

EXHIBIT "A"

DECLARATION

Establishing Brookview Homeowners Association, Inc.

NAME: BROOKVIEW HOMEOWNERS
 ASSOCIATION, INC.

SPONSOR: MARK IV CONSTRUCTION CO., INC.
 301 Exchange Blvd.
 Rochester, New York 14608

DATED:

RECORDED:

WOODS, OVIATT, GILMAN, STURMAN & CLARKE

Attorneys for the Sponsor

44 Exchange Street
Rochester, New York 14614

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS, CHARGES AND LIENS

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DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS, CHARGES AND LIENS

THIS DECLARATION, made this ___ day of _____, 1986, by MARK IV CONSTRUCTION CO., INC., a New York corporation, which has offices at 301 Exchange Blvd., Rochester, New York, being hereinafter referred to as "the Sponsor".

W I T N E S S E T H :

WHEREAS, the Sponsor is the owner of the real property described in Article II of this Declaration, being Brookview Subdivision as the same is shown on a map of said subdivision recorded in the Monroe County Clerk's Office in Liber _____ of Maps, at page _____, which the Sponsor desires to develop as a residential community with open spaces and other common facilities for the benefit of said community, and

WHEREAS, the Sponsor desires to provide for the preservation of the values and amenities in said community and for the maintenance of said open spaces and other common facilities, and, to this end, desires to subject the real property described above to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof, and

WHEREAS, the Sponsor desires that certain portions of said real property be subdivided into lots upon which are or will be constructed residential dwelling units, which lots and units will be individually owned and the Sponsor desires that such open spaces and other common facilities shall remain available for the benefit of all members of the community, and

WHEREAS, the Sponsor has deemed it desirable, for the efficient preservation of the values and amenities in said community to create an Association to which should be delegated and assigned the powers of maintaining and administering the community property and facilities, and administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created, and

WHEREAS, the Sponsor has incorporated the Brookview Homeowners Association, Inc. under the Not-for-Profit Corporation Laws of the State of New York for the purpose of exercising the aforesaid functions.

NOW THEREFORE, the Sponsor, for itself, its successors and assigns, declares the real property described in Section 2.01 hereof, is and shall be held, transferred, sold, conveyed and

occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "covenants, conditions and restrictions") hereinafter set forth.

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. The following words, phrases or terms when used in this Declaration or in any Supplemental Declaration shall, unless the context otherwise prohibits, have the following meanings:

- Review*
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- A. "ASSOCIATION" shall mean and refer to the BROOKVIEW HOMEOWNERS ASSOCIATION, INC.
 - B. "ASSOCIATION PROPERTY" shall mean and refer to all land, improvements and other properties heretofore or hereafter owned by or in possession of the Association.
 - C. "DECLARATION" shall mean and refer to this document of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens as it may from time to time be supplemented, extended or amended in the manner provided for herein.
 - D. "LOT" shall mean and refer to any portion of the property (with the exception of Association Property as heretofore defined) under the scope of this Declaration and (i) identified as a separate parcel on the tax records of the Town of Greece or (ii) shown as a separate lot upon any recorded or filed subdivision map.
 - E. "MEMBER" shall mean and refer to each holder of a membership interest in the Association, as such interests are set forth in Article III.
 - F. "OWNER" shall mean and refer to the holder of record title, whether one (1) or more persons or entities, of the fee interest in any Lot or Unit, whether or not such holder actually resides in such Unit or on such Lot.
 - G. "PROPERTY" shall mean and refer to all properties as are subject to this Declaration.
- 1-5*

- H. "SPONSOR" shall mean and refer to Mark IV Construction Co., Inc.
- I. "TOWNHOUSE" shall mean a single family dwelling, and all improvements associated with it, on the Property that is attached to at least one (1) other Townhouse by means of a party wall or otherwise.
- J. "UNIT" shall mean and refer to each completed Townhouse, as evidenced by issuance of a Certificate of Occupancy issued by the Town of Greece, including garage, situated upon the Property or any such structure or improvement on the Property which is intended to be occupied as a residence or in conjunction with a residence.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION

Section 2.01. Initial Property. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the Town of Greece, County of Monroe and State of New York, and is more particularly described in Schedule A attached hereto and incorporated by reference herein, all of which property shall be hereinafter referred to as "Initial Property".

Section 2.02. Mergers. Upon a merger or consolidation of this Association with another association as provided in its Certificate of Incorporation or By-Laws, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of this Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants, conditions and restrictions established upon any other properties. Any such merger or consolidation, however, may not result in the revocation, change or addition to the covenants established by this Declaration within the Property except as hereinafter provided.

ARTICLE III
THE ASSOCIATION STRUCTURE,
MEMBERSHIP, VOTING RIGHTS AND DIRECTORS

Section 3.01. Formation of the Association. Pursuant to the Not-for-Profit Corporation Law of New York, the Sponsor has formed the Association, to own, operate, and maintain the Association Property, enforce the covenants, conditions and restrictions set forth in this Declaration and to have such other specific rights, obligations, duties and functions as are set forth in this Declaration and in the Certificate of Incorporation and ByLaws of the Association, and as they may be amended from time to time. Subject to the additional limitations provided in this Declaration, the Certificate of Incorporation and the ByLaws, the Association shall have all the powers and be subject to the limitations of a Not-for-Profit Corporation as contained in the Not-for-Profit Corporation Law of New York as it may be amended from time to time.

Section 3.02. Membership. The Association shall have as Members only Owners and the Sponsor. All Owners, upon becoming such, shall be deemed automatically to have become Members and there shall be no other qualification for Membership. Membership shall be appurtenant to, and shall not be separated from the ownership of any of the interests described in the definitions of the words "Owner" and "Sponsor" as found in Article I of this Declaration.

Section 3.03. Voting. There shall be two (2) classes of Membership. All Owners, with the exception of the Sponsor, shall be Class A Members. The Sponsor shall be a Class B Member. Until two (2) years after the transfer of the first Lot, or until 41 Lots are transferred, whichever shall first occur, the Class B Membership shall be the only Class of Membership entitled to vote. Thereafter, the Sponsor's Class B Membership shall be converted into a Class A Membership, and all Members shall vote equally, i.e., one (1) Member one (1) vote.

Section 3.04. Interest in More Than One Lot. If any person or entity owns or holds more than one (1) Lot, such Member shall be entitled to not more than one (1) vote.

Section 3.05. Lots Owned or Held by More Than One Person or by Corporation. When any Lot is owned or held by more than one (1) person as tenants by the entirety, in joint or common ownership or interest such Owners shall collectively be entitled to only that number of votes prescribed herein for such

Lot and if such Owners cannot jointly agree as to how that vote should be cast, no vote shall be allowed with respect to such Lot.

In the case of a corporate Owner, votes may be cast by an appropriate officer of such corporation.

Section 3.06. Holder of Security Interest Not a Member. Any person or entity which holds an interest in a Lot only as security for the performance of an obligation shall not be a Member.

Section 3.07. Assigning Right to Vote. The Sponsor may assign its membership in the Association to any person, corporation, association, trust or other entity, and such assignee, and any future assignee of such membership, may take successive like assignments. All such assignments shall be subject to the provisions of the Offering Plan pursuant to which the Sponsor has offered interests in the Association, including any duly filed amendments thereof.

Any other Owner shall be entitled to assign his right to vote, by power of attorney, by proxy or otherwise, provided that such assignment is made pursuant to the By-Laws of the Association. The By-Laws may require that the assignment specify the meeting or issue to which the assignment applies.

Section 3.08. Meeting and Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of this Declaration, the Certificate of Incorporation and By-Laws of the Association and the Not-for-Profit Corporation Law of New York as it may deem advisable for any meeting of its Members, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Members for voting purposes, the establishment of representative voting procedures and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

Section 3.09. Selection of Directors. The nomination and election of Directors and the filling of vacancies on the Board of Directors shall be governed by the By-Laws of the Association.

Section 3.10. Powers and Duties of Directors. The powers and duties of the Board of Directors shall be as set forth in the By-Laws of the Association.

Section 3.11. Indemnification of Officers and Directors. Every director and officer of the Association shall be, and is hereby, indemnified by the Association against all expenses and liabilities, including fees of counsel, reasonably incurred by or imposed upon such director or officer in connection with any proceeding to which such officer or director may be a party, or in which such officer or director may become involved, by reason of being or having been a director or officer of the Association, or any settlement thereof, whether or not such person is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of duties; provided, that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to, and shall not be exclusive of, all rights to which each director or officer may otherwise be entitled.

Section 3.12. Sponsor's Written Consent Necessary for Certain Actions Taken by Board of Directors. Notwithstanding anything to the contrary contained in this Declaration, until three (3) years from the date of recording of this Declaration, or until the Sponsor, or its designee, no longer owns 25% or more of the Lots then subject to this Declaration, the Board of Directors may not, without the Sponsor's written consent, which consent will not be unreasonably withheld, (i) make any addition, alteration, or improvement to the Property of the Association costing more than 20% of the then current annual budget, (ii) assess any amount for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of an amount equal to 150% of the proportion of the then existing budget which the amount of reserves in the initial budget of estimated expenses for the Association bears to the total amount of such initial budget of estimated expenses, or (iii) hire any employee in addition to the employees, if any, provided for in the initial budget or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to a Lot, or (v) reduce the quantity or quality of services or maintenance of the Association Property. Until three (3) years from the date of recording of this Declaration, or until the Sponsor, or its designee, no longer owns 25% or more of the Lots then subject to this Declaration, this Section of the Declaration shall not be amended without the prior written consent of the Sponsor.

ARTICLE IV
PROPERTY RIGHTS AND EASEMENTS

Section 4.01. Dedication of Association Property. The Sponsor intends to convey to the Association, subsequent to the recordation of this Declaration, and subject to the provisions of this Declaration, certain tracts of land within the Property for the use and enjoyment of the Members, which land shall hereinafter be referred to as "Association Property". The Association shall accept any such conveyance made by the Sponsor provided such conveyance is made without consideration.

Section 4.02. Right and Easement of Enjoyment in Association Property. Every Member (and such Member's guests, licensees, tenants and invitees) shall have a right and easement of enjoyment in and to all Association Property, subject, however, to the rights of the Association, the Sponsor, and the Lot Owners as set forth herein. Such easements shall be appurtenant to, and shall pass with, the interests of an Owner.

Every Member also shall have an easement for ingress and egress by vehicle or on foot over Association Property and the common utility and conduit easements described in Section 4.06 hereof. These easements will be subject to the rights of the Association as set forth in Section 4.03 herein.

Section 4.03. Rights of Association. With respect to the Association Property, and in accordance with the Certificate of Incorporation and By-Laws of the Association, the Association shall have the right:

(a) to promulgate rules and regulations relating to the use, operation and maintenance of the Association Property for the safety and convenience of the users thereof or to enhance the preservation of the facilities or which, in the discretion of the Association, shall serve to promote the best interests of the Members;

(b) to grant easements or rights of way to any public or private utility corporation, governmental agency or political subdivision with or without consideration;

(c) to dedicate or transfer all or any part of the land which it owns for such purposes and subject to such conditions as may be agreed to by the Association and the transferee. Such a conveyance shall require the consent of two-thirds (2/3) of the total votes of all Members who shall vote upon written ballot which shall

be sent to every Owner not less than 30 days nor more than 60 days in advance of the canvass thereof. No such conveyance shall be made if lending institutions which together are first mortgagees on 33 1/3% or more of the Lots advise the Association in writing, prior to the date set for voting on the proposed conveyance, that they disapprove such conveyance, which disapproval must not be unreasonable. Written notice of any proposed conveyance shall be sent to all lending institution first mortgagees, whose names appear on the books or records of the Association, not less than 30 days nor more than 60 days prior to the date set for voting on the proposed conveyance;

(d) to enter into agreements, reciprocal or otherwise, with other homeowners' and residents' associations, condominiums and cooperatives for the use of or sharing of facilities. Such agreements shall require the consent of two-thirds (2/3) of the total votes of all Members voting upon written ballot which shall be sent to every Member not less than ten (10) days nor more than 60 days in advance of the vote on the proposed agreement;

(e) to use water or electricity from outdoor taps or sockets on any Lot, the cost of which shall be reimbursed to the Lot Owner based upon the difference calculated between the current utility bill and the average of the last two (2) preceding utility bills, or actual consumption as determined by submeters affixed by the Association to the bibs or outlets of any Lot.

Section 4.04. Rights of Sponsor. With respect to Association Property, the Sponsor shall have the right until the improvement, marketing and sale of all Lots is completed:

- (a) to grant and reserve easements and rights of way for the installation, maintenance, repair, replacement and inspection of utility lines, wires, pipes and conduits, including, but not limited to, water, gas, electric, telephone, cable television and sewer to service the Property;
- (b) to connect with and make use of utility lines, wires, pipes, conduits and related facilities located on the Association Property for the benefit of the Property;
- (c) to use the Association Property for ingress and egress to those portions of the Initial

Property (as described in Section 2.01 of this Declaration);

- (d) to operate a sales center and to have prospective purchasers and others visit such sales center and use certain portions of Association Property, including, but not limited to, the drives and parking spaces;
- (e) to grant to itself or to others such other easements and rights of way as may be reasonably needed for the orderly development of the Property.

All easements, rights-of-way and other rights granted by the Sponsor pursuant to (a), (b), (c) and (e) above, shall be permanent, run with the land and be binding upon and for the benefit of the Association and the Sponsor and their respective successors and assigns. The rights granted to the Sponsor shall remain in effect until the Sponsor completes the improvement, marketing and sale of all Lots or the Sponsor records a written memorandum releasing its rights hereunder.

Section 4.05. Rights of Individual Lot Owners. Each Lot Owner shall have an easement over Association Property and over the property of adjacent Lot Owners for the performance of routine maintenance on a Lot Owner's Townhouse, provided, however, the right of entry shall be exercised upon reasonable notice to the adjoining Lot Owner, except in the case of an emergency, shall be limited to reasonable times, and shall be exercised so as not to impair the enjoyment of the adjacent Lot. The easement area shall be limited to that area reasonably necessary to effect repairs and maintenance of the Owner's Townhouse. The easement area shall be used for actual repairs and maintenance only; the storage of material, supplies and other objects associated with the work to be completed shall not be permitted. The Owner entering upon an adjacent Lot shall perform the contemplated work with dispatch, and shall be responsible for all costs for the repair and restoration of any damage caused to the adjacent Lot, including but not limited to structural repairs, replacement of lawns, bushes and similar objects. An Owner entering upon an adjacent Lot shall indemnify and hold harmless the adjacent Lot Owner against any and all claims which may arise by virtue of the repair or maintenance work performed.

Each Lot Owner shall also have an easement for the exclusive use and enjoyment of the Lot Owner's driveway as constructed by the Sponsor.

Each Lot Owner shall also have an easement for the exclusive use and enjoyment of the Lot Owner's deck or patio, as

constructed by the Sponsor, servicing the Owner's Townhouse. Additionally, each Lot Owner may install additional privacy fencing to enclose an area not to exceed fifteen by twenty feet (15'x20'). Provided, however, the added privacy fencing is of design, color and material identical to that installed by the Sponsor, or as may be approved by the Architectural Committee, and is installed and located on the Owner's Lot. The location of added fencing which is in dispute shall be referred to the Architectural Committee for resolution.

Upon installing additional privacy fencing, the Lot Owner shall automatically be responsible for all maintenance of the area enclosed by the fencing and the dwelling. Upon the removal of the additional privacy fencing and initial restoration of landscaping and lawn, the Association will resume maintenance services.

Section 4.06. Common Utility and Conduit Easement. All pipes, wires, conduits and public utility lines located on each Lot shall be owned by the Owner of such Lot. Every Lot Owner shall have an easement in common with other Lot Owners to maintain and use all pipes, wires, conduits, drainage areas and public utility lines located on other Lots or on Association Property and servicing such Owner's Lot. Each Lot shall be subject to an easement in favor of the Owners of other Lots to maintain and use the pipes, wires, conduits, drainage areas and public utility lines servicing such other Lot and located on such other Lot. The Association shall have the right of access to each Lot and residential dwelling thereon for maintenance, repair or replacement of any pipes, wires, conduits, drainage areas or public utility lines located on any Lot or within any residential dwelling thereon. The cost of such repair, maintenance or replacement shall be a common expense funded from the Maintenance Assessments, except that, if occasioned by a negligent or willful act or omission of a specific Lot Owner or Owners, it shall be considered a special expense allocable to the Lot Owner or Owners responsible and such cost shall be added to the Maintenance Assessment of such Lot Owner or Owners and, as part of that Assessment, shall constitute a lien on the Lot or Lots to secure the payment thereof.

Section 4.07. Hydrants. The Greece Consolidated Water District will own and maintain any hydrants on Association Property and the water lines connecting the hydrants. Water charges will be the responsibility of the Association.

Section 4.08. Maintenance of Association Facilities. In order to preserve and enhance the property values and amenities of the Property, the Association shall at all times

maintain the facilities in good repair and condition, as set forth in this Declaration.

Section 4.09. Right of Association to Contract Duties and Functions. The Association may contract with any person, corporation, firm, trust company, bank, or other entity for the performance of its various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management agreements with other associations, both within and without the Property.

Section 4.10. Environmental Considerations. In carrying out its responsibilities in enforcing the provisions of this Declaration, and in particular the provisions of Articles IX and X herein, the Association and the Architectural Committee shall consider the environmental impact of any existing or proposed activities on the Property or any portion thereof and may, in its discretion, establish standards or guidelines aimed at reducing or eliminating any adverse environmental impact of such activities or take affirmative action to improve the quality of the environment.

Section 4.11. Common Access Easement. The Sponsor and all Owners and their guests, licensees and invitees shall have an easement for ingress and egress in common with one another over all walkways and drives located on the Association Property and the Association shall have an easement of access to each Lot for the maintenance, repair and replacement of drives and any other property or facilities, the maintenance of which is the responsibility of the Association.

Section 4.12. Distribution of Condemnation Awards. In the event all or part of the Association Property is taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Association. The Board of Directors of the Association shall arrange for the repair and restoration of the Association Property not so taken and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If there shall be a surplus of such proceeds, or if the Board of Directors shall elect not to repair or restore the remaining Association Property, then the proceeds shall be distributed in the same manner as insurance proceeds, in accordance with Article IX of this Declaration.

The Board of Directors shall promptly send written notice of any pending condemnation or eminent domain proceeding to all institutional first mortgagees of Lots whose names appear on the books or records of the Association.

In the event of any dispute with respect to the allocation of the award, the matter shall be submitted to arbitration in accordance with the arbitration statutes of New York.

ARTICLE V ASSESSMENTS

Section 5.01. Imposition, Personal Obligations, Lien. Each Lot Owner, by becoming an Owner by the acceptance of a deed or otherwise, whether or not such deed or any other instrument pursuant to which title was obtained so provides, shall be deemed to covenant and agree to pay to the Association: (a) annual assessments or charges for the maintenance and operation of Association Property ("Maintenance Assessments"); (b) special assessments for capital improvements ("Special Assessments"); hereinafter collectively referred to as "Assessments".

The Assessments shall be fixed, established and collected from time to time as hereinafter provided. Each Assessment (or installment payment thereof) together with such interest thereon and costs of collection as hereinafter provided, shall be a charge and continuing lien upon the Lot against which the Assessment is made and shall also be the personal obligation of the Owner of such Lot at the time the assessment falls due.

Section 5.02. Purpose of Maintenance Assessment. The purpose of the Maintenance Assessment shall be to fund the maintenance, preservation, operation and improvement of the Association Property and the promotion of the recreation, safety and welfare of the Members of the Association, including but not limited to, the payment of taxes on Association Property, any utility services to the Property which are commonly metered or billed, all casualty and liability insurance covering the Association Property obtained pursuant to Article IX of this Declaration, for the maintenance, repair and replacement of all facilities commonly serving the Members, whether on or off the Lots, such as landscaped areas, and of the Townhouse exterior, including roof, gutters, and downspouts repairs and maintenance, exterior siding, including the painting of exterior surface frame and trim of windows and doors, the cost of labor, equipment, materials, management and supervision thereof, and for such other needs as may arise, but excluding the repair or maintenance of any glass surface, door, patio, wood deck, stoop, porch or stair.

