
 Note: 3% Inspection Fee may also be applicable to the golf course, pool and restaurant, if they are built for the Town's ownership.

SUBDIVISION TRUST FUND/FEE IN LIEU OF LAND

Per lot or per housing unit (3 or more bedrooms)	\$9,000.00
*Single Family House	\$6,300.00
Per lot or housing unit for two bedroom units	\$4,200.00
Per housing unit for one bedroom units	

STATE ENVIRONMENTAL REVIEW QUALITY ACT

Fees per State statute
 Consultant Cost

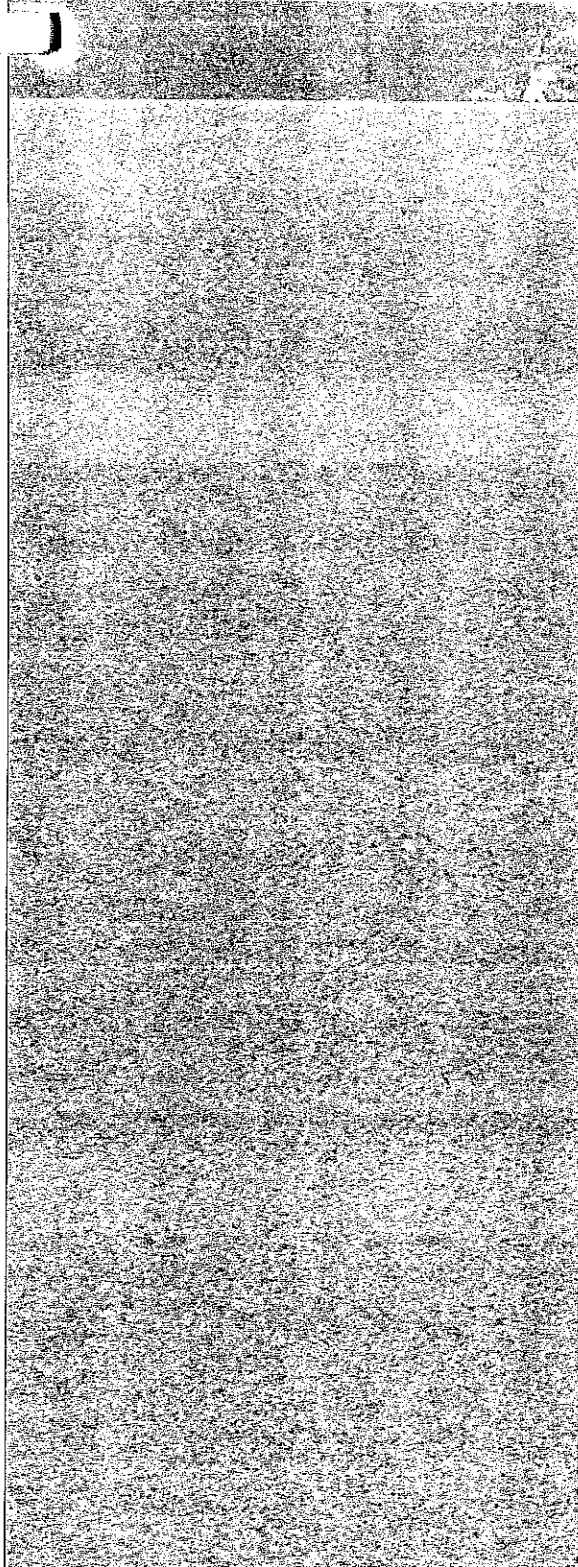
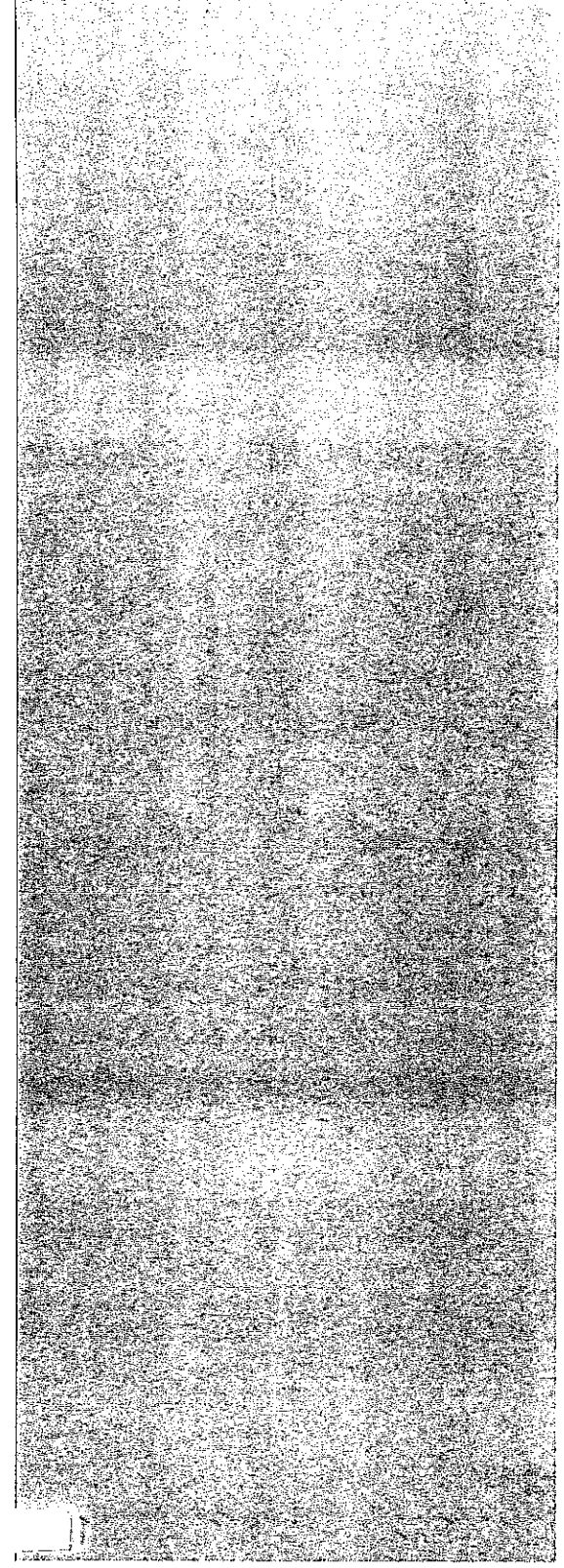


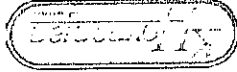
EXHIBIT "D"
PRELIMINARY GOLF COURSE CONCEPTUAL PLAN

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Golf Course Design Parameters

