

DECLARATION OF COVENANTS, EASEMENTS
AND RESTRICTIONS

DECLARATION, made on the day hereinafter set forth by Southern Hills, Ltd., a New York corporation, with its principal office at 63 Ward Hill Road, P. O. Box 161, Henrietta, New York, 14467 (hereinafter called "Declarant")

W I T N E S S E T H :

WHEREAS, Declarant is the owner of certain real property hereto annexed and incorporated herein ("Premises"); and

WHEREAS, Declarant has subdivided the Premises and desires to subject the same to those certain covenants, conditions, easements and restrictions, charges and liens, as hereinafter set forth ("Restrictions"); and

WHEREAS, Southern Hills Homeowners Association, Inc. is a New York not-for-profit corporation formed for the purpose described in its Charter and herein;

NOW, THEREFORE, Declarant hereby declares that all of the Premises, together with any and all improvements thereon and appurtenances thereto shall be held, sold and conveyed subject to the following covenants, easements, restrictions and conditions, which covenants, easements, restrictions and conditions shall run with the land and shall burden and bind the Premises for and during the period of time hereinafter specified and all parties having any right, title or interest in and to the Premises, or any part thereof, or their distributees, executors,

administrators, successors and assigns forever, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1.01. "Association" shall refer to Southern Hills Homeowners Association, Inc., and its successors and assigns.

Section 1.02. "Properties" shall mean and refer to the real property, as described on Exhibit "A" attached hereto and made a part hereof including all premises as shown on a certain subdivision map entitled "Resubdivision of Southern Hills Manor Subdivision," including any and all common areas as shown thereon.

Section 1.03. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties excluding the common area and further excluding Lot Nos. R-4-1, R-4A-1, R-4-2, R-4A-2, R-11-1, R-11-2, R-11-3 and R-11-4 and Lot 10. Upon the recording of an instrument in the Monroe County Clerk's Office by owners and any mortgagee of any such excluded lot, except Lot 10, subjecting such lot or lots to this Declaration, such exclusion shall cease.

Section 1.04. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title in and to any Lot which is part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.05. "Common Area" shall refer to all real property owned by the Association for the common use and enjoyment of the owners.

Section 1.06. "Home" shall refer to the improvement constructed upon any lot subject to this Declaration, for use as a single or one family dwelling.

Section 1.07. "Streets" shall mean Woodridge Trail and Woodridge Crossing, as shown on the filed subdivision map of the properties.

Section 1.08. "Declarant" shall mean and refer to Southern Hills, Ltd., its successors and assigns.

Section 1.09. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 1.10. "Restrictions" shall refer to the provisions of this Declaration and any Amendments thereto and the By-Laws of the Association recorded concurrently with this Declaration and any Amendments thereto.

ARTICLE II MEMBERSHIP AND VOTING RIGHTS

Section 2.01. Every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

ARTICLE III COVENANT FOR MAINTENANCE ASSESSMENT

Section 3.01. Creation of the lien and personal obligation of assessments. Declarant, for each lot, hereby covenants, and each Owner, upon acceptance of a Deed to a Lot,

whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association: (1) Annual maintenance assessments or charges and (2) Special assessment for capital improvements, such assessments to be established and collected as hereinafter provided. Nothing contained herein shall constitute a guaranty or promise of any kind by Declarant to pay any assessment, or any other obligation of any Owner, other than Declarant. The annual and special assessments, together with interest, costs and reasonable attorneys' fees incurred in the collection thereof shall be a charge upon the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees shall be the personal obligation of the person who is the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to the Owner's successors-in-title unless expressly assumed by them.

Section 3.02. Purpose of Assessments. Assessments levied by the Association shall be used exclusively (1) to the payment of all principal and interest, when due, on all loans borrowed by the Association to the extent required under any lawful and enforceable agreement with a creditor of the Association; (2) to operate, maintain, repair, improve, construct, reconstruct and preserve, on a non-profit basis, the common area owned by the Association, exclusively for the benefit of its members, their guests, tenants and invitees; (3) to

maintain, repair, reconstruct, replace and preserve on a non-profit basis, the Lots and the Homes constructed thereon, for the purpose of preserving the exterior appearance and configuration of said Lots and Homes, including, any kitchen or bathroom fixtures initially installed therein by Declarant, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decoration or coverings or other furniture, furnishings, fixtures or equipment installed by Owners, and including driveways, walks and parking areas, trees, shrubs (in existence as of the date of this Plan or thereafter installed by the Association), grasses and other exterior improvements, including patio areas and/or decks; (4) all common utility facilities, including street lighting (including bulbs, poles, conduits, cables), septic tanks, lines and leach fields and water lines; (5) refuse collection and snow removal (from parking areas only); (6) insurance premiums for coverage as to public liability and loss of property or facilities, due to fire or other casualty; (7) payment of any and all taxes, including, without limitation, real property taxes assessed against the Association or against any real or personal property owned by the Association.