Section 5.03. Date of Commencement and Notice of Assessments. The Assessments provided for herein shall commence

on the day on which the first Lot is conveyed or on such other date as determined by the Sponsor. The first Assessments shall be adjusted according to the number of months remaining in the fiscal year as established by the Board of Directors and such Assessments shall thereafter be on a full year basis. The Board of Directors of the Association shall fix the amount of the Assessment against each Lot at least 30 days in advance of each annual assessment period. The Assessments shall be due and payable monthly unless the Board of Directors establishes other periods for payment. Separate due dates may be established by the Board of Directors for partial annual Assessments as long as said Assessments are established at least 30 days before they are due. Written notice of the annual Assessments shall be sent to every Owner subject thereto.

Section 5.04. Assessments for Specific Lots. Once Assessments have commenced pursuant to Section 5.03 above, the Owner of each Lot subject to this Declaration shall be liable for the payment of full Maintenance Assessments, and Special Assessments, if any, except that, the Maintenance Assessment on Lots owned by the Sponsor shall be no less than an amount ~~calculated in accordance with the following provision: the~~ Sponsor shall be obligated for the differences between the actual Association expenses and the Association charges levied on owners who have closed title to their Lots. The Sponsor's obligation shall not include (i) Association charges for any addition, alteration or improvement to Association property or (ii) Association charges for the creation of or addition to all or part of a reserve, contingency or surplus fund for any building or Lot under construction or (iii) Association charges to hire any employees in addition to the number of employees referred to in the Offering Plan or (iv) service or maintenance work in addition to the service and maintenance referred to in the Offering Plan.

Section 5.05. Basis for Maintenance Assessment. The annual Maintenance Assessment chargeable to each Lot for which Assessments have commenced pursuant to this Declaration shall be apportioned by multiplying the total annual Maintenance Assessment by one-eighty second (1/82), thereby assuring that each Lot bears an equal share of the Association expenses.

Section 5.06. Change in Basis of Assessments. The Association may change the basis of determining the Maintenance Assessment provided for above by obtaining the consent of not less than two-thirds (2/3) of the total votes of Members voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all voting Members at least 30 days in advance and shall set forth the purpose of the

meeting. Until three (3) years from the date of recording of this Declaration, or until the Sponsor, or its designee, no longer owns 25% or more of the Lots then subject to this Declaration, whichever shall first occur, no change in the basis of Maintenance Assessments which adversely affect the interest of the Sponsor with respect to unsold Lots shall be valid except with the specific consent of the Sponsor in writing. A written certification of any such change shall be executed by the Board of Directors and recorded in the Office of the Clerk of the County of Monroe.

Section 5.07. Special Assessments for Capital Improvements. In addition to the annual Maintenance Assessment, the Association may levy in any assessment year a Special Assessment, payable in that year and/or the following year for the purpose of defraying, in whole or in part, the cost of any capital improvements, including without limitation, the construction, reconstruction or replacement of, or repair of a capital nature to, the Association Property, including the necessary fixtures and personal property related thereto, provided that for any Special Assessment for the construction (rather than the reconstruction or replacement) of any capital improvement, and for any Special Assessment amounting to more than 20% of the then current amount of annual Maintenance Assessments, the consent is obtained of two-thirds (2/3) of the total votes of Lot Owners voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Lot Owners at least 30 days in advance, setting forth the purpose of the meeting. The Association shall establish one (1) or more due dates for each payment or partial payment of each Special Assessment and shall notify each Owner thereof in writing at least 30 days prior to the first such due date.

Section 5.08. Non-Payment of Assessment. If an Assessment, or installment thereof, is not paid on the due date, established pursuant to Section 5.03 hereof, then such Assessment payment shall be deemed delinquent. Any delinquent assessment payment, together with such interest thereon, accelerated installments, if any, and cost of collection thereof as herein provided, shall thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner and such Owner's heirs, devisees, personal representatives, successors and assigns. In addition to the lien rights, the personal obligation of the then Owner to pay such Assessment shall remain such Owner's personal obligation and shall not pass to such Owner's successors in title unless expressly assumed by them.

If the Assessment or any installment thereof is not paid

within ten (10) days after the due date, the Association may impose a late charge or charges in such amount or amounts as the Board of Directors deems reasonable, not to exceed ten percent (10%) of the amount of such overdue Assessment or installment thereof, provided such late charges are equitably and uniformly applied.

If the Assessment or any installment thereof, is not paid within 30 days after the due date, (i) the Association may impose a late charge or charges in such amount or amounts as the Board of Directors deems reasonable, not to exceed ten percent (10%) of the amount of such overdue Assessment or installment thereof, and, if not paid within 30 days after the due date (ii) the Assessment shall bear interest from the due date at such rate as may be fixed by the Board of Directors from time to time, such rate not to exceed ten percent (10%) per annum, (iii) the Board of Directors may accelerate the remaining installments, if any, of such Assessment upon notice thereof to the Owner and (iv) the Association may bring legal action against the Owner personally obligated to pay the same or foreclose the lien against the property, and the cost of such proceedings, including reasonable attorneys' fees, shall be added to the amount of such Assessments, accelerated installments, if any, late charges and interest.

Once an Assessment is deemed delinquent as described above, any payments received from the Owner shall be applied in the following order: attorneys' fees, other costs of collection, late charges, interest, and then the delinquent Assessment or installments thereof beginning with the amounts past due for the longest period.

Dissatisfaction with the quantity or quality of maintenance services furnished by the Association shall, under no circumstances, entitle any Lot Owner to withhold or fail to pay the Assessments due to the Association for the Lot or Lots owned by such Owner.

The Board of Directors, when giving notice to a Lot Owner of a default in paying Assessments, may, at its option, or shall, at the request of a mortgagee, send a copy of such notice to the mortgagee whose name and address appears on the Board's records for the particular Lot. The mortgagee shall have the right to cure the Lot Owner's default with respect to the payment of said Assessments.

Section 5.09. Right to Maintain Surplus. The Association shall not be obligated in any calendar year to spend all the sums collected in such year by way of Maintenance Assessments or otherwise, and may carry forward as surplus any balances remaining; nor shall the Association be obligated to

apply any such surpluses to the reduction of the amount of the Maintenance Assessments in the succeeding year, but may carry forward from year to year such surplus as the Board of Directors in its absolute discretion may determine to be desirable for the greater financial security and the effectuation of the purposes of the Association.

Section 5.10. Assessment Certificates. Upon written request of an Owner or lessee with respect to a Lot which he or she owns or leases, (or any prospective purchaser, lessee, occupant, mortgagee or title insurer of such Lot), the Association shall, within a reasonable period of time, issue and furnish a certificate in writing signed by an officer or designee of the Association setting forth with respect to such Lot, as of the date of such certificate, (i) whether the Assessments, if any, have been paid; (ii) the amount of such Assessments, including interest and costs, if any, due and payable as of such date; (iii) whether any other amounts or charges are owing to the Association, e.g. for the cost of extinguishing a violation of this Declaration. A reasonable charge, as determined by the Board of Directors, may be made for the issuance of these certificates. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser or lessee of, or lender on, or title insurer of, the property in question.

Section 5.11. Subordination of Assessment Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any purchase money first mortgage of record now or hereafter placed upon any Lot subject to such Assessments; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment.

Section 5.12. Right to Borrow and Mortgage. In order to fulfill the purposes set forth herein, the Association may borrow funds from any recognized lending institution, and in conjunction therewith mortgage its properties. The amount, terms, rate or rates of all borrowing and the provisions of all agreements with note holders shall be subject to (i) the approval of 2/3 of the Lot Owners entitled to vote at a meeting duly called, and (ii) any consent of the Sponsor as required by Section 3.12 of this Declaration shall be obtained.

Section 5.13. Repayment of Monies Borrowed. In order to secure the repayment of any and all sums borrowed from time to time, the Association is hereby granted the right and power:

- (a) to assign and pledge all revenues received and to be received by it under any provision of this Declaration including, but not limited to, the proceeds of the Maintenance Assessment hereunder;
- (b) to enter into agreements with note holders with respect to the collection and disbursements of funds, including, but not limited to, agreements wherein the Association covenants to:
 - (1) assess the Maintenance Assessment on a given day in each year and, subject to the limitation on amount specified in Section 5.04 hereunder, to assess the same at a particular rate or rates;
 - (2) establish such collection, payment and lien enforcement procedures as may be required by the note holders;
 - (3) provide for the custody and safeguarding of all funds received by it;
 - (4) establish sinking funds and/or other security deposits;
 - (5) apply all funds received by it first to the payment of all principal and interest on such loans, when due, or to apply the same to such purpose after providing for costs of collection.

ARTICLE VI
MAINTENANCE BY THE ASSOCIATION

Section 6.01. Maintenance and Repair by the Association. All maintenance and repair of and replacements to the improvements on Association Property, the maintenance, repair and replacement of all driveways, walkways and parking areas on the Association Property, snow removal from all driveways, walkways and parking areas, and the maintenance of all landscaped areas within Lots, Association Property and the dedicated street, (except the maintenance of landscaped area enclosed by a Lot

Owner pursuant to Section 4.05) shall be the responsibility of, and at the cost and expense of the Association. Maintenance, repair and replacement of pipes, wires, conduits and public utility lines owned by the Association and, for which a utility company or other entity is not responsible (whether such lines and facilities are on individual Lots or Association Property) shall also be the responsibility of, and an expense of the Association. Such cost shall be funded from the Maintenance Assessments.

- a. Maintenance of Association Property. With respect to Association Property, the Association shall maintain, repair and replace all improvements, including parking areas, walkways, driveways and landscaped areas within Lots, Association Property and the dedicated street. The Association shall also be responsible for snow removal from parking areas and driveways, and refuse collection. Individual Lot Owners are responsible for snow removal from the walks and entryways abutting their dwellings.
- b. Maintenance of Townhouses. With respect to the Townhouses, including garages, the Association shall repair and replace the exterior siding, gutters, downspouts and roofs; paint the trim, windows and doors, but shall not repair or replace windows, window panes or doors, or maintain, repair or replace porches, patios or wood decks. Exterior items which are vinyl coated and require no or low level maintenance will be maintained in accordance with manufacturers' recommendations.

With respect to the other improvements on a Townhouse Lot, the Association shall stain, repair and replace fences or railings initially installed by the Sponsor, but shall not repair or replace spalling concrete walks, stoops or porches. The water, storm sewer and sanitary sewer laterals serving a Townhouse will be maintained by the Association. Maintenance and repair shall be limited to leakage and structural failure only.

The Board of Directors of the Association may, upon the affirmative vote of not less than three-fourths (3/4) of the entire Board of Directors, provide for additional maintenance with respect to the Lots to be undertaken by

the Association or to discontinue the performance of some or all of the maintenance responsibilities of the Association with respect to the Lots.

The cost of all maintenance performed by the Association shall be funded from Maintenance Assessments.

Section 6.02. Repairs and Maintenance Which Are Not the Responsibility of the Association. Except as provided in Section 6.01 above, the Association shall not be responsible for (i) the maintenance, repair or replacement of any buildings or structures not owned by the Association, or (ii) the maintenance, repair or replacement of any sewer lines, water lines or other utility lines which are maintained, repaired and replaced by a municipality, public authority or utility company, or (iii) the maintenance, repair or replacement of the Creek, dedicated street or sidewalks.

Any maintenance, repair or replacement necessary to preserve the appearance and value of the Property made pursuant to Section 6.01 above, but which is occasioned by a negligent or willful act or omission of a Lot Owner or the Sponsor shall be made at the cost and expense of such Lot Owner or the Sponsor, as the case may be. If such maintenance, repair or replacement is performed by the Association, it shall not be regarded as a common expense, but shall rather be considered a special expense allocable to the specific Lot and such cost shall be added to that Lot Owner's Maintenance Assessment and, as part of that Assessment, shall constitute a lien on the Lot to secure the payment thereof.

Section 6.03. Quality and Frequency of Maintenance and Repairs. All maintenance, repair and replacement, whether or not performed by the Association, shall be of a quality and appearance consistent with the enhancement and preservation of the appearance and value of the Property. The Association may establish reasonable schedules and regulations for maintenance, repair and replacement, which schedules and regulations shall take into account the useful life of any painting and exterior materials and the enhancement and preservation of the appearance and value of the Property.

Section 6.04. Access for Repairs. The Association (and its employees, contractors and agents) shall, upon reasonable notice to the Owner(s), have the right to enter upon any portion of the Property and into and upon any Unit at any reasonable hour to carry out its functions as provided for in this Article, except that in an emergency, the Association shall have the

right, without notice, to enter upon any portion of the Property and into any Unit to make necessary repairs or to prevent damage to any Unit or any portion of the Property. The repair of any damage caused in gaining access shall be at the expense of the Association.

ARTICLE VII ARCHITECTURAL CONTROLS

Section 7.01. Control by Association. After transfer of title by the Sponsor to any Lot or other completed portion of the Property, enforcement of those provisions of the Declaration pertaining to exterior appearance of the Property and control over any change in use or any additions, modifications or alterations to any exterior improvement on said Lot or other portion of the Property shall be the responsibility of the Association, acting through the Architectural Standards Committee (hereinafter referred to as the "Architectural Committee") as provided in Section 7.02 below.

Section 7.02. Composition and Function of Architectural Standards Committee. The Architectural Committee shall be a permanent committee of the Association and shall approve all proposed improvements, additions, modifications or alterations to any existing improvements or any proposed change in the use of a Lot or any other portion of the Property, including Association Property, after transfer of title to such Lot or other portion of the Property. The Architectural Committee may also assist and advise the Board of Directors of the Association in enforcing the Declaration and in advertising and publishing rules, regulations and guidelines, and may from time to time perform such other duties or functions as may be assigned to it by the Board of Directors. The Architectural Committee shall be composed of three (3) or more persons, as determined by the Board of Directors of the Association, for terms of two (2) years, but shall be subject to removal, with or without cause, by the affirmative vote of not less than two-thirds (2/3) of the members of the Board of Directors.

Section 7.03. Submission of Plans to Architectural Committee. After transfer of title to any Lot or other portion of the Property by the Sponsor no improvement, exterior addition, modification or alteration shall be made on or to such Lot or other portion of the Property or the improvements located thereon, unless and until a plan or plans therefore, in such form and detail as the Architectural Committee requires, have been submitted to, and reviewed and approved by the Architectural Committee. The Architectural Committee may charge and collect a

reasonable fee for the examination of plans submitted for approval.

Section 7.04. Basis for Disapproval of Plans by Architectural Committee. The Architectural Committee may disapprove any plans submitted pursuant to Section 7.03 above for any of the following reasons:

- a. failure of such plans to comply with any protective covenants, conditions and restrictions contained in the Declaration and which benefit or encumber the Lot or other portion of the Property;
- b. failure to include information in such plans as requested;
- c. objection to the site plan, exterior design, appearance or materials of any proposed improvements, including without limitation, colors or color scheme, finish, proportion, style of architecture, or proposed parking;
- d. incompatibility of proposed improvements or use of proposed improvements with existing improvements or uses in the vicinity;
- e. failure of proposed improvements to comply with any zoning, building, preservation, health, or other governmental laws, codes, ordinances, rules and regulations;
- f. any other matter which in the judgment and sole discretion of the Architectural Committee would render the proposed improvements, use or uses inharmonious or incompatible with the general plan of improvement of the Property or portion thereof or with improvements or uses in the vicinity.

Section 7.05. Approval of Architectural Committee. Upon approval or qualified approval by the Architectural Committee of any plans submitted pursuant to Section 7.03 above, the Architectural Committee shall notify the applicant in writing of such approval or qualified approval, which notification shall set forth any qualifications or conditions of such approval, shall file a copy of such plans as approved for permanent record, together with such qualifications, or provide the applicant with a copy of such plans bearing a notation of such approval or qualified approval. Approval of any such plans relating to any

Lot or portion of the Property shall be final as to such Lot or portion of the Property and such approval may not be revoked or rescinded thereafter provided (i) that the improvements or uses shown or described on or in such plans do not violate any protective covenants, conditions or restrictions set forth in the Declaration which benefit or encumber the Lot or portion of the Property, and (ii) that such plans and any qualifications or conditions attached to such approval of the plans do not violate any applicable governmental law, rule or regulation, zoning, building, preservation, health or other code or ordinance. Approval of any plans for use in connection with any Lot or portion of the Property shall not be deemed a waiver of the right of the Architectural Committee to disapprove similar plans or any of the features or elements included therein if such plans, features or elements are subsequently submitted for use in connection with any other Lot or portion of the Property.

Section 7.06. Written Notification of Disapproval. In any case where the Architectural Committee disapproves any plans submitted hereunder, the Architectural Committee shall so notify the applicant in writing together with a statement of the grounds upon which such action was based as set forth in Section 7.04. In any such case, the Architectural Committee shall, if requested and if possible, make reasonable efforts to assist and advise the applicant so that acceptable plans can be prepared and resubmitted for approval.

Section 7.07. Failure of Committee to Act. If any applicant has not received notice of the Architectural Committee approving or disapproving any plans within 45 days after submission thereof, the applicant may notify the Committee in writing of that fact. Such notice shall be sent by certified mail, return receipt requested. The plans shall be deemed approved by the Committee not later than the later of:

- a. Fifteen (15) days after the date of receipt of such notice, if such notice is given;
- b. Seventy (70) days after the date the plans were originally submitted.

Section 7.08. Committee's Right to Promulgate Rules and Regulations. The Architectural Committee may from time to time promulgate rules and regulations governing the form and content of plans to be submitted for approval or with respect to additions or modifications to improvements, or uses; provided, however, that no such rule or regulation shall be deemed to bind the Architectural Committee to approve or disapprove any plans submitted for approval, or to waive the exercise of the

Architectural Committee's discretion as to such plans, and provided further that no such rule or regulation shall be inconsistent with the provisions of the Declaration or any applicable governmental law, code, ordinance, rule or regulation.

Section 7.09. Delegation of Functions. The Architectural Committee may authorize its staff, subcommittees, or individual members of the Architectural Committee to perform any or all of the functions of the Architectural Committee as long as the number and identity of such staff or members, and the functions and scope of authority have been established by a resolution of the entire Architectural Committee. The approval or disapproval of plans by the staff member, individual member or subcommittee will be subject, however, to the reasonable review of the Architectural Committee, in accordance with procedures to be established by the Architectural Committee.

Section 7.10. Liability of Architectural Committee. No action taken by the Architectural Committee or any member, subcommittee, employee or agent thereof, shall entitle any person to rely thereon, with respect to conformity with laws, regulations, codes or ordinances, or with respect to the physical or other condition of any Lot or other portion of the Property. Neither the Association nor the Architectural Committee, nor any member, subcommittee, employee or agent shall be liable to anyone submitting plans to them for approval or to any Owner, Member or any other person, in connection with any submission of plans, or the approval or disapproval thereof, including without limitation, mistakes in judgment, negligence or nonfeasance. Every person or other entity submitting plans to the Architectural Committee agrees, by submission of such plans, that no action or suit will be brought against the Association or the Architectural Committee, or any member, subcommittee, employee or agent thereof, in connection with such submission.

Section 7.11. Architectural Committee Certificate. Upon written request of any Owner, lessee or any prospective Owner, lessee, mortgagee or title insurer of a Lot or other portion of the Property, title to which has been previously transferred from the Sponsor, the Architectural Committee shall, within a reasonable period of time, issue and furnish to the person or entity making the request a certificate in writing (hereinafter referred to as the "Architectural Committee Certificate") signed by a member of the Architectural Committee stating, as of the date of such Certificate, whether or not the Lot or other portion of the Property, or any improvements thereon, violates any of the provisions of the Declaration pertaining to exterior appearance, design or maintenance and describing such violations, if any. A reasonable charge, as

determined by the Architectural Committee, may be imposed for issuance of such Architectural Committee Certificate. Any such Architectural Committee Certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and the party to whom such Architectural Committee Certificate was issued.

ARTICLE VIII PARTY WALLS AND ENCROACHMENTS

Section 8.01. Party Walls. Each wall which is built as part of the original construction of the Townhouses, whether or not such wall is on the dividing line between two (2) adjacent Lots, and which serves as the exterior limit of the two (2) Townhouses, shall be considered a party wall.

Section 8.02. Maintenance of Party Walls. Each Townhouse Owner whose Townhouse contains a party wall shall have an easement to enter upon the Townhouse with which the party wall is shared to effect necessary repairs or maintenance of said party wall. Each Townhouse Owner shall be responsible for the ordinary maintenance and repair of such Townhouse Owner's respective side of a party wall. If it shall become necessary to make substantial repairs to or rebuild a party wall, the cost of such repairing or rebuilding shall be borne equally by the two (2) Townhouse Owners which share such wall.

