

**HOMEOWNERS ASSOCIATION OFFERING PLAN
KNOWN AS**

HEARTLAND ESTATES HOMEOWNERS ASSOCIATION, INC.

LOCATED ON EAST MAIN STREET
VILLAGE OF WEBSTER, MONROE COUNTY, NEW YORK, 14580

THIS OFFERING IS FOR 41 UNITS OF A SINGLE PHASE DEVELOPMENT. THE TOTAL NUMBER OF LOTS TO BE OFFERED IS 41 UNITS.

COST OF MEMBERSHIP IN THE HOMEOWNERS ASSOCIATION IS INCLUDED IN THE PURCHASE PRICE OF THE INDIVIDUAL LOTS.

TOTAL OFFERING: \$15,000.00

SPONSOR:

**HEARTLAND ESTATES, INC.
17 MONDAVI CIRCLE
SPENCERPORT, NEW YORK 14559**

SELLING AGENT:

**PRUDENTIAL TWELVE OAKS REALTY
1367 WEST RIDGE ROAD
ROCHESTER, NEW YORK 14615**

DATE OF ACCEPTANCE FOR FILING: October 2, 2000

THIS PLAN MAY NOT BE USED AFTER October 1, 2001 UNLESS EXTENDED BY AMENDMENT

SEE PAGE iii FOR SPECIAL RISK TO PURCHASERS.

THIS OFFERING PLAN IS THE ENTIRE OFFER TO SELL MEMBERSHIP INTERESTS IN THE HOMEOWNERS ASSOCIATION. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY MEMBERSHIP INTERESTS. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENT HAS APPROVED THIS OFFERING.

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SPECIAL RISKS

Purchasers are advised of the following:

1. The sponsor contemplates the construction of 41 units in the completed development. The sponsor has provided the Village of Webster with an irrevocable Letters of Credit to secure the completion of public improvements, to wit: water mains, sanitary sewers, storm sewers, sidewalks, public roads and private right-of-way. The water mains, storm sewers, sidewalks, street lights and public roads will be dedicated to the Village of Webster. Sanitary sewers will be maintained by the Monroe County Water Authority. (See page 34.)

2. Because of circumstances beyond sponsor's control, such as marketability of the development, the availability of financing and the general condition of the economy, sponsor gives no assurance that all 41 units now contemplated will be sold within 60 months. (See page 35.)

3. The sponsor will defend any suits or proceedings arising out of the sponsor's acts or omissions, but sponsor has no obligation to indemnify the Association's Board of Directors. (See page 22.)

4. Sponsor will retain control of the Homeowners Association, together with the right to designate the Directors up to five years after the sale of the first unit or until all 41 units are transferred, whichever occurs first (see page 4 of the Declaration of Covenants, Conditions and Restrictions, page 3 of the By-Laws and page 3 of the Association).

5. There will be no managing agent for the Association. The sponsor will perform the services of a managing agent for a reasonable fee to the Association. (See page 40 and 65.)

7. Upon relinquishing control of the Association by the sponsor, the Association will be free to hire a managing agent. However, it will be the duty of the Association to arrange for services to be provided to the homeowners, such as exterior maintenance, lawn maintenance, snow removal of the driveways, refuse disposal and obtaining insurance. (See pages 1, 34, 72 and 78).

8. Sponsor will post no security for the performance of the management services and

the owners of units in the Association will have to look to the financial integrity and responsibility of the sponsor for the assurance that these services will be provided.

9. The sponsor may transfer title to the first lot when it has a contract of sale for the lot.

10. Insurance carried by the Association for fire and all risk building coverage does not insure the personal property or dwelling contents of individual lot owners. Lot owners are advised to obtain property insurance for personal property and dwelling contents, including upgrades installed by sponsor or any other party, as well as liability coverage for accidents occurring in and about their dwelling.

INTRODUCTION

HEARTLAND ESTATES, INC., a domestic corporation with its principal office located at 17 Mondavi Circle, Spencerport, Monroe County, New York, 14559, hereinafter called the Sponsor, intends to develop a 41 unit subdivision. The subdivision will be known as **HEARTLAND ESTATES SUBDIVISION** situate on approximately 7.77 acres of land in the Village of Webster, County of Monroe and State of New York. The property which is subject to this Offering Plan is located on East Main Street in the Village of Webster, County of Monroe and State of New York. The lots upon which the units will be built are described in a subdivision map filed on April 17, 2000 in the Monroe County Clerk's Office in Liber 304 of Maps at page 4. The sponsor acquired title to this land on September 12, 1994.

The Association is a corporation formed under the Not-for-Profit Corporation Law of the State of New York for purposes of maintaining the driveways, landscaping and the exterior of the units. Heartland Estates Homeowners Association, Inc. shall own all of the area located outside the units. This area is known as the "Common Area". Rayfield Circle, McKay Drive and a part of Hilfiker Lane will provide access to the subdivision from East Main Street and Phillips Road and will be dedicated to the Village of Webster.

Police protection will be provided by the Town of Webster Police Department. Fire protection will be provided by the Village of Webster Fire District.

Water will be supplied to the Association and the individual lot owners by the Village of Webster. The mains will be dedicated to the Village of Webster, which will maintain all water mains and hydrants.

The property which is subject to this Offering Plan is bounded on the north by residential development, on the south by residential development, on the east by vacant land and on the west by residential development.

The sponsor will convey storm sewer and water main easements to the Village of Webster. Said easements will be maintained by the Village of Webster. The sanitary sewer

easement will be conveyed to and maintained by the Monroe County Water Authority. Street lights will be maintained by the Village of Webster.

All owners of units at Heartland Estates Subdivision, as defined in a certain Declaration of Protective Covenants, Conditions, Restriction, Easements and Liens (hereinafter referred to as "The Declaration"), will be recorded in the Monroe County Clerk's Office prior to the transfer of title of the first lot, automatically become members in the Association which has been formed for the purpose of insuring the efficient preservation of the values and amenities of the Heartland Estates Subdivision.

When an owner sells a unit or lot, the purchaser automatically becomes a member of the Homeowners Association. The price of the unit includes the initial cost of membership in the Association. Thereafter, the member must pay the monthly Association charge. Prices shall be set by the sponsor alone and are not subject to review or approval by the Department of Law of the State of New York or any other governmental agency.

The Association is responsible for procuring fire, casualty and liability insurance covering each dwelling. However, fire and liability insurance for owner's personal effects and the interior of the units will be purchased by the individual owners.

The purpose of this Offering Plan is to set forth all of the terms of the Offer concerning the Association. This Plan may be amended from time to time by an amendment filed with the New York State Department of Law. All amendments will be served on purchasers and members of the Association.

The Plan as presented to prospective purchasers contains all of the detailed terms of the transaction as it relates to the Association. Certain exhibits designated Parts A, B and D have been delivered to the State of New York, Department of Law. These exhibits contain all of the documents referred to in the Plan; copies of the Plan and Parts A, B and D of the exhibits will be available for inspection without charge to prospective purchasers or their attorneys at the office of sponsor, Heartland Estates, Inc., during normal business hours.

Real estate taxes will be assessed against each unit and lot separately, and each home-

owner shall pay the taxes assessed against his or her unit. No homeowner shall be liable for the payment of real estate taxes assessed against any other unit. Sponsor shall be liable for the payment of real estate taxes on units and lots owned by sponsor up until the date on which such units and lots are conveyed by sponsor to the respective purchasers thereof.

Investor/Purchasers of more than one lot for resale rather than occupancy are required to register pursuant to the General Business Law, Section 352, and to provide prospective purchasers with the Offering Plan and all amendments.

THE PURCHASE OF A HOME ASSOCIATED WITH MANDATORY MEMBERSHIP IN A HOMEOWNERS ASSOCIATION HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A CONTRACT FOR SALE.

There is no minimum number of contracts of sale which must be signed before a sponsor subjects the property to the covenants, easements and restrictions as set forth in this Plan, records the Declaration establishing the Association and commences the conveying of title to units.

**DESCRIPTION OF COMMON AREA TO BE MAINTAINED
BY THE HOMEOWNERS ASSOCIATION**

The sponsor, Heartland Estates, Inc., will improve 41 units in the Heartland Estates Subdivision. The subdivision map was filed in the Monroe County Clerk's Office on April 17, 2000 in Liber 304 of Maps at page 4. A site plan showing the details of the proposed development is set forth in Part II of this Plan.

Heartland Estates Homeowners Association, Inc. will own real property in the project, which will consist of the land outside the building lots as shown on the filed subdivision map. The Association will be responsible for managing and maintaining the common areas. The Association will also have the responsibility for maintaining the exterior and roof of all the buildings, for the snow removal from the driveways, for repairing and maintaining the driveways which serve the homes and a portion of a private drive known as Hilfiker Lane. The Association will have the responsibility for maintaining the grass areas, all plantings as presently exist in the common area. A general landscape plan is available for inspection by prospective purchasers at the sponsor's office.

The sanitary sewer easement will be conveyed to and maintained by the Monroe County Water Authority. The storm sewer easement will be conveyed to and maintained by the Village of Webster. All water mains will be conveyed and maintained by the Village of Webster. Street lights will be maintained by the Village of Webster.

The sponsor will construct all improvements in accordance with the zoning and building ordinances of the Village of Webster. The roads known as Rayfield Circle, McKay Drive and a portion of Hilfiker Lane will be dedicated to the Village of Webster. A part of Hilfiker Lane will be a private drive and will be maintained by the Homeowners Association.

CONTROL BY SPONSOR: The initial directors of the Homeowners Association will be selected by the sponsor, who will have the power to designate the directors until all 41 units are transferred or 3 years after the first unit is transferred, whichever occurs first. Prior

to the period of relinquishing control of the Board of Directors, a meeting will be held to new board members unrelated to the sponsor within 30 days of the expiration of the control.

During the period that the sponsor is in control, the sponsor will not exercise veto power over the expenses required to (i) comply with applicable laws or regulations; (ii) remedy a notice of violation; or (iii) remedy any work order issued by an insured. While the sponsor is in control, annual certified financial statements will be provided to members.

Heartland Estates Homeowners Association, Inc.

Proposed 2001 Operating Budget

Effective January 1, 2001

	36 General Lots	5 Private Drive Lots	Total	Footnote
REVENUES				
Regular assessments	\$ 42,336	\$ 7,440	\$ 49,776	1
TOTAL REVENUES	<u>\$ 42,336</u>	<u>\$ 7,440</u>	<u>\$ 49,776</u>	
EXPENSES				
Operating Expenses:				
Accounting and Legal	\$ 1,055	\$ 145	\$ 1,200	2
Management	6,480	900	7,380	3
Office	350	50	400	4
Insurance	3,420	480	3,900	5
Other	369	40	409	6
Landscaping	10,252	2,049	12,301	7
Snow removal	4,726	1,290	6,016	8
Refuse removal	2,808	380	3,198	9
Real estate taxes	5,400	750	6,150	10
Sub-total operating expenses	<u>\$ 34,860</u>	<u>\$ 6,094</u>	<u>\$ 40,954</u>	
Reserves	7,476	1,346	8,822	11
TOTAL EXPENSES	<u>\$ 42,336</u>	<u>\$ 7,440</u>	<u>\$ 49,776</u>	

HEARTLAND ESTATES HOMEOWNERS ASSOCIATION, INC.
PROPOSED 2001 OPERATING BUDGET
 EFFECTIVE JANUARY 1, 2001
 FOOTNOTES

1. Assessments - \$98 per month per unit for each of the thirty-six (36) general lots and \$124 per month per unit for each of the five (5) private drive lots. The purpose of separating the general from the private drive lots is that the private drive lots share the cost of maintaining the private road that services only those five (5) private drive lots. The other thirty-six (36) general lots are serviced by a dedicated roadway maintained by the local township.
2. Accounting and Legal – Represents an estimated accounting review fee of \$700 and an estimated legal fee of \$500.
3. Management – Property will be managed by the developer or a property management company, estimate \$15.00 per month per unit. Included in this fee the management may employ a part-time individual at minimum wage.
4. Office – Items include coupons and envelopes, copywork, postage, standard forms and bank fees, \$400
5. Insurance – Property and Liability coverage estimate is based on a proposal from Utica National Insurance Company through the Whittingham Agency, Inc. consisting of a one-year policy which results in estimated premium of \$3,900.

The insurance coverage meets the requirements of the mortgage lender procured by the Sponsor. The HOA will provide common fire insurance on homes under an agreed amount replacement cost policy with no co-insurance with coverage of \$3,500,000 and a deductible per occurrence of \$1,000.00.

The policy will provide that each homeowner is named as an additional insured, that there will be no cancellation without notice to the board of directors, a waiver of subrogation, a waiver of invalidity because of the acts of the insured and the homeowners and a waiver of pro-rata reduction if homeowners obtain additional coverage themselves.

Each homeowner should obtain additional insurance at their own cost to cover the risk of damage, destruction and casualty loss to the contents of their home, and liability coverage for occurrences within their home.

6. Other – Included in this are estimates for NYS Franchise Tax of \$344 and miscellaneous of \$65.
7. Landscaping – Estimated cost based on a proposal from John Testa Lawncare and Landscaping Inc., consisting of trimming shrubs (\$950.00 per trip, 2 trips total), maintenance of bed areas and spring and fall cleanup (\$25.00 per hour plus materials, estimated at \$1,301.00), lawn mowing (\$390.00 per trip, 20 trips total) and chemical treatments (\$325.00 per application, 4 annual treatments); total \$12,301 including sales tax.

HEARTLAND ESTATES HOMEOWNERS ASSOCIATION, INC.
PROPOSED 2001 OPERATING BUDGET
 EFFECTIVE JANUARY 1, 2001
 FOOTNOTES

8. Snow removal – Estimated cost based on a proposal from John Testa Lawncare and Landscaping Inc., consisting of plowing driveways and private-drive roadway and salting private-drive roadway as needed. Per trip estimate for plowing is \$278 for thirty-six (36) general driveways, \$50 for five (5) private-drive driveways and \$55 for salting of private-drive roadway. Assumes seventeen (17) trips of plowing and eight (8) salting. All prices include sales tax.
9. Refuse removal – Estimated cost based on a proposal from Heberle Disposal Service, Inc. consisting of refuse and recycle pick up once a week at the rate of \$266.50 per month including sales tax.
10. Real estate taxes – Estimates are based upon a raw land assessed value of \$450.00 for each lot using the current tax rates in effect for the County of Monroe and Town and Village of Webster resulting in a \$150.00 tax levy per unit per year.
11. Reserves – Estimated at \$7,476.00 and \$1,346.00 per year for the thirty-six (36) general lots and five (5) private-drive lots, respectively:

Item	Cost	Life Cycle	(36) Lots	(5) Lots
			Annual Contribution	Annual Contribution
Siding Replacement	\$ 123,000	25 Years	\$ 4,320	\$ 600
Exterior Light Fixtures	410	10 Years	36	5
Painting Front Doors	1,435	3 Years	420	58
Roofing	51,250	25 Years	1,800	250
Driveway sealing	2,050	2 Years	900	125
Private-drive top coat	2,000	15 Years	0	133
Private-drive sealing	700	4 Years	0	175
Total			<u>\$ 7,476</u>	<u>\$ 1,346</u>

Heartland Estates Homeowners Association, Inc.

ALTERNATIVE Proposed 2001 Operating Budget

Effective January 1, 2001

Based on (12) Units

	12 General Lots	0 Private Drive Lots	Total	Footnote
REVENUES				
Regular assessments	\$ 14,976	\$ -	\$ 14,976	1
TOTAL REVENUES	\$ 14,976	\$ -	\$ 14,976	
EXPENSES				
Operating Expenses:				
Accounting and Legal	\$ 1,200	\$ -	\$ 1,200	2
Management	2,160	-	2,160	3
Office	263	-	263	4
Insurance	1,140	-	1,140	5
Other	409	-	409	6
Landscaping	3,001	-	3,001	7
Snow removal	1,575	-	1,575	8
Refuse removal	936	-	936	9
Real estate taxes	1,800	-	1,800	10
Sub-total operating expenses	\$ 12,484	\$ -	\$ 12,484	
Reserves	2,492	-	2,492	11
TOTAL EXPENSES	\$ 14,976	\$ -	\$ 14,976	

This budget is based upon a specified twelve-month period to commence on January 1, 2001. In the event that the anticipated date of commencement of the HOA operation is delayed more than six months from the budget year projected, the plan will be amended to include a revised budget disclosing current projections. In the event the amended projection exceeds the original projection by 25% or more, the sponsor will offer all purchasers the right to rescind and a reasonable period of time that is not less than 15 days after the date of presentation to exercise the right, whether or not sponsor offers to guarantee the previous budget projection. Sponsor must return any deposit or down-payment within a reasonable period of time to purchasers who rescind.

HEARTLAND ESTATES HOMEOWNERS ASSOCIATION, INC.
ALTERNATIVE - PROPOSED 2001 OPERATING BUDGET
EFFECTIVE JANUARY 1, 2001
FOOTNOTES

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1. Assessments - \$104 per month per unit for each of the twelve (12) general lots assumed to be sold during the first twelve months of offering. The purpose of separating the general from the private drive lots is that the private drive lots share the cost of maintaining the private road that services only those five (5) private drive lots. The other thirty-six (36) general lots are serviced by a dedicated roadway maintained by the local township.
2. Accounting and Legal – Represents an estimated accounting review fee of \$700 and an estimated legal fee of \$500.
3. Management – Property will be managed by the developer or a property management company, estimate \$15.00 per month per unit. Included in this fee the management may employ a part-time individual at minimum wage.
4. Office – Items include coupons and envelopes, copywork, postage, standard forms and bank fees, \$263
5. Insurance – Property and Liability coverage estimate is based on a proposal from Utica National Insurance Company through the Whittingham Agency, Inc. consisting of a one-year policy which results in estimated premium of \$3,900 assuming all 41 lots sold; pro-rated for 12 lots assumed to be sold.