Section 3.03. Deed Covenant. Each Deed for a Lot shall contain the following covenant:

"The party of the second part covenants and agrees by acceptance and execution of this Deed, that the property herein conveyed shall be subject

to such annual and special charges as shall be determined by the Southern Hills Homeowners Association, Inc., its successors and assigns, which sums shall be payable in accordance with the By-Laws of Southern Hills Homeowners Association, Inc. and which such charge shall become a lien upon the land hereinabove described and shall continue as a lien until fully paid."

Section 3.04. Commencement of Assessments. The obligation for the payment of assessments, and the lien thereof, shall not commence until the first day of the first month following the closing of the sale of the first lot by Declarant. The initial annual assessment shall thereupon be pro-rated through the balance of the Association's fiscal year to be paid in equal monthly installments on the first day of each month. Declarant will be obligated for the difference between the actual Association expenses, including reserves applicable to completed improvements as provided for in the Association's budget, and the Association charges levied on Owners, other than Declarant, who have closed title to their homes until the first day of the first month following the closing of the sale of the eighteenth lot by Declarant, whereupon Declarant shall pay all annual and special assessments in the same manner as other Owners.

Section 3.05. Maximum Annual Assessment Per Lot, Per Year. Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be \$780.00 per lot.

(a) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment per lot may be increased in any fiscal year thereafter, by such sum as is proportionately equal with the increase, if any, in the Consumer Price Index for Services published by the Department of Labor, Bureau of Labor Statistics (Northeastern and New Jersey Region) for the same comparative period as of the month of December preceding the next fiscal year, without a vote of the membership. The base consumer price index for services for the purpose of this Declaration shall be that in effect on the day that this Declaration is received in the Office of the Monroe County Clerk.

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above that established by the Consumer Price Index Formula by a vote of two-thirds of the members who are voting in person or by proxy at a meeting duly called for this purpose.

(c) The Board of Directors may affix the annual assessment at an amount not in excess of the maximum, without approval of the membership.

Section 3.06. Special Assessments for Capital Improvement. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of deferring, in whole or in part, the cost of any construction,

fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of the members, present in person or by proxy at a meeting duly called for this purpose.

Section 3.07. Uniform Equal Rate of Assessment and Due Dates. Both annual and special assessments must be fixed at a uniform equal rate for all lots and may be collected on a monthly basis. The due dates shall be the first day of each month unless otherwise established by the Board of Directors and unless otherwise provided, the Association shall collect each month from the owner of each lot, one-twelfth (1/12) of the annual assessment for such lot and, in addition thereto, the monthly amount necessary to fully recover the amount of any special assessment levied in that assessment year, through the close of the fiscal year. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer, or the Managing Agent, if any, of the Association setting forth whether the assessments on a specified lot have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 3.08. Notice and Quorum for Any Action Authorized Under Section 3.05 or 3.06. Written notice for any meeting called for the purpose of taking any action authorized under Section 3.05 or 3.06 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. The presence of Members, in person or by proxy,

entitled to cast two-thirds of all of the votes of the membership shall constitute a quorum.

Section 3.09. Effect of Non-Payment of Assessments and Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum prevailing legal rate per annum and the Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against such owner's lot, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. Each such owner, by his acceptance to a Deed to a Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of liens against real property, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage foreclosure on real property and such owner hereby expressly grants to the Association a power of sale in connection with the foreclosure of said lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all other lot owners. The Association acting on behalf of the lot owners shall have the power to bid for the interest foreclosed at the foreclosure sale and to acquire and hold,

lease, mortgage and convey the same; and to subrogate so much of its right to such liens as may be necessary or expedient to an insurance company continuing to give total coverage, notwithstanding non-payment of such defaulting owner's portion of the premium for fire and other hazard insurance. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area, or abandonment of his lot, or by renunciation of membership in the Association. Any owner may give to the Association, nevertheless, subject to acceptance thereof by the Association, a Deed of the subject lot, in lieu of foreclosure, the acceptance of which Deed shall constitute a release of any further personal liability on the part of the owner.