In any event where it is necessary for a Townhouse Owner, its authorized employees, contractors or agents, to enter upon a Townhouse owned by another for purposes of maintaining a party wall, such right shall be exercised upon reasonable notice to the adjoining Townhouse Owner, shall be limited to reasonable times, and shall be exercised so as not to impair enjoyment of said adjacent Townhouse.

Section 8.03. Exposure of Wall. A Townhouse Owner who, by 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, and the necessary repair caused by, such elements.

Section 8.04. Materials Used and Workmanship. If and when any party wall is repaired or rebuilt, it shall stand upon the same place and be of the same or similar materials as the original wall. All labor performed shall be performed in a good and workmanlike manner.

Section 8.05. Destruction of Party Wall. In the event of destruction of a party wall by fire or other casualty, to the extent that such damage is not repaired out of the proceeds of the insurance covering the hazard, the Owner of any Townhouse which used the wall may restore it. The Townhouse Owner who undertakes such restoration shall be entitled to a contribution equalling one-half (1/2) the cost of such restoration from the Owner of the other Townhouse which shares such wall. Such right to contribution shall not be construed, however, to limit in any degree, the right of a Townhouse Owner to seek a greater contribution if so entitled under the law of the State of New York regarding liability for negligent or willful acts or omissions.

Section 8.06. 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 Townhouse Owner.

Section 8.07. Encroachments and Projections. If any Townhouse and all improvements associated with it, including but not limited to patios, porches, walks, decks, and privacy fencing, encroaches or projects upon any other Townhouse Lot or upon any portion of the Association Property as a result of the construction of such Townhouse, or if any such encroachment or projection shall occur as a result of settling or shifting of such Townhouse or portion thereof, there shall be an easement for such encroachment or projection and for the maintenance of same so long as such encroaching or projecting Townhouse or portion thereof shall stand. In the event one (1) or more Townhouses or portions thereof are partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, or Proceedings of similar import and effect, and such Townhouse(s) or portions thereof are thereafter rebuilt, inadvertent encroachments or projections by such Townhouse(s) or portions thereof upon any other Townhouse or Lot, or upon any portion of the Association Property, in excess of any encroachment or projection which existed as a result of initial construction, due to such rebuilding, shall be permitted, and valid easements for such encroachments or projection and the maintenance thereof shall exist so long as such improvements shall stand; provided, however, that any increase in such encroachment or projection shall not be greater than two (2) feet.

ARTICLE IX
INSURANCE AND RECONSTRUCTION

Section 9.01. Insurance to be Carried. The Board of Directors of the Association shall obtain and maintain, to the extent reasonably obtainable and to the extent determined by the Board of Directors to be appropriate or relevant: (i) fire and casualty insurance on the Association Property, the Townhouses, (ii) liability insurance on the Association Property, (iii) directors and officers' liability insurance, (iv) fidelity bond or surety bond, and (v) such other insurance as the Board of Directors shall deem necessary or desirable from time to time including "umbrella" catastrophe coverage. Coverages shall be as follows:

1. Fire and Casualty. Coverage shall be for the unit value of each Townhouse under the "single entity" concept, i.e. covering the Townhouses as initially built and including the wall to wall carpeting, lighting fixtures, bathroom fixtures, built-in appliances, wall coverings and all machinery servicing the Townhouses and common facilities, excluding the land, foundations, the personal property of Owners and occupants, and any improvements or alterations (including upgrading of appliances, kitchen cabinets, carpeting or lighting fixtures, and wall coverings) made by present or prior Owners or occupants.

The policy shall have the following provisions, endorsements and coverages: (i) extended coverage, vandalism and malicious mischief, (ii) inflation guard, (iii) coverage for loss of Maintenance Assessment from Owners forced to vacate because of fire or other insured against casualty, (iv) waiver of the right of subrogation with respect to individual Owners, their family members, and the officers and directors of the Association, (v) a provision that the policy shall in no event be brought into "contribution" by individual Owners or mortgagees, (vi) a provision that the policy cannot be cancelled, invalidated or suspended because of the conduct of someone over whom the Board of Directors has no control, (vii) cross-liability giving the Owners the right to sue the Board of Directors and vice versa with the insuring company agreeing to defend the defendant, (viii) a provision that the policy may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Lots reported to the insurance carrier or its agent, (ix) a provision requiring periodic review at least every two (2) years to assure the sufficiency of coverage, (x) a provision that adjustment of loss shall be made by the Board of Directors and (xi) a provision that the policy not require the insured to be a co-insurer in the event of loss or claim under the policy.

Prior to obtaining any new fire and casualty insurance policy, the Board of Directors shall obtain an appraisal from an insurance company or otherwise for the purpose of determining the amount of fire insurance to be effected pursuant to this section.

The proceeds of all policies of physical damage insurance, if \$50,000.00 or less shall be payable to the Association, and if \$50,000.00 or more, to an Insurance Trustee (bank, trust company or law firm) selected by the Board of Directors of the Association to be applied for the purpose of repairing, restoring or rebuilding unless otherwise determined by the Owners pursuant to Section 9.02 of this Declaration.

This \$50,000.00 limitation may be raised or lowered from time to time upon approval of not less than two-thirds (2/3) of the entire Board of Directors. All fees and disbursements of the Trustee shall be paid by the Association and shall be a common expense of the Lot Owners.

The policy shall contain the standard mortgagee clause in favor of mortgagees which shall provide that any loss shall be payable to the mortgagees as its interest shall appear, subject, however to the loss payment provisions in favor of the Association and the Insurance Trustee. The obligation to restore or reconstruct after damage due to fire or other casualty supersedes the customary right of a mortgagee to have the proceeds of insurance coverage applied to the mortgage indebtedness.

Each Owner and such Owner's known mortgagee shall be a named insured on the policy and shall receive, at the time of purchase and at the time a new policy is obtained or an existing policy renewed, a certificate evidencing insurance coverage.

Duplicate originals of the policy and of all renewals of the policy shall be furnished to all known institutional mortgagees of Townhouses.

If the Board of Directors decides not to insure the Townhouses or decides to insure the Townhouses in an amount less than that necessary to provide for the full replacement or reconstruction of the damaged improvements taking into account coinsurance provisions, each Owner shall, at the Owner's sole cost and expense, purchase and maintain fire and extended coverage insurance in such amounts as from time to time may be required by the Board of Directors, from a company licensed to do business in the State of New York. Such insurance shall be in the standard New York State form and shall cover loss and damage to the Lot, Townhouse (including garage), and all other improvements on the Lot. All insurance policies shall cover the

interest of the Owner, the Association, and mortgagees, if any, as their interests may appear.

2. Liability. The liability insurance shall cover the directors and officers of the Association, the managing agent, if any, and all Owners of Townhouses, but not the liability of Townhouse Owners arising from occurrences within such Owner's Townhouse or on such Owner's Lot. The policy shall include the following endorsements: (i) comprehensive general liability, (ii) Personal injury, (iii) medical payments, (iv) cross liability and (v) contractual liability.

Until the first meeting of the Board of Directors elected by the Owners, this public liability insurance shall be in a combined single limit of \$500,000.00 covering all claims for bodily injury and property damage.

3. Directors' and Officers' Liability. The directors' and officers' liability insurance shall cover the "wrongful" acts of a director or officer of the Association. This coverage shall provide for funds to be available to defend suits against officers and directors of the Association and to pay any claims which may result. The policy shall be on a "claims made" basis so as to cover all prior officers and members of the Board of Directors. The policy shall not provide for "participation" by the Association or by the officers or directors of the Association.

Until the first meeting of the Board of Directors elected by the Owners, the directors' and officers' liability coverage shall be in the amount of \$250,000.00.

4. Fidelity Bond. The fidelity bond shall cover all directors, officers and employees of the Association and of the Association's managing agent, if any, who handle Association funds. The bond shall be in an amount not less than 50% of the Association's annual budget, but in no event less than the amount of funds, including reserves, owned by or under the control of the Association.

Until the first meeting of the Board of Directors elected by the Owners, the coverage shall be \$10,000.00 for dishonest acts and \$5,000.00 for forgery.

5. 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.

6. No Liability for Failure to Obtain Above Coverages. The Board of Directors shall not be liable for failure to obtain any of the coverages required by this Section

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

7. Deductible. The deductible, if any, on any insurance policy purchased by the Board of Directors shall be a common expense, 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 interest 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.

Option to Have Insurance Paid
by Lot Owners Directly

The Board of Directors may, at its option, elect to have any insurance which it obtains, paid for directly by the Owners of the Lots rather than from assessments paid to the Association. However, should any Owner fail to pay such Owner's portion of such insurance premium, the Board of Directors may elect to pay such amount on behalf of such Owner in which event such amount so advanced shall be a charge and continuing lien upon the Lot of such Owner and shall also be the personal obligation of such Owner. Such amount shall bear interest and shall be collectible in the same manner as a delinquent assessment as set forth in Section 5.08 of this Declaration.

Section 9.02. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of any Townhouse, insured through insurance obtained by the Board of Directors, as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of the damaged property and the Board of Directors, or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments; provided, however, that if the Owners of 75% or more of all Townhouses do not duly and promptly resolve to proceed with repair or restoration, the net proceeds of insurance policies, if any, shall be divided among the Townhouse Owners in proportion to the damage to their insured property in relation to the total damage to all the insured property, provided, however, that no payment shall be made to a Townhouse Owner until there has first been paid out of

such Townhouse Owner's share of such funds all liens on such Owner's Townhouse. In the event that insurance proceeds are, for any reason, insufficient to pay all of the costs of restoring or repairing the property to the same condition as formerly existed, the Board of Directors shall levy a Special Assessment to make up the deficiency against all Owners of the damaged Townhouses in such proportions as the Board of Directors deems fair and equitable taking into account the damage sustained to each Townhouse and any negligence which, in the opinion of the Board, contributed to the damage and loss. In the event that insurance proceeds exceed the cost of repair and reconstruction, such expenses shall be paid over to the respective mortgagees and Townhouse Owners in such proportions as the Board of Directors deems fair and equitable taking into account the damage sustained to each Townhouse and Lot, provided, however, that no part of a distribution that results from an Assessment paid by a Townhouse Owner, shall be made to all Townhouse Owners and their mortgagees as their interest may appear.

Section 9.03. Insurance Carried by Owners. Owners of Townhouses shall not be prohibited from carrying other insurance for their own benefit, provided that such policies contain waivers of subrogation, and further provided, that the liability of the carriers issuing insurance procured by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by the Owner.

ARTICLE X GENERAL COVENANTS AND RESTRICTIONS

Section 10.01. Advertising and Signs. Except for signs erected by or with the permission of the Sponsor in connection with the initial development, lease or sale of Lots, no additional sign (other than a professional shingle affixed to the dwelling indicating the name of a firm or person and/or such firm's or person's profession, the materials, size, design, style and color of which shall be approved by the Architectural Committee) or other advertising device of any nature shall be placed for display to the public view on any Lot or other portion of Property, including but not limited to temporary signs advertising property for sale or rent, except with the consent of the Architectural Committee.

Section 10.02. Animals, Birds and Insects. Except for one (1) dog and one (1) cat belonging to an Owner of a Lot, fish, or birds kept in a cage, no animals, birds or insects shall be kept or maintained on any Lot on which a Townhouse is or will be constructed or other portion of the Property except with the

consent of the Board of Directors of the Association which may, from time to time, (i) impose reasonable rules and regulations setting forth the type and number of animals, birds and insects and (ii) prohibit certain types of animals, birds or insects entirely. In any event, pets may be allowed outdoors only within the area fully enclosed by privacy fencing, unless accompanied by a responsible person and leashed. A kennel or outdoor enclosure for retaining a pet out of doors may be constructed only within an area fully enclosed by privacy fencing. The Board of Directors of the Association shall have the right to require any Owner, any tenant of any Owner, or any family member or guest of any Owner or tenant to dispose of any animal, bird or insect, if, in the opinion of the Board of Directors, acting in its sole discretion, such animal, bird or insect is creating a nuisance because, e.g., the Owner does not clean up after the animal, the animal is too noisy or the animal is not properly controlled.

Section 10.03. Protective Screening and Fences. Any screen planting, fence enclosures or walls initially developed on a Lot or other portion of the Property not maintained by the Association shall be maintained by the Lot Owner and shall not be removed or replaced with other than a similar type of planting, fence or wall except with the permission of the Architectural Committee. Except for the foregoing, no fence, wall or screen planting of any kind shall be planted, installed or erected upon said parcel or other portion of the Property unless approved by the Architectural Committee. Notwithstanding the foregoing, no fence, wall or screen planting shall be maintained so as to obstruct sight lines for vehicular traffic.

Section 10.04. Garbage and Refuse Disposal. Except for building materials during the course of construction or repair of any approved improvements, no lumber, metals, bulk materials, rubbish, refuse, garbage, trash or other waste material (referred to hereinafter as "Trash") shall be kept, stored, or allowed to accumulate outdoors on any portion of the Property, except in sanitary containers and screened from adjacent and surrounding property. Such containers may be placed in the open within 24 hours of a scheduled pick-up, at such place on the Lot or other portion of the Property designated by the Association so as to provide access to persons making such pick-up. The Association may, in its discretion, adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same on any portion of the Property.

Section 10.05. No Above Surface Utilities Without Approval. No facilities, including without limitation, poles, antennas, dishes or wires for the transmission of electricity,

electronic or telephone messages, and water, gas, sanitary and storm sewer drainage pipes and conduits shall be placed or maintained above the surface of the ground on any portion of the Property without the prior written approval of the Association.

Section 10.06. Noxious or Offensive Activities. No noxious or offensive activity shall be carried out upon any portion of the Property, nor shall anything be done thereon that may be or become a nuisance or annoyance to the area or to the residents or Owners thereof. The emission of smoke, soot, fly ash, dust, fumes, herbicides, insecticides, and other types of air pollution or radioactive emissions or electro-magnetic radiation disturbances, shall be controlled so as not to be detrimental to or endanger the public health, safety, comfort or welfare, be injurious to property, vegetation or animals, adversely affect property values or otherwise produce a public nuisance or hazard or violate any applicable zoning regulations or governmental law, ordinance or code.

Section 10.07. Oil and Mining Operations. No portion of the Property shall be used for the purpose of boring, drilling, refining, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth, except soil borings in connection with the improvement of said portion of the Property, and no derrick or other structure designed for use in boring for oil, natural gas or any other mineral shall be erected, maintained or permitted on any portion of the Property, except with the consent of the Association.

Section 10.08. Dwelling in Other Than Residential Unit. No temporary building, trailer, basement, tent, shack, barn, outbuilding, shed, garage, or building in the course of construction or other temporary structure shall be used, temporarily or permanently, as a dwelling on any Lot or other portion of the Property, except with the consent of the Association.

Section 10.09. Antennas. No outside radio, telegraphic, television or other electronic antenna, dish or other transmitting or receiving device shall be erected on any Lot or other portion of the Property, except with the consent of the Association.

Section 10.10. Trees and Other Natural Features. After the transfer of title by the Sponsor to any Lot or other portion of the Property, no trees shall be removed from any Lot or portion of the Property, except with the permission of the

Association. The Association, in its discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources and wildlife upon the Property. The Association may designate certain trees, regardless of size, as not removable without written authorization.

Section 10.11. Use and Maintenance of Slope Control Areas. Within any slope control area shown on any filed map or plat, no improvements, planting or other materials shall be placed or permitted to remain, nor shall any activity be undertaken, which may damage or interfere with established slope ratios, create erosion or sliding problems, change the direction or flow of drainage channels. The slope control areas of any Lot or other portion of the Property and all improvements thereon shall be maintained continuously by the Owner of said Lot or other portion of the Property, except in those cases where a governmental agent or other public entity or utility company is responsible for such maintenance.

Section 10.12. Snowmobiles. No snowmobile or similar motor vehicle shall be operated on any portion of the Property except with the consent of the Association.

Section 10.13. Commercial and Professional Activity on Property. No wholesale or retail business or service occupation in conflict with applicable municipal laws and ordinances shall be conducted in or on any Lot or other portion of the Property without the consent of the Association, except by the Sponsor in conjunction with the initial construction, development, lease and sale of Lots.

Section 10.14. Outside Storage. Outside storage or parking for more than one 72 consecutive hour period per month of commercial or recreational vehicles, camper bodies, boats and trailers shall be prohibited except as may be permitted by the Association, (unless prohibited altogether by the applicable zoning requirements).

Section 10.15. Outdoor Repair Work. With respect to a Lot or other portion of the Property to which title has been transferred by the Sponsor, no work on any motor vehicles, boats or machines of any kind, other than minor servicing and maintenance, shall be permitted outdoors on such Lot or portion thereof, except with the consent of the Association.

Section 10.16. Oversized, Commercial and Unlicensed Vehicles. Unless used in connection with the construction or sale of Lots by the Sponsor, or maintenance of the Property, the following shall not be permitted to remain overnight on the Property:

- a. any vehicle which cannot fit into a garage of the size constructed by the Sponsor with the Units;
- b. commercial vehicles of a weight of two (2) tons or more, unless garaged;
- c. unlicensed motor vehicles of any type, unless garaged.

Section 10.17. Clotheslines. No outdoor drying or airing of any clothing or bedding shall be permitted on the Property unless authorized by the Association.

Section 10.18. Chain Link Fences. Unless otherwise consented to by the Association, no chain link fence shall be erected anywhere on the Property.

ARTICLE XI ENFORCEMENT, AMENDMENT AND DURATION OF DECLARATION

Section 11.01. Declaration Runs With the Land. Each person or entity acquiring an interest in a Lot or other portion of the Property or otherwise occupying any portion of the Property, whether or not the deed, lease or any other instrument incorporates or refers to the Declaration, covenants and agrees for him, her, or itself, and for his, her or its heirs, successors and assigns, to observe, perform and be bound by the provisions of the Declaration, including personal responsibility for the payment of all charges which may become liens against his property and which become due while he is the owner thereof, and also covenants to incorporate this Declaration by reference in any deed, lease or other instrument further transferring an interest in such Lot or other portion of the Property.

Section 11.02. Enforceability. The provisions of the Declaration shall bind the Property, shall be construed as running with the land and shall inure to the benefit of the Association, which shall be deemed the agent for all of its Members, and may be enforced by any Member or Owner, their respective legal representatives, heirs, successors and assigns,

by actions at law or by suits in equity. As it may be impossible to measure monetarily the damages which may accrue to the beneficiaries hereof by reason of a violation of the Declaration, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

Section 11.03. No Waiver by Failure to Enforce. The failure of any beneficiary hereof to enforce any provision of the Declaration shall in no event be construed as a waiver of the right by that beneficiary or any other to do so thereafter, as to the same or a similar violation occurring prior to or subsequent thereto. No liability shall attach to the Sponsor, the Association, or any officer, director, employee, Member, agent, committee or committee member thereof, or to any other person or organization for failure to enforce the provisions of the Declaration.

Section 11.04. Obligation and Lien for Cost of Enforcement by Association. If the Association or any other party successfully brings an action to extinguish a violation or otherwise enforce the provisions of the Declaration, or the rules and regulations promulgated hereto, the costs of such action, including legal fees, shall become a binding, personal obligation of the violator. If such violator is (i) the Owner, (ii) any family member, tenant, guest or invitee of the Owner, (iii) a family member or guest or invitee of the tenant of the Owner, or (iv) a guest or invitee of (1) any member of such Owner's family or (2) any family member of the tenant of such Owner, such costs shall also be a lien upon the Lot or other portion of the Property owned by such Owner, if any.

Section 11.05. Inspection and Entry Rights. Any agent of the Association or the Architectural Committee may at any reasonable time or times, upon not less than 24 hours notice to the Owner, enter upon a Lot or other portion of the Property to inspect the improvements thereon for the purpose of ascertaining whether the maintenance, construction or alteration of structures or other improvements thereon comply with the Declaration, or with rules and regulations issued pursuant hereto. Neither the Association nor any such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

In addition to the above, if the Architectural Committee determines that it is necessary to trim, cut or prune any tree, hedge or other planting because its location or the height to which, or the manner in which it has been permitted to grow is unsightly, detrimental or potentially detrimental to persons or

property, obscures the view of street traffic, or is otherwise in violation of this Declaration, the Association shall notify the Owner of the Lot or other portion of the Property who shall be obliged to remedy the violation. If the Owner fails to remedy the violation within 30 days after such notice is given, then the Association may take such remedial action at the expense of the Owner.