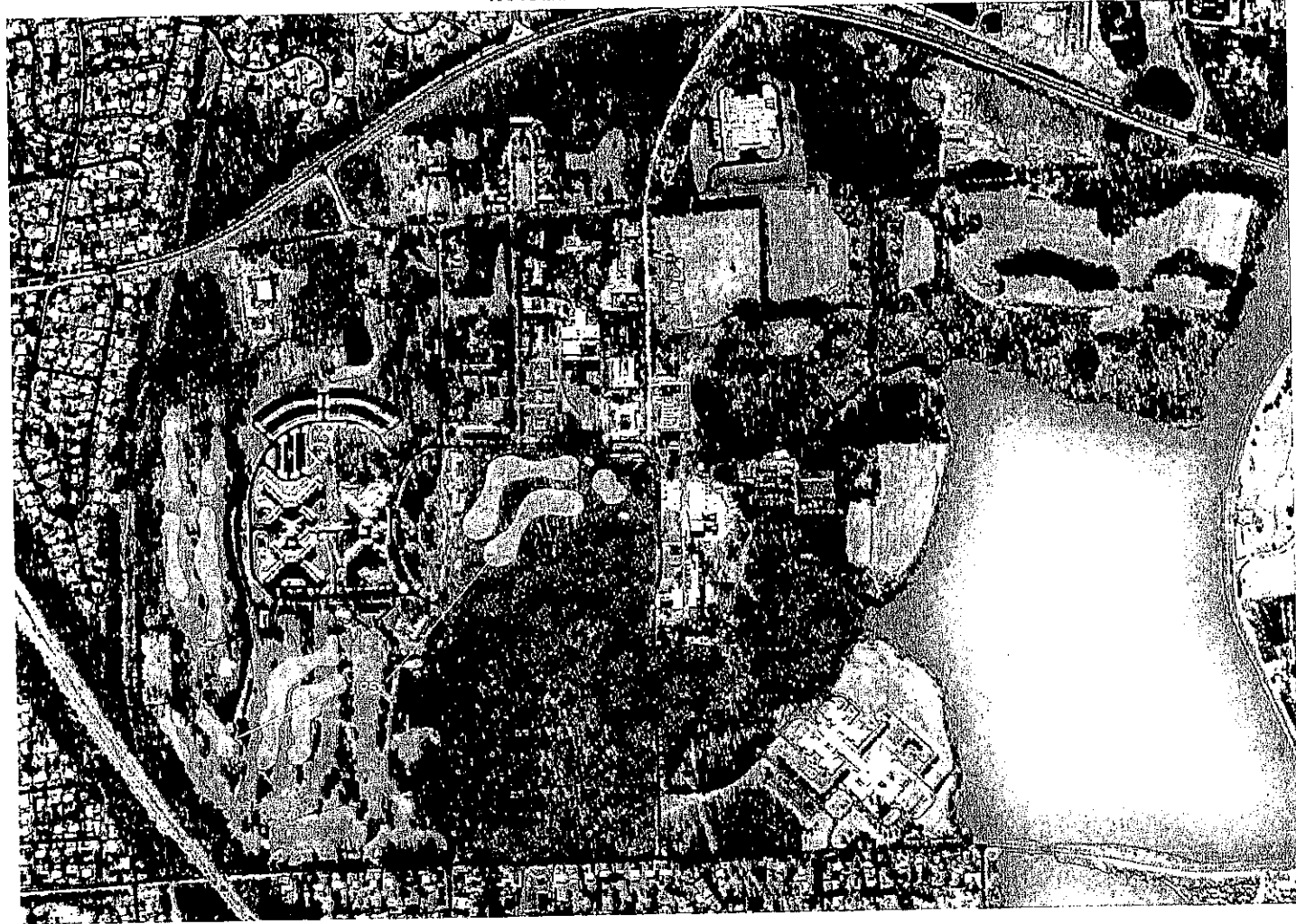
1. There will be a municipal daily fee for 9 hole golf course
2. Designed by Eric Bergstol, constructed under the supervision of Eric Bergstol and his staff at Empire Golf Management
3. The course will be a Par 35 design
4. Current land plan sketch anticipates a course layout with the following scorecard:
 1. 2 par 5's
 2. 3 par 3's
 3. 4 par 4's
5. The course will be constructed with a fully modern irrigation system. The water supply source (and pumps if required) will be supplied by The Town.
6. Tees, greens and fairways to consist of bent grass varieties.
7. Tees and greens to be constructed with proper under drains.
8. Course is intended to start and finish in close proximity to clubhouse.
9. No driving range/practice facility is currently planned.
10. Storm water management from the adjacent residential development is intended to be incorporated into the course design.
11. Course to be turned over to the Town of Orangetown to operate upon receipt of a TCO for the golf course.