Section 3.10. Subordination of the Association Lien to First Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which became due prior to the foreclosure sale and transfer. No foreclosure sale or transfer shall relieve any such lot from liability or for any assessments thereafter becoming due or from the lien thereof.

Section 3.11. Exempt Property. All properties dedicated to and accepted by a local public authority will be exempt from

the assessments created herein. However, no land or improvements devoted to dwelling use will be exempt from said assessments.

Section 3.12. Loans to the Association. The Association's Board of Directors, within the limitations hereinabove provided, may borrow monies from time to time, provided the terms of any such loan is five years or less. Loans for a longer term shall first be approved by two-thirds of the members present in person or by proxy at a meeting duly called for this purpose.

The Association has the right and power to: (i) assign and pledge revenues received and to be received by it under any provision of this Declaration; (ii) enter into an agreement with any lender with respect to the collection or disbursement of funds; (iii) apply funds received by the Association first to the payment of principal and interest when due on such loans; and (iv) establish such collection, payment and lien enforcement procedures as may be required by the lenders.

Section 3.13. Reserves and Surplus. The Association's Board may establish, from time to time, reserves for such lawful purposes as it may determine necessary and desirable for the greater financial security of the Association. The Association shall not be obligated to spend in any fiscal year all the sums collected in such year and may carry forward, as surplus, any balances remaining. The Board of Directors may retain such surplus or may direct that the same be applied to the reduction of the amount of the annual assessment in the succeeding year,

provided, however, that the amount of such deduction shall be disregarded in computing the maximum annual assessment permitted under Section 3.05 hereof, without member approval.

Section 3.14. Contractual Authority. The Association shall be entitled to enter into contracts with any entity for the performance of the various duties and obligations imposed by the Association under the terms of this Declaration and that the performance of the work, under the Contract, shall be considered to be the performance of the Association hereunder.

ARTICLE IV INSURANCE

Section 4.01. Physical Damage. Each Owner, including Declarant, shall be deemed to irrevocably nominate the Association, as Trustee, with authority to obtain and maintain fire insurance and extended coverage for all buildings within which the Homes are located, insuring the buildings, including all Homes and the bathroom, kitchen, heating and cooling equipment installed therein on the date of recordation of this Declaration (but excluding any wall, ceiling or door decoration or coverings or other furniture, furnishings, fixtures or equipment installed by Owners in the Homes. Such insurance, to the extent available, shall include coverage against water damage, vandalism and malicious mischief. Such policies of physical damage insurance shall be written in the name of the Association, as Trustee, for each lot owner, and shall contain waivers of subrogation and of any reduction of pro-rata liability

of the insurer as a result of any insurance carried by any owner or of the invalidity arising from any acts of the insureds, or, any lot owner, and shall provide that any such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including any mortgagee of any lot.

Each policy shall contain a New York standard mortgagee clause in favor of any first mortgagee, only, of any lot, which shall provide that the loss, if any, thereunder shall be payable to such first mortgagee as its interest may appear subject, however, to the loss payment provisions in favor of the Association hereinafter set forth. All such policies shall provide that an adjustment of loss shall be made by the Association with the approval of the owner and that the net proceeds shall be payable to the Association, as Trustee.

Owners shall not be prohibited from carrying additional insurance for their own benefit, provided that such policies contain waiver of subrogation and further provided that the liability of the carrier issuing insurance procured by the Association shall not be affected nor diminished by reason of such additional insurance.

In the event of damage to or destruction of any home, as a result of fire or other casualty, the Association shall contract to rebuild or repair such damaged or destroyed home (including common party walls but excluding interior walls, plumbing and

electrical fixtures, except rough wiring and plumbing), with or without the consent of the owner.

In the absence of or the refusal of any first mortgagee to proceed upon thirty (30) days written notice and demand, such portion of the proceeds as necessary to discharge the interest of the first mortgagee, if any, shall be paid over by the Association to such mortgagee, upon tender by the said mortgagee of a duly executed Discharge of Mortgage in recordable form.