Section 11.06. Default Notices to be Sent to Mortgagees. Each Owner shall notify the Association of the name of the mortgagee of any mortgage on such Owner's Lot. Upon receipt of such notice, the Association shall thereafter provide such mortgagee with a duplicate copy of any notice of default sent to such Owner with regard to the violation by such Owner of any provision of this Declaration.

Section 11.07. Amending or Rescinding. Unless otherwise specifically provided for herein, this Declaration may be amended or rescinded upon the consent in writing of the Owners of not less than two-thirds (2/3) of all Lots which are subject to this Declaration. In addition, until three (3) years from the date of recording of this Declaration, or so long as the Sponsor owns 25% or more of the Property then subject to this Declaration, the written consent of the Sponsor will be required for any amendment which adversely affects the interest of the Sponsor.

In voting for such amendment or rescission, the Members voting rights shall be as set forth in Article III hereof.

The Owners of every Lot shall receive written notice of every proposed amendment or rescission at least 30 days prior to the date set for voting on said proposed amendment or rescission.

In addition to the approval of the Lot Owners and Sponsor, as provided for herein, no amendment or rescission which substantially affects the interest of any lending institutions shall become effective if lending institutions, which together are mortgagees on one-third (1/3) or more of the Lots, advise the Association in writing, prior to the date set for voting on the proposed amendment, that they are opposed to such amendment, which opposition must not be unreasonable. Written notice of any proposed amendment or rescission which substantially affects the interest of any lending institution first mortgagee shall be sent to all such lending institution first mortgagees whose names appear on the records of the Association at least 30 days prior to the date set for voting on the proposed amendment or rescission.

Section 11.08. When Amendment or Rescission Become Effective. Any amendment or rescission to this Declaration shall not become effective until the instrument evidencing such change has been duly recorded in the office of the Monroe County Clerk. Such instrument need not contain the written consent of the required number of Owners, but shall contain a certification by the Board of Directors of the Association that the consents required for such amendment have been received and filed with the Board.

Section 11.09. Duration. The provisions of this Declaration shall, unless amended or rescinded as hereinbefore provided, continue with full force and effect against both the Property and the Owners thereof until December 31, 2006, and shall, as then in force, be automatically, and without further notice, extended for successive periods of ten (10) years, except as otherwise set forth herein.

Section 11.10. Construction and Interpretation. The Association shall have the right to construe and interpret the provisions of this Declaration and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all persons or property benefitted or bound by the provisions.

Any conflict in construction or interpretation between the Association and any other person or entity entitled to enforce the provisions hereof shall be resolved in favor of the construction or interpretation of the Association. The Association may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and enforcement of the provisions of this Declaration. In so adopting and promulgating such rules and regulations, and making and finding, determination, ruling or order or in carrying out any directive contained herein relating to the issuance of permits, authorizations, approvals, rules or regulations, the Association shall take into consideration the best interest of the Owners and other residents of the Property to the end that the Property shall be preserved and maintained as a high quality community.

In granting any permit, authorization or approval, as herein provided, the Association may impose any conditions or limitations thereon as they shall deem advisable under the circumstances in each case in light of the consideration set forth in the immediately preceding paragraph hereof.

Section 11.11. Conflict with Municipal Laws. The protective covenants, conditions and restrictions set forth herein shall not be taken as permitting any action or thing prohibited by the applicable zoning laws, or the laws, ordinances, rules or regulations of any governmental authority, or by specific restrictions imposed by any deed or lease.

Section 11.12. Change of Conditions. No change of conditions or circumstances shall operate to amend any of the provisions of this Declaration, and the same may be amended only in the manner provided herein.

Section 11.13. Invalidity of Agreement or Declaration. The determination by any court of competent jurisdiction that any provision hereof is unenforceable, invalid or void shall not affect the enforceability or validity of any other provision hereof.

ARTICLE XII GENERAL

Section 12.01. Headings and Captions. The headings and captions contained in this Declaration are for convenience only and shall not affect the meaning or interpretations of the content thereof.

Section 12.02. Right Reserved to Impose Additional Protective Covenants. The Sponsor reserves the right to record additional protective covenants and restrictions prior to the conveyance of any lands encumbered by this Declaration.

Section 12.03. Notice. Any notice required to be sent to the Sponsor, Owner or mortgagee under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as the Sponsor, Owner or mortgagee on the records of the Association at the time of such mailing.

Section 12.04. Right of Association to Transfer Interest. Notwithstanding any other provision herein to the contrary, the Association and its successors, shall at all times have the absolute right to fully transfer, convey and assign its right, title and interest under this Declaration to any successor not-for-profit corporation or trust, and upon such assignment the

successor corporation or trust shall have all the rights and be subject to all the duties of said Association as set forth in this Declaration and shall be deemed to have agreed to be bound by all provisions hereof, to the same extent as if the successor corporation or trust had been an original party and all references herein to the Board of Directors or Trustees of such successor corporation or trust. Any such assignment shall be accepted by the successor corporation or trust under a written agreement pursuant to which the successor corporation or trust expressly assumes all the duties and obligations of the Association. If the Association, for any reason, shall cease to exist without having first assigned its rights hereunder to a successor corporation or trust, the covenants, easements, charges and liens imposed hereunder shall nevertheless continue and any Owner may petition a court of competent jurisdiction to appoint a trustee for the purpose of organizing a not-for-profit corporation or trust to take over the duties and responsibilities of the entity to exist, subject to the conditions provided for herein with respect to an assignment and delegation to a successor corporation or trust.

Section 12.05. Right of Association To Transfer Functions. Unless otherwise specifically prohibited herein or within the Certificate of Incorporation or By-Laws of the Association, any and all functions of the Association shall be fully transferable in whole or in part to any other homeowners or residents association or similar entity.

MARK IV CONSTRUCTION CO., INC.

By: _____
Anthony M. DiMarzo, President

(SEAL)

BROOKVIEW HOMEOWNERS ASSOCIATION
INC.

By: _____
Anthony M. DiMarzo, President

(SEAL)

EXHIBIT "B"

CERTIFICATE OF INCORPORATION
OF
BROOKVIEW HOMEOWNERS ASSOCIATION, INC.

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

The undersigned, being of the age of 18 years or older, under Section 402 of the Not-for-Profit Corporation Law of the State of New York, hereby certifies:

1. The name of the Corporation is BROOKVIEW HOMEOWNERS ASSOCIATION, INC.

2. The Corporation has not been formed for pecuniary profit or financial gain and no part of the assets, income or profit of the Corporation is distributable to or inures to the benefit of its members, directors or officers. The Corporation shall be a Type A corporation under Section 201 of the Not-for-Profit Corporation Law.

3. The purposes for which the Corporation is formed are to acquire, construct upon, manage, maintain, care for, preserve, protect and enhance the value of that certain tract of property known as Brookview Subdivision in the Town of Greece, County of Monroe, State of New York, and such additions thereto as may hereafter be brought within the jurisdiction of this Corporation and structures, fixtures and improvements thereon, and community facilities and rights, privileges and easements benefiting such property (the "Property") and being initially the premises described in that certain Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens of Brookview Homeowners Association, Inc. recorded in the Monroe County Clerk's Office and any supplements or additions thereto (the "Declaration") and to promote the health, safety and welfare of the owners of interests in the Property.

4. In furtherance of, and not in limitation of, the purposes of the Corporation, the Corporation shall have all the powers now or hereafter granted to corporations of its type under the Not-for-Profit Corporation Law of the State of New York and any successor statute, including, without limiting the generality of the foregoing, the power to acquire, invest in, hold, sell, exchange and dispose of real and personal property of all kinds and varieties and interests, including security interests and mortgages therein.

5. Nothing herein contained shall authorize the Corporation to undertake or carry on any of the activities specified in Section 404(a)-(t) of the Not-for-Profit Corporation Law of the State of New York, to operate a hospital, drug maintenance program, certified home health agency, health maintenance organization or to provide hospital or health related services, or to offer a comprehensive health services plan as any of the foregoing are respectively defined in Articles 28, 33, 36 and 44 of the Public Health Law.

6. The office of the Corporation will be located in the Town of Greece, County of Monroe, State of New York.

7. The Secretary of State is 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 301 Exchange Blvd., Rochester, New York 14608.

8. The territory in which the Corporation's activities are principally to be conducted is the County of Monroe, State of New York, but the activities of the Corporation shall not be limited thereto.

9. Every person or entity who is a record owner of a fee interest in any lot in the Property which is subject by covenants of record to assessments by the Corporation, including contract vendors and, in addition, the Sponsor (used herein as defined in the Declaration), so long as it shall be the record owner of a fee interest in any lot in the Property, whether or not subject to assessments by the Corporation, shall be a member of the Corporation. The Corporation shall have two (2) classes of membership. Class A members shall be all members except the Sponsor and the sole Class B member shall be the Sponsor or assignee. The Class B membership shall be the only class of membership entitled to vote for the election of directors, the transaction of any corporate business or any other matter until two (2) years after the sale and transfer by the Sponsor of the first Lot (used herein as defined in the Declaration), or until forty-one (41) Lots are sold and transferred by the Sponsor. Immediately thereafter, the Sponsor's Class B membership shall be converted into Class A membership without further act or instrument and the Class A membership shall have full voting rights. No person shall be a member of the Corporation solely on account of ownership of an interest in a Lot in the Property solely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from record fee ownership of any Lot in the Property subject to assessment by the Corporation.

10. Upon dissolution of the Corporation other than

incident to a merger or consolidation, no part of the assets of the Corporation nor any of the proceeds thereof shall be distributed to the members, officers or directors of the Corporation as such, but all such property and proceeds shall, subject to the discharge of the Corporation's liabilities, be distributed as directed by the members of the Corporation to a public agency to be used for not-for-profit purposes similar to those for which the Corporation was created or for the general welfare of the residence of the municipality in which the Property is located or to a corporation, association, trust or other organization not organized for profit and operated exclusively for the promotion of social welfare, subject to the approval of a Justice of the Supreme Court of the State of New York.

11. Neither this Certificate of Incorporation nor the Corporation's By-Laws shall be amended in any manner which conflicts with the Declaration.

12. No approval or consent is required for the filing of this Certificate of Incorporation.

IN WITNESS WHEREOF, the undersigned has subscribed and affirmed this Certificate as true under the penalties of perjury this 4th day of March, 1986.

/s/ Louis M. D'Amato
Louis M. D'Amato
44 Exchange Street
Rochester, New York 14614

EXHIBIT "C"

BY-LAWS

Establishing Brookview Homeowners Association, Inc.

NAME: BROOKVIEW HOMEOWNERS ASSOCIATION, INC.

SPONSOR: MARK IV CONSTRUCTION CO., INC.
301 Exchange Blvd.
Rochester, New York 14608

DATE OF BY-LAWS: _____, 1986

WOODS, OVIATT, GILMAN, STURMAN & CLARKE

Attorneys for the Sponsor

44 Exchange Street
Rochester, New York 14614

**BY-LAWS
OF
BROOKVIEW HOMEOWNERS ASSOCIATION, INC.**

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**BY-LAWS
OF
BROOKVIEW HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

SECTION 1.01 Name and Location. The name of the corporation is the BROOKVIEW HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the Association shall be located in the Town of Greece, County of Monroe and State of New York.

ARTICLE II

DEFINITIONS

As used in these By-Laws, the following terms shall have the definitions ascribed to them below:

SECTION 2.01 Association. BROOKVIEW HOMEOWNERS ASSOCIATION, Inc., a New York not-for-profit corporation.

SECTION 2.02 Declaration. The document entitled "Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens" imposed by the Sponsor of the Property, as defined below, as it may from time to time be supplemented or amended in the manner provided for in said Declaration.

SECTION 2.03 Lot. Any portion of the Property identified as a separate parcel on the tax records of the Town of Greece or shown as a separate lot upon any recorded or filed subdivision map, with the exception of Association Property as defined in the Declaration.

SECTION 2.04 Member. Every person or entity who is a record owner of a fee interest in any Lot which is subject by covenants of record to assessments by the Association, including contract vendors and, in addition, the Sponsor, as that term is defined in the Declaration, so long as it shall be the record owner of a fee interest in any Lot subject to the Declaration, whether or not subject to assessments by this Association. No

person, however, shall be a member of the Association solely on account of ownership of an interest in a Lot solely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from record fee ownership of any Lot subject to assessment by the Association.

SECTION 2.05 Property. All property within Brookview Townhomes.

SECTION 2.06 Sponsor. Mark IV Construction Co., Inc., its successors and assigns.

SECTION 2.07 Townhouse. A single family dwelling on the property that is attached to at least one (1) or more Townhouses by means of a party wall or otherwise.

ARTICLE III

MEMBERS

SECTION 3.01 Membership in the Association. The Members of the Association shall be the Owners of Lots within the Property, provided that any person or entity holding such interest merely as security for the performance of an obligation shall not be a Member. The Association shall have two (2) classes of Membership. Class A members shall be all Owners of Lots except the Sponsor and the sole Class B member shall be the Sponsor or assignee. The Class B membership shall be the only class of membership entitled to vote for the election of directors, the transaction of any corporate business or any other matter until two (2) years after the sale and transfer by the Sponsor of the first Lot, or until forty-one (41) Lots are sold and transferred by the Sponsor. Immediately thereafter, the Sponsor's Class B membership shall be converted into Class A membership without further act or instrument and the Class A membership shall have full voting rights.

SECTION 3.02 Right of Sponsor to Assign; Otherwise No Assignment. Sponsor may assign its membership in the Association to any person, corporation, association, trust or other entity, and such assignee, and any future assignee of such membership may make successive like assignments. Memberships in the Association shall not otherwise be transferable or assignable.

ARTICLE IV

MEETINGS OF MEMBERS; VOTING

SECTION 4.01 Annual Meeting. There shall be an Annual Meeting of the Members on the first Tuesday of March at 8:00 p.m., or at such other date and time and at such other place convenient to the Members as shall be designated by the Board of Directors, which meeting shall be for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the date fixed for the annual Meeting shall be a legal holiday, the meeting shall be held on the first day following, which is not a legal holiday. Failure to hold an Annual Meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts.

SECTION 4.02 Special Meetings. Special Meetings of the Members may be called at any time by the President or the Board of Directors, and shall be called by the Secretary of the Association at the request in writing of Members of the Association holding not less than the lesser of ten percent (10%) or 52 of the votes entitled to be cast at the meeting.

SECTION 4.03 Notice of Meetings. Not less than ten (10) days or more than 30 days before the date of any Annual or Special Meeting of Members, the Association shall give to each Member written or printed notice stating the time and place of the meeting and, in the case of a Special Meeting, indicating that it is being issued by or at the direction of the person or persons calling the meeting and the purpose or purposes for which the meeting is called. Such notice shall be delivered either by mail or by presenting it to the Member personally, or by leaving it at such Member's residence as shown on the records of the Association. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, addressed to the Member at his or her post office address as it appears on the records of the Association. Notwithstanding the foregoing provision, a waiver of notice in writing, signed by the person or persons entitled to such notice, whether before or after such meeting is held, or actual attendance at the meeting in person without objection to lack or deficiency of notice prior to the conclusion of the meeting, shall be deemed equivalent to the giving of such notice to such persons. Any meeting of Members, Annual or Special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

SECTION 4.04 Voting Rights. The Class B membership shall be the only class of membership entitled to vote for the election of directors, the transaction of any corporate business or any other matter until two (2) years after the sale and transfer by the Sponsor of the first Lot, or until forty-one (41) Lots are sold and transferred by the Sponsor. Immediately thereafter, the Sponsor's Class B membership shall be converted into Class A membership without further act or instrument and the Class A membership shall have full voting rights.

SECTION 4.05 Quorum and Vote. The presence in person or by proxy of Members having not less than the lesser of one-half (1/2) or 100 of the total votes of the Membership entitled to vote shall constitute a quorum at any meeting. However, if a meeting cannot be held because a quorum is not present, the majority of the Members present, either in person or by proxy, may, without notice other than announcement to those physically present, adjourn the meeting to a time not less than 48 hours later, until a quorum shall be present in person or by proxy, with the quorum required for each reconvened meeting being one-half (1/2) of the quorum required for the previous meeting, but never less than the lesser of one-tenth (1/10) or 100 of the total votes of the Membership entitled to vote. Directors shall be elected by the affirmative vote of Members entitled to vote and casting a plurality of the vote cast at a meeting of Members. With respect to all acts other than the election of Directors, the act of Members casting a majority of the votes cast at a meeting shall be the act of the Members unless the act of a greater or lesser number is required by law, or by the Certificate of Incorporation of the Association, the Declaration or these By-Laws.

SECTION 4.06 Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of the Declaration, the Certificate of Incorporation, these By-Laws and the Not-for-Profit Corporation Law of the State of New York, as it deems advisable for any meeting of the Members, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors of votes, registration of Members for voting purposes and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

SECTION 4.07 Corporate Members. Any votes of a corporate member may be cast by an appropriate officer of such corporation.

SECTION 4.08 Joint or Common Ownership. Any one (1) joint or common fee owner of a Lot shall be entitled to cast the vote with respect to the Lot so owned, but all such joint or common owners shall together cast only one (1) vote for each Lot conferring voting rights. If the owners are unable to determine how the vote shall be cast, no vote shall be cast.

SECTION 4.09 Absentee Ballots. On any matter submitted to the Members for vote, other than the election of Directors of the Association, any Member entitled to vote may cast a vote without attending the meeting in question by filing a written statement with the Board of Directors prior to the meeting in question, specifying the issue on which the Member intends to vote and that the Member votes for or against the same. Members unable to attend a meeting at which Directors of the Association are to be elected shall be entitled to file an absentee ballot if so provided by the Board of Directors, or may vote by a proxy which shall be in writing and shall be filed with the Secretary of the Association.

SECTION 4.10 Waiver and Consent. Wherever the vote of the membership is required by law or by the Certificate of Incorporation of the Association, the Declaration or these By-Laws, to be taken in connection with any action of the Association, the meeting and vote of the membership may be dispensed with if all Members who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such action being taken.

ARTICLE V

BOARD OF DIRECTORS

SECTION 5.01 Number of Directors. The business and affairs of the Association shall be managed by the Board of Directors. The number of Directors of the Association shall be five (5), except that an initial Board of three (3) Directors shall be designated by the Sponsor. The initial Board of Directors shall hold its first meeting within 30 days of transferring title to the first Lot in Brookview Subdivision. The initial Board of Directors shall serve until the first annual meeting after the Sponsor has sold and transferred title to 41 Lots or until two (2) years after the date of selling and transferring the first Lot, whichever first occurs. Directors need not be Members.

SECTION 5.02 Nominations. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. Nominations may also be made from the floor at the Annual Meeting of the Association. The members of the Nominating Committee shall be appointed by the Board of Directors at least thirty (30) days prior to each Annual Meeting of the Members and shall serve only to make the nominations for Directors to be elected at that meeting.

The Nominating Committee shall make as many nominations for election of the Board of Directors as it shall determine, in its sole discretion, but not less than the number of vacancies that are to be filled and such nomination may be made from Members of the Association.

SECTION 5.03 Election. At the first Annual Meeting after 41 Lots have been sold and transferred or two (2) years after the date of selling and transferring the first Lot, whichever first occurs, the Members shall elect three (3) Directors for a term of two (2) years and two (2) Directors for a term of one (1) year. At each Annual Meeting thereafter, the Members shall replace those Directors whose terms have expired and elect such successor Directors for a term of two (2) years. Voting shall be by secret written ballot which shall:

- a. Set forth the number of vacancies to be filled;
- b. Set forth the names of those nominated by the Nominating Committee to fill such vacancies; and
- c. Contain space for a write-in for each vacancy. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

SECTION 5.04 Vacancies. Any vacancy occurring in the initial or any subsequent Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors (although less than a quorum) or by a sole remaining Director and, if not previously filled, shall be filled at the next succeeding meeting of the Members of the Association. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose vacancy such person was elected to fill. Any vacancy occurring by reason of an increase in the number of Directors may be filled by action of a majority of the entire Board of Directors and any Director so elected shall hold office until the next meeting of Members or until a successor is elected and qualifies.