The insurance coverage meets the requirements of the mortgage lender procured by the Sponsor. The HOA will provide common fire insurance on homes under an agreed amount replacement cost policy with no co-insurance with coverage of \$3,500,000 and a deductible per occurrence of \$1,000.00.

The policy will provide that each homeowner is named as an additional insured, that there will be no cancellation without notice to the board of directors, a waiver of subrogation, a waiver of invalidity because of the acts of the insured and the homeowners and a waiver of pro-rata reduction if homeowners obtain additional coverage themselves.

Each homeowner should obtain additional insurance at their own cost to cover the risk of damage, destruction and casualty loss to the contents of their home, and liability coverage for occurrences within their home.

6. Other – Included in this are estimates for NYS Franchise Tax of \$344 and miscellaneous of \$65.

HEARTLAND ESTATES HOMEOWNERS ASSOCIATION, INC.
ALTERNATIVE - PROPOSED 2001 OPERATING BUDGET

EFFECTIVE JANUARY 1, 2001
 FOOTNOTES

7. Landscaping – Estimated cost based on a proposal from John Testa Lawncare and Landscaping Inc., consisting of trimming shrubs (\$950.00 per trip, 2 trips total), maintenance of bed areas and spring and fall cleanup (\$25.00 per hour plus materials, estimated at \$1,301.00), lawn mowing (\$390.00 per trip, 20 trips total) and chemical treatments (\$325.00 per application, 4 annual treatments); annual total \$12,301 including sales tax; this amount has been pro-rated to account for the turf area that will be installed and in place for 12 units equaling \$3,001.
8. Snow removal – Estimated cost based on a proposal from John Testa Lawncare and Landscaping Inc., consisting of plowing driveways as needed. Per trip estimate for plowing is \$92.65 for twelve (12) general driveways. Assumes seventeen (17) trips of plowing. All prices include sales tax.
9. Refuse removal – Estimated cost based on a proposal from Heberle Disposal Service, Inc. consisting of refuse and recycle pick up once a week at the rate of \$78 per month including sales tax.
10. Real estate taxes – Estimates are based upon a raw land assessed value of \$450.00 for each lot using the current tax rates in effect for the County of Monroe and Town and Village of Webster resulting in a \$150.00 tax levy per unit per year.
11. Reserves – Estimated at \$2,492.00 per year for the twelve (12) lots:

<u>Item</u>	<u>Cost</u>	<u>Life Cycle</u>	<u>(12) Lots</u>
			<u>Annual Contribution</u>
Siding Replacement	\$ 123,000	25 Years	\$ 1,440
Exterior Light Fixtures	410	10 Years	12
Painting Front Doors	1,435	3 Years	140
Roofing	51,250	25 Years	600
Driveway sealing	2,050	2 Years	300
Total			<u>\$ 2,492</u>

WHITTINGHAM AGENCY, INC.

INSURANCE PROPOSAL FOR:

HEARTLAND ESTATES, INC.

C/O 17 MONDAVI CIRCLE
SPENCERPORT, NEW YORK 14559

TELE. #716-594-1629

FAX #716-594-8957



LIONEL R. WHITTINGHAM, CPCU
MAY 10, 2000

UTICA NATIONAL INSURANCE COMPANY
CONDOMINIUM ASSOCIATION POLICY QUOTE
EFFECTIVE: UPON COMPLETION OF PROJECT

BUILDING LIMIT: \$3,500,000.
 MAINTENANCE FEES: ACTUAL LOSS

.....ALL RISK OF DIRECT PHYSICAL LOSS
GUARANTEED REPLACEMENT COST COVERAGE
\$1,000.00 DEDUCTIBLE APPLIES
BLANKET COVERAGE
INFLATION GUARD ENDORSEMENT
NO CO-INSURANCE
AGREED AMOUNT ENDORSEMENT

EQUIPMENT BREAKDOWN:	INCLUDED
SIGNS:	INCLUDED
STRUCTURAL GLASS:	INCLUDED
SEWER BACKUP:	INCLUDED
ARTIFICIALLY GENERATED ELECTRICAL CURRENT:	INCLUDED
OUTDOOR PROPERTY:	\$ 10,000.
ANTENNAS & SATELLITE DISHES:	\$ 5,000.
TREES, PLANTS, SHRUBS & LAWNS:	\$ 5,000.
VALUABLE PAPERS & RECORDS:	\$ 10,000.
COMPUTERS, HARDWARE & SOFTWARE:	\$ 25,000.
FINE ARTS:	\$ 15,000.
DEBRIS REMOVAL:	\$ 100,000.
POLLUTANT CLEAN UP & REMOVAL:	\$ 10,000.
MONEY & SECURITIES:	\$ 10,000.
DEPOSITORS FORGERY:	\$ 50,000.
EMPLOYEE DISHONESTY:	\$ 50,000.
BUILDING ORDINANCE COVERAGES:	INCLUDED
GENERAL LIABILITY, EACH OCCURRENCE:	\$1,000,000.
PERSONAL & ADVERTISING INJURY:	\$1,000,000.
PROPERTY DAMAGE:	\$1,000,000.
MEDICAL PAYMENTS:	\$ 5,000.
(INCLUDES BROAD FORM GENERAL LIABILITY COVERAGES)	

ANNUAL POLICY PREMIUM: **\$3,898.00**

*****PLEASE NOTE: THIS IS A QUOTATION ONLY - SUBJECT TO INSURANCE COMPANY
 INSPECTION AND SUBJECT TO ALL TERMS, CONDITIONS AND EXCLUSIONS
 OF ACTUAL INSURANCE POLICY.*****

Proposal

JOHN TESTA

LAWNCARE AND LANDSCAPING INC.

75 CHESTNUT DRIVE
ROCHESTER, NY 14624
716-426-2154

PROPOSAL SUBMITTED TO BATTISTI Bros. Develop INC		PHONE 574-1629	DATE 12-6-99
STREET 17 Mondavi DR.		JOB NAME HARTLAND ESTATES	
CITY, STATE AND ZIP CODE SPPR NY. 14559		JOB LOCATION PITIELPS RD.	
ARCHITECT	DATE PLANS	JOB PHONE	

We hereby submit specifications and estimates for:

PROPERTY MAINTENANCE

LAWN CUTTING AND TRIMMING INCLUDING CLEANING OFF SIDEWALKS AND DRIVEWAYS WITH BLOWERS EACH WEEK \$390.00 PER TRIP

LAWN FERTILIZATION PROGRAM # FOUR TIMES ANNUAL \$325.00 PER APPLICATION

SHRUB AND TREE TRIMMING INCLUDING CLEAN-UP TWO TIMES ANNUAL \$950.00 PER TIME

MULCHING, WEEDING, EDGING, ECT. WORK WILL BE DONE AT RATE OF \$250.00 PER MAN HOUR PLUS MATERIALS

WE ALSO PROVIDE ALL TYPES OF LANDSCAPING NEEDS CORE AERATION, OVERSEEDING, SPRING AND FALL CLEAN-UPS, TOP SOIL AND MULCH DELIVERYS, BOBCAT AND DUMP TRUCK SERVICE, ECT. ESTIMATES ON REQUEST

(ALL ABOVE PLUS SALES TAX)

The Proposer hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

(FULLY INSURED) Estimate Annual \$12,300

Payment to be made as follows:

Date of Acceptance: _____ Signature: _____

Proposal

JOHN TESTA
LAWNCARE AND LANDSCAPING INC.
 75 CHESTNUT DRIVE
 ROCHESTER, NY 14624
 716-426-2154

PROPOSAL SUBMITTED TO BATTISTI BROS. Develop Inc.		PHONE 594-1629	DATE 12-6-99
STREET 17 Meadavi DR.		JOB NAME HARTLAND ESTATES	
CITY, STATE AND ZIP CODE Roch NY 14559		JOB LOCATION PHIELLS RD	
ARCHITECT	DATE PLANS	JOB PHONE	

We hereby submit specifications and estimates for:

Snowplowing Service

lots of private drive
 41 DRIVEWAYS 3' to 4" OR MORE
 INCLUDING PRIVATE DRIVE
 \$328⁰⁰ PER TRIP
 Estimate 17 trips

SALTING PRIVATE ROAD ONLY
 AT REQUEST \$550⁰⁰ per trip
 Estimate 8 trips

LOADER WORK AND DUMP TRUCKS
 SNOW REMOVAL SERVICE ESTIMATES
 ON REQUEST

FULLY INSURED
 WITH SNOWPLOWING
 COVERAGE

ALL ABOVE plus N.Y.
 STATE SALES TAX

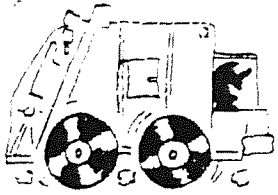
John Y. Testa
 12/6/99

We propose hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

Estimate Annual \$6016

Payment to be made as follows:

Date of Acceptance: _____ Signature: _____



Heberle Disposal Service, Inc.

269 ALVANAR ROAD □ ROCHESTER, N.Y. 14606 □ PHONE: (716) 458-8600 □ FAX: (716) 458-9837

01/31/00

Heartland Estates Homeowners Association, Inc.
Mr. Michael Battisti, President
17 Mondavi Circle
Spencerport, New York 14559

Re: Quote for refuse pick up, 41 town homes

Dear Mr. Battisti;

We have reviewed the site plan for the Heartland Estates Homeowners Association and all of its property and common areas encompassing 41 lots in total; 36 general and 5 private drive lots.

Scope of work: 36 General Lots:

One (1) time per week pick up at the end of each driveway general refuse and recycle containers at each of the 36 town homes.

Cost per week \$ \$54.7 (including NYS sales tax)

Scope of work: 5 Private Drive Lots:

One (1) time per week pick up at the end of each driveway general refuse and recycle containers at each of the 5 town homes located on the private roadway.

Cost per week \$ \$7.50 (including NYS sales tax)

Sub-contractor must carry Workers Compensation Insurance with coverage of at least the statutory limits, Liability Insurance of not less than \$1,000,000 per occurrence, \$2,000,000 aggregate and Auto Liability coverage of not less than \$500,000.

Respectfully submitted,

Annual Total
\$ 3,198.00

Thomas W. Heberle, JR.
President

GELSOMINO & COMPANY
Certified Public Accountants

P.O. Box 66
Spencerport, New York 14559
716-352-5598

May 8, 2000

To the Board of Directors
Heartland Estates Homeowners Association, Inc.
c/o Battisti Bros. Development, Inc., Management Company
17 Mondavi Circle
Spencerport, New York 14559

Re: Tax and Accounting Services

Dear Mike:

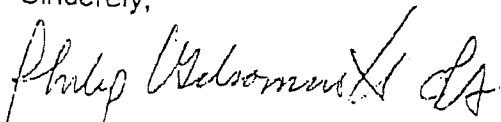
We are pleased to submit a proposal to provide services for Heartland Estates Homeowners Association, Inc. for its first year of operations.

We will prepare a reviewed financial statement and prepare the necessary income tax return for the first fiscal year of operations, to be determined.

Our fee for such services will be \$700.00.

Please do not hesitate to contact us with any questions.

Sincerely,



Philip C. Gelsomino, II, CPA

cc: File

JOSEPH S. GUADAGNINO
ATTORNEY AND COUNSELOR AT LAW
400 Crossroads Building
2 State Street
Rochester, New York 14614

Tel. (716) 325-5150
Fax. (716) 325-7104

Writer's Direct Dial Number
(716) 399-6022

May 11, 2000

State of New York
Department of Law
Real Estate Financing Bureau
120 Broadway
New York, New York 10271

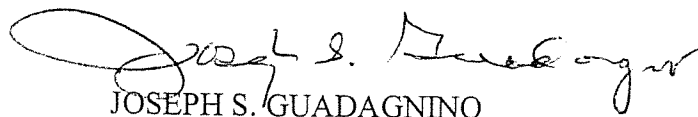
Re: Heartland Estates
Homeowners Association, Inc.
Town of Webster, Monroe County

Gentlemen:

I am writing this letter in order to clarify the term entitled "Legal" with an approximate figure of \$500 for the first year, as appears in the budget for Heartland Estates Homeowners Association, Inc.

The approximate legal fee for the first year would be for establishing and maintaining the proper procedure for the collection and enforcement of recovering delinquent assessment dues. Said fee would also take in attending various meetings of the Homeowners Association and advising the Homeowners Association on any legal matters that might come forward during the first year. This fee would not include litigation work or preparation for the same.

Very truly yours,


JOSEPH S. GUADAGNINO

JSG:msq

PROCEDURE TO PURCHASE AND TRUST FUND PROVISIONS

In Part II of this Plan is the form of the Purchase Agreement for lots to be sold to prospective purchasers.

The sponsor will comply with the escrow and trust fund requirements of General Business Law Section 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

All deposits, down-payments or advances made by purchaser prior to closing of each individual transaction must be placed within five (5) business days after the Agreement is signed by all necessary parties, and a deposit check has been delivered by purchaser, in a segregated special escrow account of Joseph S. Guadagnino, Esq., 400 Crossroads Building, Rochester, New York, 14614 (716-399-6022). As the escrow agent, he will have the authority to withdraw funds from this account.

The name of the account is "Heartland Estates Escrow Account" located in the M & T Bank, 16 West Main Street, Rochester, New York, 14614. This bank is covered by Federal Bank Deposit Insurance to a maximum of \$100,000 per account. If an individual makes a down-payment in excess of \$100,000 for the purchase of a lot, it is a special risk of this Offer that such deposit will not be federally insured in excess of \$100,000.

The account will be an Interest-On-Lawyers Account ("IOLA") pursuant to Judiciary Law Section 497. Interest earned will not be the property of the purchaser, sponsor or escrow agent, but rather will be paid to the New York State IOLA Fund.

All funds received from purchaser, whether in the form of checks, drafts, money orders or other instruments which identify the payer, shall be made payable to, or endorsed by the purchaser, to the order of Joseph S. Guadagnino, Esq., as escrow agent.

Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement, the escrow agent shall notify the purchaser that such funds have been deposited into the escrow account and will provide the account number. If the purchaser does not receive no-

tice of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind as long as the right to rescind is exercised within ninety (90) days after tender of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrow funds were timely deposited in accordance with the Attorney General's regulations and requisite notice was timely mailed to the purchaser.

The escrow agent shall hold the funds in escrow until otherwise directed in:

1. A writing signed by both sponsor and purchaser;
2. A determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
3. A judgment or order of a court of competent jurisdiction.

If there is no written agreement between the parties to release the escrow funds, the escrow agent will not pay the funds to the sponsor until the escrow agent has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the sponsor unless the purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified the escrow agent in accordance with such provision.

The sponsor will not object to the release of the escrow funds to a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan, or to all purchasers after an amendment abandoning the plan is accepted for filing by the Department of law.

In the event of a dispute, the sponsor shall apply and the purchaser or the escrow agent holding the down-payments in escrow may apply to the Attorney General for a determination on the disposition on the down-payment and any interest earned thereon. Forms for this purpose will be available from the Department of Law. A copy of such form shall be annexed as an exhibit in Part II of the Plan. The party applying shall contemporaneously send to all other parties a copy of such application.

Pending the determination of the Attorney General to grant or deny the application, the sponsor, the purchaser and escrow agent shall abide by any interim directive issued by the Attorney General.

A copy of the Escrow Agreement which incorporates the terms of the Attorney General's regulations is set forth in Part II of this Plan.

The escrow agent will maintain all records concerning the escrow funds for 7 years after the release of funds.

Review and audit. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

Waiver void. Any provision of any contract or agreement, whether oral or in writing, by which a purchaser purports or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of this section of the regulations shall prevail over any conflicting or inconsistent provision on the offering plan or in a purchase agreement.

Trust obligation of sponsor. Nothing contained herein shall diminish or impair the sponsor's statutory obligation to each purchaser pursuant to General Business Law section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the plan does not relieve sponsor of its obligations pursuant to general Business Law section 352-h. Funds from the escrow account remain the property of the purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the sponsor or the escrow agent upon any bankruptcy, incapacity or death.

The sponsor anticipates the first closing to occur on or about September 29, 2000. In the event a date set for closing is delayed 12 months or longer, the prospective purchaser shall be offered rescission in accordance with the requirements of the Attorney General. Pursuant to the Attorney General's regulations, the sponsor shall make a written demand for payment after default at least 30 days before forfeiture of the deposit may be declared.

Prior to entering into a contract to purchase, the purchaser has a right to examine the Of-

fering Plan 3 business days prior to signing the Purchase and Sales Agreement. Upon entering into a Purchase and Sales Agreement, the purchaser does, in fact, acknowledge that he has had 3 business days to review the document.

Risk of loss or damage to the property until transfer of title shall be assumed by the seller. If any substantial damage to the property occurs prior to transfer, either purchaser or seller shall have the option of canceling this Agreement without any further liability to the other and purchaser shall have his deposit returned to him. The contract may be subject to the purchaser obtaining a mortgage loan within a specified time. The contract may further be contingent upon the purchaser entering into a firm sales agreement with all contingencies removed for property he presently owns.

If a purchaser desires, his obligations under the Purchase Agreement may be subject to obtaining a written mortgage commitment. If the written mortgage commitment is not received within the time period provided, then either the purchaser or the sponsor may cancel the contract. Until the contingency is satisfied, the sponsor shall not be obligated to commence construction of the home. The obligation and conditions of the commitment are the responsibility of the purchaser and are not contingencies of the contract between the sponsor and purchaser. Additionally, the purchaser is responsible to obtain a commitment which expires on or after the closing date set forth in the Purchase Agreement with the sponsor.

If a conflict between the Offering Plan and the Purchase and Sales Agreement exists, the Offering Plan shall control. The Purchase and Sales Agreement may not waive any purchaser's rights or abrogate sponsor's obligations under Article 23 of the New York General Business Law.

The Purchase and Sales Agreement calls for a date in which the sponsor must accept the Purchase and Sales Agreement. If that stated time expires, then the contract becomes a nullity and any deposit made by the purchaser must be returned to him. The prospective purchaser does not have the right to assign or transfer the Purchase and Sales Agreement to anyone else without first obtaining the written consent of seller.