The Association is hereby irrevocably authorized by the owner to use the balance of insurance proceeds remaining to reconstruct the "exterior portion" of such home so damaged or destroyed in conformance with the original plans and specifications thereof.

In the event that the cost to reconstruct the exterior portion of such home shall exceed the balance of insurance proceeds remaining after the payment of expenses and the discharge of the first mortgagee's interest, the cost to reconstruct the "exterior portion" in excess of the balance shall be an expense of the specific owner of the home and shall be paid within thirty (30) days after notice and demand therefore. In default of payment thereof, the excess cost, together with interest, costs and reasonable attorneys' fees, shall become a charge upon the land and shall become a continuing lien upon the lot against which such additional cost was incurred, which such lien shall be enforced in the same manner as a lien for annual or special assessments as provided in Article 3.09 hereof.

All insurance proceeds paid on any loss claim, shall be first deposited in a bank or other financial institution, in an interest bearing account insured by a federal governmental agency, with provision that such proceeds, or any part thereof, may only be withdrawn upon the signature of at least two members of the Board of Directors or their designee.

The initial policy of physical damage insurance on any particular home shall be in such amount as may be required by any first mortgagee of such home but in no event, in an amount less than the amount of the purchase price. Any lot owner may, upon written request, direct the Association to increase insurance coverage on his particular home to such amount as a carrier selected by the Association is willing to underwrite provided that such lot owner shall, in advance of the issuance of such coverage, pay to the Association the amount of any increased premium due as a result thereof. The amount of such insurance coverage shall be increased, annually, to cover the increase, if any, in the replacement cost of each home. Only the Association, as Trustee, the owner and his first mortgagee shall be named insureds. Assignment of the policy or of the proceeds of the policy in the event of loss shall be prohibited.

Section 4.02. Public Liability Insurance. The Association shall obtain broad form public liability insurance covering the common area and all of the lots, excluding nevertheless liability coverage for the interior of any home in a single limit amount of not less than \$1,000,000.00 covering

claims for bodily injury or death and \$100,000.00 covering all claims for property damage arising out of any one occurrence.

Section 4.03. Limitations on Hazards. Under no circumstances shall any owner permit or suffer anything to be done or left in his home or on his lot which will increase the insurance rates on his or any other home.

Section 4.04. Payment of Premiums. Premiums for insurance obtained by the Board of Directors, as hereinabove provided, shall be part of the common expense payable out of annual assessments provided for above.

ARTICLE V PROPERTY RIGHTS

Section. 5.01. Every member shall have a right and easement of enjoyment in and to the common area and restricted common area and such easement shall be appurtenant to and shall pass with the transfer of interest in any lot. All such rights and easements are subject to the right of the Board of Directors of the Association:

(a) To adopt and publish rules and regulations governing the use of the common area and restricted common area, and facilities, and the personal conduct of the members and their guests and to establish penalties for the infraction thereof; and

(b) To borrow money for the purpose of improving the common area and restricted common area and in aid thereof to mortgage the same.

ARTICLE VI
MEMBERSHIP; VOTING RIGHTS

Section 6.01. The Association shall have as Members only Owners of Lots. All Owners shall be deemed automatically to become members and there shall be no other qualification for membership. Persons holding an interest in a Lot or Home, merely as security for the performance of an obligation, shall not be qualified to be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a lot which is subject to assessments by the Association.

Section 6.02. Each Owner of a Lot shall be a member of the Association and shall be entitled to one vote, regardless of how many lots may be owned.

Section 6.03. All members, so long as the same shall qualify under this Article and under the By-Laws of the Association shall be entitled to vote on each matter submitted to a vote at a meeting of members, subject to the following exceptions and conditions:

(a) Any member who holds or owns more than one Lot shall be entitled to cast his vote for each Lot owned or held;

(b) Where there is more than one person or entity as owner of a Lot, whether as tenants by the entirety, in joint tenancy, tenants in common or in any other manner of joint or common ownership or interest, such owners shall collectively be entitled to cast only one vote and if such persons or entities cannot jointly agree as to how such vote should be cast, no vote shall be allowed with respect to such lot. There shall be no

restriction upon the right of Declarant to cast a majority vote for the election of any member of the Board of Directors of the Association. Moreover, so long as Declarant, its successors and assigns, shall own two or more lots, within the period of three years from the date of recording this Declaration, then, in such event, Declarant shall have the right to designate one member of the Board of Directors.