SECTION 5.05 Removal. At any meeting of Members, duly called at which a quorum is present, the Members may, by the affirmative vote of not less than two-thirds (2/3) of the Members entitled to vote, remove any Director or Directors from office with or without cause and may by plurality vote elect the successor or successors to fill any resulting vacancies for the unexpired term or terms of the removed Director or Directors. In addition the other Directors may, by the affirmative vote of not less than two-thirds (2/3) of the other Directors, declare the position of the Director vacant in the event the person filling such position shall be absent from three (3) consecutive meetings.

SECTION 5.06 Compensation. Directors shall not receive any compensation or salary for their services. Any Director may be reimbursed for his actual expenses incurred in the performance of his duties. A Director who serves the Association in any capacity other than as a Director or officer, however, may receive compensation therefor.

SECTION 5.07 Regular Meetings. Regular Meetings of the Board of Directors shall be held monthly without notice at such places and at such times convenient to the Directors as may be designated from time to time by resolution of the Board of Directors. Should such meeting date fall on a legal holiday, that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 5.08 Special Meetings. Special Meetings of the Board of Directors may be called at any time at the request of the President or any two (2) Directors after not less than two (2) days notice to each Director. The person or persons authorized to call such Special Meeting of the Board may fix any place convenient to the Directors as a place for holding such Special Meeting. Any Director may, in writing signed by such Director before or after the time of the Special Meeting stated therein, waive notice of any Special Meeting. The attendance of a Director at any Special Meeting without objection to lack or deficiency of notice prior to the conclusion of such meeting shall constitute a waiver of notice of such Special Meeting. Neither the business to be transacted at, nor the purpose of any Special Meeting need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, by the Certificate of Incorporation of the Association or by these By-Laws.

SECTION 5.09 Quorum and Voting. At all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business, except as otherwise required by law, by the Certificate of Incorporation of the Association or by these By-Laws. Except in cases in which it is provided otherwise by law, by the Certificate of Incorporation or by these By-Laws, a vote of a majority of Directors present at a duly constituted meeting shall be sufficient to elect and pass any measure. In the absence of a quorum, the Directors present may adjourn the meeting from time to time by majority vote and without further notice, until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted as originally called.

SECTION 5.10 Informal Action by Directors. Any action required or permitted to be taken by a meeting of the Board of Directors or of any committee thereof may be taken without a meeting, provided a written consent to such action is signed by all members of the Board of Directors or of such committee, as the case may be. Such written consent shall be filed with the minutes of proceedings of the Board or committee.

SECTION 5.11 Powers of the Board. The Board of Directors may exercise all the powers of the Association, except such as are conferred upon or reserved to the Members by statute or by the Certificate of Incorporation or these By-Laws. The powers, duties and authority of the Board of Directors shall specifically include, but shall not be limited to, the following:

- a. To determine, levy and collect the assessments and common charges as provided for in the Declaration.
- b. To collect, use and expand the assessments and charges collected for the maintenance, care and preservation and operation of the property of the Association and the exteriors of the Townhouses (and other improvements, to the extent now or hereafter required or permitted under the Declaration) as permitted by the Declaration.
- c. To procure and maintain adequate liability insurance covering the Association, its Directors, Officers, agents and employees and to procure and maintain adequate hazard insurance on such of the Association's real and personal properties and the Townhouses as it deems appropriate.

- d. To repair, restore or alter the properties of the Association and the exteriors of the Townhouses (or

such other improvements for which the Association may now or hereafter have such responsibility under the Declaration, as amended) after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

e. To promulgate rules and regulations relating to the use, operation and maintenance of the Association Property for the safety and convenience of the users thereof or to enhance the preservation and use of facilities or which, in the discretion of the Association, shall serve to promote the best interests of the Members and to establish and enforce penalties for infractions thereof.

f. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from Members for violations of the provisions of the Declaration or of any rules or regulations of the Association.

g. To pay all expenses incurred by the Association and all taxes owing by the Association.

h. To declare the office of a member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive meetings of the Board of Directors.

i. To keep a complete record of the actions of the Board of Directors and the corporate affairs of the Association and such other records as it deems appropriate.

j. To issue, or cause to be issued, upon request by any person, an "Assessment Certificate" as provided in the Declaration, setting forth the status of payment of assessment for any Lot.

k. To grant easements or rights of way to any public or private utility corporation, governmental agency or political subdivision with or without consideration.

l. To dedicate or transfer all or any part of the land which it owns for such purposes and subject to such conditions as may be agreed to by the Association and the transferee. Such a conveyance shall, however, require the consent of two-thirds (2/3) of the total votes of all Members at any meeting duly called and held or who shall vote upon written ballot which shall be sent to every Member not less than 30 days nor more than

60 days in advance of the canvass thereof. In addition, no such conveyance shall be made if lending institutions which together are first mortgagees on 33-1/3% or more of the Lots advise the Association in writing, prior to the date set for voting on the proposed conveyance, that they disapprove such conveyance, which disapproval must not be unreasonable. Written notice of any proposed conveyance shall be sent to all lending institution first mortgagees not less than 30 days nor more than 60 days prior to the date set for voting on the proposed conveyance.

m. To enter into agreements, reciprocal or otherwise, with other homeowners and residents associations, condominiums and cooperatives for the use of or sharing of facilities. Such agreements shall require the consent of two-thirds (2/3) of the total votes of all Members voting upon written ballot which shall be sent to every Member not less than 10 days nor more than 60 days in advance of the vote on the proposed agreement.

n. To exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provisions of these By-Laws, the Certificate of Incorporation or the Declaration.

SECTION 5.12 Duties of the Board. It shall be the duty of the Board of Directors to:

a. Cause to be kept a complete record of all its acts and corporate affairs and to regularly present a written report thereon in compliance with New York statutes to the Members at the annual Meeting of the Members, or at any Special Meeting to present a written report only when same is requested in writing by at least one-fourth (1/4) of the Members who are entitled to vote.

b. Supervise all officers, agents and employees of the Association and to see that their duties are properly performed.

c. As more fully provided in the Declaration now or as hereafter amended or supplemented, to:

(1) Fix the amount of Special Assessments and Maintenance Assessments and other assessments to be assessed and levied against each Lot at the time or times and in the manner provided in the Declaration.

(2) Send written notice of each assessment to every owner of a Lot subject thereto at the time and in the manner provided in the Declaration.

(3) Foreclose the lien against any Lot for which assessments are not paid within 30 days after their due date, and to bring an action at law against the Member thereof personally obligated to pay the same.

d. Issue, or cause an appropriate officer to issue, upon demand by any person, a Certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these Certificates. If a Certificate states an assessment has been paid, such Certificate shall be conclusive evidence of such payment.

e. Procure and maintain adequate liability and hazard insurance for the Townhouses and Association Property.

f. Cause the Association Property and the exteriors of the Townhouses to be maintained.

g. Cause all officers or employees having fiscal responsibilities to be bonded, as the Board of Directors may deem appropriate.

h. Prepare annual finance statements of the Association which are to be mailed to each Member by March 15th of each year.

SECTION 5.13 Performance of Duties: Conflict of Interests. The Directors and Officers of the Association may freely make contracts, enter transactions or otherwise act for and in behalf of the Association relating to or incidental to its operations, notwithstanding the fact that they may also be acting as individuals or as Directors of the Association and as agents for other persons or business concerns or may be interested therein as stockholders of said corporations or business concerns or otherwise, provided, however, that all such dealings shall at all times be at arm's length for and in the best interests of the Association and otherwise lawful.

ARTICLE VI

OFFICERS

SECTION 6.01 Officers. The officers of the Association shall be the President (who shall be a member of the Board of Directors), one (1) or more Vice Presidents (the number to be determined by the Board of Directors), the Secretary and the Treasurer and shall be appointed by the Board of Directors. The Board of Directors may elect such other officers as it shall deem desirable, such officers to have the authority to perform the duties prescribed from time to time by the Board of Directors. Two (2) or more offices may not be held by the same person.

SECTION 6.02 Election. The election of officers shall take place at the first meeting of the Board of Directors following each Annual Meeting of the Members.

SECTION 6.03 Term and Vacancies. The officers of the Association shall be elected annually by the Board of Directors and each shall hold offices until his or her successor shall have been duly elected, unless he or she shall sooner resign, or shall be removed or otherwise be disqualified to serve. The vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 6.04 Resignation and Removal. 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. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6.05 President. The President shall be the chief executive officer, shall supervise the work of the other officers, shall preside at all meetings of Members, shall preside at all meetings of Directors and shall perform such other duties and functions as may be assigned him or her. He or she may sign, in the name of the Association, any and all contracts or other instruments authorized by the Board or these By-Laws.

SECTION 6.06 Vice President. Any Vice President shall be capable of performing all of the duties of the President. He or she may sign, in the name of the Association, any and all contracts or other instruments authorized by the Board and shall perform such other duties and functions as may be assigned to him or her by the President or the Board.

SECTION 6.07 Secretary. The Secretary shall cause notices of all meetings to be served as prescribed in these By-Laws, shall record the votes and keep the minutes of all meetings, shall have charge of the seal and corporate records of the Association, and shall perform such other duties as are assigned to him or her by the President or the Board. Any Assistant Secretary shall be capable of performing all of the duties of the Secretary.

SECTION 6.08 Treasurer. The Treasurer shall have the custody of all moneys and securities of the Association and shall keep or cause to be kept regular books and records. He or she shall account to the President and the Board, whenever they may require it, with respect to all of his or her transactions as Treasurer and of the financial condition of the Association, and shall perform all other duties that are assigned to him or her by the President, the Board or these By-Laws.

SECTION 6.09 Other Officers. Such other officers as the Board may appoint shall perform such duties and have such authority as the Board may determine.

SECTION 6.10 Compensation. No executive officers of the Association shall receive any stated salary for their services, provided that nothing herein contained shall preclude any executive officer from serving the Association in any other capacity and receiving compensation therefor.

ARTICLE VII

COMMITTEES

SECTION 7.01 Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one (1) or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association provided, however, that no such committee shall have the authority of the Board of

Directors to approve an amendment to the Certificate of Incorporation of the Association or to these By-Laws or a plan of merger or consolidation.

SECTION 7.02 Committees of the Association. The committees of the Association shall be the Architectural Standards Committee, the Nominating Committee and such other committees as the Board of Directors shall deem desirable. Each committee shall consist of a chairman and two (2) or more members and shall include a member of the Board of Directors. The Architectural Standards Committee shall have the duties and functions described for such committee in the Declaration.

SECTION 7.03 Rules. Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE VIII

FINANCE

SECTION 8.01 Checks. All checks, drafts and orders for the payment of money, notes and other evidences of indebtedness issued in the name of the Association shall, unless otherwise provided by resolution of the Board of Directors, be signed by the President or Treasurer and countersigned by one (1) Director of the Association, provided that the President or Treasurer and Director so signing are not the same person.

SECTION 8.02 Fiscal Year. The fiscal year of the Association shall be the twelve (12) calendar months, ending December of each year, unless otherwise provided by the Board of Directors.

SECTION 8.03 Annual Reports. There shall be a full and correct statement of the financial affairs of the Association including a balance sheet and a financial statement of operation for the preceding fiscal year. Such report shall be submitted at the Annual Meeting of the Members and filed within 20 days thereafter at the principal office of the Association.

ARTICLE IX

BOOKS AND RECORDS

SECTION 9.01 Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, Certificate of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association.

ARTICLE X

CORPORATE SEAL

SECTION 10.01 Corporate Seal. The Association shall have a seal in circular form having within the circumference thereof the full name of the Association.

ARTICLE XI

AMENDMENTS

SECTION 11.01 Alteration, Repeal or Amendment. These By-Laws may be altered, repealed or amended and new By-Laws may be adopted at any regular or special meeting of the Members, by vote of a majority of Members entitled to vote present in person or by proxy or (except as to any matter affecting membership qualifications or voting rights) at any regular or special meeting of the Board of Directors or by the affirmative vote of a majority of the whole Board of Directors.

SECTION 11.02 Conflict with Certificate of Incorporation or with Declaration. In the case of any conflict between the Certificate of Incorporation and these By-Laws, the Certificate of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XII

INDEMNIFICATION

SECTION 12.01 Indemnification. To the extent permitted by law, the Association shall indemnify and hold harmless any person made a party to any proceeding by reason of the fact that such person is or was a Director or officer of the Association against any loss or expense incurred by said person by reason of such proceeding, including the settlement thereof, except in relation to matters which such person is adjudicated to be liable for gross misconduct in the performance of that person's duties.

EXHIBIT "D"

THIS AGREEMENT, made and entered into this _____ day of _____, 198 , by and between MARK IV CONSTRUCTION CO., INC. (hereinafter "Sponsor") on behalf of BROOKVIEW HOMEOWNERS ASSOCIATION, INC. (hereinafter "Association") and MARTEX MANAGEMENT COMPANY (hereinafter "Agent").

W I T N E S S E T H :

WHEREAS, the Offering Plan of Brookview Homeowners Association, Inc. provides for the Sponsor to enter into a Management Agreement on behalf of the Association, and

WHEREAS, the Sponsor desires to employ the Agent to manage the Association and the Agent desires to be employed to manage the Association,

NOW, THEREFORE, in consideration of the covenants herein, the parties agree as follows:

1. The Agent is employed to manage the Association for a period of two (2) years, beginning _____ and thereafter the Agent has the option of making its services available to the Association, but neither party is obligated to continue the management arrangement after the two (2) year period.

2. The Agent shall manage the Association to the extent, for the period, and upon the terms of this Agreement. The Agent shall perform the following services in the name of and on behalf of the Association, and the Association hereby gives the Agent the authority and powers required to perform these services:

2.1 The Agent shall collect and, as necessary, receipt for all monthly or other assessments and other charges due to the Association and all rental or other payments from concessionaires, if any, provided that the Agent shall have no responsibility for collection of delinquent assessments or other charges, except sending notices of delinquency.

2.2 The Agent shall maintain records showing all its receipts and expenditures relating to the Association and shall promptly submit to the President and Treasurer of the Association a cash receipts and disbursements statement for the preceding month and a statement indicating the balance or deficit in the Agent's custodial account for the Association on or before the 10th day of the following month.

2.3 The Agent shall prepare and submit to the Association on or before November 1st of each year, a recommended budget for the next year showing anticipated receipts and expenditures for such year.

2.4 Within 15 days after the end of each calendar year, the Agent shall submit to the Association a summary of all receipts and expenditures for the preceding year. This service shall not be construed to require the Agent to supply an audit. Any audit required by the Association shall be prepared at its expense by accountants of its selection.

2.5 Subject to the direction and at the expense of the Association, the Agent shall cause the common properties of the Association to be maintained according to appropriate standards of maintenance consistent with the character of the project to include:

A. Maintenance, including repair and replacement as necessary, of the common properties including the driveways and parking areas, signs, and those portions of sewer, water and utility laterals servicing one or more Townhouse and not maintained by a utility company, public authority, the Town of Greece or other entity, provided, however, that the maintenance of the laterals will be limited to repair necessitated by leakage or structural failure.

B. Exterior maintenance of the Townhouses as required by the Offering Plan and Declaration establishing Brookview Homeowners Association, Inc.

C. Removal of snow from the roadways, driveways, and parking areas.

D. Obtaining fire and casualty insurance on the Townhouses, and fire, casualty and liability insurance on the Association Property.

E. Enforcement of restrictive covenants and establishment of rules and regulations governing the use of the Association Property and the conduct of Lot Owners.

2.6 On the basis of the budget, job standards, and wage rates approved by the Association, the Agent shall hire, pay, negotiate collective bargaining agreements, if necessary, supervise and discharge janitors and other personnel required to maintain and operate the Association's common properties and Townhouse exteriors. All such personnel shall be employees of the Association. All salaries, taxes, and other expenses payable on account of such employees shall be operating expenses of the Association.

2.7 The Agent shall execute and file all returns and other instruments and do and perform all acts required of the Association as an employer under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, Subtitle C of the Internal Revenue Code of 1954, and the New York State Income Tax Act with respect to wages paid by the Agent on behalf of the Association and under any similar Federal, State, or Municipal law. The Association shall, upon request, execute and deliver promptly to the Agent all necessary powers of attorney, notices of appointment, and the like.

2.8 Subject to the direction of the Association, the Agent shall negotiate and execute on behalf of the Association, contracts for services for the common properties of the Association and the Townhouse building exteriors, as may be necessary or advisable. The Agent also shall purchase on behalf of the Association such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the Association. All such purchases and contracts shall be in the name and at the expense of the Association.

2.9 The Agent shall pay from the funds of the Association all taxes, water rates and other governmental charges, and all other charges or obligations incurred by the Association with respect to the maintenance or operation of the Association or incurred by the Agent on behalf of the Association pursuant to the terms of this Agreement or pursuant to other authority granted by the Association.

2.10 The Agent shall maintain appropriate records of all insurance coverage carried by the Association. The Agent shall cooperate with the Association in investigating and reporting all accidents or claims for damage relating to the ownership, operation and maintenance of the common properties of the Association, including any damage or destruction to them.

2.11 The Agent shall not be responsible for activities of an Architectural Committee, if any, or for assisting individual owners or the Association in obtaining approvals for capital improvements or changes to the exterior of structures, fences, landscaping or the like.

3. In discharging its responsibilities under Paragraph 2 of this Agreement, the Agent shall not make any expenditures, nor incur any non-recurring contractual obligation exceeding \$500.00, without the prior consent of the Association, provided that no such consent shall be required to repay any advances made by the Agent under the terms of Paragraph 5. Notwithstanding these limitations, the Agent may, on behalf of the Association without prior consent, expend any amount or incur a contractual obligation in any amount required to deal with emergency conditions which may involve a danger of life or property or may threaten the safety of the owners and occupants or may threaten the suspension of any necessary service to the owners' dwellings.

4. Notwithstanding any other provision of this Agreement, the Agent has no authority or responsibility for maintenance of, or repairs to, the interior of individual dwelling units. Such maintenance and repairs shall be the sole responsibility of the owners individually. Each individual dwelling owner may contract with the Agent on an individual basis for the provision of certain maintenance and other related services which will be paid for in accordance with the agreement between the Agent and the individual dwelling owner. This shall not be considered to be a conflict of interest or otherwise obligate the Agent to take any action except as it may agree to with an individual dwelling owner.

5. All monies collected by the Agent on behalf of the Association shall be deposited in a custodial account in a state or national bank where deposits are insured by the Federal Deposit Insurance Corporation, separate and apart from the Agent's

own funds. All expenses of operation and management may be paid from the Association's funds held by the Agent, and the Agent is authorized to pay any amounts owed to the Agent by the Association from such account at any time without prior notice to the Association. The Agent shall have no obligation to advance funds to the Association for any purpose whatsoever.

All Agent's employees who handle or are responsible for the safekeeping of any monies of the Association shall be covered by a fidelity bond protecting the Association and paid for from Association funds.

6. The Association shall pay the Agent a management fee equal to \$10,854.00 per year. The management fee shall be paid monthly in advance. No further charge shall be made by the Agent for the services of the Account Manager pursuant to Paragraph 7, its services pursuant to Paragraph 2, and the other services of the Agent's professional staff, except as otherwise expressly provided in this Agreement. Any clerical services performed by the Association, such as the preparation and circulation of notices and newsletters and general correspondence of the Association, shall be at the expense of the Association.

7. One (1) of the Agent's employees shall be designated Account Manager for the Project. The Account Manager or other representative of the Agent shall attend one regular meeting of the Board of Directors of the Association each month and the annual meeting of the Association's members. The Account Manager or other representative of the Agent shall, upon not less than 24 hours' notice, attend additional meetings of the Association or the owners as requested, provided that the Association shall pay the Agent \$10.00 per hour for the Account Manager's or other representative's attendance at each meeting.

8. The Association's Board of Directors shall designate a single individual who shall be authorized to deal with the Agent on any matter relating to the management of the Association. The Agent is directed not to accept directions or instructions with regard to the management of the Association from anyone else. In the absence of any other designation by the Board of Directors, the President of the Association shall have this authority.

9. The Agent shall have no authority to make any alterations or repairs not authorized by the Declaration establishing Brookview Homeowners Association, Inc.

The Agent has no responsibility for the compliance of the Association or any of its equipment with the requirements of any ordinances, laws, rules, or regulations of the City, County, State, or Federal Government, or any public authority or official thereof having jurisdiction over it, except to notify the Association promptly of, or forward to the Association promptly, any complaints, warnings, notices, or summonses received by it relating to such matters.