FOUR SEASONS AT ORANGETOWN
K Hovnonian, Edison, New Jersey
July 11, 2007



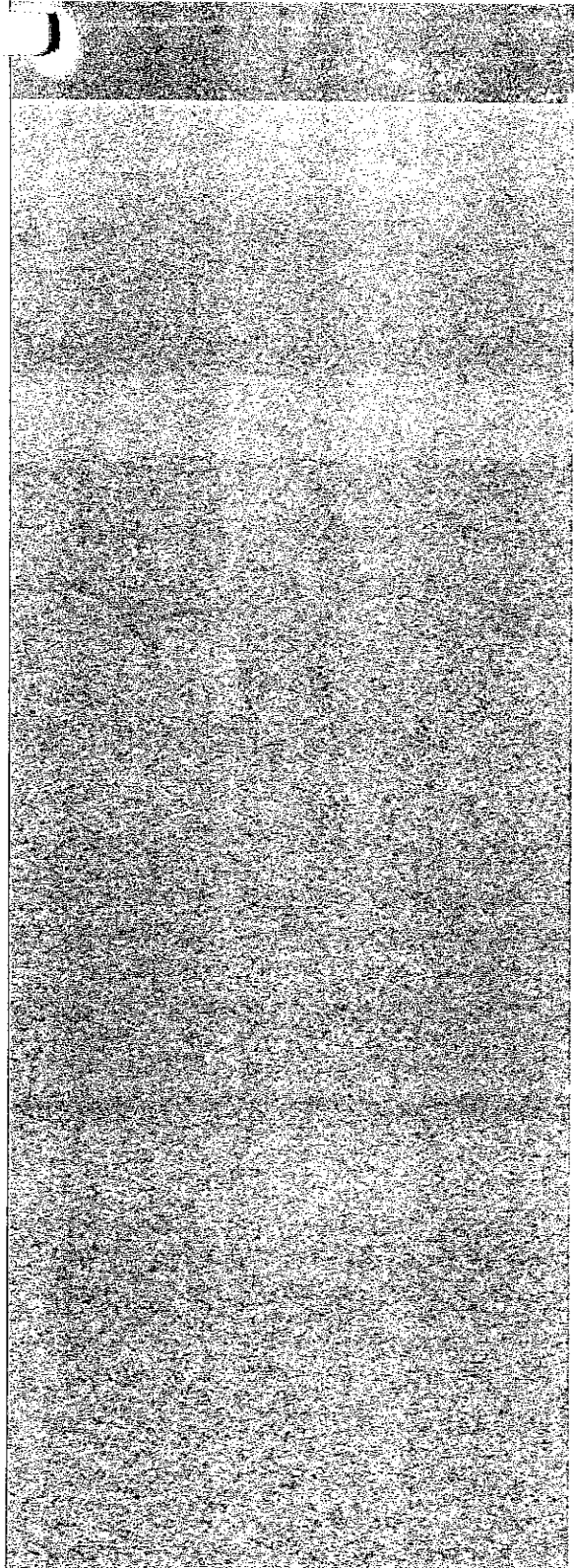
PROPOSED GOLF COURSE SITE PLAN

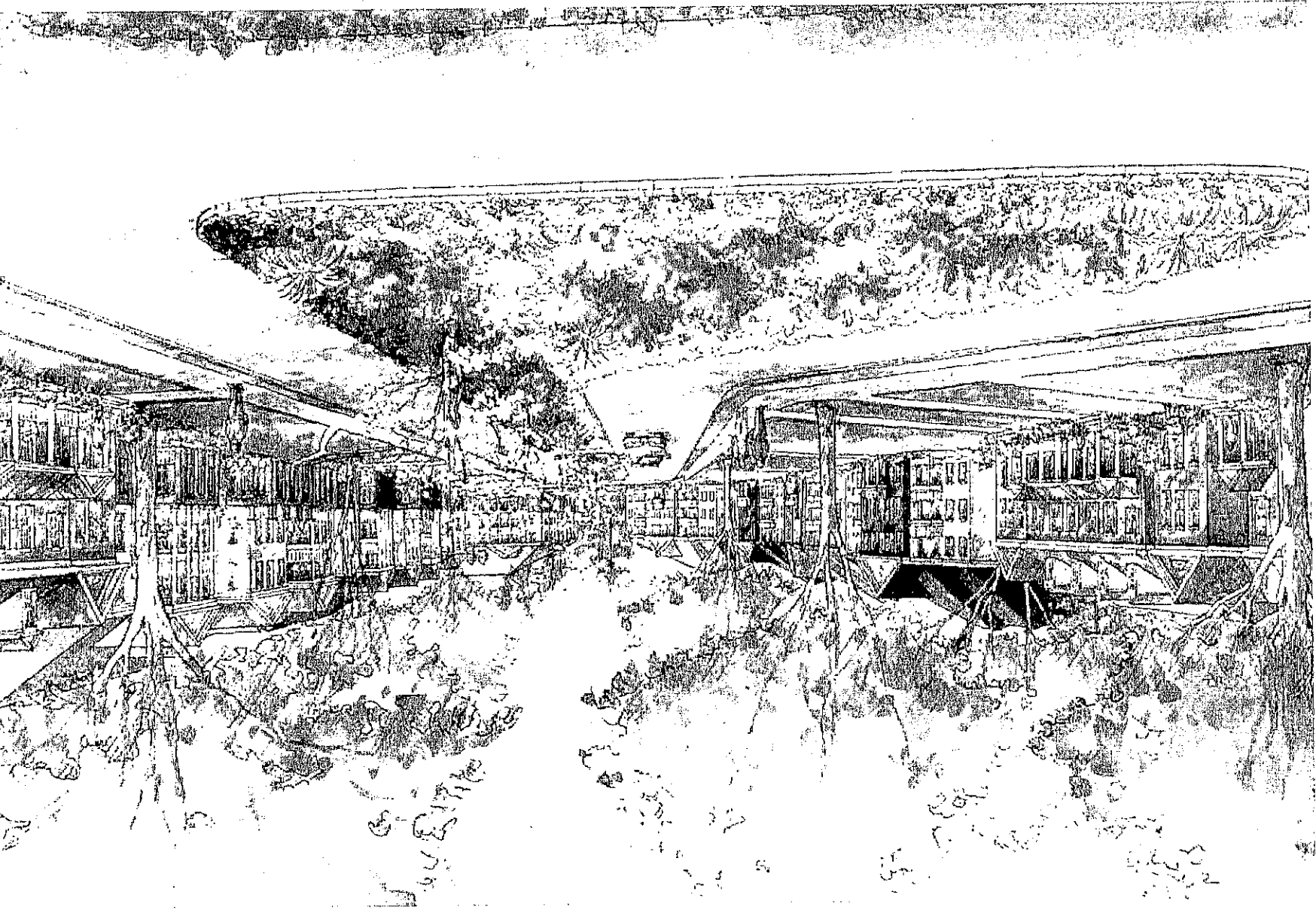


11/11/07 10:00 AM C:\Users\johnd\Documents\Four Seasons at Orangetown\Site Plan.dwg

EXHIBIT "E"
PRELIMINARY ARCHITECTURAL RENDERINGS AND FLOOR PLANS

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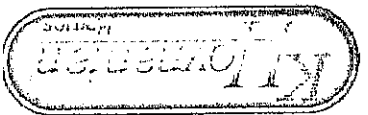


Rendering

Four Seasons at Orangelown

K. Hovnonian Companies Northeast, Inc. • Edison, New Jersey

03.04031.01 • January 3, 2006



182 Nassau Street, Suite 201
Princeton, New Jersey 08542
Telephone: 609 683 3600
Fax: 609 683 0054
Internet: www.lrk.com
Looney Ricks Kiss
Memphis Nashville Princeton Celebration
Architecture • Planning • Interiors • Research

Perspective Rendering
Four Seasons at Orangelawn
K. Hovanian - Edison, New Jersey
03.04031.01 - April 5, 2008



182 Nassau Street, Suite 201
Princeton, New Jersey 08512
Telephone 609 683 3600
Fax 609 683 0054
Internet: www.lrk.com
LRK
Leonny Ricks Kiss
Members: Kathleen Princeton Celebration
Architecture • Planning • Interior • Research

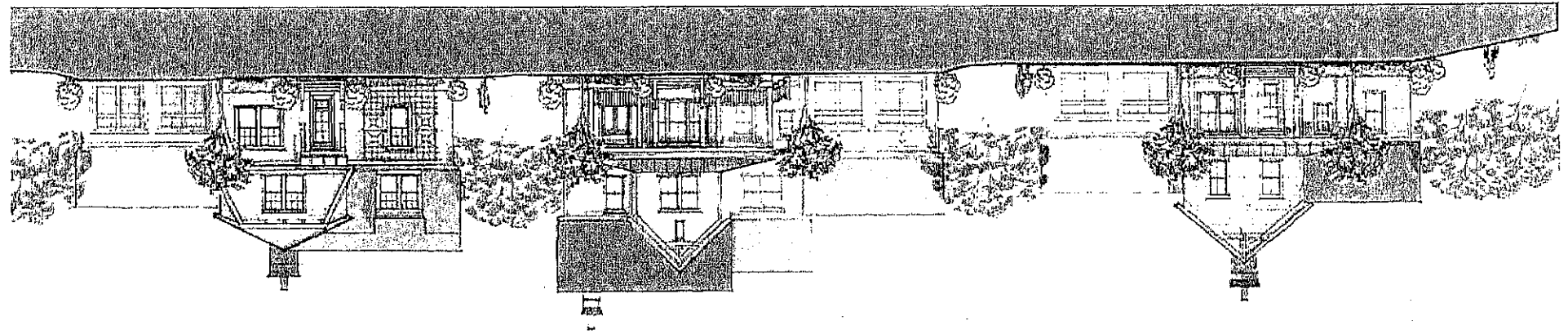
Perspective Rendering
Four Seasons at Crongelown
K Hoyanlian - Edison, New Jersey
03.04031.01 - April 6, 2006



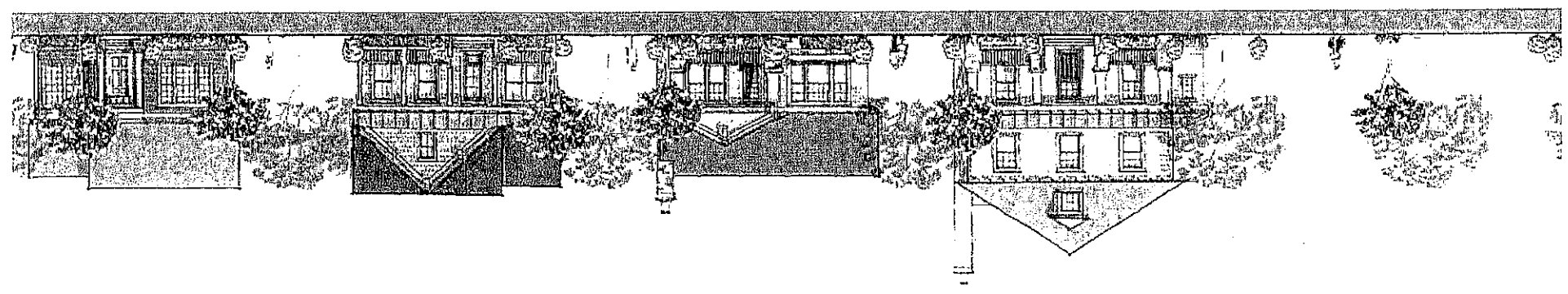
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LRK
Leony Ricks Kiss
Memphis Nashville Princeton Celebration
Architecture - Planning - Interiors - Research

Streetscapes
Four Seasons at Orngdawn
K. Homanian + Edison, New Jersey
08.04.031.01 - April 6, 2006