ARTICLE VII EASEMENTS

Section 7.01. Each lot shall be subject to an easement for encroachments created by construction, settling and overhangs, of the Homes or other improvements as designed or constructed or by any variation between the Homes, as constructed, and the actual lot lines as depicted on the Subdivision Map. A valid easement for said encroachments and for the maintenance of same, so long as they stand shall and does exist.

Section 7.02. There is hereby created a blanket easement upon, cross, over and under all of the properties for ingress and egress, installation, replacing, repairing and maintaining all utilities, by public utilities and by the Association, including, but not limited to, street lighting, water, sewers, gas, telephones and electricity and any master antenna or cable television system. By virtue of this easement, it shall be expressly permissible for the company providing electrical, water, sewer, gas, master antenna or cable television and/or telephone service to install, erect and maintain all necessary

pipes and conduit underground and other necessary equipment at or below grade on the properties and to affix and maintain electrical, cable television and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of Homes and meters and shut-offs at or inside said Homes. An easement is further granted to all police, fire protection, ambulance and all similar persons, companies or agencies performing emergency services to enter upon the lots in the performance of their duties. Further an easement is hereby granted to the Association, its officers, agents and employees and to any management company selected by the Association, to enter in or to cross over the lots or to enter any home, during reasonable hours and upon request, when occupied, except in an emergency, to inspect and to perform the duties of maintenance and repair of the homes as provided for herein. Notwithstanding anything to the contrary contained in this Paragraph, no sewers, electrical lines, water lines or other utilities may be installed or relocated on the properties except as initially programmed and approved by the Declarant, and in place as of the date of the recording of this Declaration or thereafter approved by Declarant or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by a separate recordable instrument, Declarant shall have the right to grant such easement on said properties without conflicting with the terms hereof.

The easements provided for herein shall in no way affect any other recorded easement upon the premises.

Section 7.03. An easement is hereby created, in common, for the benefit of all owners, their guests and invitees, for parking purposes, the areas subject to said easement being those designated on the Subdivision Map as "Parking Easement to be Provided."

Section 7.04. An easement is hereby created for ingress and egress by vehicle and on foot, to and from a home on any Lot, over and across the paved driveway surface of any other lot.

Section 7.05. An easement is hereby created, in common, for the benefit of the Owners of Lots R-1-1 through R-1-4, their guests and invitees, for parking purposes, the area subject to said easement being any of the paved parking and driveway surfaces of said Lots, subject however to the limitation that no Owner shall cause or permit any vehicle to be parked in such manner and location as would interfere with the ability of another owner to have free and open access to his home, including the garage.

Section 7.06. An easement is hereby created, in common, for the benefit of the Owners of Lots R-5-1 through R-5-4, their guests and invitees, for parking purposes, within the paved and parking areas situate on Lot R-5-1 (excluding the driveway thereon) and for the benefit of the Owners of Lots R-5-1 through R-5-4 and R-6-1 through R-6-4 within the paved parking surface situate on R-5-4 and R-6-1 (excluding the driveways thereon).

Section 7.07. An easement, in common, is hereby created in favor of the Owners of Lots R-7-1 through R-7-6, their guests and invitees, for parking purposes, the area subject to said easement being any of the paved parking and driveway surfaces of said Lots, subject however to the limitation that no Owner shall cause or permit any vehicle to be parked in such manner and location as would interfere with the ability of another Owner to have free and open access to his home, including the garage.

Section 7.08. An easement is hereby created in favor of the Owners of all Lots for the maintenance of any existing common party walls.

Section 7.09. An easement is hereby created in favor of the Owners of all Lots for the continued use, maintenance and replacement of any septic tank, sewer lines and leach fields serving such lot which may be located, in whole or in part, on any other lot.

ARTICLE VIII GENERAL PROVISIONS

Section 8.01. Enforcement. The Association or any owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 8.02. Each Lot, improved with a Home, shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions of this Declaration.

Section 8.03. No planting or gardening shall be done and no fences, hedges, or walls shall be erected or maintained upon the property without the consent of the Board of Directors of the Association, except that a small family vegetable or flower garden may be maintained on the rear part of the Lot, provided it does not interfere with the established lawn. The Association's Board of Directors or their designated committee may adopt such rules and regulations to govern and enforce the provisions of this Section.