10. The Association shall:

10.1 Indemnify, defend, and save the Agent harmless from all suits in connection with the Association and from liability for damage to property, and injuries to or the death of any employee or other person whomsoever, and carry at its own expense public liability and workers' compensation insurance naming the Association and the Agent in form, substance, and amounts reasonably satisfactory to the Agent, and furnish to the Agent certificates evidencing the existence of such insurance. Unless the Association shall provide such insurance and furnish such certificates within thirty (30) days from the date of this Agreement, the Agent may, but shall not be obligated to, place said insurance and charge the cost thereof to the account of the Association.

10.2 Pay all expenses incurred by the Agent including, without limitation, attorneys' fees for counsel employed to represent the Agent or the Association in any proceeding or suit involving an alleged violation by the Agent or the Association, or both, of any constitutional provision, statute, ordinance, law, or regulation of any governmental body pertaining to environmental protection, fair housing, or fair employment including, without limitation, those prohibiting or making illegal discrimination on the basis of race, creed, color, sex, religion, or national origin in the sale, rental, or other disposition of housing or any services rendered in connection therewith, or in connection with employment practices (unless, in either case, the Agent is finally adjudicated to have personally, and not in a representative capacity, violated such constitutional provision, statute, ordinance, law or regulation), but nothing herein contained shall require the Agent to employ counsel to represent the Association in any such proceeding or suit.

10.3 Indemnify, defend and save the Agent harmless from all claims, investigations, and suits with respect to any alleged or actual violation of state or federal labor laws. The Association's obligation under this Paragraph 10.3 shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expenses, and attorneys' fees.

11. The Agent may cancel this Agreement within the first year of its term upon not less than sixty (60) days prior written notice, only if the Association fails or refuses to comply with or abide by any rule, order, determination, ordinance, or law of any federal, state or municipal authority, or to perform its obligations under this Agreement. The Agent may cancel this Agreement at any time after the first year of its term on not less than sixty (60) days written notice. The Association may cancel this Agreement at any time for cause. The Agent may assign this Agreement with the consent of the Association, which consent will not be unreasonably withheld.

12. Any notice required or permitted to be served hereunder may be served by registered or certified mail or in person as follows:

12.1 If to the Agent:

Martex Management Company
301 Exchange Blvd.
Rochester, New York 14608

12.2 If to the Association, to the President of the Association at his or her home address.

Either party may change the address for notice by notice to the other party. Notice served by mail shall be deemed to have been served when deposited in the mails.

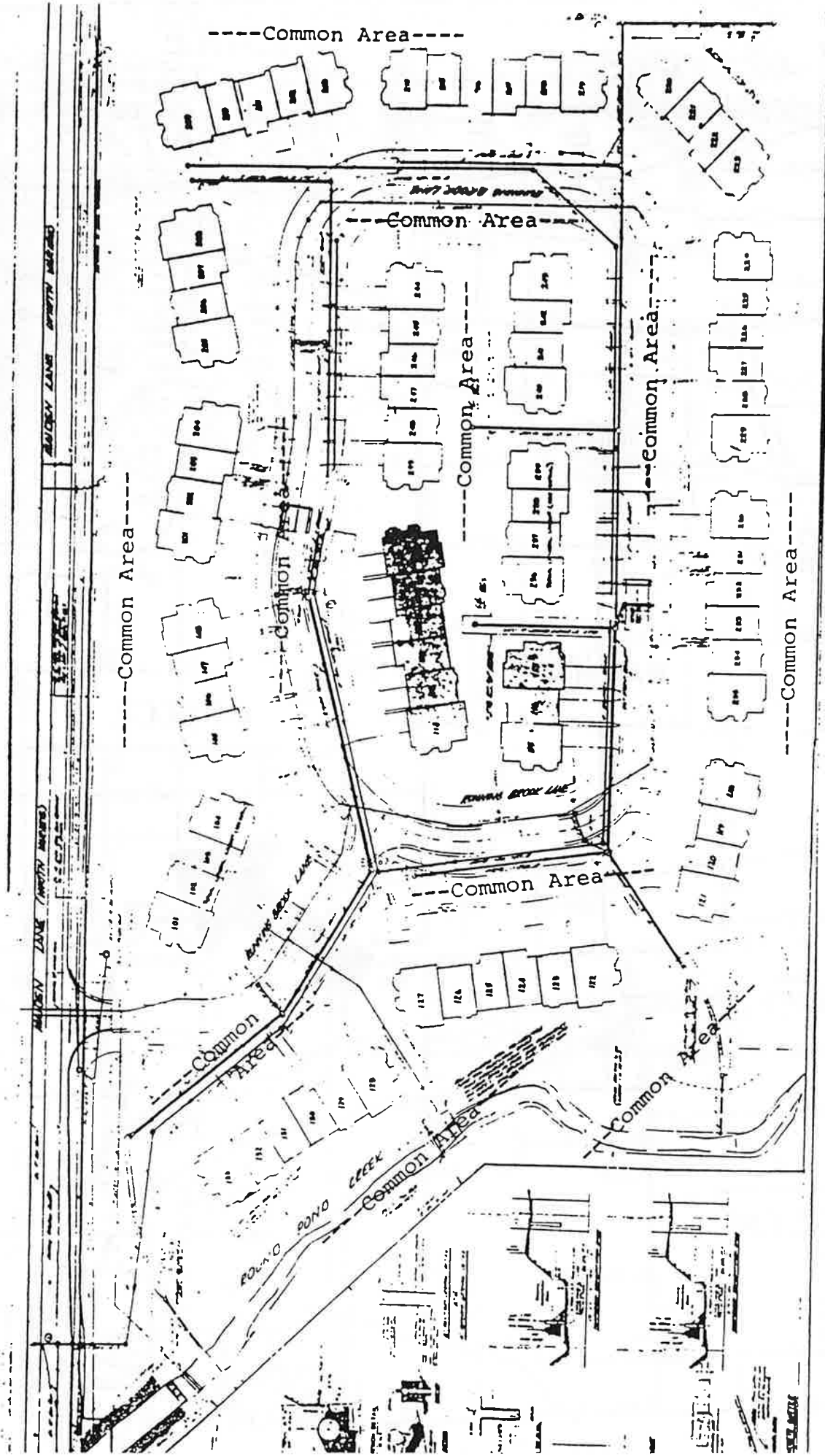
13. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Agent and the Association, respectively.

MARTEX MANAGEMENT COMPANY

By: _____

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.

By: _____



North ↗

BROOKVIEW SITE PLAN

EXHIBIT "E"

LAKE ONTARIO

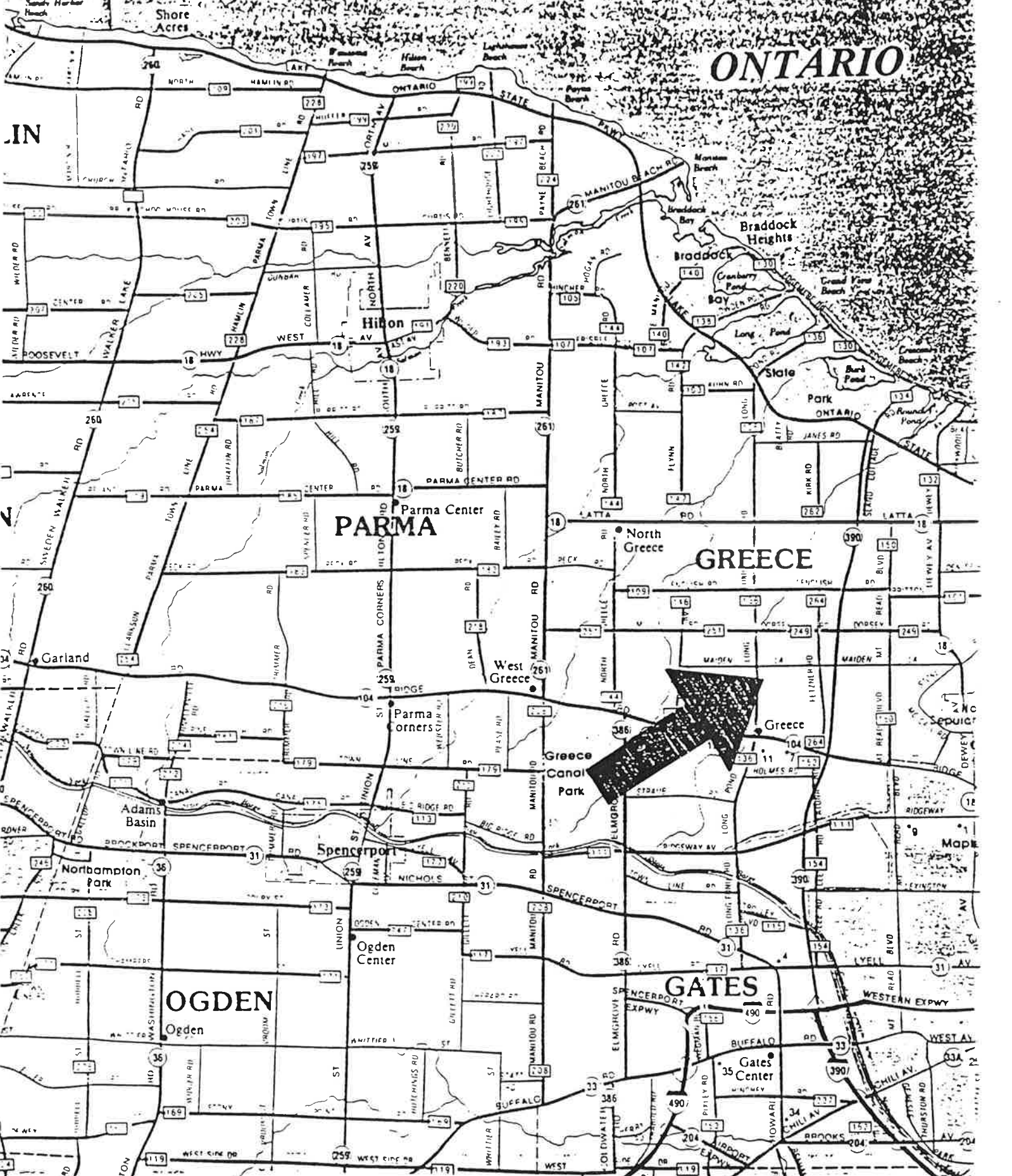


EXHIBIT "G"

PURCHASE AGREEMENT

THIS AGREEMENT made the _____ day of _____, 198 by
and between MARK IV CONSTRUCTION CO., INC. having an office at
301 Exchange Blvd., Rochester, New York ("Seller")
and _____, residing
at _____ ("Purchaser").

W I T N E S S E T H :

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. PREMISES: Those certain premises located in
the Town of Greece, County of Monroe and State of New York, known
and designated as Lot No. ____ of the Brookview Subdivision, on a
map filed in the Monroe County Clerk's Office.

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.

The premises are sold subject to restrictive
covenants of record provided they have not been violated, unless
enforcement of the covenants has been barred by Section 2001 of
the Real Property Actions and Proceedings Law; utility easements
of record, easements common to the tract or subdivision,
easements and rights of way shown on the subdivision map, and
easements and party wall agreements recorded in the Monroe County
Clerk's Office, and also subject to the Declaration of Protective
Covenants, Conditions, Restrictions, Easements, Charges and
Liens, and the By-Laws for the Brookview Homeowners Association,
Inc. both of which are included in the Offering Plan for the
Brookview Homeowners Association, Inc. Purchaser acknowledges
receipt of the Offering Plan at least three (3) business days
prior to the date of this Agreement and the Offering Plan is
incorporated in this Agreement by reference and made a part of
this Agreement with the same force and effect as if set forth in
full. Purchaser agrees to be bound by the Declaration, By-Laws
and any Rules and Regulations of the Association as they may be
amended from time to time. Purchaser acknowledges that he is
purchasing an interest in the Association, and that except as
stated in this Agreement (and as set forth in the Offering Plan),
Purchaser has not relied upon any representations or other
statements of any kind or nature made by Seller or otherwise.

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. DWELLING: Seller agrees to sell and Purchaser agrees to purchase the _____, now on the premises or to be constructed on the premises in accordance with plans and specifications on file in the office of Mark IV Construction Co., Inc. including the Extras requested by Purchaser, in accordance with Exhibit "A" attached. Seller reserves the right to make such changes and/or substitutions in the construction of the dwelling as may be required, authorized, and/or appointed by the lending institution granting Purchaser's mortgage loan or by any governmental agency having jurisdiction, provided any such changes are of comparable value. Seller shall also have the right to determine the grading, elevation and design (including reversal of the building layout) of the lot and dwelling to fit into the general pattern of the development. Purchaser understands that he may make changes and alterations in the plans provided only that such changes are made prior to the start of construction and are listed on a change authorization form signed by Purchaser and Seller. The cost of the changes and alterations shall be paid for at the time the Purchaser executes and submits to the Seller the change authorization form.

4. DEPOSITS: Purchaser is advised that to assure the return of his payments ("deposits") before delivery of the deed in the event this Agreement is terminated for reasons other than Purchaser's default:

Seller has obtained an irrevocable letter of credit with funds to be available on the signed certification of Woods, Oviatt, Gilman, Sturman & Clarke attorneys to the Seller; or

Deposits will be held in escrow by the Seller at Central Trust Company, 44 Exchange Street, Rochester, New York until closing and released upon the signature of Woods, Oviatt, Gilman, Sturman & Clarke.

In the event this agreement is terminated for reasons other than Purchaser's default, deposits, with interest if any, will be returned to Purchaser within 15 days of such termination. The funds will be handled in accordance with Section 352-h and 352-e(2)(b) of the New York General Business Law.

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

5. BUILDING PERMIT: This Agreement is subject to Seller being able to obtain a building permit.

6. RISK OF LOSS: Risk of loss or damage to the premises until transfer of title shall be assumed by the Seller. If any damage to the premises occurs prior to transfer of title and Seller determines that it cannot repair or restore such loss or damage, this Agreement shall terminate without any further liability of one party to the other, and Purchaser shall have his deposits returned in accordance with paragraph 4 of this Agreement.

7. SURVEY: Seller shall furnish at Purchaser's expense an instrument survey made by a land surveyor duly licensed by the State of New York, showing the premises above described and the location of all buildings, improvements and other structures affecting the premises.

8. DEED: At closing, Seller shall deliver to Purchaser a warranty deed with lien covenant conveying good and marketable title in fee simple, free and clear of all liens and encumbrances except as provided in this Agreement.

9. SEARCHES: Seller agrees to provide guaranteed tax and title searches and a United States District Court Search to the time of transfer, showing good and marketable title. The searches will be provided to Purchaser's attorney at least five (5) days prior to transfer.

10. CERTIFICATE OF OCCUPANCY: Seller agrees to deliver to Purchaser, at the time of closing a Certificate of Occupancy.

11. INSPECTION: Prior to closing, Purchaser shall have the right to inspect the premises upon reasonable notice to the Seller.

12. POSSESSION: Purchaser shall have possession and occupancy of the premises from and after the date of delivery of the deed.

13. MORTGAGE LOAN FOR PURCHASER: This Agreement is contingent upon Purchaser obtaining within 30 banking days from date of this Agreement a commitment for a _____ first mortgage loan in the amount of \$ _____ from a lending institution. If Purchaser cannot obtain such commitment within that period through Purchaser's own efforts, then the Seller will cooperate with the Purchaser in making the mortgage application. Purchaser agrees to pay total origination fees of _____ percent (____%) of the mortgage amount to the lending institution making the loan in cooperation with the Seller or to the Seller. If Purchaser in cooperation with Seller is unable to obtain a commitment within 60 banking days thereafter, then Purchaser may cancel this Agreement by giving written notice to the Seller. In that event, this Agreement shall be null and void and both parties released from any and all liabilities. Purchaser has the option, however, of continuing with this Agreement and making application for a mortgage loan for an additional 60 banking days by giving written notice to the Seller, prior to the expiration of the 90 day mortgage contingency period, of the Purchaser's election with the understanding that the Purchaser will pay an additional three percent (3%) of the purchase price to the Seller at time of transfer. If Purchaser is unable to remove any and all contingencies within 150 days from date of this Agreement, Seller has the right of cancelling the Agreement and returning the deposit, with interest if any. Deposits, with interest if any, shall be returned to the Purchaser less the full cost of all Extras described in Exhibit A attached which were commenced, at the written request of Purchaser, prior to receipt by Seller of advice of the disapproval of the mortgage. In the event the cost of the Extras commenced by Seller exceeds the amount of the deposits, Purchaser shall promptly remit to Seller the difference.

14. 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 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.

15. COSTS: Purchaser shall pay for any fees incurred in recording of the deed and mortgage and for the New York State Mortgage Tax. Seller shall pay the cost of the required Real Estate Transfer Tax Stamps to be affixed to the deed. Purchaser shall pay for the mortgagee title insurance policy, if a policy is required by the Purchaser's lender. Purchaser shall also, at closing, reimburse to the Seller the \$100.00 initial capital contribution to the Brookview Homeowners Association, Inc. which Seller advanced. Purchaser agrees to reimburse Seller the sum of \$ _____ for Purchaser's water meter.

16. CLOSING: This Agreement shall be closed at the Monroe County Clerk's Office 120 days after the removal of the contingencies set forth in paragraphs _____, or within fifteen (15) days following completion of the dwelling whichever date shall occur sooner, except that if the dwelling is not ready for occupancy on such date, the closing may be postponed by Seller to a date to be set by Seller upon written notice mailed to Purchaser at his address set forth above. In the event the postponed date is more than 120 days after the above closing date, Purchaser may cancel this Agreement by sending written notice to Seller at the address set forth above within ten (10) days of the date on which the notice of postponement of the closing was mailed. In that event this Agreement shall become null and void and both parties shall be released from any liability, except that Seller shall refund to Purchaser his deposits, with interest if any. Seller shall not be responsible for any delay in completing the dwelling if such delay is caused by the unavailability of materials, labor or transportation or by other causes beyond the control of Seller. The refund to Purchaser of the deposits or portion thereof in accordance with this Agreement, shall discharge and release Seller from any liability arising out of or resulting from such delay. The closing shall not be delayed due to any unfinished exterior work which cannot be completed on account of weather conditions.

If the dwelling is substantially completed and ready for transfer and Purchaser declines to complete transfer of title for whatever reason, then the Purchaser may elect to extend the closing date for a period not to exceed 30 days, provided, however, the cost of postponing the closing, including but not limited to construction interest, taxes, utilities, and all other carrying costs shall be paid by the Purchaser to the Seller at the time of closing.

17. FAILURE TO DELIVER OR REJECTION OF TITLE:

Should Seller be unable to or fail to deliver title to the premises in accordance with the provisions of this Agreement, or in the event that Purchaser raises objection to Seller's title or to any improvements, which, if valid, would render the title unmarketable, or render the present or intended use of the improvements illegal (being in violation of any effective law, ordinance, regulation or restriction) Seller shall have the right to cancel this Agreement. Seller shall cancel by giving written notice of cancellation to Purchaser and it is agreed that Seller's liability shall be limited to the return of Purchaser's deposits, with interest if any, and upon their return, this Agreement shall become null and void; provided, however, if Seller shall be able within a reasonable length of time to cure the objection or if either party secures a commitment for title insurance at standard rates to insure against the objection raised or title insurance acceptable to Purchaser, Purchaser shall pay the cost of the title insurance and this Agreement shall continue in full force and effect.

18. 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 attorneys' fees and court costs, if incurred to enforce Seller's remedies, all of which shall be liquidated damages.

19. THIS AGREEMENT SUBJECT TO BUILDING LOAN

MORTGAGE: Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage on the premises made before or after this Agreement and any advances, payments or expenses already made or incurred or which may be made or incurred, after this Agreement under a building loan mortgage without the execution of any further legal documents by the Purchaser. This subordination applies whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or are accelerated payments by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments. The Seller shall satisfy all such mortgages or obtain a release of the premises from the lien of such mortgages at or prior to closing.

20. ESCROW FOR COMPLETION: In the event that the dwelling or its environs shall not be fully completed at the time set by the Seller for the closing of title, the incompleteness will not constitute an objection to closing provided that the lending institution granting Purchaser's mortgage issues an inspection report and an escrow fund is deposited by the Seller with the lending institution if required under its report, and further provided that Purchaser shall have the right to delay the closing of title until a temporary Certificate of Occupancy has been issued. The escrow fund shall be paid by the lending institution directly to the Seller when the lending institution, in its sole discretion, deems the items for which the escrow is held to be completed. Purchaser shall receive credit at closing, for any funds so held in escrow.