Village Homes - Streetscape Elevation

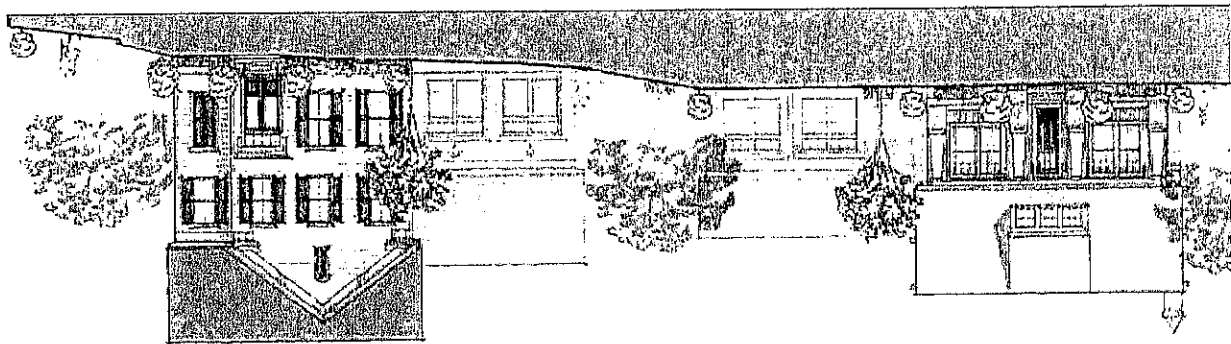


Cottages - Streetscape Elevation

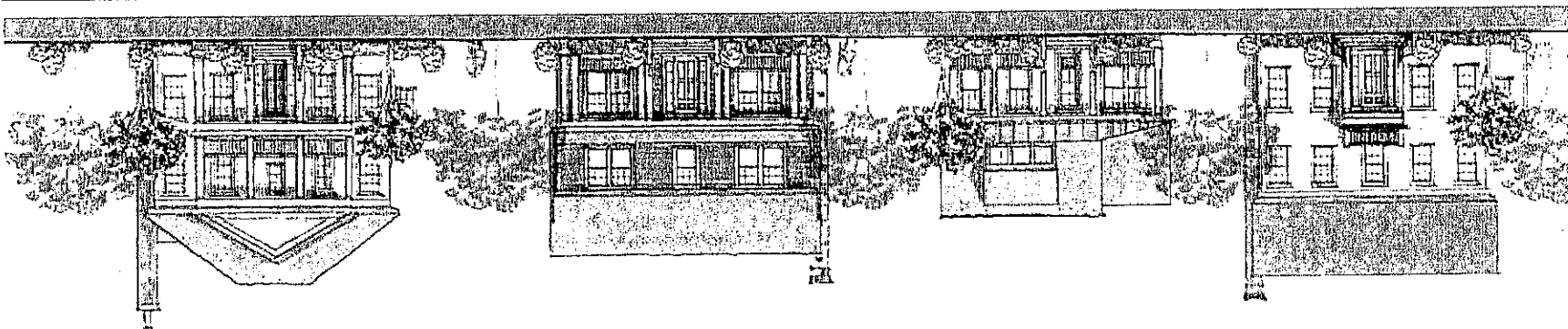




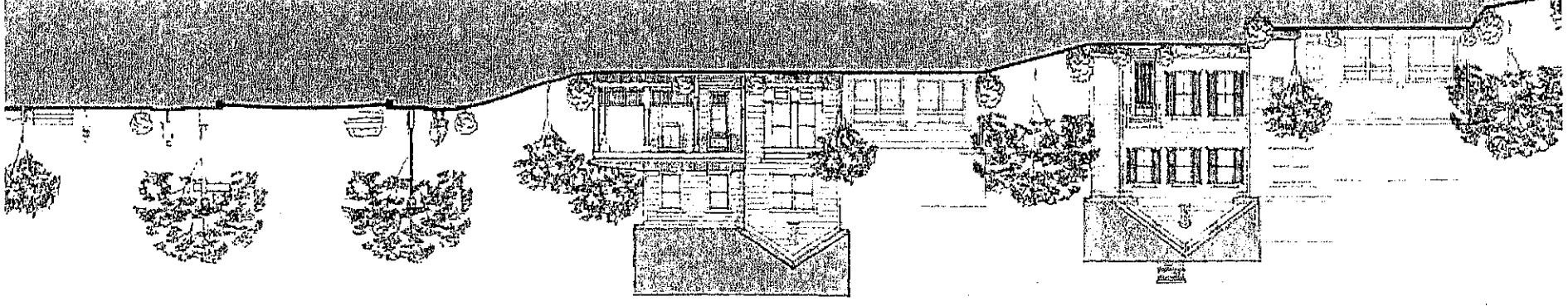
3/16" = 1'-0"



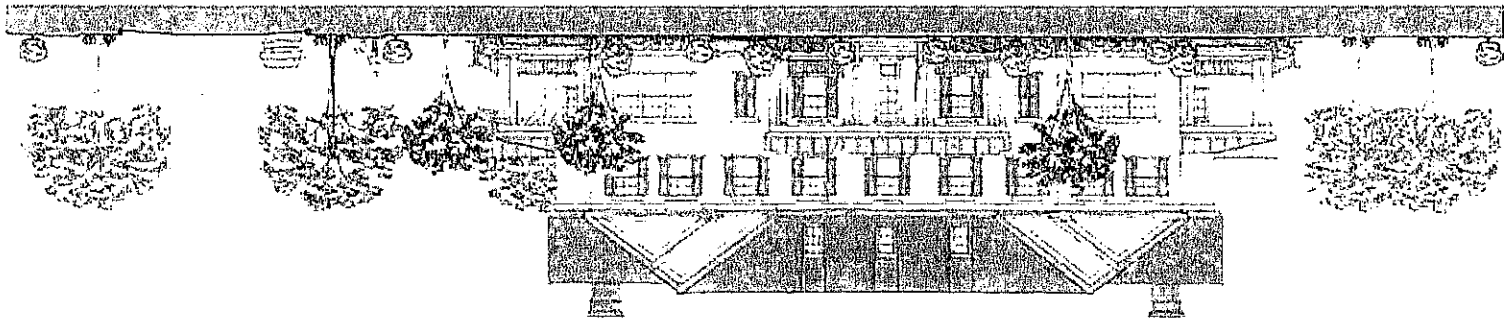
3/16" = 1'-0"



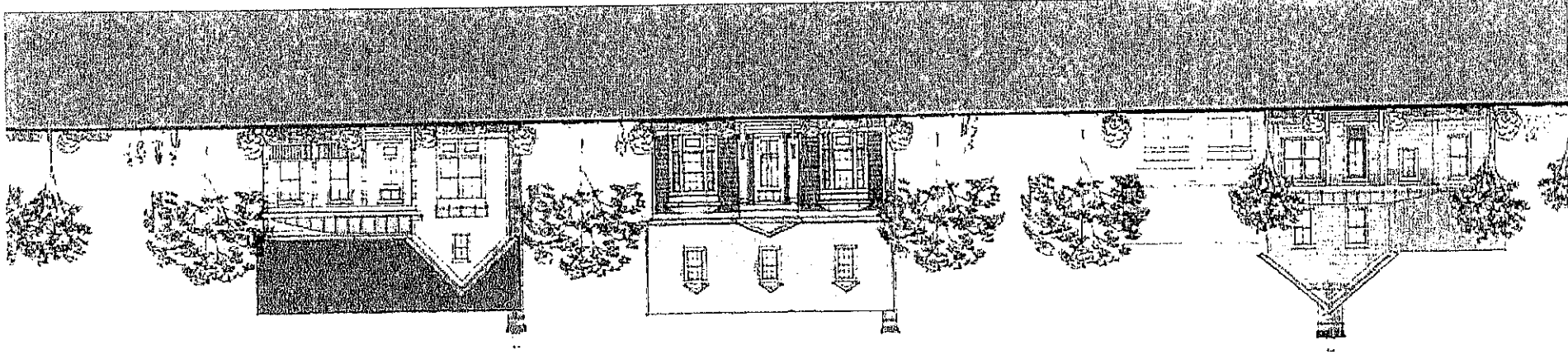
Cottages and Villages - Streetscape Elevation



Townhomes - Streetscape Elevation



3/16" = 1'-0"



3/16" = 1'-0"

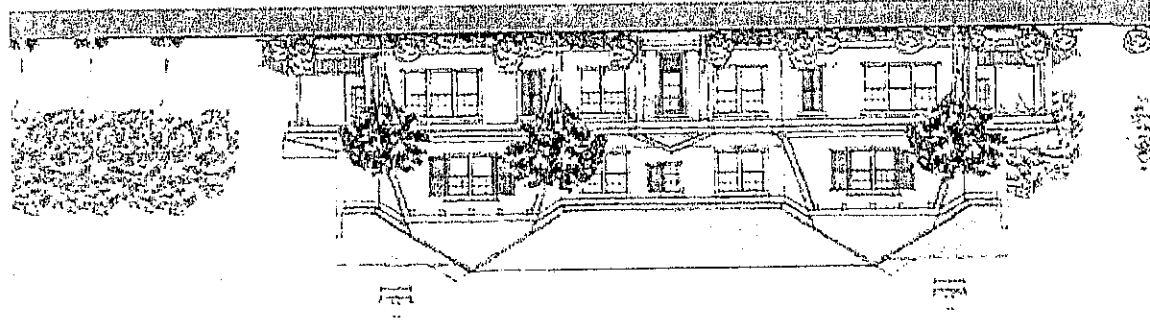


EXHIBIT "F"