TERMS OF SALE

The Heartland Estates Homeowners Association, Inc. will own real property in the project. The Association will be responsible for managing and maintaining the common areas.

Prior to the transfer of title to any lot, the sponsor will file the Declaration in the Monroe County Clerk's Office.

Transfer of title by the sponsor to the purchaser will only take place upon issuance of a temporary or permanent Certificate of Occupancy by the Village of Webster.

The title to the Homeowners Association property will be conveyed by Warranty Deed free and clear of all liens, and encumbrances and will be subject to all covenants, easements and restrictions of record, if any.

At closing, sponsor will be responsible for the payment of the real property transfer tax and the payment and filing of the TP-584 (Property Gains Tax Affidavit).

A closing will take place only upon issuance of a temporary or permanent Certificate of Occupancy for the townhouse closed.

The sponsor is obligated to repair damage to the common area which occurs prior to the transfer of title.

OBLIGATIONS OF THE SPONSOR

1. Defend and Indemnify: The sponsor shall defend any suits or proceedings arising out of sponsor's acts or omissions and indemnify the Board of Directors and the home or lot owners.

2. Survival After Closing: The sponsor's representations and obligations under the Offering Plan shall survive transfer of title.

3. Disclaimers or Limitations of Liability Void: Limitations of liability or disclaimers on the part of the sponsor or its principals for failure to perform any obligation as enumerated and set forth in the Offering Plan are not permitted.

4. Complete Construction of Facilities: The sponsor will complete construction of common areas and other facilities that are vital to the health and safety of the lot owners prior to the conveyance of the lot, subject to the terms of this Offering Plan. If the Village of Webster permits occupancy and if the incomplete items are not vital to the health and safety of the lot owners, then closing may occur. Sponsor anticipates the project to be completed by 2003. The sponsor intends to develop the project by constructing 41 homes as shown on the plot plan which appears on page 63 of this Offering Plan. Sponsor anticipates the completion of 15-18 homes per year. Therefore, the sponsor projects the development will be completed by the year 2003.

5. Conveyance of Common Areas and Title Insurance: Prior to the transfer of title to any lot, the sponsor will file the Declaration and convey, by warranty deed, the Association Property to the Association and furnish the Association with a policy of title insurance covering such property from a title company authorized to do business in New York. The policy covering the common areas shall be in the amount of the offering. Such policy will be furnished at sponsor's sole cost and expense, and shall evidence marketable title. The lien of any construction loan mortgage will be released from the common areas prior to the transfer of title to the Association.

6. Pay Assessments: The sponsor will be obligated to pay the difference between the amount collected on a completed unit and the actual cost of operation for the Association. The sponsor shall also be obligated to pay for capital improvement charges for completed units. A completed unit is one in which a Certificate of Occupancy has been issued by the Village of Webster.

7. Filed Subdivision Maps: Sponsor has filed a subdivision map of the Heartland Estates Subdivision in the Monroe County Clerk's Office on April 17, 2000 in Liber 304 of Maps at page 4 and will file said map with the Village of Webster prior to the conveyance of the first lot, which map show the lots upon which the units are or will be located.

8. Plans: The sponsor will provide the Board of Directors and the Village of Webster with a set of "as built" plans, to certify construction is in substantial compliance with the plans and specifications set forth herein. If the certification cannot be made, the Offering Plan will be amended and rescission offered to the purchasers.

9. Right of Access: The sponsor shall have the right of access in accordance with the Declaration to complete construction of the project. The sponsor will repair and restore the area as required. Sponsor does not anticipate any interference with the lot owners' use and enjoyment of the area, except within a temporary basis.

10. Subordination: Any mortgage or lien which remains on the property after closing on the first lot or home shall be subordinate to the Declaration of Covenants.

11. Amendments: As long as sponsor has unsold homes or lots which are offered for sale pursuant to the Offering Plan, sponsor shall amend the Plan whenever there is a change in the Budget or when one year has passed since the budget was last updated. The prior years' certified Financial Statements for the Homeowners Association shall be included in the amendment.

12. Deposits Held in Escrow: All deposits made to the sponsor by the purchaser will be held in an escrow account to assure the return of said deposits if the sponsor defaults in its obligations under the Purchase Agreement.

13. Insurance: The sponsor shall procure fire, casualty and liability insurance for the Association property as set forth in this Offering Plan.

14. Dissolution or Liquidation: In the event of the dissolution or liquidation of the sponsor, or the transfer of three (3) or more lots to a purchaser who does not occupy such lots, the principals of the sponsor will provide reasonably, financially responsible entities or individuals who will assume the status and all of the obligations of the sponsor for those lots under the Offering Plan, applicable laws or regulations. If the original sponsor is dissolved or liquidated, the principals of the sponsor will guaranty the obligations of the successor sponsor.

CONTROL BY SPONSOR

The initial directors of the Homeowners Association will be selected by the sponsor, who will have the power to designate the directors until all 41 units are transferred, or five (5) years after the first unit is transferred, whichever occurs first. Prior to the period of relinquishing control of the Board of Directors, the sponsor shall disclose that a meeting will be held to elect new board members unrelated to the sponsor within 30 days of the expiration of the control.

During the period that the sponsor is in control, the sponsor will not exercise veto power over the expenses required to (i) comply with applicable laws or regulations; (ii) remedy and notice of violation; or (iii) remedy any work order issued by an insurer. The sponsor may exercise veto power over expenses other than those listed above in compliance with the terms and conditions of the Declaration.

No mortgage liens will be placed on the Association property without the consent of 51% of the lot owners other than the sponsor.

While the sponsor is in control, annual certified Financial Statements will be provided to members.

JOSEPH S. GUADAGNINO
ATTORNEY AND COUNSELOR AT LAW
400 Crossroads Building
2 State Street
Rochester, New York 14614

Tel. (716) 325-5150
Fax. (716) 325-7104

Writer's Direct Dial Number
(716) 399-6022

May 11, 2000

Heartland Estates, Inc.
17 Mondavi Circle
Spencerport, New York 14559

Attention: Michael Battisti

Re: Heartland Estates Homeowners Association, Inc.

Dear Mr. Battisti:

In response to your request for my opinion in conjunction with your proposed sale of lots at Heartland Estates Subdivision with mandatory membership in the Heartland Estates Homeowners Association, Inc., a not-for-profit corporation, please be advised as follows:

1. The Declaration of Covenants, Conditions and Restrictions, when recorded, will be legal and valid.

2. Under the provisions of Section 164 of the Internal Revenue Code and Section 615 of the New York Tax Law, each lot owner who itemizes deductions will be entitled to deduct from his adjusted gross income for Federal and New York State income tax purposes the real estate taxes assessed against his lot and paid by him. Maintenance Assessments paid by each lot owner to the Association are not deductible from his adjusted gross income for Federal and New York State income tax purposes.

3. With regard to the future tax-exempt status of the Homeowners Association, I have reviewed Internal Revenue Code Section 528. This section of the Internal Revenue Code provides tax exempt status for certain Homeowners Associations which meet the conditions set forth in the Law. Based on my review of the foregoing, and assuming Heartland Estates Homeowners Association, Inc. meets the following conditions, tax exempt status should be available on Heartland Estates Homeowners Association's exempt function income:

A. Heartland Estates Homeowners Association, Inc. elects to have Section 528 apply for its taxable year;

B. Heartland Estates Homeowners Association, Inc. must be organized and operated to provide for the acquisition, construction, management and care of the common areas;

C. Sixty percent (60%) or more of the gross income of the Association for the taxable year must consist of amounts received as membership dues, fees or assessments from member-owners of residences or residential lots;

D. Ninety percent (90%) or more of the expenditures of the Association for the taxable year must be for the maintenance and care of the common areas.

E. No part of its net earnings may inure to the benefit of any private shareholder or individual;

F. Substantially all of the lots or buildings must be used by individuals for residences.

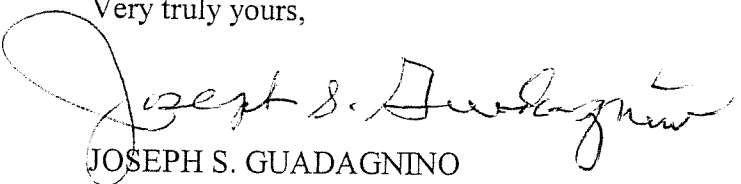
4. The homes sold in conjunction with the Association will conform to the applicable zoning ordinances and statutes as promulgated by the Village of Webster.

5. The Association will be subject to a franchise tax imposed under Article 9-A of the New York Tax Law and will be required to pay an annual franchise tax upon the basis of its entire net income or upon such other basis as may be applicable. The Association will not be exempt from New York sales taxes.

This opinion is based solely on the facts and documents referred to above. No warranties are made that the tax laws upon which counsel bases this opinion will not change. In no event will the sponsor, the sponsor's counsel, the counsel to the HOA, the selling agent or any other person be liable if by reason of future changes in fact or applicable law, regulation, decisional law or Internal Revenue Services rulings, the tax status should cease to meet the requirements contained in this opinion.

I understand that this letter will be made part of the Heartland Estates Homeowners Association, Inc. Offering Plan.

Very truly yours,



JOSEPH S. GUADAGNINO

JSG:msq

THE ASSOCIATION

Prior to the conveyance of the first unit, sponsor will file the Declaration of Covenants, Conditions and Restrictions in the Office of the Monroe County Clerk. The full text of the Declaration is set forth in Part II of this Offering Plan. The only members of the Homeowners Association will be the unit owners and all unit owners will automatically become members.

The Declaration provides that the membership in the Homeowners Association is mandatory for unit owners and that its provisions shall remain with the land and shall be enforceable by the sponsor, the Association and the owner of a unit.

The sponsor formed the Heartland Estates Homeowners Association, Inc. on the 9th day of March, 2000, under the provisions of the New York Not-for-Profit Corporation Law. The purpose of the Association is to maintain the buildings in which the homes are located and to maintain the common area for the common benefit of all homeowners in the project. Maintenance shall be provided by the Association for the exterior and roof of the buildings. The Association will provide snow removal and repair of the driveways servicing each unit, will maintain a portion of Hilfiker Lane and will contract with a private disposal agency for the collection and removal of refuse. The Association will administer and enforce protective covenants, conditions, restrictions, charges and liens imposed on the property; obtain and maintain fire, casualty and liability insurance on each lot and the dwelling located on said lot; and such other insurance as the Association may obtain in accordance with the provisions of the Declaration.

The Declaration gives to the Association the power to collect and disburse the assessments and charges necessary to perform its functions, all for the benefit of the members of the Association. In the event there is a violation of the Declaration, By Laws or Rules and Regulations, the Association has the power to levy and enforce penalties as expressly stated in said documents.

By accepting a deed, the grantee is bound by the provisions of the Declaration and is

personally responsible for the payment of all charges and assessments during the period that such person is the owner in fee of such unit. Upon conveyance of said unit, the owner is no longer liable for the payment of such charges and assessments and the subsequent owner will be bound by the provisions of the Declaration, including the personal responsibility for the payment of all charges and assessments for his unit.

There will be a maximum of 41 units whose owners will be members of the Homeowners Association if the sponsor completes the project as contemplated. Although the sponsor contemplates completion of the entire development within 3 years of the commencement of construction, there is no time limit placed on the sponsor for completion.

The Declaration shall run with the land and be effective for a 30 year period following the recording of the Declaration. The Declaration will automatically be extended for additional successive 10 year periods unless the owners of at least 75% of the units elect to change such covenants and restrictions in whole or in part. The Declaration may be amended by an instrument signed by not less than 80% of the owners. Any amendment to the Declaration must be recorded in the Monroe County Clerk's Office to become effective.

The sponsor will post a Letter of Credit with the Village of Webster to secure the completion of the water mains, storm sewers, sanitary sewers, sidewalks, public roads and private right-of-way.

The sponsor has a right of access to complete construction of the 41 units in the Heartland Estates project. Sponsor has a right to interfere with the members' use of the common area to the extent reasonably necessary to complete construction or make repairs.

The property must be used solely and only for single-family residence with no commercial or industrial activities being permitted. The Declaration contains numerous restrictions relating to the use of the premises.

Window air conditioners, exterior antennas, clothes poles and other types of exterior items are prohibited.

The Declaration recites that there shall be no commercial activity, advertising or politi-

cal signs allowed on the premise.

Unit owners are precluded from constructing in-ground or above-ground swimming pools, from storing commercial or recreational motor vehicles, unlicensed motor vehicles, trailers, boats, campers and trucks (over one ton) nor can any person park a motor vehicle or otherwise obstruct a resident's use of ingress and egress, nor may any vehicle be parked in the roadways and obstruct access by emergency or service vehicles.

The Declaration does give to a unit owner the right to keep domestic household pets.

Any loan or construction loan mortgage on any part of the planned unit development will be subordinate to the Declaration or it will include a covenant which will insure the Association's and/or the homeowners' undisturbed use of the premises for the purpose of describing the plan, even in the event of foreclosure.

The Association shall obtain and maintain fire, casualty and liability insurance on the land and the units and other insurance as the Board of Directors may determine may be appropriate and the cost of said insurance shall become a part of the common charges.

The unit owner may desire to insure his personal effects and the interior of the unit itself for fire and liability. Such insurance, taken by the purchaser, will be payable by the purchaser directly.

Any owner of property in the development will take the title subject to the Declaration. A mortgagee who acquires title through foreclosure by deed in lieu of foreclosure will take the title free and clear of the liens or delinquent common charges. Said mortgagee, however, will be liable for common charges which accrue after it takes title.

The Homeowners Association will be run by the Board of Directors consisting of at least 3 but not more than 5 members. These Directors need not be members of the Association. The initial Directors will be selected by the sponsor, who will have the power to designate Directors until all 41 units are transferred or 3 years after the first unit is transferred, whichever occurs first, at which time the sponsor shall have a vote for as long as it owns at least one unit, which vote will be similar to the vote of any other member. After the sponsor's right to select

Directors has terminated, Directors shall serve for a 3-year term and they may be removed by a majority of the members of the Homeowners Association. The Directors shall meet on a monthly basis at a time and place set forth by the resolution of the Board. The first meeting of the Board of Directors will be within 90 days after the transfer of title of the first unit. The first regular meeting held in each calendar year shall be the annual meeting of the Board.

The Board of Directors shall elect a President, Vice President, Secretary and Treasurer. The term for an officer shall be one year. Any officer may be removed by the Board of Directors with or without cause, whenever, in the judgment of the Board, the best interests of the Association will be served thereby. Each member of the Association, regardless of the number of units he owns, shall be entitled to one vote in the operation of the Homeowners Association. In the event a unit is owned jointly by one or more persons, they shall jointly be considered a member and shall share in and be entitled to one vote. After the transfer of all 41 units or 3 years after the sale of the first unit, whichever occurs first, the sponsor shall have only one vote which shall be on a par with the vote of all other unit owners.

The activities of the Association shall be governed by a majority of the members; however, special assessments may be made only with the approval of two-thirds of the votes of the Association members.

The officers of the sponsor, Heartland Estates, Inc., are Michael Battisti and Richard L. Battisti, who are also members of the initial Board of Directors of the Association, together with their sister, Ann Marie Battisti-Wall, who is not an officer of the sponsor. The business address of the initial Board of Directors is 17 Mondavi Circle, Spencerport, New York, 14559.

Each unit will be subject to an annual assessment for maintenance, insurance and related expenses as well as special assessments for capital improvements, as needed. The assessments shall be levied on an annual basis as set by the Association's Board of Directors. The annual assessment shall be paid by each owner in monthly installments on the first day of each calendar month. Assessments shall be pro-rated for each purchaser based on the date of closing.

Special assessments for the purpose of paying for capital improvement may be imposed

by the Board with the consent of at least two-thirds of the members.

The annual assessments and any special assessments shall be paid monthly by all unit owners.

All assessments and special assessments are the personal obligation of the unit owner and, in addition, are a lien on an owners unit. If the assessment is not paid when due, the unit owner is in default and the assessment will bear interest at the maximum permissible rate after 30 days following the due date. In addition, the unit owner will be liable for any cost and expense incurred by the Homeowners Association in collecting delinquent assessments. The Homeowners Association may enforce the lien for assessments through a foreclosure action similar to a mortgage foreclosure which may result in the eventual sale of the property to pay for delinquent charges, interest and expenses.

The obligation to pay assessments is personal to the unit owner and the lien for the assessment will continue after transfer of title except in the event of a foreclosure of a first mortgage lien or transfer of title to a first mortgagee by deed in lieu of a foreclosure.

The Board of Directors shall have the power to establish penalties for violation of rules and regulations adopted by the Board of Directors and which includes the personal conduct of the owners, their families and guests thereon.

WORKING CAPITAL AND RESERVE FUND

This offering does not involve a working capital fund. The Association's reserve fund is part of the common charge assessment as projected in the budget section of this Plan. It is believed that the reserve fund is sufficient to meet the Association's reserve fund needs based on the level of service discussed in the budget section of this Plan. The sponsor will contribute on an on-going basis for those unsold completed units owned by it (a unit will be deemed to be completed when a Certificate of Occupancy has been issued by the Village of Webster).

It is estimated that sufficient funds will be available as needed to cover foreseeable capital expenditures. If additional funds are needed, the Association's Board of Directors are empowered to propose special assessments.

While the sponsor is in control of the Board of Directors, the reserves shall not be used to reduce projected Association charges. Neither the Department of Law nor any other government agency has passed on the adequacy of the capital reserve fund.

The sponsor will retain control of the Board of Directors for a period of up to five years after the transfer of the first unit. This control is retained through the power to designate the Directors of the Association. At such time as all 41 units have been transferred, or five years after the closing of the first unit, all unit owners shall have an equal vote in the election of the Directors. If five years have passed since the closing of the first unit and all 41 units have not been transferred, the sponsor shall be entitled to designate one Director and the remaining unit owners shall be empowered to elect the remaining Directors. The sponsor may not exercise its control of the Board to reduce the level of services described in the Offering Plan or prevent capital repairs or prevent expenditures required to comply with applicable laws and regulations.