Section 8.04. No modification of any kind to the exterior of any Home, either to the structure or the appearance thereof, including, but not limited to, walls, roof, windows and doors, the color of exterior walls, roof, windows, doors and trim, awnings, mechanical devices, flags, storage structures or bunting shall be made without first obtaining the express written consent of the Association's Board of Directors, upon due written application. The Board of Directors may adopt such rules and regulations to enforce this Section as it deems necessary, from time to time.

Section 8.05. Each owner shall maintain, clean and keep free from unsightly objects, the entry, deck and yard of the Lot. No boat or recreational vehicle shall be stored outdoors for more

than fifteen (15) consecutive days, nor so often as to appear to be continuous storage, except that boats less than 20' in length and recreational vehicles less than 25' in length may, with the prior written approval of the Board of Directors, or its duly authorized managing agent, be stored in areas to be designated by the Board of Directors during the months of June, July and August only. Motorcycles may not be stored, indoors or outdoors, on any portion of the Properties. Any temporary movement for the purpose of avoiding this restriction shall be ineffective.

No dogs may be kept or housed on or about any portion of the Properties at any time, except that Owners who were existing tenants, at the time of the recording of this Declaration, shall be allowed to continue to keep and maintain any dog which they own at the time of the recording of the Declaration.

Section 8.06. The garage of every Home shall be used only for parking motor vehicles or boats and for general storage and shall not be used for human habitation.

Section 8.07 No more than two (2) children, under the age of eighteen (18) years, together with their parents or legal guardians, shall be allowed to occupy any three bedroom Home at the time of purchase. No more than one (1) child, under the age of eighteen (18) years, together with his or her parents or legal guardians, shall be allowed to occupy any two bedroom Home at the time of purchase. The foregoing limitation shall not, in any event, apply to any children of Owners who were tenants at the time of the recording of this Declaration nor shall it apply to

any children born subsequent to the date of purchase nor to children who take up residence within a home pursuant to an Order of a Court of competent jurisdiction changing or awarding custody of that child.

Section 8.08. No "For Sale" or "For Rent" signs shall be permitted except such standard signs as may be approved by the Board of Directors, which signs may be posted on the front wall of the Home, adjacent to the front door. No commercial realtor signs shall be permitted.

Section 8.09. The Board of Directors may, from time to time, adopt additional rules and regulations governing the use of the properties and the conduct of all residents and guests. No action shall be taken by the Association or its Board of Directors which in any manner would discriminate against any owner or owners in favor of any other owner.

ARTICLE IX ZONING AND SPECIFIC RESTRICTIONS

9.01. Zoning and Specific Restrictions. These restriction shall not be taken as permitting any action or thing prohibited by any applicable zoning law or any other law, rule or regulation of any governmental authority or by specific restrictions of record. The Association may take any action necessary to cause compliance with any such zoning law, or other law, rule or regulation, or specific restriction, in addition to any other remedy or enforcement provisions set forth therein.

ARTICLE X
DURATION AND AMENDMENT

Section 10.01. The easements, covenants, conditions and restrictions contained herein shall run with and bind the land for a term of fifty (50) years and shall thereafter be automatically extended and renewed for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by Owners of not less than ninety percent (90%) of all Lots. Any Amendment must be a form acceptable for recording in the Office of the Clerk of the County of Monroe and shall not be effective until so recorded.

ARTICLE XI
SEVERABILITY

Section 11.01. The termination by any court of competent jurisdiction that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof which other provision shall remain and continue in full force and effect. Damages shall not be deemed adequate relief for any breach or violation of any provision hereof. Any person or entity entitled to enforce the provisions hereof shall be entitled to relief by way of injunction as well as by other available relief either at law or in equity.

IN WITNESS WHEREOF, the parties have set their hands and respective seals as of this day of , 1985.

SOUTHERN HILLS, LTD.

By: _____
Harold L. Reitz

State of New York)
County of Monroe) ss.:

On this _____ day of July, 1985, before me personally came Harold L. Reitz, to me personally known, who, being by me duly sworn, did depose and say that he is the President of Southern Hills, Ltd., the corporation described in, and which executed, the within Declaration; that he knows the seal of said corporation; that the seal affixed to said Declaration is such corporate seal; that it was so affixed by order of the Board of Directors of the corporation; and that he signed his name thereto by like order.