SHORT FORM AGREEMENT

MEMORANDUM OF AGREEMENT

TO WHOM IT MAY CONCERN:

A Contract of Purchase and Sale (the "Agreement of Sale") was entered into on _____, 2007 for the sale and purchase of the Property described in Exhibit A attached hereto, by and between:

SELLER: Town of Orangetown
Town Hall
26 Orangeburg Road
Orangeburg, NY 10962

BUYER: K. Hovnanian _____ Acquisitions, L.L.C.
110 Fieldcrest Avenue, CN 7825
Edison, NJ 08801-7825

REAL PROPERTY: Located in the Town of Orangetown, County of Rockland, State of New York identified as Tax Block _____, Lot _____, as described in Exhibit A attached hereto ("the Property")

SUMMARY OF TERMS: For good and valuable consideration as set forth in the Agreement of Sale, Seller agrees to convey title to the Property to Buyer, and Buyer agrees to purchase the Property from the Seller, in accordance with the terms set forth in the Agreement of Sale. The Agreement of Sale is binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

NOTICE: Is hereby given of certain post-closing obligations of Buyer including such incidental public improvements such as realignment and renovation of Broadacres Golf Course, construction of certain Volunteer Housing and development of a network of Walking Trails; such obligations to be binding upon any successors, successors in interest or assigns of Buyer.

This Short Form Agreement constitutes notice of the existence of the Agreement of Sale and does not purport to alter or amend said Agreement, or set forth fully the respective rights of the parties in the Property.

BUYER:
K. Hovnanian Companies of New York, Inc.

By: _____
Name:
Title:

SELLER:
Town of Orangetown

By: _____
Name:
Title:

STATE OF NEW JERSEY)
) ss.:
)

COUNTY OF _____

On the ____ day of _____ in the year 2007, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss.:
)

COUNTY OF _____

On the ____ day of _____ in the year 2007, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

Notary Public

EXHIBIT "G"

CANCELLATION OF SHORT FORM AGREEMENT

TO WHOM IT MAY CONCERN:

On _____, 2007, a Contract of Purchase and Sale (the "Agreement of Sale") was entered into for the sale and purchase of the real Property described in Exhibit A, by and between:

SELLER: Town of Orangetown
Town Hall
26 Orangeburg Road
Orangeburg, NY 10962

BUYER: K. Hovnanian _____ Acquisitions, L.L.C.
110 Fieldcrest Avenue, CN 7825
Edison, NJ 08801-7825

REAL PROPERTY: Located in the Town of Orangetown, County of Rockland, State of New York identified as Tax Block _____, Lot _____ as described in Exhibit A attached hereto.

SUMMARY OF TERMS: A Short Form Agreement was previously executed and recorded by the parties. The Short Form Agreement was dated _____ County Clerk's Office on _____, 2007 and was recorded in the _____ at Page _____ et seq. The Agreement of Sale provided by its terms that the Short Form Agreement was to be canceled and released upon certain conditions. The conditions set forth in the Agreement of Sale, authorizing the recording of this Cancellation of Short Form Agreement have been satisfied.

CANCELLATION: By virtue hereof, the Short Form Agreement is hereby terminated, canceled and revoked as if such Short Form Agreement were never recorded.

BUYER:
K. Hovnanian Companies of New York, Inc.

By: _____
Name:
Title:

SELLER:
Town of Orangetown

By: _____
Name:
Title:

STATE OF NEW JERSEY)
) ss.:
)
COUNTY OF)

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) ss.:
)
COUNTY OF)

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Notary Public

**Exhibit H
Inventory**

Inventory (if any) to be completed prior to closing.

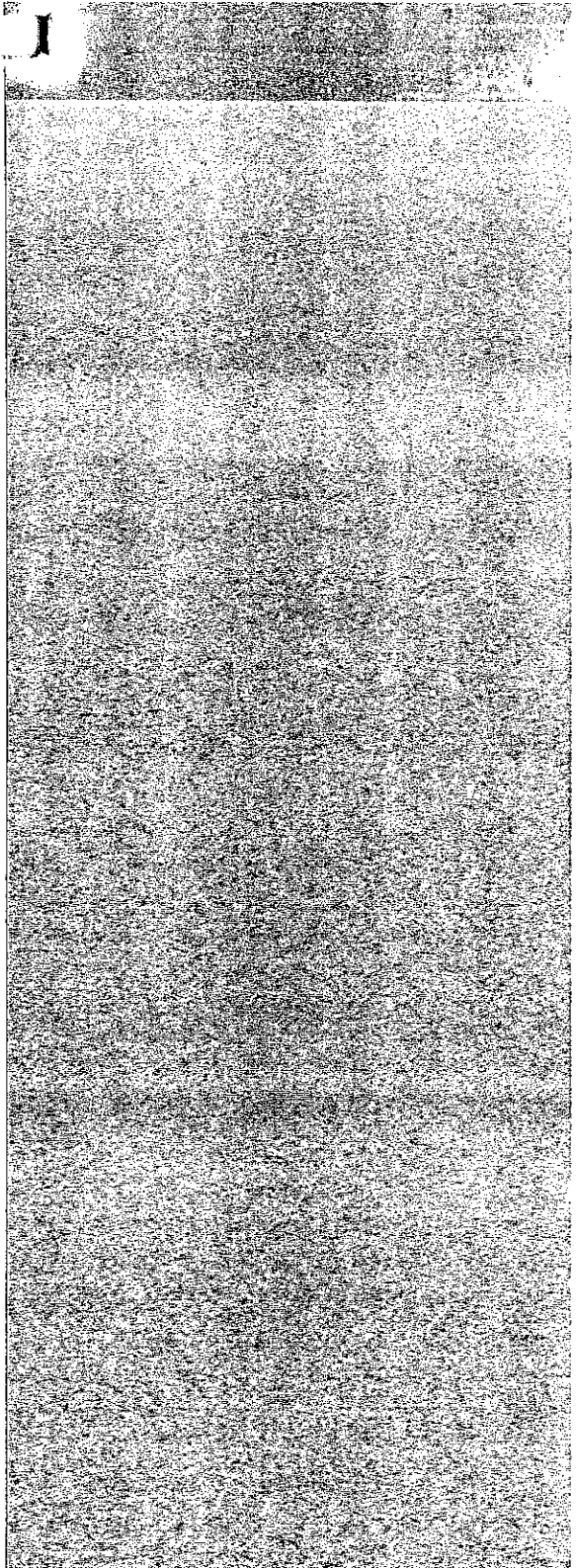
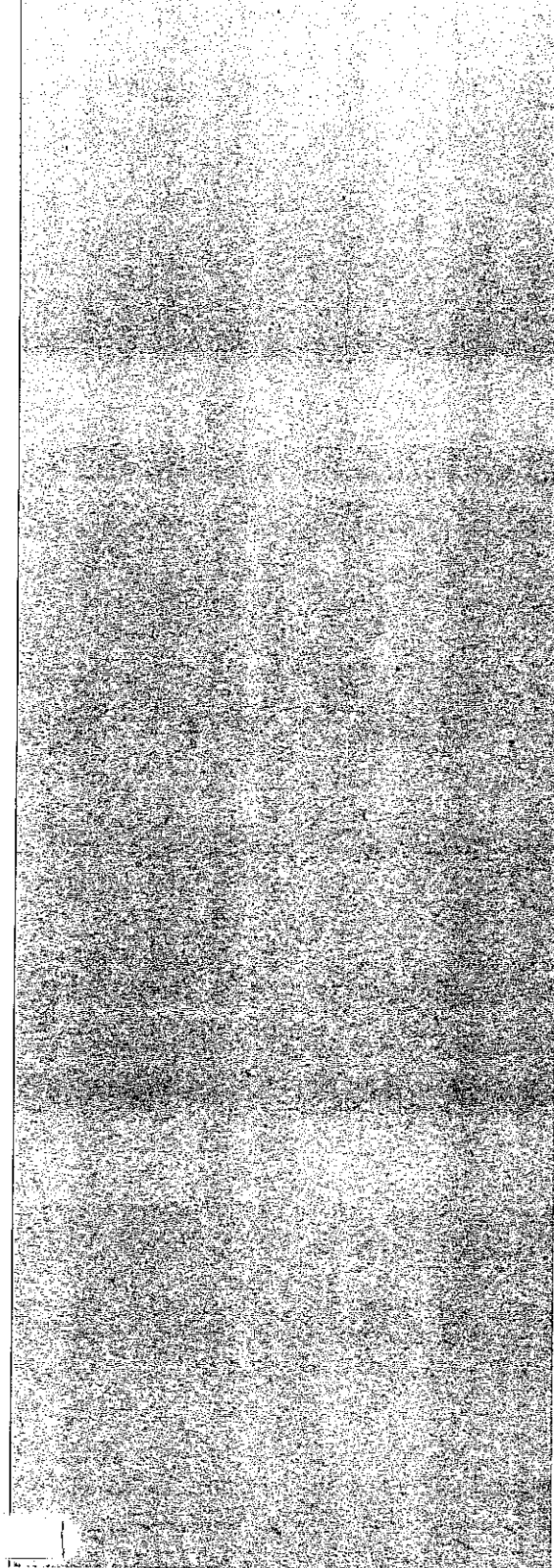