Certified financial statements for Association activities will be provided to members each year for as long as the sponsor remains in control of the Board of Directors.

Sponsor shall pay, as its share of the charges, an amount equal to the difference between the assessment charged to individual unit owners as estimated in the projected budget and actual expenses of operating the Homeowners Association until such time as all units have been sold. The sponsor will pay into the capital reserve account for each completed unit owned by sponsor. A unit will be deemed completed when a Certificate of Occupancy is issued by the Village of Webster.

Sponsor will provide a set of "as built" plans or specifications, as specified on the drawings for the property improvements, to the Board of Directors, including specifications of sewer and/or water lines; said plans or specifications are in substantial compliance with the terms of the Offering Plan.

As long as sponsor has unsold units which are offered for sale pursuant to this plan, the sponsor shall amend that plan whenever there is a change in the budget or when one year has passed since the last budget was updated. The amendment shall include the prior year's certi-

fied financial statements.

LOCAL GOVERNMENTAL APPROVAL

On the 6th day of May, 1999, the Planning Board of the Village of Webster gave final approval for the Heartland Estates Subdivision. The Heartland Estates Subdivision map was filed in the Monroe County Clerk's Office on April 17, 2000 in Liber 304 of Maps at page 4. Sponsor shall apply for a building permit for each unit upon removal of all contingencies in the Purchase and Sales Contract for said unit.

MANAGEMENT AGREEMENT

There are no management agreements between the Association and any professional manager. Sponsor anticipates that it will cause the Association to enter into a two-year Management Agreement with sponsor to arrange for and supervise the services. The Association is required to perform under the Declaration, including but not limited to: the hiring of independent contractors to perform such services, the billing and collection of assessments levied by the Association and bookkeeping in connection with the Association's affairs. The Association will be required to reimburse the manager for expenses incurred. The professional manager will be paid an annual fee of \$7,380.00 once title to all 41 units have been transferred. A copy of the proposed Management Agreement with sponsor is included in Part II of the Offering Plan.

IDENTITY OF PARTIES

The sponsor, Heartland Estates, Inc., is a domestic corporation with its principal office located at 17 Mondavi Circle, Spencerport, New York, 14559. The principals of the sponsor are Michael Battisti and Richard L. Battisti. The principals of the sponsor have been involved in extensive real property development and sales for over 15 years under the corporate name of Battisti Brothers Development, Inc.

The principals of the sponsor are currently participating in the development of the following single-family, detached dwelling, subdivisions:

1. Autumn Heights Subdivision, Town of Greece, New York
2. Carriage House Subdivision, Town of Chili, New York
3. New England Village Subdivision, Town of Greece, New York

4. Black Creek Estates Subdivision, Town of Chili, New York
5. Cameron Estates Subdivision, Town of Greece, New York

There are no prior felony convictions against the sponsor or principals of the sponsor and there are no prior convictions, injunctions or judgments against the sponsor or the principals of the sponsor that are relative to the Offering Plan.

The sponsor and principals of the sponsor have had no prior offering of cooperative interests in real estate in the last five years.

General counsel of the sponsor, Joseph S. Guadagnino, Esq., 400 Crossroads Building, Rochester, New York, 14614, will handle all lot closings. This Offering Plan has been prepared by Joseph S. Guadagnino, Esq., 400 Crossroads Building, Rochester, New York, 14614.

The sponsor has retained the engineering firm of The Sear-Brown Group, whose address is 85 Metro Park, Rochester, New York, 14623. The Sear-Brown Group is a 770-person, full-service, nationally-recognized engineering firm with 14 offices nationwide. Sear-Brown Group offers the experience and integrated expertise of a full-service design firm and the advanced technology that covers the project from site selection through construction. It provides nationwide service for such large, national, commercial clients as Wal-Mart to small, local developers and community-based projects such as hospitals, convenience and retail stores and malls.

Prudential Twelve Oaks Realty, located at 1367 Ridge Road West, Rochester, New York, 14615, will act as selling agent for the project. The principals of The Prudential Twelve Oaks Realty are Phil A. Giardino and John A. Cianciallo. Mr. Giardino has been in the real estate profession for the past 28 years and obtained his New York State Broker's License in 1981. Mr. Cianciallo has been in the real estate profession for the past 24 years and obtained his New York State Broker's License in 1981. Both parties commenced their real estate company, Twelve Oaks Realty and Relocation, 1367 Ridge Road West, Rochester, New York, 14615, in 1991 and became affiliated with The Prudential in 1995.

Both parties have been primarily focused on the sale of new and existing residential real estate, along with many condominiums, townhouses and patio homes. The Prudential Twelve Oaks Realty represented the builder of a patio homes subdivision in the Town of Greece known

as Hidden Pines. Mr. Giordino was also involved in the Pumpkin Hill Condominiums project in the Town of Chili, New York.

There are no prior felony convictions against the selling agents or principals of the selling agents and there are no prior convictions, injunctions or judgments against the selling agents or the principals of the selling agents that are relative to the Offering Plan.

REPORTS TO MEMBERS

All members of the Association will be entitled to receive annually from the Association, at the expense of the Association, copies of the following:

1. An annual certified financial statement to be received at the Annual Meeting.
2. Notice of the Annual Meeting, to be given not less than 10 days or more than 30 days before the date of the Annual Meeting.
3. A copy of the proposed budget for the Association 30 days before the date a new monthly common charge becomes effective. While the sponsor is in control, the budget will be certified by an expert as to adequacy.

DOCUMENTS ON FILE

The sponsor will retain copies of the Offering Plan and Parts A, B and D of the Exhibits and Documents offered to it in the plan on file at 17 Mondavi Circle, Spencerport, New York, 14559, for at least five years after the closing of the first unit. These documents will be available for inspection and copying at a minimal charge during normal business hours.

GENERAL

There are no lawsuits, administrative proceedings or other proceedings the outcome of which may materially affect the offering, the property, sponsor's capacity to perform all of its obligations under the plan or operation of the Homeowners Association.

The property offered under this plan is not subject to any prior offering and no preliminary non-binding agreements have been entered into, nor money collected from prospective purchases as of the date of this plan.

The sponsor and its agents will not discriminate against any person based on race, creed,

color, sex, national origin or any other basis prohibited by State or Federal Civil Rights Laws.

As of the date of the first presentation of this Offering Plan, neither the sponsor nor any representatives or agents of the sponsor, has raised funds or made any preliminary offering or entered into any binding agreement to or with prospective lot purchasers.

Dated: _____, 2000

HEARTLAND ESTATES, INC.

By: _____
MICHAEL BATTISTI, President

PURCHASE AND SALE CONTRACT

HEARTLAND ESTATES SUBDIVISION

THIS AGREEMENT made the ____ day of _____, _____, by and between **HEARTLAND ESTATES, INC.**, a domestic corporation with its principal office located at 17 Mondavi Circle, Spencerport, Monroe County, New York, 14559, ("Seller") and _____ residing at _____, ("Purchaser(s)")

WITNESSETH:

In consideration of the mutual promises herein made, seller agrees to sell and purchaser agrees to purchase the premises described below for the price and upon the terms and conditions set forth below.

1. PROPERTY DESCRIPTION:

Address: _____

Being Lot No. _____ of the **HEARTLAND ESTATES SUBDIVISION**, which lot is of the dimensions shown on a map of the tract filed in the Monroe County Clerk's Office on April 17, 2000 in Liber 304 of Maps at page 4, together with a membership in the Heartland Estates Homeowners Association, Inc., to be improved by a dwelling thereon in accordance with the basic plans and specifications for the home known as _____ on file with the seller at its office, which plans and specifications are made a part of this Agreement as if they were set forth in full herein. These plans are amended only by the changes made in Schedule "A" attached hereto and made a part hereof.

The premises are sold together with all rights of seller in and to any and all streets, roads, highways, alleys, driveways, easements and rights-of-way appurtenant thereto.

2. PRICE. Purchaser shall pay to seller for the premises the sum of \$ _____ payable as follows:

Upon signing this Agreement:	\$ _____
Upon Purchaser's receipt of a mortgage commitment	\$ _____
Upon _____	\$ _____
Upon delivery of the deed:	\$ _____
TOTAL	\$ _____

3. ADDITIONS TO THE PRICE AS STATED IN PARAGRAPH 2 ABOVE, to be charged as follows:

A. All charges for modifications, extras or other items in addition to those listed on Schedule A attached hereto. Any such modifications or additions to the plans or specifications, or extras shall be mutually agreed to in writing between the purchaser and seller and shall be paid for in cash upon the signing of such agreement, or at the seller's option, at closing.

B. Adjustments at Closing: There shall be prorated and adjusted as of the date of transfer of title: water charges, pure water charges, current taxes computed on a fiscal year basis, rents and Association assessments. Purchaser will accept title to subject to, and will pay all assessments and installments of assessments for local improvements which are not payable as of date of delivery of deed and which, if any, appear on the current tax rolls.

4. DEPOSITS: The sponsor will comply with the escrow and trust fund requirements of General Business Law Section 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

All deposits, down-payments or advances made by purchaser prior to closing of each individual transaction must be placed within ten (10) business days after the Agreement is signed by all necessary parties, and a deposit check has been delivered by purchaser, in a segregated special escrow account of Joseph S. Guadagnino, Esq., 400 Crossroads Building, Rochester, New York, 14614 (716-399-6022). As the escrow agent, he will have the authority to withdraw funds from this account.

The name of the account is "Heartland Estates Escrow Account" located in the M & T Bank, 16 West Main Street, Rochester, New York, 14614. This bank is covered by Federal Bank Deposit Insurance to a maximum of \$100,000 per account. If an individual makes a down-payment in excess of \$100,000 for the purpose of a lot, it is a special risk of this Offer. Such deposit will not be federally insured in excess of \$100,000.

The account will be an Interest-On-Lawyers Account ("IOLA") pursuant to Judiciary Law Section 497. Interest earned will not be the property of the purchaser, sponsor or escrow agent, but rather will be paid to the New York State IOLA Fund.

All funds received from purchaser, whether in the form of checks, drafts, money orders or other instruments which identify the payer, shall be made payable to, or endorsed by the purchaser, to the order of Joseph S. Guadagnino, Esq., as escrow agent.

Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement, the escrow agent shall notify the purchaser that such funds have been deposited into the escrow account and will provide the account number. If the purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind as long as the right to rescind is exercised within ninety (90) days after tender of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrow funds were timely deposited in accordance with the Attorney General's regulations and requisite notice was timely mailed to the purchaser.

The escrow agent shall hold the funds in escrow until otherwise directed in:

1. A writing signed by both sponsor and purchaser;
2. A determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
3. A judgment or order of a court of competent jurisdiction.

If there is no written agreement between the parties to release the escrow funds, the escrow agent will not pay the funds to the sponsor until the escrow agent has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the sponsor unless the purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified the escrow agent in accordance with such provision.

The sponsor will not object to the release of the escrow funds to a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan, or to all purchasers after an amendment abandoning the plan is accepted for filing by the Department of law.

In the event of a dispute, the sponsor shall apply and the purchaser or the escrow agent holding the down-payments in escrow may apply to the Attorney General for a determination on the disposition on the down-payment and any interest earned thereon. Forms for this purpose will be available from the Department of Law. A copy of such form shall be annexed as an exhibit in Part II of the Plan. The party applying shall contemporaneously send to all other parties a copy of such application.

Pending the determination of the Attorney General to grant or deny the application, the sponsor, the purchaser and escrow agent shall abide by any interim directive issued by the Attorney General.

If the application permitting release of funds is granted, the deposit shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted.

If the application seeking release of funds is denied, the escrow agent shall continue to hold the deposit until (i) both the sponsor and purchaser direct payment to a specified party in accordance with a written direction signed by both the sponsor and purchaser; (ii) a judgment or order of a court of competent jurisdiction is served on the escrow agent; or (iii) the escrow agent deposits the disputed amount into court.

In no event shall the escrow agent release funds in dispute, other than a payment of such funds into court, until such dispute is finally resolved, either by determination of the

Attorney General, by order or judgment of a court of competent jurisdiction or by written agreement of the sponsor and the purchaser.

In the event this Agreement is terminated by reasons other than purchaser's default, deposits with interest, if any, will be returned to purchaser within fifteen (15) days of such termination.

The parties agree that when the transfer of title occurs, the escrow agent shall release the escrow funds to the seller/sponsor.

5. CONTINGENCIES (Check appropriate contingencies)

(a) This contract is subject to purchaser obtaining a _____ mortgage loan in the amount of _____ (\$ _____) dollars for a term of _____ years. Purchaser will immediately apply for this loan and shall have until _____, _____ to obtain a written mortgage commitment. If purchaser cannot obtain a written mortgage commitment within this time, either purchaser or the seller may cancel this Agreement in writing without any further liability to the other and any deposit shall be returned to purchaser.

(b) This Agreement is further contingent upon the purchaser entering into a firm sale Agreement with all contingencies removed, for their property located at _____ within 90 days from the execution of this Agreement. If such Agreement is not entered into, and all contingencies removed therefrom, and seller is not so notified in writing within the 90 day period, then, at seller's option, this Agreement may be terminated, and either party may void this contract without further liability to either party.

Purchaser will, in good faith and with due diligence, actively seek to sell the above property and in connection therewith, purchaser shall immediately enter into a multiple listing agreement with a reputable licensed real estate broker for the sale of the property. Purchaser shall cause the broker to advertise the property in an effort to obtain a purchaser in a manner consistent with prevailing practices of said brokers in Monroe County, New York, and

(c) If the seller receives an offer from a third party to purchase Lot _____ acceptable to the seller, the seller shall so notify purchaser and upon receipt of such notice, purchaser shall, within 72 hours, remove the contingency set out in paragraph (b) above, or this Agreement shall become null and void, whereupon purchaser shall have no further claim to or interest in said Lot and all moneys advanced by purchaser hereunder shall be returned.

6. COMPLETION TIME: Construction is to be completed and title transferred on or about the _____ day of _____, _____ or 120 days after purchaser notifies seller in writing of their removal of all Agreement contingencies, whichever is later.

These dates are not to be construed as a representation by seller that possession will be available at said time and are subject to delays due to riots, strikes, labor disputes, war or acts of God; any governmental rulings, regulations or restrictions as to labor or materials; material availability; and any other cause or delay over which the seller has no control.

The parties agree that the residence shall be complete when a Certificate of Occupancy is issued and final approval of the lending institution making a mortgage loan, if any, has been obtained, except for items which cannot be completed because of weather. Upon completion, purchaser agrees to accept transfer of title and make all payments provided for herein within 10 days of being notified of completion. Transfer of title shall be completed at the Monroe County Clerk's Office or at such other place as determined by the parties hereto. Notwithstanding the above, purchaser shall have fifteen (15) days notice prior to closing.

All sums due and unpaid on the Agreement, are to be paid on closing, and if any items remain incomplete, an escrow will be established limited to lawn seeding, driveway blacktopping, exterior painting and gutter work, if required by mortgage lender. As to any other unfinished items, the purchaser will accept at closing an agreement signed by seller to complete such items in a workmanlike manner, and within a reasonable period of time.

Possession is to be given upon transfer of title.

7. TITLE DOCUMENTS: Seller will furnish a Warranty Deed, with lien covenant, conveying good marketable title to the premises subject to easements, covenants and restrictions of record, particularly subject to a Declaration of Covenants, Conditions and Restrictions recorded in the Monroe County Clerk's Office. Purchaser will execute said deed for the purpose of assuming the obligations of the Homeowners Association set forth in the aforesaid Declaration of Covenants, Conditions and Restrictions, including the obligation to pay to the Homeowners Association regular and special assessments and tax assessments for land owned. Seller shall also deliver to purchaser or their attorney at least 10 days prior to closing, guaranteed federal, tax and title searches and a survey map made by a land surveyor duly licensed by the State of New York showing the premises above described, the location of all buildings, improvements and other structures affecting same. Purchaser shall pay for survey at closing.

8. MARKETABILITY OF TITLE: The deed and other documents delivered by seller shall be sufficient to convey good marketable title in "fee simple" (the term "fee simple" is a legal term which describes the most complete interest that can be obtained in real property) to the property free and clear of all liens and encumbrances.

If purchaser shall raise a valid written objection to seller's title which means that the title to the property is unmarketable, seller may cancel this contract by giving prompt written notice of cancellation to purchaser. Seller shall have a right to cancel this Agreement by giving written notice of the cancellation to purchaser and by returning the deposits to purchaser. However, if seller is able to correct the problem which was objected to prior to the closing date within 30 days, then the Agreement shall continue in full force and effect.

9. RECORDING COSTS, MORTGAGE TAX, TRANSFER TAX AND CLOSING ADJUSTMENTS. Seller will pay for the filing of the Real Property Transfer Tax and Real Property Gains Tax Affidavit. Purchaser will pay for the State of New York Equalization and Assessment Form, mortgage assumption charges, if any, recording of the deed and the mortgage, and for mortgage tax. Water charges, pure waters charges, sewer charges and current taxes computed on a fiscal year basis, excluding any delinquent items, interest or penalties, and assessments of the Heartland Estates Homeowners Association, Inc. will be pro rated and adjusted between seller and purchaser as of the date of closing. In addition to the foregoing, purchaser shall be responsible for any recreation fee that will be levied by the Village, for the cost of any water meter and sewer connection.

10. MODEL UNITS: Seller has the right to rent and to maintain model properties in the development. Purchaser understands that the models may contain furnishings, carpeting and special features and fixtures which are not included in and which are or may be more expensive than those included in the property which purchaser is about to purchase.

11. SELLER'S CONSTRUCTION DECISIONS:

A. Seller reserves the right to:

(i) make changes or substitutions of materials or construction for items as set forth in the plans and specifications, provided any such changes are of comparable value and quality;

(ii) determine the grading, elevation and design of all plots and dwellings to fit into the general pattern of the project; and

(iii) determine elevation and location of foundations, driveways and streets to conform with topographical conditions.