Notary Public

CERTIFICATE OF INCORPORATION
OF
SOUTHERN HILLS HOMEOWNERS ASSOCIATION, INC.
UNDER SECTION 402 OF THE NOT-FOR-PROFIT CORPORATION LAW

The undersigned, being over the age of eighteen (18) years, for the purpose of forming a Not-For-Profit Corporation under Section 402 of the Not-For-Profit Corporation Law, does hereby certify as follows:

FIRST: The name of the corporation shall be SOUTHERN HILLS HOMEOWNERS ASSOCIATION, INC.

SECOND: The corporation is not organized for pecuniary profit or financial gain and no part of its assets, income or profit shall inure to the benefit of any member, officer or director.

THIRD: The purposes for which the corporation is to be formed are:

(a) To own, operate, maintain, preserve, on a non-profit basis, common areas of a resubdivision of Southern Hills Manor Subdivision in the Town of Henrietta, County of Monroe and State of New York, as such common areas may be created, from time to time, pursuant to any Declaration of Covenants, Conditions and Restrictions exclusively for the benefit of its members.

(b) To maintain, repair, preserve or replace the resident lots of a resubdivision of Southern Hills Manor Subdivision and the improvements constructed thereon, on a non-profit basis, as such lots and improvements may be created, from time to time, pursuant to any Declaration of Covenants,

Conditions and Restrictions exclusively for the benefit of its members.

(c) No part of the revenues of the corporation shall inure to the benefit of any member, director or officer of the corporation or any private individual, firm or corporation except as permitted by the Not-For-Profit Corporation Law of the State of New York, as amended.

FOURTH: As a means of accomplishing the foregoing purposes, the corporation shall have the following powers:

(a) To perform all of the duties and obligations of the corporation as may be set forth in any Declaration of Covenants, Conditions and Restrictions, and any Amendment thereto, all of the foregoing being hereinafter referred to as "Declaration," applicable to the corporation, which shall be filed with the Secretary of the corporation and recorded in the Monroe County Clerk's Office.

(b) To fix, levy, collect and enforce payment of, by any lawful means, any and all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all other expenses incident to the conduct of the affairs of the corporation, including licenses, taxes, governmental charges levied or imposed against the property of the corporation.

(c) To acquire, by gift, purchase or otherwise, own, hold, improve, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of

real or personal property in connection with the affairs of the corporation.

(d) To borrow money and to pledge, mortgage or hypothecate any of its real or personal property as security for money borrowed or debts incurred.

(e) To dedicate, sell or transfer all or any part of the common area or common facilities to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the members. No such dedication, sale or transfer shall be effective unless first approved by two-thirds (2/3) of the members.

(f) In general, and subject to such limitations and conditions as may be prescribed by law, and exercise such powers which now or hereafter may be conferred by law upon a corporation organized for the purposes hereinabove set forth, or necessary or incidental to the power so conferred, or conducive to the attainment of the purpose of the corporation.

FIFTH: The proposed corporation shall be a Type A corporation under Section 201 of the Not-For-Profit Corporation Law.


SIXTH: The principal office of the corporation shall be located in the Town of Henrietta, County of Monroe and State of New York.

SEVENTH: The territory in which the activities of the corporation shall be principally conducted is the Town of Henrietta, County of Monroe and State of New York.

EIGHTH: The post office address to which the Secretary of State shall mail a copy of any notice required by law is 63 Ward Hill Road, Henrietta, New York, 14467.

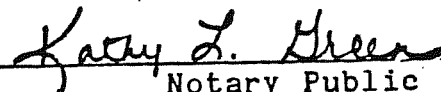
NINTH: No consent or approval of the foregoing Certificate of Incorporation is required by law.

IN WITNESS WHEREOF, I have signed this Certificate as of the 15th day of July, 1985.


George DesMarteau
BUYCK, SPRINGER, FITZSIMMONS,
FITZPATRICK, DesMARTEAU & STANDER
Office and Post Office Address
305 Reynolds Arcade Building
16 East Main Street
Rochester, New York 14614-1382
Telephone: 1-716-546-5270

State of New York)
County of Monroe) ss.:

On this 15th day of July, 1985, before me, the subscriber, personally appeared George DesMarteau, to me personally known and known to me to the same person described in and who executed the within Instrument, and he duly acknowledged to me that he executed the same.


Notary Public

KATHY L. GREEN
Notary Public, State of New York
Qualified in Monroe County
My Commission Expires March 30, 1986