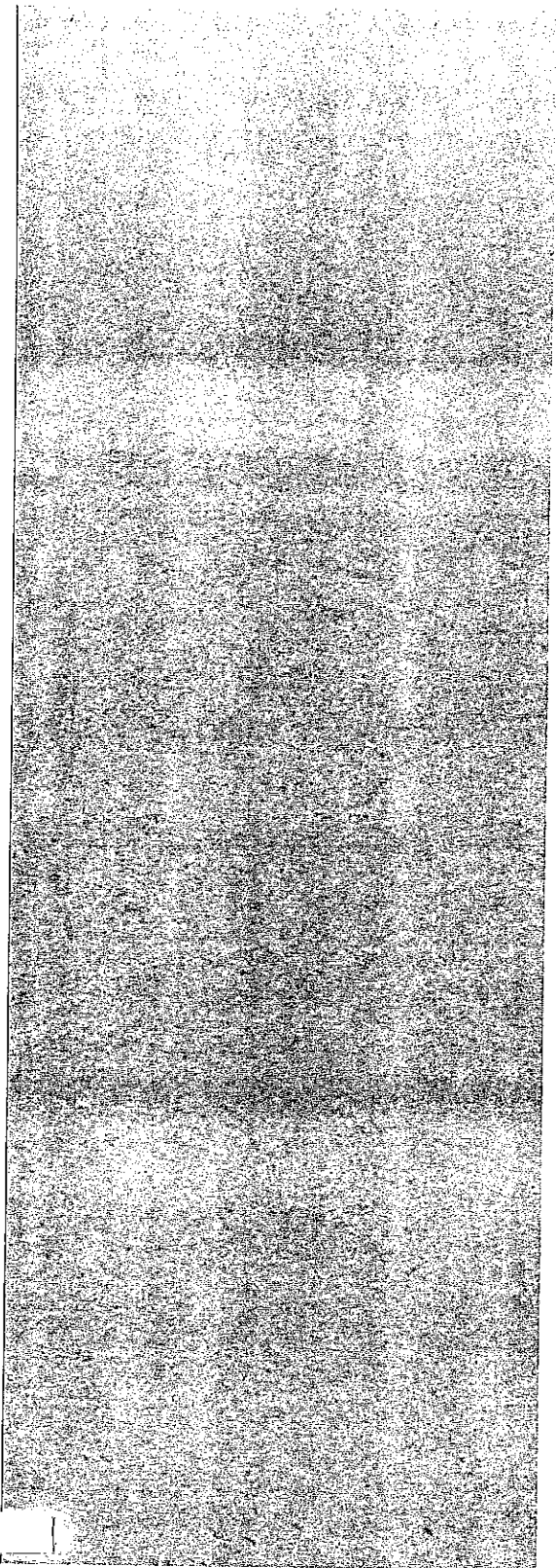
EXHIBIT D

PRELIMINARY GOLF COURSE CONCEPT PLAN



Golf Course Design Parameters

1. There will be a municipal daily fee for 9 hole golf course
2. Designed by Eric Bergstol, constructed under the supervision of Eric Bergstol and his staff at Empire Golf Management
3. The course will be a Par 35 design
4. Current land plan sketch anticipates a course layout with the following scorecard:
 1. 2 par 5's
 2. 3 par 3's
 3. 4 par 4's
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13715 Main Street, Suite 201, Newark, NJ 07102-7102 • Tel: 973 483 3300 • Fax: 973 483 3304 • www.lrk.com



PROPOSED GOLF COURSE SITE PLAN

FOUR SEASONS AT ORANGETOWN

K. Hovnanian, Edison, New Jersey

July 11, 2007

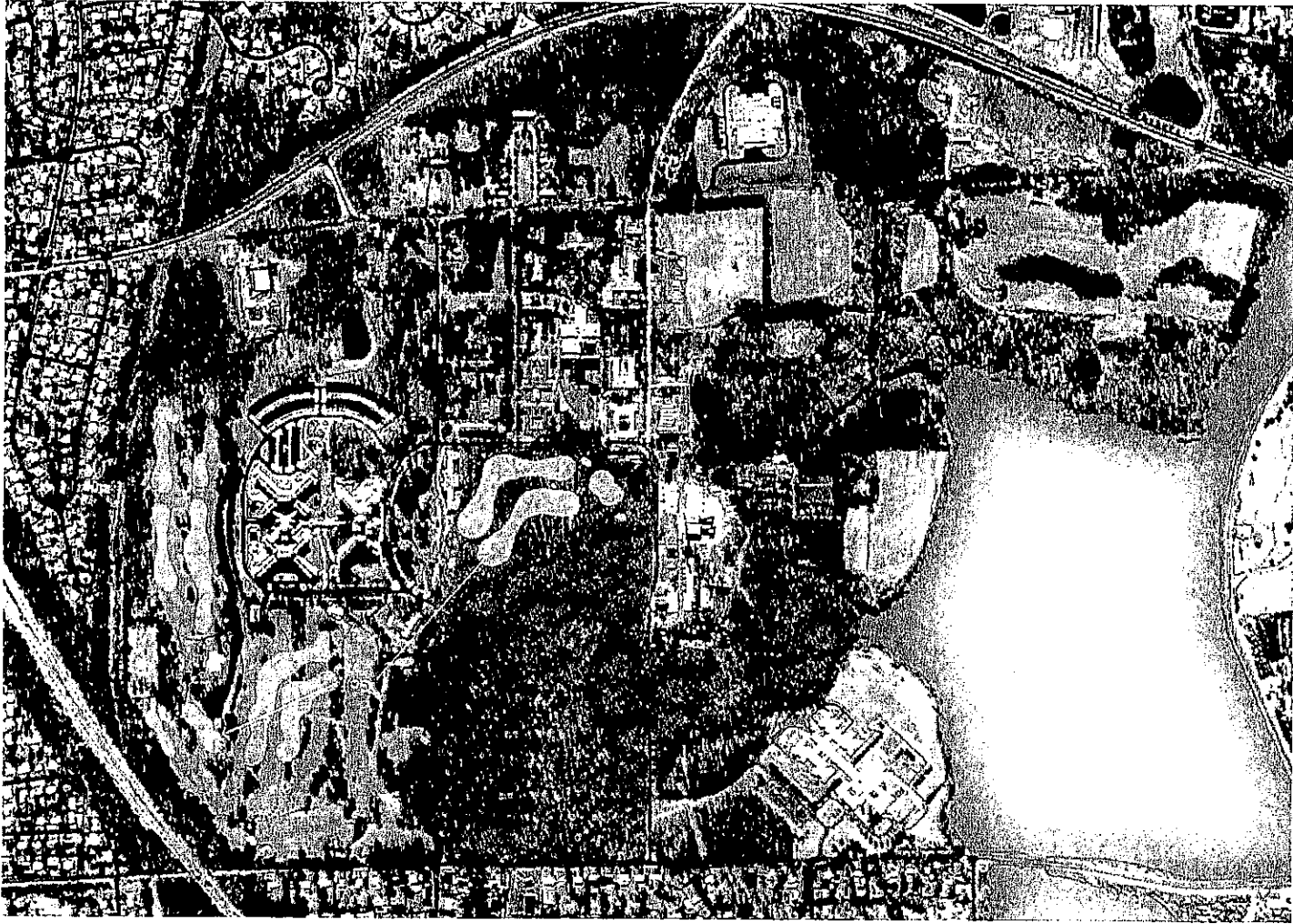
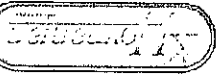
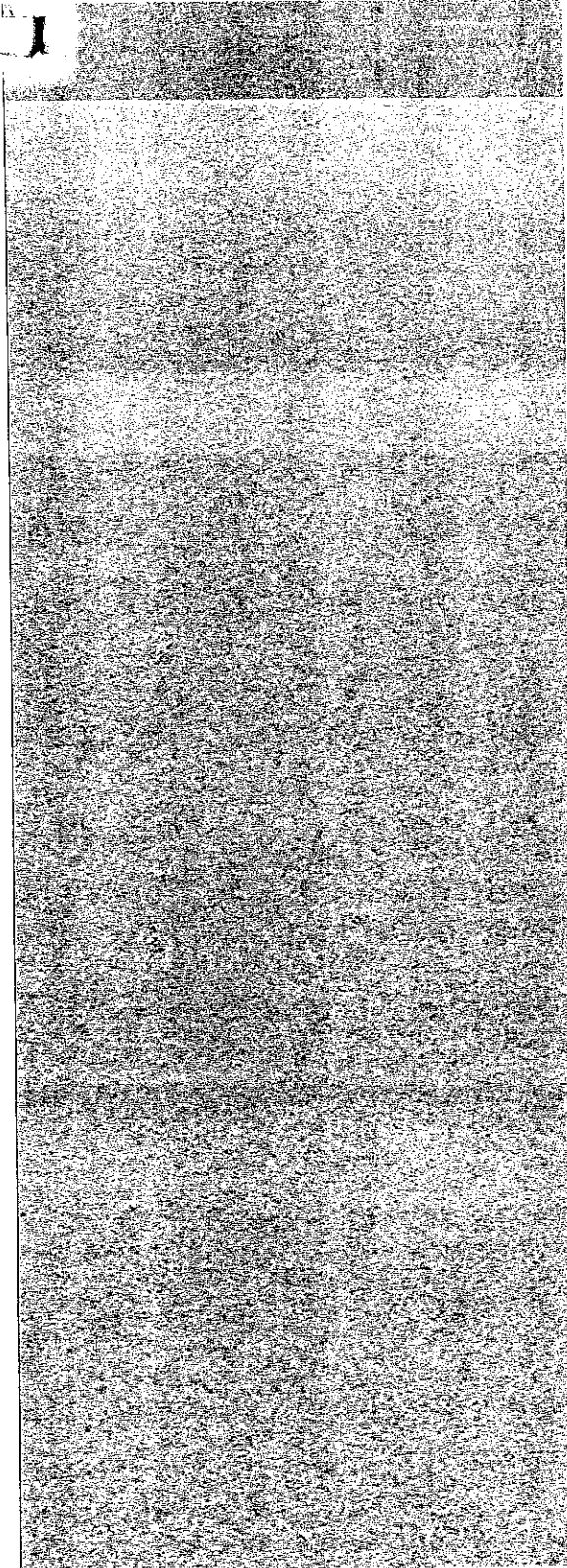