B. Seller has the option to change grades, foundations and footings, and setback of the dwelling if underground conditions are such that the original placement makes it inadvisable to construct where originally agreed upon. Underground conditions can be the result of rock, water, soil type and other conditions which in the judgment of seller would necessitate a change in elevation or setback. If underground conditions are severe and unusual costs would be incurred, seller shall have the right to cancel this contract by written notice to purchaser.

C. All exterior materials and color selections shall be within the sole discretion of the seller.

D. Unless otherwise agreed upon between seller and purchaser, seller will attempt to preserve trees on the property. Seller however gives no assurance that some trees will not be damaged or removed during construction, grading of the property or installation of utilities, drainage swales or pipes. Seller shall not be responsible for trees which die after closing or for removal of such trees from the property.

12. DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS.

A. Seller either has recorded or will record a Declaration of Covenants, Conditions, Easements and Restrictions (the "Declaration"), in the Monroe County Clerk's Office prior to the first conveyance of title to a lot in this project. The Declaration provides that every homeowner in the project which is subject to the Declaration shall become a member of the Heartland Estates Homeowners Association, Inc. (hereinafter called the "Homeowners Association" or the "Association") with all of the rights and duties of membership. The primary purpose of the Association is to provide maintenance for the area of common use.

B. There are restrictions as to renting, mortgaging or conveying the property, and the property must be used solely and only for a single family residence, as permitted by the zoning ordinance of the Village of Webster, with no commercial or industrial activities being permitted. The use and occupancy of each home or lot, whether by owner, tenant or otherwise, shall be subject to, and such persons shall comply with, the Declaration.

C. Purchaser acknowledges that the purchase shall be made subject to this Declaration.

13. SELLER'S AND MANUFACTURERS' WARRANTIES: THE HOUSING MERCHANT IMPLIED WARRANTY, AS DEFINED IN SECTION 777-a OF THE NEW YORK STATE GENERAL BUSINESS LAW, WILL APPLY TO THIS AGREEMENT. THE SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THIS AGREEMENT OR THE HOME, AND ALL SUCH WARRANTIES ARE EXCLUDED.

The seller makes no warranties as to items covered by manufacturers' warranties, if any, which are to be delivered to purchaser. Purchaser understands that if there are defects in any items having a manufacturer's warranty, purchaser can make no claim against seller for such defects. Such claim must be made directly against the manufacturer.

14. **ZONING:** Seller agrees to deliver to purchaser, at the time of closing, a Certificate of Occupancy from the Village of Webster.

15. **INSPECTION:** Prior to closing, the purchaser shall have the right to inspect the premises upon reasonable notice to the seller.

16. **RISK OF LOSS:** Risk of loss or damage to the property until transfer of title shall be assumed by the seller. If any substantial damage to the property occurs prior to transfer, either purchaser or seller shall have the option of canceling this Agreement without any further liability to the other and purchaser shall have his deposit returned to him.

17. Purchaser has not relied upon any warranties or representations as to size, dimensions or other physical characteristics of the premises or residence, or premises of the Homeowners Association, or as to financial data or estimated income tax deductions or maintenance or tax or other assessments except as specifically represented in the Offering Statement, Declaration and By-Laws of the Homeowners Association. Purchaser acknowledges that by acceptance of the deed he will become a member of the Heartland Estates Homeowners Association, Inc. and will become liable for maintenance, property tax and special assessments, payable monthly, in accordance with the recorded Covenants, Conditions and Restrictions.

18. Purchaser acknowledges receipt of the Offering Plan three business days prior to signing this Agreement. This Agreement may be canceled by purchaser within 72 hours from the execution of this Agreement by purchaser delivering to seller a written notice of purchaser's intention to cancel this Agreement. Should such written notice be delivered within said 72 hour period, any deposit shall be refunded to purchaser, and this Agreement shall be canceled without any liability on the part of either party to the other. This instrument contains the entire Agreement of the parties, and no oral representations or statements shall be considered a part hereof, or binding upon either party, nor shall any provision of this Agreement be terminated, modified, except as herein provided or except by a writing signed by both parties.

19. PURCHASER'S FAILURE TO TAKE TITLE: Upon the purchaser's failure to take title or the purchaser's failure to make prompt and proper application for his mortgage, this Agreement shall become null and void and the deposits, with interest, if any, up to a maximum of 10% of the purchase price, excluding extras, shall belong to the seller, in addition to which the purchaser shall pay seller the full cost of all extras in Exhibit A which were commenced prior to the date of closing and reasonable attorney's fees and court costs, if incurred to enforce seller's remedies, all of which shall be liquidated damages.

20. Purchaser shall have possession and occupancy of the premises from and after the date of delivery of the deed.

21. Purchaser understands and agrees that purchaser has no right to assign or transfer this Agreement to anyone else without first obtaining the written consent of seller.

22. In the event there are inconsistencies between this Purchase Agreement and the Offering Plan, they shall be resolved in favor of the Offering Plan.

23. LIFE OF OFFER: This offer is good until the _____ day of _____, _____, at which time it shall be null and void.

24. PURCHASER'S ATTORNEY APPROVAL: This Purchase Agreement is contingent upon purchaser securing his attorney's approval within one week of acceptance by seller. Failure of purchaser's attorney to either approve or disapprove within one week shall be deemed an approval.

IN WITNESS WHEREOF, the purchaser has caused this instrument to be duly executed the day and year first above written.

Date _____

Purchaser

Witness _____

Purchaser

ACCEPTANCE OF OFFER BY SELLER

Seller certifies that it owns the property and has the power to sell the property. Seller accepts the offer and agrees to sell on the terms and conditions set forth below.

Date _____

HEARTLAND ESTATES, INC.

By: _____
, Seller

WITNESS

HOUSING MERCHANT IMPLIED WARRANTY

Effective March 1, 1989, a new law went into effect which granted buyers of most newly constructed homes a housing merchant implied warranty. The following is a brief summary of that law. The full text of the law appears on page 26 of this Offering Plan.

1. Housing Affected: Newly constructed single family homes and cooperative and condominium units in buildings of five stories or less.

2. Coverage:

(a) For one year, the home must be free from defects caused by workmanship or materials that do not meet the standards of the applicable building code; for items not covered by code, the construction must be in accordance with locally accepted building practices.

(b) For two years, the plumbing, electrical, heating, cooling and ventilation systems must be free from defects caused by unskillful installation.

(c) For six years, the home must be free from physical defects in the structural elements (foundation, walls, floors, roof framing) which make it unsafe or unlivable.

3. Not Covered:

(a) A defect not caused by defective workmanship, materials or design.

(b) A patent defect which was obvious or would have been obvious upon inspection.

(c) Defects in items sold with the home, such as stoves, refrigerators, air conditioners, etc. There are implied warranties from the manufacturers of such goods which are described in other laws.

4. Notice: Buyers must give notice of defects in their home in writing not later than

30 days after the end of the warranty period.

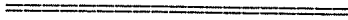
5. Limitations of the Warranty: The Housing Merchant Implied Warranty can be limited. However, the limited warranty cannot permit construction which is below code or below locally accepted building practices, and the limited warranty time periods cannot be shorter than those described above. In this Offering Plan the Housing Merchant Implied Warranty is not limited by the sponsor. The sponsor will provide this warranty to each purchaser of a home in this project.

The people of the State of New York represented in senate and assembly do enact as follows:

Section 1. A new article thirty-six-b is added to the general business law to read as follows:

ARTICLE 36-B

THE NEW WARRANTY STATUTE



**AN ACT to amend the general
business law in relation to
warranties on sales of new homes**

WARRANTIES ON SALES OF NEW HOMES

Section 777. Definitions

**777-a. Housing Merchant Implied
Warranty**

**777-b. Exclusion or Modification
of Warranties**

Section 777. Definitions. As used in this article, the following terms shall have the following meanings:

"Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the City of New York, as defined in title twenty-seven of the administrative code of the City of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems and roof framing systems.

5. "New home" or "home" means any single family house or for sale-unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

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

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

Section 777-a. Housing Merchant Implied Warranty.

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder, or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupancy of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the house proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court

finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

Section 777-b. Exclusion or Modification of Warranties.

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any and all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor, an owner shall not be

required to submit to binding arbitration or to pay any fee or charge for participation in non-binding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

Section 2. Subdivision two of section two hundred thirteen of the civil practice law and rules is amended to read as follows:

2. an action upon a contractual obligation or liability, express or implied, except as provided in article 2 of the uniform commercial code or article 36-B of the general business law;

Section 3. This act shall take effect on the first day of March next succeeding the date on which it shall have become a law and shall apply to new homes for which contracts of sale are entered into on and after such effective date.

WARRANTY DEED

THIS INDENTURE made this _____ day of _____, _____, between

HEARTLAND ESTATES, INC., a domestic corporation with its principal office located at 17 Mondavi circle, Spencerport, Monroe County, New York, 14559, party of the first part, and

HEARTLAND ESTATES HOMEOWNERS ASSOCIATION, INC., a New York Corporation with its principal office located at 17 Mondavi Circle, Spencerport, Monroe County, New York, 14559, party of the second part,

WITNESSETH that the party of the first part, in consideration of One or More Dollars (\$1.00+) lawful money of the United States, and other good and valuable consideration, paid by the party/parties of the second part, does hereby grant and release unto the party/parties of the second part, the heirs, successors and assigns forever,

ALL THAT TRACT OR PARCEL OF LAND, situate in the Village of Webster, County of Monroe and State of New York, being part of Town Lot No. 24 in Section 12 of Township 13, Range 4 and also being part of Town Lot No. 1 in Section 12 of Township 14, Range 4 and being more particularly bounded and described on the attached Schedule "A".

All as shown on a subdivision map entitled "Heartland Estates" filed in the Monroe County Clerk's Office on the 17th day of April, 2000 in Liber 304 of Maps at page 4, containing 7.777 acres of land more or less.

Excepting and reserving all easements and rights-of-way of record.

Subject to all covenants, easements and restrictions of record affecting said premises, if any.

This conveyance is made in the ordinary course of business and does not represent all or a substantial portion of the assets of the party of the first part.

Being a part of the same premises conveyed to the party of the first part by Deed recorded in the Monroe County Clerk's Office on September 12, 1994 in Liber 8520 of Deeds at page 666.

Address: East Main Street, Webster, New York, 14580
Tax Mailing Address: 17 Mondavi Circle, Spencerport, New York, 14559
Tax Account No.: 080.11-1-1

TOGETHER with the appurtenances and all the estate and rights of the party of the first part in

and to said premises,

TO HAVE AND TO HOLD the premises herein granted unto the party/parties of the second part, the heirs, successors and assigns forever.

AND the party of the first part covenants as follows:

FIRST, That the party of the second part shall quietly enjoy the said premises;

SECOND, That the party of the first part will forever **WARRANT** the title to said premises;

THIRD, the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The word "party" shall be construed as if to read "parties" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

In Presence of

HEARTLAND ESTATES, INC.

By: _____
MICHAEL BATTISTI, President

**HEARTLAND ESTATES
HOMEOWNERS ASSOCIATION, INC.**

By: _____
MICHAEL BATTISTI, President

STATE OF NEW YORK)
COUNTY OF MONROE)

On the _____ day of _____, _____, before me, the undersigned, personally appeared **MICHAEL BATTISTI**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to

me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument

NOTARY PUBLIC

STATE OF NEW YORK)
COUNTY OF MONROE)

On the _____ day of _____, _____, before me, the undersigned, personally appeared **MICHAEL BATTISTI**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

SCHEDULE "A"

All that tract or parcel of land situate in the Village of Webster, County of Monroe and State of New York, being part of Town Lot No. 24 in Section 12 of Township 13, Range 4 and also being part of Town Lot No. 1 in Section 12 of Township 14, Range 4 and being more particularly bounded and described as follows:

Beginning at the point of intersection of the south street line of East Main Street (66' wide right of way) with the west right of way line of Phillips Road (80' wide right of way); thence the following three (3) courses along the west right of way line of Phillips Road: (1) south $54^{\circ} 13' 47''$ east a distance of 49.79 feet to a point; (2) south $02^{\circ} 42' 45''$ east a distance of 670.74 feet to a point; (3) south $02^{\circ} 41' 21''$ east a distance of 216.17 feet to a point; thence (4) south $85^{\circ} 03' 10''$ west a distance of 401.17 feet to a point; thence (5) north $00^{\circ} 34' 00''$ west a distance of 65.75 feet to a point; thence (6) north $00^{\circ} 03' 03''$ east a distance of 557.48 feet to a point; thence (7) north $00^{\circ} 25' 52''$ west a distance of 236.00 feet to a point in the south street line of said East Main Street; thence (8) north $74^{\circ} 11' 38''$ east and along the south street line of said East Main Street a distance of 331.88 feet to the point of beginning.

All as shown on a subdivision map entitled "Heartland Estates" filed in Monroe County Clerk's Office on the 17th day of April, 2000 in Liber 304 of Maps, page 4.

Excepting and reserving therefrom, Block Nos. 1-13 inclusive as shown on said subdivision map.

Also excepting and reserving therefrom, all that tract or parcel of land situate in the Village of Webster, County of Monroe and State of New York, being part of Town Lot No. 1 in Section 12 of Township 14, Range 4 and being more particularly bounded and described as follows:

Commencing at the point of intersection of the south street line of East Main Street (66' wide right of way) with the west right of way line of Phillips Road (80' wide right of way); thence (A) south $54^{\circ} 13' 47''$ east a distance of 49.79 feet to a point; thence (B) south $02^{\circ} 42' 45''$ east and along the west right of way line of said Phillips Road a distance of 350.11 feet to the point of beginning of the parcel described herein; thence (1) continuing south $02^{\circ} 42' 45''$ east and along the west right of way line of said Phillips Road a distance of 120.00 feet to a point; thence (2) northwesterly and along a curve to the left having a radius of 30.00 feet and a central angle of $90^{\circ} 00' 00''$ an arc length of 47.12 feet to a point; thence (3) south $87^{\circ} 17' 15''$ west a distance of 120.00 feet to a point; thence (4) southwesterly and along a curve to the left having a radius of 30.00 feet and a central angle of $90^{\circ} 00' 00''$ an arc length of 47.12 feet to a point; thence (5) south $02^{\circ} 42' 45''$ east a distance of 36.10 feet to a point; thence (6) southeasterly and along a curve to the left having a radius of 420.00 feet and a central angle of $09^{\circ} 00' 00''$ an arc length of 65.97 feet to a point; thence (7) south $11^{\circ} 42' 45''$ east a distance of 5.81 feet to a point; thence (8) southeasterly and along a curve to the left having a radius of 50.00 feet and a central angle of $49^{\circ} 13' 38''$ an arc length of 42.96 feet to a point; thence (9) southwesterly and along a curve to the right having a radius of 72.50 feet and a central angle of $278^{\circ} 27' 16''$ an arc length of 352.35 feet to a point; thence (10) northeasterly and along a curve to the right having a radius of 50.00 feet and a central angle of $49^{\circ} 13' 38''$ an arc length of 42.96 feet to a point; thence (11) north $11^{\circ} 42' 45''$ west a distance of 5.81 feet to a point; thence (12)

northeasterly and along a curve to the right having a radius of 480.00 feet and a central angle of $09^{\circ} 00' 00''$ an arc length of 75.40 feet to a point; thence (13) north $02^{\circ} 42' 45''$ west a distance of 240.71 feet to a point; thence (14) northwesterly and along a curve to the left having a radius of 120.00 feet and a central angle of $36^{\circ} 05' 37''$ an arc length of 75.59 feet to a point; thence (15) north $38^{\circ} 48' 22''$ west a distance of 45.92 feet to a point; thence (16) northeasterly and along a curve to the right having a radius of 95.00 feet and a central angle of $23^{\circ} 00' 00''$ an arc length of 38.14 feet to a point; thence (17) north $15^{\circ} 48' 22''$ west a distance of 27.10 feet to a point; thence (18) south $74^{\circ} 11' 38''$ west a distance of 54.23 feet to a point; thence (19) north $00^{\circ} 25' 52''$ west a distance of 65.00 feet to a point in the south right of way line of said East Main Street; thence (20) north $74^{\circ} 11' 38''$ east and along the south right of way line of said East Main Street a distance of 123.99 feet to a point; thence (21) south $15^{\circ} 48' 22''$ east a distance of 62.00 feet to a point; thence (22) south $74^{\circ} 11' 38''$ west a distance of 26.99 feet to a point; thence (23) south $15^{\circ} 48' 22''$ east a distance of 27.78 feet to a point; thence (24) southwesterly and along a curve to the left having a radius of 35.00 feet and a central angle of $23^{\circ} 00' 00''$ an arc length of 14.05 feet to a point; thence (25) south $38^{\circ} 48' 22''$ east a distance of 45.92 feet to a point; thence (26) southwesterly and along a curve to the right having a radius of 180.00 feet and a central angle of $36^{\circ} 05' 37''$ an arc length of 113.39 feet to a point; thence (27) south $02^{\circ} 42' 45''$ east a distance of 84.61 feet to a point; thence (28) southeasterly and along a curve to the left having a radius of 30.00 feet and a central angle of $90^{\circ} 00' 00''$ an arc length of 47.12 feet to a point; thence (29) north $87^{\circ} 17' 15''$ east a distance of 120.00 feet to a point; thence (30) northeasterly and along a curve to the left having a radius of 30.00 feet and a central angle of $90^{\circ} 00' 00''$ an arc length of 47.12 feet to the point of beginning.

Hereby intending to describe McKay Drive, Rayfield Circle and a portion of Hilfiker Lane, all of which are to be dedicated to the Village of Webster, as shown on the above referenced subdivision map of Heartland Estates.



THE SEAR-BROWN GROUP
 FULL-SERVICE DESIGN PROFESSIONALS

85 METRO PARK
 ROCHESTER, NEW YORK 14623-2674

716-475-1440 FAX: 716-272-1814

May 12, 2000

State of New York
 Department of Law
 120 Broadway – 23rd Floor
 New York, NY 10271

RE: Heartland Estates Homeowners Association, Inc.
 Village of Webster, County of Monroe, State of New York

To Whom it May Concern:

The Sponsor of the above-captioned Offering Plan for the Heartland Estates Homeowners Association, Inc., has retained our firm to prepare a report describing the property when constructed (the "Report"). These items include private driveways, sanitary sewer system, storm sewers and other utilities. The design and construction of these facilities conform to the standards and specifications of the Village of Webster. We prepared the Report dated May 12, 2000, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report.