21. REPRESENTATIONS: This Agreement constitutes the entire agreement between Seller and Purchaser and supersedes all prior or other agreements and representations in connection with the sale and purchase. This Agreement cannot be modified except in a writing signed by both parties. All the terms, covenants, provisions, conditions and agreements set forth or provided for shall be binding upon and inure to the benefit of the parties and their assigns.

22. MERGER: Delivery and acceptance of a deed by Purchaser shall be full compliance by the Seller with all the terms of this Agreement and a release by the Purchaser of any and all rights, obligations, claims or causes of action against the Seller. The dwelling shall be regarded as completed in accordance with plans and specifications except for the specific items which Seller agrees, prior to closing, will be completed or repaired.

23. ASSIGNMENT: This Agreement may be assigned by Seller, but may not be assigned by Purchaser without Seller's written consent.

24. SERVICE: For a period of one (1) year after closing, Seller shall continue to service all defects caused directly by defective materials or workmanship. Seller's obligation to service defects caused directly by defective materials or workmanship shall be limited to the specific replacement or repair of the defective materials or the repair of defective workmanship, as the case may be. Seller shall not be responsible for any glass breakage, wind or storm damage, or any conditions caused by Purchaser's negligence after the transfer. Seller does not guarantee the health nor continued life of any grass, trees or shrubs on the premises.

25. ADDENDA TO THIS CONTRACT: Attached to and made a part of this Agreement are the following:

Exhibit A - Extras, Changes, Additions or Deletions to Seller's Model or to Plans and Specifications.

Exhibit B - Builder's Standards.

Exhibit C -

26. COMMISSIONS: Purchaser represents that no broker has been contacted or engaged in connection with the procurement of this Agreement. Should this representation be contrary to fact, Purchaser shall pay any commission due and hold the Seller harmless from any claim or liability therefor arising out of the acts or inactions of the Purchaser. This representation shall survive the closing and delivery of the deed to Purchaser.

In the event a broker has been contacted or engaged in connection with the procurement of this Agreement, Seller shall not be obligated for the broker's commission if this transaction shall fail to close for any reason whatsoever. In order to confirm his agreement with the terms of this paragraph, the broker executes this Agreement.

27. LIFE OF OFFER: This offer is good until the ___ day of _____, 198_, at at which time it shall be null and void.

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

Purchaser

Witness

Purchaser

ACCEPTANCE

Seller hereby accepts this offer and agrees to sell on the terms and conditions set forth.

Dated: _____ MARK IV CONSTRUCTION CO., INC.

Witness By: _____

The undersigned broker hereby executes this Agreement to acknowledge its consent to the terms herein concerning the brokerage commission.

Dated: _____

Witness Broker _____

EXHIBIT "H"

SPONSOR'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

The undersigned, being duly sworn, depose and say as follows:

1. We are the Sponsor and the principals of the Sponsor of the Brookview Homeowners Association, Inc. Offering Plan.
2. We understand that we have primary responsibility for compliance with provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 22, and such other laws and regulations as may be applicable.
3. We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan for the Brookview Homeowners Association, Inc. does, and that documents submitted hereafter by us which amend or supplement the Offering Plan for the Brookview Homeowners Association, Inc. will:
 - (i) set forth the detailed terms of the transaction and be complete, current and accurate;
 - (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
 - (iii) not omit any material fact;
 - (iv) not contain any untrue statement of a material fact;
 - (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
 - (vi) not contain any promise or

representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we: (a) know the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statements made.

4. We certify that the roads, sewers and water lines, when constructed, will be in accordance with local government specifications. If the construction of the above public improvements have not been completed prior to conveyance to the Town of Greece or the Association, a bond or letter of credit will be posted with the Town or Association, or other adequate security will be provided in an amount to be determined by an engineer licensed to practice as a professional engineer in the jurisdiction where the Association is located, which amount shall not be less than the amount required to complete such construction to required specifications.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Dated: April 22, 1986

MARK IV CONSTRUCTION CO., INC.

By: /s/ Anthony M. DiMarzo
Anthony M. DiMarzo, Pres.

/s/ Anthony M. DiMarzo
Anthony M. DiMarzo

/s/ Patsy DiMarzo, Jr.
Patsy DiMarzo, Jr.

/s/ Loretto Basso, Jr.
Loretto Basso, Jr.

Sworn to before me this
22 day of April, 1986.

/s/ Louis M. D'Amato
Notary Public

LOUIS M. D'AMATO
Notary Public, State of N.Y., Monroe County
Commission Expires March 30, 1987.

Exhibit I

April 17, 1986

Department of Law
Real Estate Financing Bureau
Two World Trade Center - Room 48-61
New York, New York 10047

RE: Brookview Homeowners' Association, Inc.
Running Brook Lane
Town of Greece, County of Monroe
Rocnester, New York

The Sponsor of the captioned offering plan for a homeowners' association retained our firm to prepare a report describing the property when constructed (the "Report"). We prepared the building plans and specifications for improvements within the common area Dated February 9, 1986, and are fully familiar with their contents. We prepared the Report dated April 17, 1986, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report.

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 13 NYCRR 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. 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 the 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 a material fact;
- (v) not contain any fraud, deception, concealment or suppression;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

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.

LA DIEU ASSOCIATES, P.C.

By Randall E. LaDieu
 Randall E. LaDieu, P.E.
 License No. 048587

Dated: 4-17-86

Sworn to before me this

17th day of April, 1986

Valliere M. Galletto
 Notary Public

VALLIERE M. GALLETTO
 NOTARY PUBLIC, New York State, Monroe Co.
 My Commission Expires March 30, 1987

Dated: April 17, 1986

ENGINEER'S REPORT
ON
BROOKVIEW TOWNHOMES COMMON AREA

Brookview Townhomes is located on the south side of Maiden Lane, approximately 317 feet east of Long Pond Road, Town of Greece, State of New York.

The proposed common areas are denoted as Lots 83 and 84 on the Preliminary Plat and Site Plan drawn by our firm dated February 9, 1985. Construction of a new dedicated street, Running Brook Lane, and utilities (sanitary sewer, storm sewer, water mains, pavement and pedestrian bridge) are shown on these drawings.

The Preliminary Plat and Site Plan have been approved by the Town of Greece Department of Public Works, Town of Greece Engineering Department and the Town of Greece Planning Department.

The common area comprises a total of six (6) acres and upon completion, will consist of the following:

- A. A sanitary sewer system consisting of 8" P.V.C. S.D.R. 35 sewer main with pre-cast concrete manholes and P.V.C. laterals to each unit. The entire system within the right of way and utility easement will be dedicated to the Town of Greece Sanitary Sewer District. The sanitary sewer shall meet the Town of Greece materials and construction specifications. All discharge of domestic sewage effluent from the proposed collection system will be directed to the Pure Water Northwest Quadrant Sewage Treatment Plant.
- B. The storm sewer system will be constructed to the Town of Greece standards and dedicated to them. This drainage system generally consists of catch basins and storm manholes constructed of concrete with cast iron frames and covers or prefabricated galvanized grates; and pipes of corrugated metal pipe or concrete pipe of varying sizes. The site will be graded so that all storm runoff will run on the grassy surface until entering the roadside concrete gutter or area drains, connected to the storm water drainage system. Two (2) detention areas will be created adjacent to Round Pond Creek to temporarily detain storm water during periods of heavy rainfall.

The storm drainage system will be maintained by the Town of Greece within the right of way and through easements granted by the Town of Greece. Storm laterals outside the right of way and easements, and the grassed detention area shall be maintained by the Home Owner's Association.

- C. The subdivision includes approximately 1.2 acres of the total 15.6 acres which is prone to flooding by virtue of being below an elevation of 387 above sea level and lies adjacent to and including Round Pond Creek. The approved Preliminary Plat and Site Plan indicate this 100 year flood zone along Round Pond Creek.

This flood prone land is included in the common property and will remain in its natural state an unimproved natural state Woodland Creek.

Portions of the land that has been cleared during construction will be landscaped with grass, shrubs and trees and maintained as part of the common property. Round Pond Creek will be maintained by the Town of Greece, and lies within an easement for storm drainage purposes to be dedicated to the Town of Greece.

- D. The water distribution system consists of 8" water mains, fire hydrants, valves and copper services to each unit. The system will be constructed to Town of Greece specifications and dedicated to the Greece Consolidated Water District.

- E. A dedicated roadway will be constructed as shown and to the Town of Greece Standards and Specifications. Generally this road will consist of 60 foot right of way with 20 foot asphalt pavement, 30 inch concrete gutters and 5 foot wide sidewalk. The sidewalk on the inside of the loop will not be installed, because the Greece Town Board passed a resolution not requiring walk in this area, as shown on the Site Plan. Street lights will be installed in the right of way and dedicated to the Town of Greece.

- F. The private roadways will be improved as detailed on the Construction Plans, which generally are as follows

1. 20' to 22' wide
2. 9" compacted crushed stone base
3. 2" asphalt concrete binder
4. 1" asphalt topping to be installed one year after binder course.

- G. Twenty-two (22) off-street parking bays to be improved with:

1. 5" gravel base
2. 2" asphaltic concrete binder course
3. 1" asphalt topping to be installed one year after binder course.

- H. Eighty-two (82) individual driveways leading to the garages which are included in each of the 82 townhouses, each 16' wide and to be improved with a 6" gravel base and a 2" asphalt topping.
- I. Twelve (12) Post Top street lights located as shown on the Site Plan along the roadway will be installed and dedicated to the Town of Greece.
- J. The driveways encroach beyond the individual house lots onto the common area, where they are connected to the dedicated roadways in the common area.
- K. Remaining common area (areas not paved, etc.) will be grassed and landscaped with various trees and shrubs.
- L. Gas and electric services will be provided by the Rochester Gas and Electric Corporation (a regulated public utility). Each unit will be separately metered and the cost of service attributable to such unit will be the sole responsibility of the occupant of the unit.
- M. Telephone service will be provided by Rochester Telephone Corporation (a regulated public utility company) over easements granted by the sponsor, the lines will be maintained by the Rochester Telephone Corporation. Each unit occupant will be responsible for the installation of telephone service for its unit. Each unit will be prewired for telephone service.
- N. The pedestrian bridge across Round Pond Creek will be a prefabricated bridge installed according to Town of Greece specifications and maintained by the H.O.A.

PREPARED BY:


Randall E. LaDieu

LaDieu Associates, P.C.
40 Cedarfield Commons
Rochester, New York 14612

ROCKHURST CORPORATION

500 Helendale Road □ Rochester, New York 14609-3109 □ 716-288-9540

CERTIFICATION ON ADEQUACY OF BUDGET

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

The undersigned, being duly sworn, deposes and says as follows:

The sponsor of the homeowners association offering plan for Brookview Homeowners Association, Inc. retained me to review the projections of receipts and expense for the first year of operation as a homeowners association (Schedule A). My firm is currently managing agent for thirteen homeowners associations and five condominiums. These organizations range in size from thirteen to two hundred sixty-one units. I have been in the property management business for nine years.

I understand that I am 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 Schedule A.

I have reviewed the Schedule A and investigated facts set forth in the Schedule A and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential property.

I certify that the projections in Schedule A appear reasonable and adequate under existing circumstances, and the projected income will be sufficient to meet the anticipated operating expenses for the projected first year of operation as a homeowners association.

I certify that the Schedule:

- 1) sets forth in detail the terms of the transaction as it relates to the Schedule and is complete, current, and accurate;
- 2) affords potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the first year of operation as a homeowners association;
- 3) does not omit any material fact;
- 4) does not contain any untrue statement of a material fact;
- 5) does not contain any fraud, deception, concealment, or suppression;
- 6) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- 7) does not contain any representation or statement which is false, where

I (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representation or statement made.

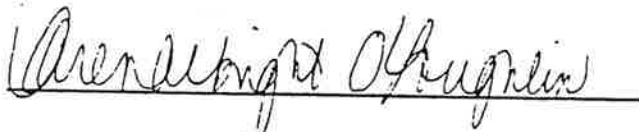
I further certify that my firm is not owned or controlled by the sponsor. I understand that it is intended that a copy of this certification will be incorporated into the offering plan.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Dated: 26 February 1986


William G. Tomlinson, President
ROCKHURST MANAGEMENT CORPORATION

Sworn to before me this
26th day of February 1986



KAREN ALBRIGHT O'LOUGHLIN
NOTARY PUBLIC, State of N.Y., Ontario Co.
My Commission Expires March 20, 1987

See the following page for a representative list of clients of Rockhurst Management Corporation.

ROCKHURST CORPORATION

R-48 South Estate Drive □ Webster, New York 14580 □ 716-872-5185

CLIENTS

	Number of Units
BARKER ESTATES HOMEOWNERS ASSOCIATION, INC. Pittsford, New York	34
BEACON HILLS HOMEOWNERS ASSOCIATION, INC. Penfield, New York	149
CHURCHVILLE GREENE HOMEOWNERS ASSOCIATION, INC. Churchville, New York	212
COLBY EAST HOMEOWNERS ASSOCIATION, INC. Rochester, New York	9
C.M. ASSOCIATES (Apartments) Rochester, New York	17
EASTPOINTE APARTMENTS Oswego, New York	118
FRENCH COURT WEST CONDOMINIUM Brighton, New York	78
HIDDEN VALLEY HOMEOWNERS ASSOCIATION, INC. Gates, New York	231
LINDEN EAST CONDOMINIUM REGIME East Rochester, New York	200
NOTTINGHAM VILLAGE HOMEOWNERS ASSOCIATION, INC. Orchard Park, New York	82
PANORAMA TOWNHOMES HOMEOWNERS ASSOCIATION, INC. Penfield, New York	13
STONEBRIDGE MANOR HOMEOWNERS ASSOCIATION, INC. Rochester, New York	13
SUMNOL HOMEOWNERS ASSOCIATION, INC. Webster, New York	30
WHITRIDGE HOMEOWNERS ASSOCIATION, INC. Fairport, New York	30
WINDSOR VILLAGE 2 CONDOMINIUM Ogden, New York	28

EXHIBIT K



Cable Address: Chase Lincoln First
RCA 235921 LINFIR
ITT 4441027 LINF11

Chase Lincoln First Bank, N.A.
International Trade Banking Department
One Lincoln First Square
Rochester, New York 14643

04/11/86

IRREVOCABLE LETTER OF CREDIT SPC 30494

Woods, Oviatt, Gilman, Sturman & Clarke
44 Exchange Street
Rochester, New York 14614

Gentlemen:

We hereby issue our Irrevocable Letter of Credit No.
SPC 30494 in your favor by order of and for the account of:

Mark IV Construction Company, Inc.
301 Exchange Blvd.
Rochester, New York 14608

Up to an aggregate amount of USD 25,000.00

Available by your draft(s) at sight drawn on Chase Lincoln First
Bank, N.A., Rochester, New York 14643 and accompanied by:

-Your written statement purportedly signed by an authorized
representative of Woods, Oviatt, Gilman, Sturman & Clarke,
stating that:

"Mark IV Construction Company, Inc., has failed to refund
deposit monies to purchasers of lots of Brookview
Subdivision in accordance with the terms of the Purchase
Agreement between the parties."

Reference in this Letter of Credit to the Purchase Agreement
between the parties, is for identification purposes only and its
terms and conditions are thereby not incorporated herein.

In the event this Letter of Credit is not renewed one (1) year
from the date hereof, Woods, Oviatt, Gilman, Sturman & Clarke, is
authorized to draw on Chase Lincoln First Bank, N.A., Rochester,
New York 14643, for such amount to secure the deposits of
purchasers of lots of Brookview Subdivision, up to the unused
portion of this Letter of Credit.

This Letter of Credit expires at our counters on 04/11/87.

The draft(s) drawn under this Letter of Credit must bear the
clause: "Drawn under Irrevocable Letter of Credit No. SPC 30494
dated 04/11/86".

We hereby agree with the drawers, endorsers and bonafide holders
of the draft(s) drawn under and in compliance with the terms of



CHASE

Lincoln First

Cable Address: Chase Lincoln First
RCA 235924 LINEUR
ITT 4411027 LINE 11

Chase Lincoln First Bank, N.A.
International Trade Banking Department
One Lincoln First Square
Rochester, New York 14643

Letter of Credit No. 30494

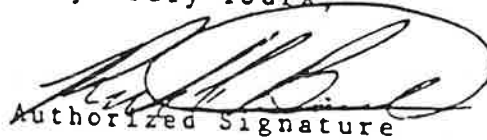
Page No. 2

this Letter of Credit, that such drawings will be duly honored upon presentation to us at this office.

The amount of any draft drawn under this Letter of Credit must concurrently with negotiation be endorsed on the reverse side hereof and the presentment of any such draft shall be a warranty by you that such endorsement has been made.

This Letter of Credit is subject to the Uniform Customs And Practice For Documentary Credits (1983 Revision) International Chamber of Commerce Publication No. 400.

Very Truly Yours,


Authorized Signature

International Trade Banking Dept.
(716) 258-6640

RALPH A. BOCCIA

Brookview Homeowners Association, Inc.

Brookview Townhomes

Brookview Subdivision
Greece, Monroe County, New York

Amendment No. 1 to Offering Plan

The approximate amount of this offering is
\$120,000.00 (value of common areas and amenities).

This Amendment is made for the purpose of disclosing a change in the exterior siding of the townhomes. The exterior will be cedar shingles or clapboard siding, and not vinyl siding.

The use of cedar shingles or clapboard siding will require additional maintenance. Specifically, the cedar shingles or clapboard siding will require restaining on average every five years. The average surface area per townhouse is 1,200 square feet, and will cost \$180.00 to re-stain at \$0.15 per square foot. This scheduled maintenance and cost are based upon the professional opinion of Richard L. Rosen, a registered architect of New York State. This item is budgeted at \$36.00 per year, or \$3.00 per month. The revised monthly common charges are \$68.99 per month per Lot. A revised projected schedule of Receipts and Expenses, and Comment No.12 are set forth as Exhibit 1A-1. The written estimate of Richard Rosen is set forth as Exhibit 1A-2. The Restated certification on Adequacy of Budget is set forth as Exhibit 1A-3.

Mark IV Construction Co., Inc. ("Sponsor") also advises Purchasers that if a skylight is installed in their townhome, the repair and maintenance is their own responsibility.

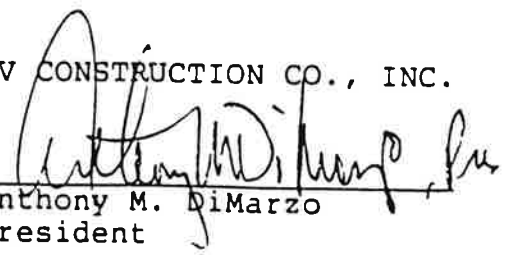
Sponsor is presently developing Brookview Townhomes on approximately 15.6+ acres of land. Of the 82 Lots, 20 Lots are under construction and 2 Lots are under contract to be sold.

As of the date of this Amendment, the Sponsor knows of no further changes to the documentation provided in the Offering Plan.

Dated: July 2, 1986

MARK IV CONSTRUCTION CO., INC.

BY:


Anthony M. DiMarzo
President

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.

BROOKVIEW TOWNHOMES

GREECE, MONROE COUNTY, NEW YORK

AMENDMENT NO. 2 TO OFFERING PLAN

The approximate amount of this offering is
\$120,000.00 (value of common areas and amenities)

This Amendment is made for the purpose of extending the Offering Plan for Brookview Homeowners Association, Inc. ("Association") for an additional six (6) month period.

Mark IV Construction Co., Inc. ("Sponsor") is presently developing 82 Lots, known as Brookview Townhomes Subdivision. 33 Lots have been, or are under construction. 9 Lots have been transferred, and 15 Lots are under contract to be sold.

The Board of Directors of the Association has ratified and is operating pursuant to the Projected Schedule of Receipts and Expenses set forth in the Offering Plan at page 8.

The Sponsor has appointed the initial three (3) members of the Board of Directors, and therefore, controls the Board.

As of the date of this Amendment, the Sponsor knows of no changes to the documentation provided in the Offering Plan.

DATED: May 1, 1987

MARK IV CONSTRUCTION CO., INC.

By: Anthony M. DiMarzo, President

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.