EXHIBIT E
SEQRA SCHEDULE



SEQOR Schedule for RPC Zoning and Generic EIS

Prepare Zoning Amendment to Town Code

Declare Intent to Become Lead Agency

Make Lead Agency Determination, Make Positive Declaration, Set Scoping Date

Hold Scoping Session

Adopt Scope

Submit Preliminary DGEIS

Accept DGEIS

Circulate DGEIS, hold Public Hearing

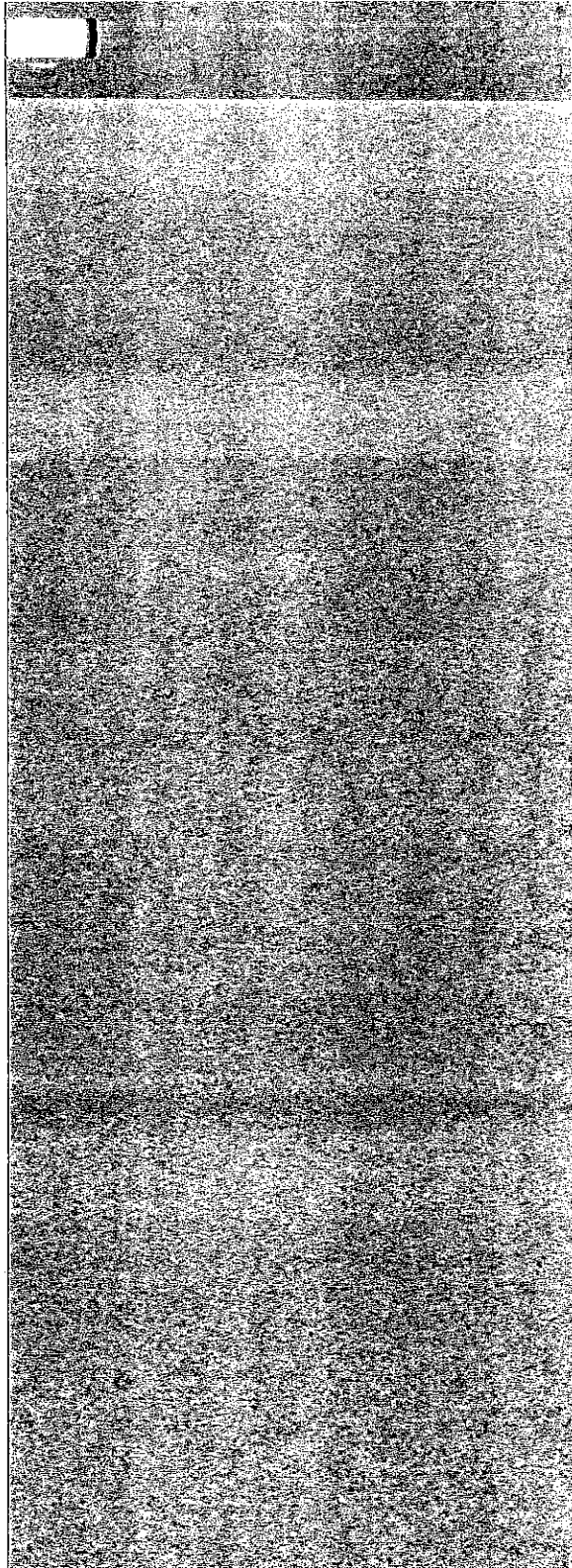
Prepare and Accept FGEIS

Adopt Findings, Adopt Zoning



EXHIBIT F

FEE SCHEDULE



RPC Proposal
Term Sheet – August 23, 2006

TOWN OF ORANGETOWN CONSTRUCTION FEES

BUILDING	
Building Permit	\$100.00 for first \$1,000.00 and \$10.00 each additional \$1,000.00 of construction value
Sign Permit	\$ 125.00
Demolition Permit	.\$ 125.00
Temporary C.O.	\$ 100.00
Use C.O.	\$ 100.00
Tank Removal	\$ 100.00
6-month Extension	\$ 100.00
Renewal of permit (ONLY Final Inspection needed)	\$ 100.00
Outdoor Dining Permit	\$ 100.00
Sidewalk Dining Permit	\$ 100.00
Permit renewal prior to Expiration (6-month Extension of permit)	\$ 100.00 or 10% of original (whichever is greater)
Violation Search	\$ 125.00 (Covers complete request)
Copy of Certificate of Occupancy	\$ 25.00 (Individual requests)
ARCHITECTURE & COMMUNITY APPEARANCE BOARD OF REVIEW	
Residential Site Plans	\$ 125.00
Commercial Site Plans	\$ 300.00
Subdivision Plans	\$ 300.00
Signs	\$ 50.00
Other	\$ 50.00
PLANNING BOARD	
Consultation	\$ 100.00
<u>Subdivision Review</u>	
Pre-preliminary	\$ 50.00
Minor	\$ 100.00+\$50.00 per new lot
Major	\$ 100.00+\$70.00 per new lot
Minor/Major	\$ 100.00+\$80.00 per new lot
Final	
Minor/Major	
<u>Site Plan Review</u>	
Pre-preliminary/Preliminary/Final Residential	\$150+\$25.00 for each dwelling
Pre-preliminary/Preliminary/Final Non-residential	\$150.00+\$25.00 for every 2000 sq.ft. of floor space
Consultation/Other	\$ 100.00
<u>Escrow Amount for Drainage Review</u>	
Minor Subdivision	\$1,000.00
Major Subdivision	\$1,500.00 +\$100.00/lot over 10 lots
Commercial Site Plan	\$1,500.00+\$200.00/acre over 2 acres
Residential Site Plan (in CEA)	\$ 650.00
Commercial Sub-division	\$1,000.00
(involving exterior changes that may affect drainage)	