The roadways shall be constructed as specified by the Village of Webster and will be dedicated to the Village of Webster. All other paved areas will be maintained by the Homeowners Association.

The sanitary disposal needs of this facility shall be serviced by a sanitary sewer system. The sanitary and storm sewer system shall be constructed in accordance with the Monroe County Pure Waters District and Village of Webster, respectively. The mainline sanitary sewer shall be dedicated to the Monroe County Pure Waters District and the mainline storm sewer will be dedicated to the Village of Webster. The individual laterals shall be owned and maintained by the homeowner. Each home will be serviced by a 4" PVC storm and sanitary lateral. All surface drainage from the roads and lawn areas will be collected by the storm sewer system and conveyed to an on-site detention facility. Lawn maintenance of this facility shall be the responsibility of the Homeowners Association.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 22 insofar as they are applicable to this report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification.

SEAR-BROWN

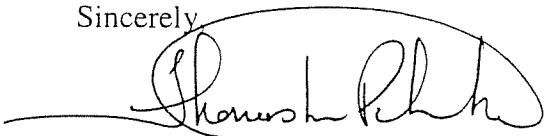
NYS Dept. of Law
05/12/00
Page 2

We certify the Report does:

- (i) Set forth in narrative form the significant elements of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;
- (ii) In our opinion afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of their property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;
- (iii) Not omit any material fact;
- (iv) Not contain any untrue statement of material fact;
- (v) Not contain any fraud, deception, concealment, or suppression;
- (vi) Not contain any promise or representation or statement which is false, where we (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have the knowledge concerning the representation or statement made;

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing this Report is not contingent on the profitability or price of the Offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Sincerely,



Thomas M. Palumbo, P.E.
Associate

Professional Engineer
License #065050
NYS Education Law

DESCRIPTION OF ROADWAYS AND UTILITIES

May 12, 2000

LOCATION

Heartland Estates is located at the southwest corner of East Main Street (NYS Route 404) and Phillips Road (County Route 8) in the Village of Webster, County of Monroe, State of New York.

BUILDINGS, STREET

There are no buildings or other structured planned within the project area. The development includes 41 townhouse units located on 7.77± acres.

The proposed roadway within Heartland Estates will be dedicated to the Village of Webster. The public roads will be constructed in accordance with the specifications of the Village of Webster. The road will be twenty nine (29) feet wide with a twenty four (24) foot pavement section and two and one half (2 1/2) foot gutters on each side. The road section will consist of twelve (12) inches of stone base, three (3) inches of asphalt binder and one (1) inch of asphalt top course.

The public road(s) will be owned and maintained by the Village of Webster. The maintenance of the roadway normally includes such items as snow plowing, pavement repairs and period resurfacing.

SANITARY SEWER

The sanitary sewer system will be built in accordance with the specifications of the Monroe County Pure Waters District. Each townhouse unit will have four (4) inch PVC sanitary lateral connected to an eight (8) inch PVC sanitary sewer to be owned and maintained by Monroe County Pure Waters District. The sanitary lateral for each townhouse will be maintained by the Homeowner's Association.

STORM DRAINAGE SYSTEM

The storm drainage system will be built in accordance with the Village of Webster specifications. Each unit will have separate storm laterals for the foundation drainage. Owners of each unit will be responsible for the installation of a sump pump, if necessary, to drain water from the sump pump in the basement to the storm drain provided in each unit. The street drainage will be collected by the concrete gutters on each side of the roadway. The concrete gutters will have catch basins with connecting pipes to the storm mains. All proposed storm mains, manholes and catch basins shall be maintained by the Village of Webster.

The storm lateral and collection pipe between the building and storm main will be maintained by the Association. A majority of the storm water will drain to the proposed pond located at the northeast corner of the project. Maintenance of the dedicated storm system shall be the responsibility of the Village of Webster.

The water distribution system will be built in accordance with the Village of Webster Water Department standards. The system will provide water for domestic and fire fighting purposes. The watermains, hydrants, valves and appurtenances will be owned and maintained by the Village of Webster Water Department. The water service for each unit will be maintained by each individual unit owner. Water will be separately metered to each townhouse unit and billed by the Village of Webster Water Department to each owner.

MISCELLANEOUS UTILITIES

Electricity will be provided by Rochester Gas & Electric Corporation (RG&E). RG&E will be responsible for electric cables, transformers and services to each townhouse unit. The Village of Webster will be responsible for the maintenance of the street lights. Electric consumption will be metered by RG&E and will bill the Village of Webster directly.

Telephone service will be provided to each individual townhouse unit by Frontier Communications. Frontier owns and maintains all underground lines.

Individual units are planned to be wired for cable television connections, but all owners have the option of connecting with the cable company for cable service.

Prepared by:

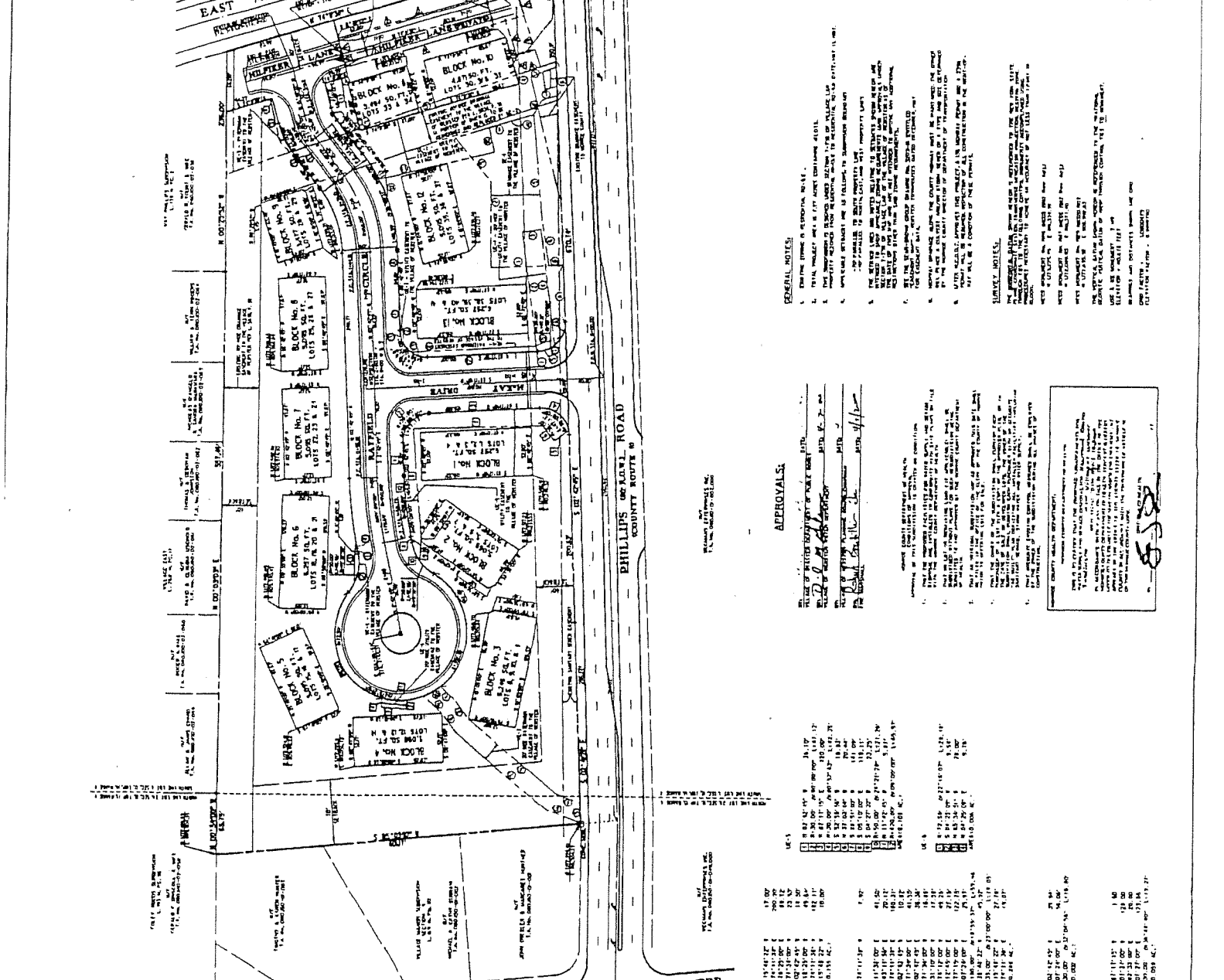
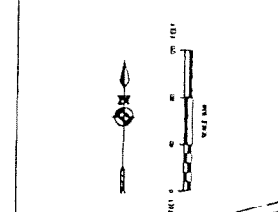
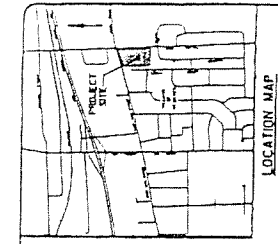


Thomas M. Palumbo, P.E.
NYS Professional Engineer #065050



LOT 24, SECTION 12, TOWNSHIP 15, RANGE 4, LOT 1, SECTION 12, TOWNSHIP 14, RANGE 4, PHELPS & GORHAM PURCHASE. FAR ACCOUNT NO. 08240-01-00

NO.	DESCRIPTION	AMOUNT
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Block	Lot	Area	Value
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1	2	10,000	100,000
1	3	10,000	100,000
1	4	10,000	100,000
1	5	10,000	100,000
1	6	10,000	100,000
1	7	10,000	100,000
1	8	10,000	100,000
1	9	10,000	100,000
1	10	10,000	100,000
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1	99	10,000	100,000
1	100	10,000	100,000

GENERAL NOTES

1. THE PLANS ARE PREPARED BY THE ARCHITECT AND ENGINEER.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS.
3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY UTILITIES INFORMATION.
4. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY SURVEY INFORMATION.
5. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY EROSION CONTROL INFORMATION.
6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY TRAFFIC CONTROL INFORMATION.
7. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY CONSTRUCTION INFORMATION.
8. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY SAFETY INFORMATION.
9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY ENVIRONMENTAL INFORMATION.
10. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY HISTORIC PRESERVATION INFORMATION.

MARKER NOTES

1. ALL MARKERS SHALL BE PLACED AT THE CORNERS OF THE LOTS AND BLOCKS.
2. ALL MARKERS SHALL BE PLACED AT THE INTERSECTIONS OF THE LOTS AND BLOCKS.
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9. ALL MARKERS SHALL BE PLACED AT THE INTERSECTIONS OF THE LOTS AND BLOCKS.
10. ALL MARKERS SHALL BE PLACED AT THE INTERSECTIONS OF THE LOTS AND BLOCKS.

APPROVALS

STATE OF MISSOURI
COUNTY OF CLICK

APPROVED AND AUTHORIZED FOR THE ARCHITECT AND ENGINEER:

APPROVED AND AUTHORIZED FOR THE SUBDIVISION:

APPROVED AND AUTHORIZED FOR THE COUNTY:

APPROVED AND AUTHORIZED FOR THE STATE:

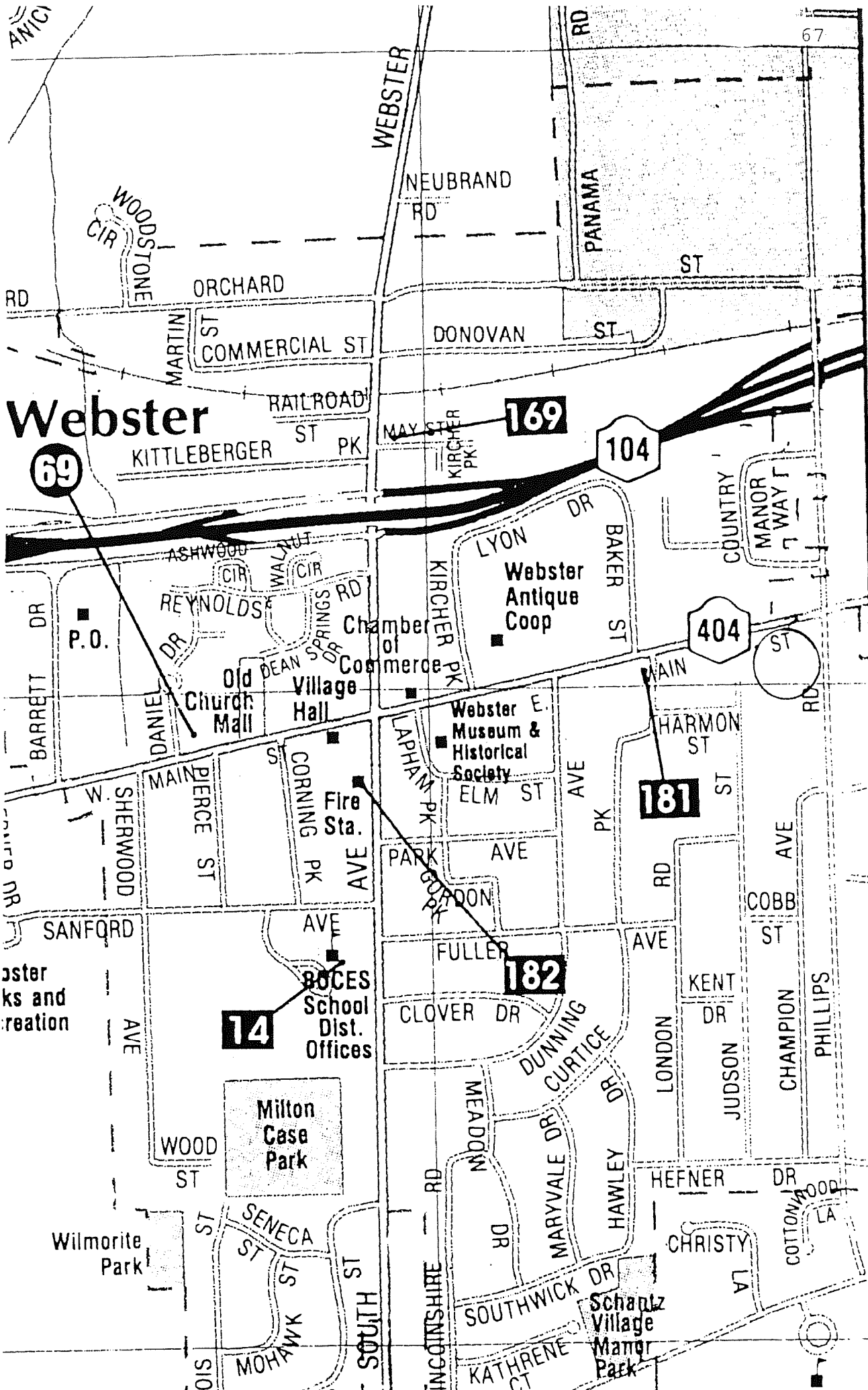
STATE OF MISSOURI
COUNTY OF CLICK

APPROVED AND AUTHORIZED FOR THE ARCHITECT AND ENGINEER:

APPROVED AND AUTHORIZED FOR THE SUBDIVISION:

APPROVED AND AUTHORIZED FOR THE COUNTY:

APPROVED AND AUTHORIZED FOR THE STATE:



Webster

69

169

104

404

181

182

14

Webster
parks and
recreation

Milton
Case
Park

Wilmore
Park

Webster
Antiquique
Coop

Webster E.
Museum &
Historical
Society

Chamber
of
Commerce

Fire
Sta.

BOCES
School
Dist.
Offices

Schantz
Village
Manor
Park

ANIC RD
WOODSTONE CIR
ORCHARD RD
MARTIN ST
COMMERCIAL ST
DONOVAN ST
PANAMA ST
NEUBRAND RD
KIRCHER PK
MAY ST
KIRCHER PK
KITTLEBERGER ST
RAILROAD ST
ASHWOOD CIR
WALNUT CIR
REYNOLDS DR
BEAN SPRINGS RD
Village Hall
Old Church Mall
P.O.
BARRETT DR
DANIEL DR
SHERWOOD ST
PIERCE ST
CORNING PK
LAPHAM PK
W. WOOD ST
SANFORD AVE
WOOD ST
SENECA ST
MOHAWK ST
SOUTH ST
INCINNESHIRE RD
MEADOW DR
MARYVALE DR
DUNNING DR
CURTICE DR
HAWLEY DR
LONDON RD
KENT DR
JUDSON ST
CHAMPION AVE
PHILLIPS AVE
COBB ST
HARMON ST
ELM ST
AVE
PK
RD
ST
COUNTRY MANOR WAY
BAKER ST
LYON DR
WILMORITE PARK

MANAGEMENT AGREEMENT

AGREEMENT commencing the _____ day of _____, 2000 by and between **HEARTLAND ESTATES HOMEOWNERS ASSOCIATION, INC.**, a New York Not-For-Profit corporation (hereinafter called the "Association") and **HEARTLAND ESTATES, INC.**, a New York corporation (hereinafter called "Heartland Estates, Inc.").

WITNESSETH:

In consideration of the terms, conditions and covenants hereinafter set forth, the parties hereto mutually agree as follows:

1. The Association hereby appoints Heartland Estates, Inc. and Heartland Estates, Inc. hereby accepts appointment pursuant to the terms and conditions herein provided, as exclusive managing agent of the Association property and facilities in the Village of Webster, County of Monroe and State of New York.
2. The authority and duties conferred upon Heartland Estates, Inc. herein are confined to: The Association property and facilities as defined the recorded Declaration of Covenants, Conditions and Restrictions (hereinafter called the "Declaration").
3. The Association shall furnish Heartland Estates, Inc. with a complete set of the plans and specifications of the Association property and facilities; with the aid of these documents, Heartland Estates, Inc. will inform itself with respect to the layout, construction, character, plan and operation of the Association property and facilities.
4. Heartland Estates, Inc. shall render services and perform duties as follows:
 - A. Maintain businesslike relations with members.
 - B. Cause the Association's property and facilities to be maintained according to standards acceptable to the Association's Board of Directors.
 - C. As may be requested or required by the Board, take such action as the Board deems necessary to comply with any and all orders or requirements affecting the Association's property and facilities by the federal, state, county or city authority having jurisdiction thereover. Heartland Estates, Inc. shall promptly, and in no event later than 72 hours from the time of their receipt, notify the President of the Association in writing of all such orders and notices of requirements.
 - D. Negotiate all contracts as Agent for the Association for road maintenance, repair or replacement, landscaping, snow removal and other necessary services pertaining to the Association's property and the facilities as the Board of Directors may deem advisable. All such

contracts shall be made in the name of the Association, may be reviewed by the Association's attorney at the Association's expense and shall be signed by an officer of the Association.

E. Heartland Estates, Inc. shall place orders for such equipment, tools, materials and supplies as are necessary to properly maintain the Association's property and facilities. Expenses incurred for such purchases shall not exceed \$500 per occurrence unless specifically authorized by the Association's Board of Directors.

F. Insurance:

(i) Investigate and seek out bids or quotes from licensed insurers for all necessary forms of insurance as in the opinion of the Board may be required by the Declaration or otherwise be appropriate. The insurance coverage required shall be placed with such companies, in such amounts, and with such beneficial interests appearing therein as shall be acceptable to the Association's Board of Directors.

(ii) Investigate and maintain reports of all accidents or claims for damage as reported to it relating to the management, operation and maintenance of the Association's property and facilities, including any damage or destruction thereof and the estimated cost of repair, and shall cooperate and make any and all reports required by any insurance company in connection therewith.

G. Maintain the Association's records, books and accounts. As a standard practice, Heartland Estates, Inc. shall render to the Association a statement of revenue and expense, and a balance sheet, as of the end of every quarter. Annually, such records, books and accounts shall be audited or reviewed and appropriate tax returns prepared by a Certified Public Accountant, acceptable to the Association's Board of Directors, whose report shall be submitted to the Association's Board of Directors.

H. Collect and, as necessary, receipt for all monthly assessments and other charges due the Association. The only responsibility that Heartland Estates, Inc. has for the collection of delinquent assessments is as follows:

(i) Send a delinquency notice during the first delinquent month;

(ii) Prepare and file a lien if no response or payment is received by the 15th day of the following month; the Association hereby authorizes Heartland Estates, Inc. to file such liens.

I. Designate one of its employees as property manager for the Association; such employee shall attend quarterly meetings of the Board of Directors and the Annual Meeting of the members of the Association. For additional meetings of the Board with the property manager or with other Heartland Estates, Inc. management personnel, Heartland Estates, Inc. shall charge the Association at an hourly rate not to exceed \$15.00 per hour, which rate may be

lessened or waived depending on the employee, the frequency, location and/or the time of the day and day of the week of such meeting(s).

5. Everything done by Heartland Estates, Inc. under the provisions of Article 4 shall be done as Managing Agent contracted by the Association, and all obligations or expenses incurred thereunder shall be for the account, on behalf, and at the expense of the Association including, but not limited to, attorneys' fees and/or fees to Certified Public Accountants. Heartland Estates, Inc. shall not be obligated to make any advance to or for the Association or to pay any sum, except of funds held or provided as aforesaid, nor shall Heartland Estates, Inc. be obligated to incur any liability or obligation for the account of the Association without assurance that the necessary funds for the discharge thereof will be provided. Heartland Estates, Inc. may reimburse itself for any portion of its overhead expenses, administrative expenses, managerial or reasonable secretarial and bookkeeping expenses. Materials for repairs, postage, long distance telephone calls and supply expenses are Association expenses and Heartland Estates, Inc. is further authorized to reimburse itself for such expenses. Other services which are not included in the management fee may be available from Heartland Estates, Inc. at fees mutually agreeable to both parties.

6. Notwithstanding the provisions of this Agreement regarding Heartland Estates's general management responsibilities, the services provided by Heartland Estates, Inc. do not include research or bidding of any capital improvements for any items.

7. Heartland Estates, Inc. shall establish and maintain, in a bank or banks whose deposits are insured by an agency of the United States Government, separate bank accounts in the name of the Association for the deposit of moneys of the Association, with exclusive authority to draw thereon for any payments to be made by Heartland Estates, Inc. to discharge any liabilities or obligations incurred pursuant to this Agreement and for payment of Heartland Estates' fee.

8. A. The compensation which Heartland Estates, Inc. shall be entitled to receive for services performed under this Agreement shall be a fee payable monthly, in advance, in the following amounts: \$15.00 per unit per month.

B. The Association shall give 60 days' notice of its intention to enter or not enter into a new contract with Heartland Estates, Inc. at the end of the term.

9. Termination:

A. This Agreement shall be effective as of the date first above written and unless terminated as provided below shall continue in effect for a period of two years.

B. Early Termination:

(i) This Agreement may be terminated by mutual consent in writing of the parties hereto as of the end of any calendar month.

(ii) In the event a petition of bankruptcy is filed by or against Heartland Estates, Inc. or the Association or in the event that either party shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party may terminate this Agreement without notice to the other. In the event this Agreement is terminated pursuant to this sub-paragraph, the Association shall immediately and automatically have a lien upon all funds held by Heartland Estates, Inc. for the benefit of the Association in accordance with the terms of the Agreement. The Association's Board of Directors shall have the right and power to do all things necessary for the enforcement and foreclosure of said lien;

(iii) In the event of a material breach of this Agreement by Heartland Estates, Inc. or the Association, the party believing the Agreement to have been breached shall give written notice thereof to the other party and if such breach is not cured within a period of 30 days following the receipt of such notice then the aggrieved party may cancel this Agreement. Notwithstanding the foregoing, a party shall not be deemed in breach hereof so long as it has attempted to commence the cure thereof in good faith but is prevented from doing so by acts of God, acts of government, or, without limitation by reason of the foregoing enumeration, other circumstances beyond its control. The delay caused by such events shall be added to the 30 day period.

10. As used in this Agreement:

A. The term "Assessments" shall mean those monthly rates, or one-time charges, established by the Association's Board of Directors which the members are bound to pay as their share of common expenses under the Declaration.

B. The term "Association" means, as used herein, a corporation existing of all of the owners of lots in the development, organized and existing under the laws of the State of New York.

11. A. This Agreement shall inure to the benefit of and constitute a binding obligation upon the contracting parties, their respective successors and assigns.

B. This Agreement shall constitute the entire Agreement between the contracting parties, and no variance or modification thereof shall be valid and enforceable, except by supplemental agreement in writing, executed and approved in the same manner as this Agreement, and shall be construed according to New York State Law.

C. For the convenience of the parties, the Agreement has been executed in several counterparts, which are in all respects similar and each of which is deemed to be complete in itself so that anyone may be introduced in evidence for any other purpose without the production of the other counterpart.

12. This Agreement shall not be assignable or transferable by any party hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective the day and year first above written.

**HEARTLAND ESTATES
HOMEOWNERS ASSOCIATION, INC.**

By: _____
MICHAEL BATTISTI

HEARTLAND ESTATES, INC.

By: _____
MICHAEL BATTISTI, President

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

THIS DECLARATION, made on the date hereinafter set forth by **HEARTLAND ESTATES, INC.**, a domestic corporation, with offices located at 17 Mondavi Circle, Spencerport, Monroe County, New York, 14559, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the Village of Webster, County of Monroe and State of New York, which is more particularly described on Schedule A attached hereto and made a part hereof.

WHEREAS, Heartland Estates Homeowners Association, Inc. is a New York Not-for-Profit corporation formed for the purpose of exercising the aforesaid functions.

NOW, THEREFORE, Declarant hereby declares that all of the properties described in the attached Schedule A shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof. Such property includes all of the lots and the designated common areas.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Heartland Estates Homeowners Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinafter described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 5. "Unit" shall mean and refer to all dwellings of residential housing situated upon the properties.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common area.

Section 7. "Declarant" shall mean and refer to **HEARTLAND ESTATES, INC.**, a domestic corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easement of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the common area, including any necessary rights of ingress and egress to owners' property over the common area, which easement shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

A. The right of the Association to dedicate or transfer all or any part of the common area 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 or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 75% of each class of members and their mortgagees, agreeing to such dedication or transfer, has been recorded.

B. The right of the Association, pursuant to its By-Laws, to adopt Rules and Regulations governing the use of the common area, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

C. The right of invitees and business visitors of any owner to ingress and egress

over those portions of the common areas that lie within the dedicated road.

D. The driveways are restricted common areas, and the use of each driveway is restricted to the owner of the unit which is served by the driveway.

ARTICLE III

EASEMENTS

Section 1. Easements for Utilities. Declarant reserves the right to grant easements, both temporary and permanent, to all public authorities and utility companies over any part of the properties, provided that such easements do not encroach upon the improvements.

Section 2. Easements for Encroachments. Each lot, and the property included in the common area, shall be subject to an easement for encroachments created by construction, settling and overhangs for all buildings, and by driveways and pedestrian ways constructed by Declarant. A valid easement for said encroachments, and for the maintenance of same, so long as such encroachments stand, shall and does exist. In the event that any structure containing two or more living units is partially or totally destroyed and then rebuilt, or is in need of repair, the owners of the living units so affected agree that such unit or portions thereof shall stand upon the same place as the original unit, thereby preserving the original easement and encroachment, and further agree that minor encroachments of parts of the adjacent living units on adjoining lots or on the common area due to such reconstruction or repair shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist.

Section 3. Other Easements. There is hereby created a blanket easement upon, across, over and under all of the properties, excluding those areas which are improved by residences, for ingress, egress, installation, replacement, repair and maintenance of all utilities, including but not limited to water, sewers, gas, telephones and electricity, and a master cable television system. By virtue of this easement it is expressly permissible to erect and maintain the necessary transformers or other equipment on the properties, and to affix and maintain underground electrical or telephone wires and conduits, sewer and water lines on land owned by an owner. An easement is hereby granted to the Association, its officers, agents, employees, including

employees of any management company having a contract with the Association over all of the areas of common use, to perform the duties of maintenance and repair of the residences or areas of common use, to maintain any utilities for which an easement has been granted and to prevent damage to any other residence. An easement is hereby reserved to Declarant to enter the areas of common use during the period of construction and sale of the properties, or any additions to the properties, and to maintain such facilities and perform such operations as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the construction and sale of residences, including, without limitation, a business office, sales office, storage area, construction yards, signs and model units, provided that this does not unreasonably obstruct access by members of the Association.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners, with the exception of Declarant. Each Class A member shall be entitled to one vote. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as the owners among themselves determine, but in no event shall more than one vote be cast with respect to any lot, nor shall any member be entitled to more than one vote regardless of the number of lots owned by that member.

Class B. The Class B members shall be the Declarant, its successors or assigns, and shall be entitled to one vote for so long as one lot is owned by Declarant. The Class B membership shall cease and be converted to Class A membership when title to all 41 units have been transferred, or five years after the first unit has been conveyed by Declarant, whichever occurs first. Class A members shall not be entitled to vote for members of the Board of Direc-

tors until after all 41 units have been transferred or five years after the first unit is transferred, whichever occurs first.

ARTICLE V

COVENANT FOR ANNUAL OR SPECIAL ASSESSMENT

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the properties, hereby covenants, and each owner of any lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The covenant in this Section shall not constitute a guarantee, 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 attorney's fees, shall be a charge on 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 attorney's 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 assessment shall not pass to the owner's successors in title unless expressly assumed by them.

Notwithstanding the provisions of this Article V, the Declarant shall be obligated to pay only the difference between the amount collected on completed units (which amount will not exceed the budgeted amount per completed unit) and the actual cost of operation for the Association. In addition, the Declarant shall pay the capital improvement charges only for completed units.

Section 2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively (1) to operate, maintain, repair, improve, construct, reconstruct and preserve, on a non-profit basis, the common area owned by the Association, and the payment of the real estate taxes on the common area exclusively for the benefit of its members, their guests, tenants

and invitees; and (2) to maintain, repair, reconstruct, replace and preserve, on a non-profit basis the lots, and the improvements constructed thereon, for the purpose of preserving the exterior appearance and configuration of said lots and units, including, but not limited to, foundations, all exterior (outside) walls, including window casements (excluding, nevertheless, all glass replacements or breakage and window screens and excluding window cleaning), exterior chimney and exterior doors (excluding, nevertheless, storm and screen doors), roof and roof members, facia and exterior trim, gutters and down spouts, driveways, walks, trees, shrubs and grasses and other exterior improvements. In order for an owner to replace or repair a storm door or screen door, the design, color and manufacturer must be approved by the Association. Except for the structural portion of the exterior walls and roof members, there shall be no obligation on the part of the Association to maintain, repair, reconstruct, replace or preserve any part of the interior of any unit or any fixtures or mechanical system (including but not limited to heating, including chimney, lighting, plumbing, air conditioning) for any owner. The above obligation shall not include any maintenance, repairs or replacements caused by fire or other casualty to a unit, except as provided under Article VII, Section 3 and Article XI.

Section 3. Date of Commencement of Annual Assessments and Due Dates. The assessments provided for herein shall be fixed from time to time, but at least annually, and shall commence as to all lots on the 1st day of the month following the recording of this Declaration, and shall be prorated on the basis of the Estimated Budget for the first year, published in the Offering Plan, according to the number of months remaining in the fiscal year. The Board of Directors shall fix the amount of subsequent assessments from time to time, but at least annually, for each lot at least 30 days in advance of the annual assessment period. Written notice of the assessment shall be sent to every owner subject thereto. The due dates shall be 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. 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 certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area, and the lots, or any of them, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members, present in person or by proxy, at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 of this Article V shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. The presence of members, in person or by proxy, entitled to cast two-thirds (2/3) of all the votes of the membership shall constitute a quorum.

Section 6. Uniform Equal Rate of Assessment. Both annual and special assessments must be fixed at a uniform equal rate for all lots and may be collected on a monthly basis.

Section 7. Effect of Non-Payment of Assessment and Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within 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 attorney's fees of any such action shall be added to the amount of such assessment. Each such owner, by his acceptance of 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 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 nonpayment 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, abandonment of his lot, or by renunciation of membership in the Association. An owner may give to the Association, nevertheless, subject to acceptance thereof by the Association, a deed in lieu of foreclosure.

Section 8. 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 foreclosure of any first mortgage, or by deed in lieu of foreclosure, given as above provided, shall extinguish the lien of such assessments as to payments which were due prior to the foreclosure sale and transfer. No foreclosure sale or transfer shall relieve such lot owner from liability for any assessments thereafter becoming due or relieve the lot from the lien thereof.

Section 9. Reserves and Surplus. The Association's Board may establish, from time to time, reserves for such lawful purposes as in its sole discretion it may determine necessary to be desirable for the greater financial security of the Association and the effectuation of its purposes. 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; nor shall the Association be obligated to apply any such surplus to the reduction of the amount of the annual assessment in the succeeding year, but may carry forward the same from year to year.

Section 10. Contractual Authority. The Association shall be entitled to contract with any corporation, firm or other entity in the performance of the various duties imposed on the Association hereunder and the performance by any such entity shall be deemed the performance of the Association hereunder.

Section 11. In spite of any provision to the contrary in this Article V, the Declarant shall not be liable for the payment of common charges for any unsold lots owned by it, unless and until said lots are improved by completed units. For purposes of this section, a completed unit shall be a unit for which a Certificate of Occupancy has been issued by the Village of Webster. The Declarant shall, however, contribute to the Association the amount equal to the difference between the cost of operating the Association and the assessments collected from owners as set forth in the projected budget. Similarly the Declarant shall not be obligated to make any capital contribution except for the units which have been completed and are retained by Declarant.

ARTICLE VI

EXTERIOR MAINTENANCE

Section 1. Common Area Maintenance. The Association shall repair and maintain the areas of common use, including driveways, a private drive and all landscaped areas, maintain, repair and replace all pipes, wires and conduits located in the areas of common use for which a utility company or other entity is not responsible. The Association shall also be responsible for the maintenance of all shrubbery and other plants installed by the Association.

Section 2. Exterior Building Maintenance. In addition to maintenance of the common area, the Association shall provide exterior maintenance upon each building which is subject to assessment hereunder as follows: Paint, repair, replace and care of roofs, gutters and down spouts. The Association shall also be responsible for maintenance and snow removal of the driveways and the private drive, maintenance and repair of the walks, driveways, the private drive and facilities comprising the common areas and landscaping. Such exterior maintenance shall not include any patios, glass surfaces, screens, screen for storm doors or exterior lighting

on units. In the event that the need for maintenance or repair is caused through the willful or negligent act of the owner, his family, guests or invitees, the costs of such maintenance and repairs shall be added to and become part of the assessment to which such lot is subject. The homeowner shall be individually responsible for the watering of the lawn and shrubbery surrounding his individual unit.

ARTICLE VII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the units upon the properties and placed on the dividing line between the lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements

Section 5. Party Wall Rights Run with the Land. The rights of support, quiet enjoyment, entry to repair or restore and contribution for the cost of the same which are described in this Article shall run with the land and shall bind the heirs, successors and assigns of each

owner.

Section 6. Right of Contribution Runs with Land. The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

Section 7. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. Judgment upon the award of the arbitrator may be taken in any court of law with jurisdiction thereof.

Section 8. Easements and Encroachments. Each lot owner whose unit contains a party wall shall have an easement to enter upon the adjoining lot to effect repairs or maintenance of the party wall. In any event where it is necessary for a lot owner, its authorized employees, contractors or agents, to enter upon a lot owned by another for purposes of maintaining a party wall, such right shall be exercised upon reasonable notice to the adjoining lot owner, shall be limited to reasonable times and shall be exercised so as not to impair enjoyment of said adjacent lot. In addition, reference is made to Article III, Section 3, hereof which also applies to party walls.