RPC Proposal
Term Sheet – August 23, 2006

ZONING BOARD OF APPEALS

Variance \$ 100.00
 Residential District \$ 150.00
 Other
 Special Permit \$ 100.00
 Residential District \$ 200.00
 Other \$ 200.00
 Performance Standards \$ 100.00
 All Other Applications

ROAD OPENING FEES

GIS Fee \$ 10.00
 Application Fee \$ 50.00
 Shoulder \$ 200.00
 Half a Road \$ 300.00
 Whole Road \$ 500.00
 Per inspection \$ 25.00
 (work involving sidewalks will be charged an additional \$12. per sq. ft. as escrow)

DRIVEWAY PERMITS/ROAD CONNECTION

GIS Fee \$ 10.00
 Application Fee \$ 50.00
 (Includes 1st inspection. Additional inspections will be billed) \$ 25.00 Non-refundable

ROAD HAULING PERMITS

Application Fee \$ 50.00
 Per month per vehicle \$ 50.00
 Six months per vehicle \$ 100.00
 One year per vehicle \$ 150.00

SEWER FEES

Permit Fees \$ 200.00 per unit
 Inspection Fee for connections \$ 150.00 per connection

INFRASTRUCTURE FEES

3% Inspection Fee on construction value of roads, drainage improvements, sewer lines, pumping station
 Note: 3% Inspection Fee may also be applicable to the golf course, pool and restaurant, if they are built for the Town's ownership.

SUBDIVISION TRUST FUND/FEE IN LIEU OF LAND

Per lot or per housing unit (3 or more bedrooms) \$9,000.00
 *Single Family House \$6,300.00
 Per lot or housing unit for two bedroom units \$4,200.00
 Per housing unit for one bedroom units

STATE ENVIRONMENTAL REVIEW QUALITY ACT

Fees per State statute
 Consultant Cost

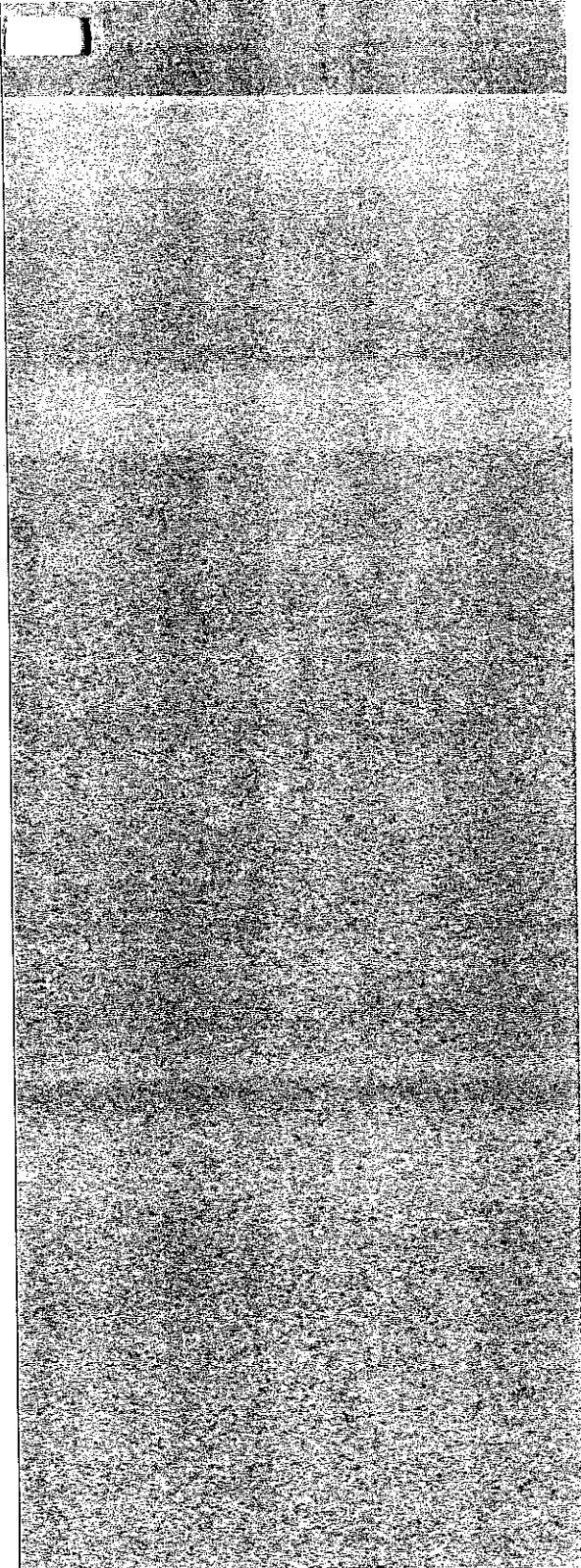


EXHIBIT C

SHORT FORM AGREEMENT
MEMORANDUM OF AGREEMENT

TO WHOM IT MAY CONCERN:

A Development Agreement (the "Agreement") was entered into on _____, 2007, in connection with the contemplated development of Property described in Exhibit A attached hereto, by and between:

SELLER:
Town of Orangetown
Town Hall
26 Orangeburg Road
Orangeburg, NY 10962

BUYER:
K. Hovnanian Companies of New York, Inc.
110 Fieldcrest Avenue, CN 7825
Edison, NJ 08801-7825

REAL PROPERTY: Located in the Town of Orangetown, County of Rockland, State of New York identified as Tax Block _____, Lot _____, as described in Exhibit A attached hereto ("the Property").

This Short Form Agreement constitutes notice of the existence of the Agreement of Sale and does not purport to alter or amend said Agreement, or set forth fully the respective rights of the parties in the Property.

BUYER:
K. Hovnanian Companies of New York, Inc.

By: _____
Name:
Title:

SELLER:
Town of Orangetown

By: _____
Name:
Title:

EXHIBIT H

CANCELLATION OF SHORT FORM AGREEMENT

TO WHOM IT MAY CONCERN:

On _____, 2007, a Development Agreement (the "Agreement of Sale") was entered into for the sale and purchase of the real Property described in Exhibit A, by and between:

SELLER:
Town of Orangetown
Town Hall
26 Orangeburg Road
Orangeburg, NY 10962

BUYER:
K. Hovnanian Companies of New York, Inc.
110 Fieldcrest Avenue, CN 7825
Edison, NJ 08801-7825

REAL PROPERTY: Located in the Town of Orangetown, County of Rockland, State of New York identified as Tax Block _____, Lot _____ as described in Exhibit A attached hereto.

SUMMARY OF TERMS: A Short Form Agreement was previously executed and recorded by _____, 2007 and was recorded in the _____ at Page _____ et seq. The Agreement of Sale provided by its terms that the parties. The Short Form Agreement was dated _____ County Clerk's Office on _____ the Short Form Agreement was to be canceled and released upon certain conditions. The Deed Book No. _____ the Short Form Agreement or has expired without exercise of the option by the Agreement of Sale has been terminated or has expired without exercise of the option by the Buyer and the conditions precedent to the recording of this document have been met.

CANCELLATION: By virtue hereof, the Short Form Agreement is hereby terminated, canceled and revoked as if such Short Form Agreement were never recorded.

BUYER:
K. Hovnanian Companies of New York, Inc.

By: _____
Name: _____
Title: _____

SELLER:
Town of Orangetown

By: _____
Name: _____
Title: _____