ARTICLE VIII

USE OF PROPERTY

The use of a unit by a member or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Directors and the following covenants and restrictions:

A. Each member's unit and lot shall be maintained in good repair and overall appearance.

B. Any member who mortgages or sells his unit shall notify the Board of Directors providing the name and address of his mortgagee or new owner.

C. The Board of Directors shall, at the request of the mortgagee of the unit, report any

delinquent assessments due from the owner of such unit.

D. No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents.

E. No improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances, the regulations of all governmental bodies having jurisdiction thereof, shall be observed.

F. Regulations promulgated by the Board of Directors concerning the use of the property shall be observed by the members, provided, however, that copies of such regulations are furnished to each member prior to the time the said regulations become effective.

G. The maintenance and special assessments shall be paid when due.

H. No owner or resident shall keep or maintain any animals or birds except a single dog or cat or birds (if caged). No owner or resident shall allow any pet to run free on the common areas. Pets on the common areas shall be on leash and accompanied by an adult. Owners shall be responsible for picking up after pets.

I. No resident of a unit shall post any advertisement or posters for business, commercial or political purposes of any kind in or on the properties except as authorized by the Board of Directors. This paragraph shall not apply to Declarant.

J. No fence, gate, dog houses or other temporary or permanent structures of any kind and nature will be erected on the properties without the prior written consent of the Board of Directors. This paragraph shall not apply to Declarant.

K. No television or radio antenna or any other type of receiving or transmitting antenna nor awnings or other projections or structure shall be attached or erected on the exterior of units or on any lot, except satellite receivers not exceeding 18" in diameter, which must be approved by the Board of Directors of the Homeowners Association.

L. No unit owner shall move, remove, add or otherwise change the landscaping on the properties.

M. No unit owner shall paint the exterior surfaces of windows, walls or doors opening out of his unit.

N. Unit owners are precluded from constructing in-ground or above-ground swimming pools and from storing boats, trailers, motorcycles, bicycles, motor homes, campers or motor vehicles of any kind other than a licensed private passenger type shall be parked on the premises except in the unit garage, nor shall any person park a motor vehicle or otherwise obstruct any resident's use of ingress or egress to any sidewalk, garage or driveway, nor may any motor vehicle be parked on the roadways when parking would obstruct access by emergency or service vehicles. No baby carriages nor bicycles shall be allowed to stand on the sidewalks, entrances, driveways or other common areas.

O. No unit owner shall install, or permit to be installed, any window mounted or through the wall mounted air conditioning unit in his unit.

P. No repair of motor vehicles shall be made in any of the roadways, driveways or common areas in the development nor shall such areas be used for storage parking of any boat, trailer, camper, bus, truck or commercial vehicle without the written permission of the Board of Directors.

Q. No unit owner shall make or permit any disturbing noises in any building or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other unit owners.

R. Units may be used for residential purposes only.

S. The common area shall not be obstructed, littered, defaced or misused in any manner.

T. Every member shall be liable for any and all damage to the common area and the property of the Association which shall be caused by said owner or such other person for whose conduct he is legally responsible.

U. No interior alterations to a home are permitted which would impair the structural soundness of any party walls, reduce the levels of fire safety in neighboring units or diminish

the heat and sound insulation between units.

V. It is prohibited to install clothes poles, exterior antennas and other types of exterior items or to hang garments, rugs, etc., or to string clothes lines on any portion of the unit, lot or common area.

W. Garbage and Refuse Disposal. Except for building materials during the course of construction or repair of any approved improvements, no lumber, metals, bulk materials, wood piles, rubbish, refuse, garbage, trash or other waste material (all of which are referred to hereinafter as "Trash") shall be kept, stored or allowed to accumulate outdoors. All such trash shall be kept within the garage or in the owner's home. Trash containers may be placed in the open within 24 hours of a scheduled pick-up, at such place designated by the Board of Directors or the Architectural Committee so as to provide access to persons making such pick-up. The Board of Directors or the Architectural Committee may, in its discretion, adopt and promulgate reasonable rules and regulations relating to size, shape, color and type of containers permitted and the manner of storage of the same on any portion of the property.

X. Residential Use Only. Except as provided in Section 11 below, the property shall be used only for residential purposes and purposes incidental and accessory thereof except that so long as the Declarant holds for sale any lot or dwelling on the property, the Declarant may use one or more lots or other portions of the property for model homes and/or a real estate office.

Y. Commercial and Professional Activity on Property. No wholesale or retail business, including any salon, studio, laboratory, home industry or medical or dental office, shall be conducted in or on any lot or other portion of the property, except (i) by the Declarant in conjunction with the initial construction, development, lease and sale of lots and (ii) the conducting of business by telephone. This restriction is not intended to preclude the operation of an in-home office for purposes other than those set forth above.

Z. Clotheslines. No outdoor drying or airing of any clothing or bedding shall be permitted within the property unless authorized by the Board of Directors or the Architectural Committee.

ARTICLE IX
ARCHITECTURAL CONTROL

Section 1. No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an Architectural Committee composed of 3 or more representatives appointed by the Board.

In the event said Board, or its designated committee, fails to approve or disapprove such design and location within 30 days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE X
INSURANCE AND CASUALTY DAMAGE

Section 1. **Fire and Casualty Insurance.** The Association will obtain and maintain in force and effect a policy of fire and other casualty insurance, in an amount, and with such coverage, as is acceptable to the Association, and with coverage adequate to cover the full replacement cost of any repair or reconstruction work on the buildings. An annual evaluation shall be made by the Board of Directors to determine the adequacy of the insurance. Each owner will be issued a certificate from the master policy which will indicate the amount of coverage on the owner's unit and will name the owner and the Association as the insured. The premium for this fire and casualty insurance shall be billed to the Association and the cost thereof shall be included in the annual assessment to the owners.

In the event of damage or destruction by fire or other casualty insured against an owner's unit, the Association shall receive the proceeds of such insurance, and make such proceeds available to the owner for repair or replacement of the owner's unit. The owner shall, upon receipt of notification of the availability of insurance proceeds, repair or rebuild such damaged or

destroyed portions of the exterior of the owner's unit in a good workmanlike manner substantially the same as the original plans specifications as said unit. If the owner refuses or fails to repair or rebuild the exterior within 30 days, the Association may repair or rebuild such exterior, paying for the same from the insurance proceeds, and shall deliver to the owner any excess insurance proceeds.

If the insurance proceeds are insufficient to complete the repairs, the owner is required to reimburse the Association for the cost of such repairs or reconstruction, and the Association shall have a lien on the owner's unit to secure such reimbursement. The lien is enforceable in the same manner as the lien for annual assessments. In the event of a casualty loss, the owner will continue to pay the common charges of his unit.

Section 2. Liability Insurance. The Association shall obtain and keep in full force and effect a policy of general liability insurance on the areas of common use. The premium for this insurance shall be billed to the Association and the cost thereof shall be included in the annual assessment to the owners.

Each owner may desire to insure his personal affects and the interior of the unit for fire, and liability. Such insurance, if taken by the unit owner, will be paid by the owner directly.

ARTICLE XI

OTHER INSURANCE

The Board of Directors may also obtain such other insurance as it shall deem necessary or desirable from time to time, including "umbrella" catastrophe coverage.

The Board of Directors shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Directors may from time to time determine, covering each member of the Board of Directors, the managing agent and each unit owner. Such public liability coverage shall also cover cross liability claims of one insured against another.

Section 1. No Liability for Failure to Obtain Above Coverage. The Board of Directors shall not be liable for failure to obtain any of the coverage required by this section or for any

loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage are so available only at demonstrably unreasonable cost.

Section 2. Deductible. The deductible, if any, on any insurance policy purchased by the Board of Directors shall be a common expense if the loss involves property for which the Association has maintenance responsibility, provided, however, that the Board of Directors of the Association may assess any deductible amount necessitated by the gross negligence or wantonly malicious act of an owner against such owner. The Association may pay the deductible portion for which such owner is responsible, and the amount so paid, together with interests and costs of collection (including attorney's fees), shall be a charge and continuing lien upon the lot involved, shall constitute a personal obligation of such owner and shall be collectible in the same manner as assessments under Article V of this Declaration.

ARTICLE XII

GENERAL PROVISIONS

Section 1. 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 an 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 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of 30 years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of 10 years. This Declaration may be amended during the first 30 year period by an instrument signed by not less than 90% of the lot owners, and thereafter by an instrument signed by not

less than 75% of the lot owners. Any amendment must be recorded.

Section 4. Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable and the necessary grammatical changes required to make the provisions hereof apply either in corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this ____ day of _____, 2000.

HEARTLAND ESTATES, INC.

By: _____

STATE OF NEW YORK)
COUNTY OF MONROE)

On the ____ day of _____, 2000, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

SCHEDULE "A"

All that tract or parcel of land situate in the Village of Webster, County of Monroe and State of New York, being part of Town Lot No. 24 in Section 12 of Township 13, Range 4 and also being part of Town Lot No. 1 in Section 12 of Township 14, Range 4 and being more particularly bounded and described as follows:

Beginning at the point of intersection of the south street line of East Main Street (66' wide right of way) with the west right of way line of Phillips Road (80' wide right of way); thence the following three (3) courses along the west right of way line of Phillips Road: (1) south $54^{\circ} 13' 47''$ east a distance of 49.79 feet to a point; (2) south $02^{\circ} 42' 45''$ east a distance of 670.74 feet to a point; (3) south $02^{\circ} 41' 21''$ east a distance of 216.17 feet to a point; thence (4) south $85^{\circ} 03' 10''$ west a distance of 401.17 feet to a point; thence (5) north $00^{\circ} 34' 00''$ west a distance of 65.75 feet to a point; thence (6) north $00^{\circ} 03' 03''$ east a distance of 557.48 feet to a point; thence (7) north $00^{\circ} 25' 52''$ west a distance of 236.00 feet to a point in the south street line of said East Main Street; thence (8) north $74^{\circ} 11' 38''$ east and along the south street line of said East Main Street a distance of 331.88 feet to the point of beginning.

All as shown on a subdivision map entitled "Heartland Estates" filed in Monroe County Clerk's Office on the 17th day of April, 2000 in Liber 304 of Maps, page 4.

Excepting and reserving therefrom, Block Nos. 1-13 inclusive as shown on said subdivision map.

Also excepting and reserving therefrom, all that tract or parcel of land situate in the Village of Webster, County of Monroe and State of New York, being part of Town Lot No. 1 in Section 12 of Township 14, Range 4 and being more particularly bounded and described as follows:

Commencing at the point of intersection of the south street line of East Main Street (66' wide right of way) with the west right of way line of Phillips Road (80' wide right of way); thence (A) south $54^{\circ} 13' 47''$ east a distance of 49.79 feet to a point; thence (B) south $02^{\circ} 42' 45''$ east and along the west right of way line of said Phillips Road a distance of 350.11 feet to the point of beginning of the parcel described herein; thence (1) continuing south $02^{\circ} 42' 45''$ east and along the west right of way line of said Phillips Road a distance of 120.00 feet to a point; thence (2) northwesterly and along a curve to the left having a radius of 30.00 feet and a central angle of $90^{\circ} 00' 00''$ an arc length of 47.12 feet to a point; thence (3) south $87^{\circ} 17' 15''$ west a distance of 120.00 feet to a point; thence (4) southwesterly and along a curve to the left having a radius of 30.00 feet and a central angle of $90^{\circ} 00' 00''$ an arc length of 47.12 feet to a point; thence (5) south $02^{\circ} 42' 45''$ east a distance of 36.10 feet to a point; thence (6) southeasterly and along a curve to the left having a radius of 420.00 feet and a central angle of $09^{\circ} 00' 00''$ an arc length of 65.97 feet to a point; thence (7) south $11^{\circ} 42' 45''$ east a distance of 5.81 feet to a point; thence (8) southeasterly and along a curve to the left having a radius of 50.00 feet and a central angle of $49^{\circ} 13' 38''$ an arc length of 42.96 feet to a point; thence (9) southwesterly and along a curve to the right having a radius of 72.50 feet and a central angle of $278^{\circ} 27' 16''$ an arc length of 352.35 feet to a point; thence (10) northeasterly and along a curve to the right having a radius of 50.00 feet and a central angle of $49^{\circ} 13' 38''$ an arc length of 42.96 feet to a point; thence (11) north $11^{\circ} 42' 45''$ west a distance of 5.81 feet to a point; thence (12)

northeasterly and along a curve to the right having a radius of 480.00 feet and a central angle of $09^{\circ} 00' 00''$ an arc length of 75.40 feet to a point; thence (13) north $02^{\circ} 42' 45''$ west a distance of 240.71 feet to a point; thence (14) northwesterly and along a curve to the left having a radius of 120.00 feet and a central angle of $36^{\circ} 05' 37''$ an arc length of 75.59 feet to a point; thence (15) north $38^{\circ} 48' 22''$ west a distance of 45.92 feet to a point; thence (16) northeasterly and along a curve to the right having a radius of 95.00 feet and a central angle of $23^{\circ} 00' 00''$ an arc length of 38.14 feet to a point; thence (17) north $15^{\circ} 48' 22''$ west a distance of 27.10 feet to a point; thence (18) south $74^{\circ} 11' 38''$ west a distance of 54.23 feet to a point; thence (19) north $00^{\circ} 25' 52''$ west a distance of 65.00 feet to a point in the south right of way line of said East Main Street; thence (20) north $74^{\circ} 11' 38''$ east and along the south right of way line of said East Main Street a distance of 123.99 feet to a point; thence (21) south $15^{\circ} 48' 22''$ east a distance of 62.00 feet to a point; thence (22) south $74^{\circ} 11' 38''$ west a distance of 26.99 feet to a point; thence (23) south $15^{\circ} 48' 22''$ east a distance of 27.78 feet to a point; thence (24) southwesterly and along a curve to the left having a radius of 35.00 feet and a central angle of $23^{\circ} 00' 00''$ an arc length of 14.05 feet to a point; thence (25) south $38^{\circ} 48' 22''$ east a distance of 45.92 feet to a point; thence (26) southwesterly and along a curve to the right having a radius of 180.00 feet and a central angle of $36^{\circ} 05' 37''$ an arc length of 113.39 feet to a point; thence (27) south $02^{\circ} 42' 45''$ east a distance of 84.61 feet to a point; thence (28) southeasterly and along a curve to the left having a radius of 30.00 feet and a central angle of $90^{\circ} 00' 00''$ an arc length of 47.12 feet to a point; thence (29) north $87^{\circ} 17' 15''$ east a distance of 120.00 feet to a point; thence (30) northeasterly and along a curve to the left having a radius of 30.00 feet and a central angle of $90^{\circ} 00' 00''$ an arc length of 47.12 feet to the point of beginning.

Hereby intending to describe McKay Drive, Rayfield Circle and a portion of Hilfiker Lane, all of which are to be dedicated to the Village of Webster, as shown on the above referenced subdivision map of Heartland Estates.

CERTIFICATE OF INCORPORATION
OF
HEARTLAND ESTATES HOMEOWNERS ASSOCIATION, INC.

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

The undersigned, for the purpose of forming a corporation under Section 402 of the Not-for-Profit Corporation Law of the State of New York, does hereby certify that:

1. The name of the corporation is **HEARTLAND ESTATES HOMEOWNERS ASSOCIATION, INC.**

2. The corporation is a corporation as defined in Subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law.

3. The purposes for which the corporation is to be formed are to hold real property and to provide maintenance, preservation and architectural control of the residence lots and common areas within the Heartland Estates Subdivision located in the Village of Webster, County of Monroe and State of New York; to promote and protect the interests, health, safety and welfare of the residents within the above property and any additions thereto; and to enforce all covenants, conditions, easements, restrictions and agreements relating to or affecting said property, including the maintenance of the exterior of the buildings, including the roofs.

In addition to the foregoing corporate purposes, the Corporation may do any other act or thing incidental to or in connection with the foregoing purposes or in the advancement thereof, and to do lawfully all and everything necessary, suitable and proper for the attainment of any of these purposes, the accomplishment of any of these objects, or the furtherance of any of the powers hereinabove set forth; and to have, enjoy and exercise all of the rights, powers, privileges and exemptions which are now or may hereinafter be conferred upon not-for-profit corporations organized under the laws of the State of New York, as they now exist or may be amended or supplemented and to do lawfully all and everything necessary, suitable and proper for the attainment of any of these purposes, the accomplishment of any of these objects, or the furtherance of any of

the powers hereinabove set forth; and to have, enjoy and exercise any and all rights, powers, privileges and exemptions which are now or which may hereinafter be conferred upon not-for-profit corporations organized under the laws of the State of New York, as they now exist or may be amended or supplemented.

No part of the net earnings of the Corporation shall inure to the benefit of any member, trustee, director, officer of the corporation or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation) and no member, trustee, officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation.

The foregoing clauses shall be construed both as objects and powers, in furtherance, and not in limitation, of the general powers conferred by the laws of the State of New York, and it is expressly provided that the enumeration herein of specific objects and powers shall not be held to limit or restrict in any way the general powers of the Corporation.

4. The Corporation is a corporation as defined in Subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law and a Type A Corporation under Section 201 (Purposes) of the Not-for-Profit Corporation Law. The limitations of the Corporation's purposes set forth in this Certificate of Incorporation are in compliance with its Type A status.

5. The offices of the corporation is to be located in the County of Monroe and State of New York.

6. The names and addresses of the initial directors of the corporation are:

MICHAEL BATTISTI
17 Mondavi Circle
Spencerport, New York 14559

RICHARD L. BATTISTI
6 Mondavi Circle
Spencerport, New York 14559

Ann Marie Battisti-Wall
5 Ashford Circle
Spencerport, New York 14559

7. The Secretary of State of the State of New York is hereby designated as the agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him is:

Heartland Estates Homeowners Association, Inc.
17 Mondavi Circle
Spencerport, New York 14559

IN WITNESS WHEREOF, the subscriber has signed this certificate this 15th day of March, 2000 and hereby affirms that the statements made herein are true under the penalties of perjury.

HEARTLAND ESTATES, INC.

By: 

RICHARD L. BATTISTI, Incorporator
6 Mondavi Circle
Spencerport, New York 14559