BROOKVIEW TOWNHOMES

GREECE, MONROE COUNTY, NEW YORK

AMENDMENT NO. 3 TO OFFERING PLAN

The approximate amount of this offering is
\$120,000.00 (value of common areas and amenities)

This Amendment is made for the purpose of extending the Offering Plan for Brookview Homeowners Association, Inc. ("Association") for an additional twelve (12) month period.

Mark IV Construction Co., Inc. ("Sponsor") is presently developing 82 Lots, known as Brookview Townhomes Subdivision. Forty-three (43) Lots have been, or are under construction. Twenty-seven (27) Lots have been transferred, and eight (8) Lots are under contract to be sold.


The Board of Directors of the Association has ratified and is operating pursuant to the Projected Schedule of Receipts and Expenses set forth in the Offering Plan at page 8.

The Sponsor has appointed the initial three (3) members of the Board of Directors, and therefore, controls the Board.

As of the date of this Amendment, the Sponsor knows of no changes to the documentation provided in the Offering Plan.

DATED: December 8, 1987

MARK IV CONSTRUCTION CO., INC.

By: x  Pres.
Anthony M. DiMarzo, President

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.

BROOKVIEW TOWNHOMES

GREECE, MONROE COUNTY, NEW YORK

AMENDMENT NO. 4 TO OFFERING PLAN

The approximate amount of this offering is
\$120,000.00 (value of common areas and amenities)

This Amendment is made for the purpose of extending the Offering Plan for Brookview Homeowners Association, Inc. ("Association") for an additional twelve (12) month period.

Mark IV Construction Co., Inc. ("Sponsor") is presently developing 82 Lots, known as Brookview Townhomes Subdivision. Thirty-seven (37) Lots have been, or are under construction. Forty-two (42) Lots have been transferred, and Three (3) Lots are under contract to be sold.

The Board of Directors of the Association has ratified and is operating pursuant to the Projected Schedule of Receipts and Expenses set forth as Exhibit 4A-1.

Cortland L. Brovitz & Company P.C. has examined the books and records of the Association for the fiscal year ending December 31, 1987. The Financial Statement of the Association dated December 31, 1987 is attached as Exhibit 4A-2.

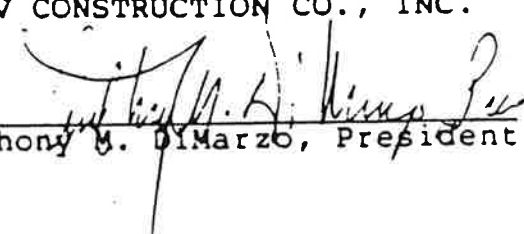
The Sponsor has appointed the initial three (3) members of the Board of Directors, and therefore, controls the Board. The Board is composed of Messrs. Anthony M. DiMarzo, Patsy DiMarzo and Loretto Basso, all of whom are principals of the Sponsor.

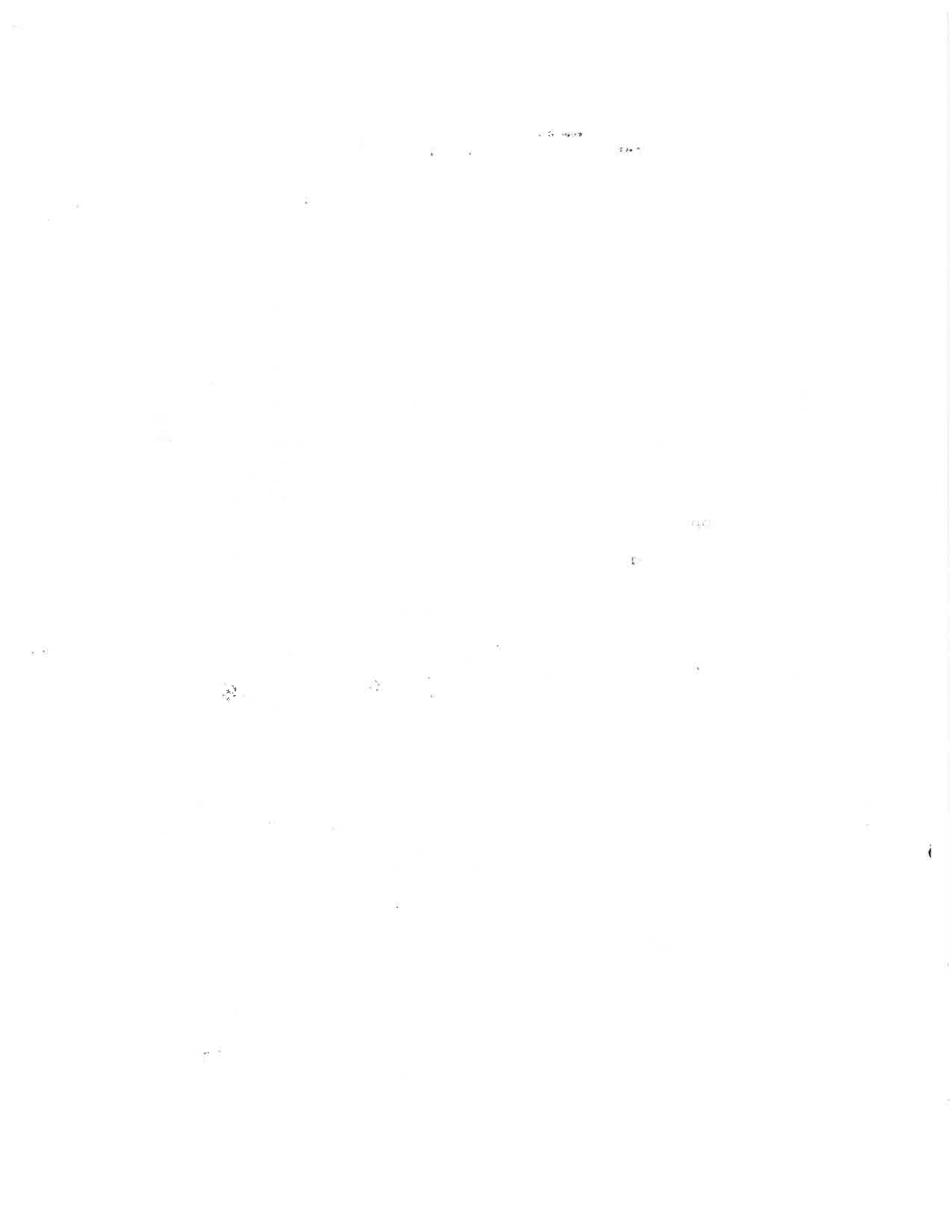
As of the date of this Amendment, the Sponsor knows of no changes to the documentation provided in the Offering Plan.

DATED: January _____, 1989

MARK IV CONSTRUCTION CO., INC.

By:


Anthony M. DiMarzo, President



Brookview5/LMD

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.

BROOKVIEW TOWNHOMES

GREECE, MONROE COUNTY, NEW YORK

AMENDMENT NO. 5 TO OFFERING PLAN

The approximate amount of this offering is
\$120,000.00 (value of common areas and amenities)

This Amendment is made for the purpose of disclosing the Limited Warranty offered by Sponsor in connection with the sale of Lots in the Association.

Effective March 1, 1989, a new law provides purchasers of newly constructed homes with a Housing Merchant Implied Warranty. The full text of the law is attached as Schedule A. The following is a brief summary of the Housing Merchant Implied Warranty.

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, floors, walls, roof framing) which make the home unsafe or unliveable.

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, and the like. There are implied warranties from the manufacturers of such goods which are described in other laws.

4. Notice:

Purchasers must give notice of defects in their home in writing no later than thirty (30) days after the end of the warranty period.

5. Limitation 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. The Limited Warranty time periods cannot be shorter than those above described. In this offering plan the Housing Merchant Implied Warranty is limited.

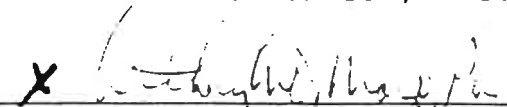
The Sponsor is offering the express Limited Warranty attached as Schedule B. The Limited Warranty is in the amount of \$50,000.00 and is extended to the first owner of the home. Warranty coverages and periods are set forth in paragraph 5. The Sponsor has adopted the "Accepted Performance Standards" published by the Rochester Home Builders Association. Exclusions from the coverage of the Limited Warranty are set forth in paragraph 6 of the Limited Warranty. Step by step claims procedures requiring written notice of warranty claims to be made on the "Notice of Warranty Claim Form", and received by the Sponsor no later than the first business day after the warranty coverage on the item expires, are set forth in paragraph 8.

This Amendment is intended to modify the offering plan and form purchase agreement.

As of the date of this Amendment, the Sponsor knows of no changes to the documentation provided in the Offering Plan.

DATED: April 12, 1989

MARK IV CONSTRUCTION CO., INC.

By: X 
Anthony M. DiMarzo,
President

Brookview6/LMD

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.

BROOKVIEW TOWNHOMES

GREECE, MONROE COUNTY, NEW YORK

AMENDMENT NO. 6 TO OFFERING PLAN

The approximate amount of this offering is
\$120,000.00 (value of common areas and amenities)

This Amendment is made for the purpose of extending the Offering Plan for Brookview Homeowners Association, Inc. ("Association") for an additional twelve (12) month period.

Mark IV Construction Co., Inc. ("Sponsor") is presently developing 82 Lots, known as Brookview Townhomes Subdivision. Seventy-seven (77) Lots have been, or are under construction. Fifty-six (56) Lots have been transferred, and five (5) Lots are under contract to be sold.

At the Annual Meeting of the Association held February 28, 1989, the members elected the Board of Directors. The Board is composed of John Christopher, Anna Harms, Charles Jones, Ron Perry and Virginia Taylor.

The Board of Directors of the Association has ratified and is operating pursuant to the Projected Schedule of Receipts and Expenses set forth as Exhibit 5A-1. The Projected Schedule of Receipts and Expenses has been adopted by the Board of Directors independent of Sponsor's control.

Cortland L. Brovitz & Company P.C. has examined the books and records of the Association for the fiscal year ending December 31, 1988. The Financial Statement of the Association dated December 31, 1988 is attached as Exhibit 5A-2.

As of the date of this Amendment, the Sponsor knows of no changes to the documentation provided in the Offering Plan.

DATED: February 1, 1990

MARK IV CONSTRUCTION CO., INC.

By: *Anthony M. DiMarzo*
Anthony M. DiMarzo, President

Exhibit SA-1

BROCKVIEW HOMEOWNERS ASSOCIATION - BUDGET
Effective March 1, 1989

	<u>Operating</u>	<u>Reserves</u>
1. Water	\$ 100.00	
2. Management	11,808.00	
3. Repairs & Maintenance	4,100.00	
4. Lawn Service Contract	24,600.00	
5. Office Supplies	1,000.00	
6. Snow Removal	10,200.00	
7. Refuse Removal	4,428.00	
8. Insurance	2,400.00	
9. Accounting	1,000.00	
10. Legal	450.00	
11. Taxes	300.00	
12. Reserves		314,535.00
12. Miscellaneous	200.00	
13. Recording Secretary	360.00	
	<u>37,946.00</u>	<u>314,535.00</u>
	Plus Reserves	
	<u>34,535.00</u>	
	<u>82,481.00</u>	
	Units + 82	
	<u>1,005.87</u>	
	Months + 12	
	<u>83.82</u>	
Monthly Assessment	<u>83.82</u>	

Exhibit 5A-2

=====

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.

=====

ROCHESTER, NEW YORK

FINANCIAL STATEMENTS
DECEMBER 31, 1988

=====

CLB
&CO

Cortland L. Brovitz & Company P.C.

CERTIFIED PUBLIC ACCOUNTANTS

CORTLAND L. BROVITZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1215 MIDTOWN TOWER
ROCHESTER, NEW YORK 14604
TELEPHONE 764-454-6996
FAX 764-454-4024

MANAGERS

BLISS E. OWEN
MICHAEL C. SMITH
JOSEPH A. VALVO
MIRIAM KACHIOFF
MICHAEL F. PRAGEL
PAMELA L. MERRICK
DAVID A. GRAMZA

PRINCIPALS

CORTLAND L. BROVITZ
MELVYN I. POPLOCK
DAVID H. ZUGEHOER
STEVEN G. SCHWARTZ
RICHARD M. KASPERSKI
EFFREY D. WILLIAMS
RICHARD N. GRAY

February 2, 1989

To the Members of
Brookview Homeowners Association, Inc.:

We have audited the accompanying balance sheet of Brookview Homeowners Association, Inc. as of December 31, 1988 and 1987, and the related statements of revenues, expenditures and changes in fund balances, and revenues, expenditures and changes in operating fund balance for the years then ended. These financial statements are the responsibility of the Association management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brookview Homeowners Association, Inc. as of December 31, 1988 and 1987, and the results of its operations and changes in fund balances for the years then ended in conformity with generally accepted accounting principles.

Respectfully Submitted,

Cortland L. Brovitz & Co., P.C.

Cortland L. Brovitz & Co., P.C.
Certified Public Accountants

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.
ROCHESTER, NEW YORK

BALANCE SHEET
DECEMBER 31, 1988 AND 1987

Assets

	<u>1988</u>	<u>1987</u>
<u>Current Assets</u>		
Cash - Operating Fund	\$ 5,402	\$ (798)
Cash - Restricted Fund	9,388	2,657
Accounts Receivable	179	461
Prepaid Expenses	<u>5,515</u>	<u>5,089</u>
 Total Current Assets	 20,484	 7,409
 <u>Other Assets</u>	 <u>-</u>	 <u>-</u>
 Total Assets	 \$ <u>20,484</u>	 \$ <u>7,409</u>

Liabilities and Fund Balances

<u>Current Liabilities</u>		
Accounts Payable	\$ 3,037	\$ 2,885
Assessments Received in Advance	1,933	897
Accrued Income Taxes	<u>311</u>	<u>250</u>
 Total Current Liabilities	 10,281	 4,032
 <u>Other Liabilities</u>	 <u>-</u>	 <u>-</u>
 Total Liabilities	 <u>10,281</u>	 <u>4,032</u>
 <u>Fund Balances</u>		
Restricted Fund	9,388	2,657
Operating Fund	<u>315</u>	<u>720</u>
 Total Fund Balances	 <u>10,203</u>	 <u>3,377</u>
 Total Liabilities and Fund Balances	 \$ <u>20,484</u>	 \$ <u>7,409</u>

See Notes to Financial Statements.

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.
ROCHESTER, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1988 AND 1987

	<u>Restricted Fund</u>	<u>Operating Fund</u>	<u>Total Restricted and Operating Funds</u>
Fund Balance - January 1, 1987	\$ -	\$ -	\$ -
Working Capital Advance made by Sponsor to the Association	-	9,200	8,200
Revenues For Period Ended December 31, 1987	2,657	9,697	12,354
Expenditures For Period Ended December 31, 1987	<u>-</u>	<u>(17,177)</u>	<u>(17,177)</u>
Fund Balance - December 31, 1987	2,657	720	3,377
Revenues For Period Ended December 31, 1988	6,731	23,921	30,652
Expenditures For Period Ended December 31, 1988	<u>-</u>	<u>(23,826)</u>	<u>(23,826)</u>
Fund Balance - December 31, 1988	\$ <u>9,388</u>	\$ <u>315</u>	\$ <u>10,203</u>

See Notes to Financial Statements.

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.
ROCHESTER, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN OPERATING FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 1988 AND 1987

	<u>1988</u>	<u>1987</u>
<u>Revenues</u>		
Assessments	\$ 23,897	\$ 9,697
Interest	<u>24</u>	<u>-</u>
Total Revenues	<u>23,921</u>	<u>9,697</u>
<u>Expenditures</u>		
Grounds Maintenance:		
Water	22	-
Lawn	8,600	6,200
Snowplowing	3,000	2,433
Operating Expenses:		
Insurance - Fire and Casualty	3,834	2,387
Trash Removal	1,784	529
Administrative Expenses:		
Legal and Accounting	739	250
Management Fee	5,428	4,368
Office Supplies	-	228
Miscellaneous	108	532
Income Tax (Note 2)	<u>311</u>	<u>250</u>
Total Expenditures	<u>23,826</u>	<u>17,177</u>
Excess (Deficiency) of Revenues Over Expenditures	95	(7,480)
Fund Balance - Beginning	720	-
Initial Working Capital Advance made by Sponsor to the Association	<u>-</u>	<u>3,200</u>
Fund Balance - Ending	\$ <u><u>815</u></u>	\$ <u><u>720</u></u>

See Notes to Financial Statements.

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.
ROCHESTER, NEW YORK

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988 AND 1987

Note 1 Summary of Significant Accounting Policies

Basis of Reporting

The Association's financial statements are prepared on the accrual basis. Revenues from assessments are recognized as income when they become due. Prepaid assessments (advance payments) are deferred until the month due. Expenses are recognized as incurred, not when paid.

Restricted Fund

A portion of the revenue from homeowner assessments is designated by the Association for specific purposes and is credited to a restricted fund. All charges against the restricted fund are recorded as incurred. Any interest earned on the restricted fund is included in restricted fund revenues for the period.

Tax Status

The Association has been incorporated under the New York State Not-For-Profit Corporation Law. As such the corporation qualifies under Section 528 of the Internal Revenue Code. Federal tax and state tax will not be payable on profit due to assessment fees charged members. Tax will be payable on non-exempt function income including interest.

Note 2 Income Taxes

The Provision for Income Taxes consisted of the following at December 31, 1988 and 1987:

	<u>1988</u>	<u>1987</u>
Taxes Currently Payable:		
Federal	\$ 61	\$ -
State	<u>250</u>	<u>250</u>
	\$ <u>311</u>	\$ <u>250</u>

Note 3 Working Capital Advance Due Sponsor

The sponsor Mark IV Construction Co., Inc. was required to advance \$100 per lot as initial working capital for the Association. The initial purchaser of each lot is reimbursing the sponsor at closing.

Note 4 Transactions with Sponsor

An affiliate of the sponsor is paid a management fee by the Association. The sponsor is paid for snowplowing services and grounds maintenance services.

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.

BROOKVIEW TOWNHOUSES

BROOKVIEW SUBDIVISION
TOWN OF GREECE, NEW YORK

AMENDMENT NO. 7

This Amendment is made for the purpose of complying with the Department of Law's Financial Disclosure Request.

The Sponsor hereby represents that there has been no material change in the financial position of the Sponsor with respect to this offering. Specifically, the sponsor represents the following:

1. Sixty-one (61) lots have been transferred. Twenty-one (21) lots are owned by the Sponsor, Lots Numbers 103, 107, 111-112, 125, 130, 132, 203, 207, 209-215, 217, 222, 238, 240 and 247.
2. The monthly maintenance or common charge is as set forth in the budget included in the Offering Plan.
3. The Sponsor is renting 9 lots at the average monthly rent of \$995.00.
4. The Sponsor has no financial obligation to the Association other than monthly common charges. For rented lots, the Sponsor is paying \$754.38 per month. For vacant and incomplete lots, the Sponsor is obligated to pay the difference between actual Association expenses, including reserves applicable to completed improvements, and the Association charges levied on owners who have closed title to their lots, see Section 5.04 of the Declaration. Since the Association had no deficit for 1989, the Sponsor paid no assessment for vacant, unsold lots. The Sponsor anticipates that this state of facts will continue through 1990.

On July 30, 1990 the Association filed Liens for unpaid common charges on Sponsor owned Lots 103, 111, 125, 130, 132, 203, 207, 209, 210-214, 217, 222 and 238. The Lien is for \$12,500.00. The Sponsor disagrees with the Association's allegations and is working to resolve the misunderstanding.

5. The Declaration and common areas are not subject to any mortgages or financing commitments. Unsold lots are subject to mortgage financing with Chase Lincoln First Bank, N.A., One Lincoln First Square, Rochester, New York in the total amount of \$89,000.00, which is due on demand. Interest only payments are due monthly in the approximate amount of \$815.00.
6. The financial obligations of the Sponsor will be funded from income from projected sales, and from general operating revenues of the Sponsor.
7. The Sponsor is current on all financial obligations under the offering plan, including but not limited to maintenance or common charges, reserve or working capital fund payments, assessments, and payments for repairs or improvements required by the Offering Plan. Additionally, the Sponsor is current on payments of underlying mortgages and loans. Additionally, the Sponsor was current on all such obligations during the year prior to filing this amendment.
8. The Sponsor is involved in the following offerings:

Woodsvieview Homeowners Association, Inc.

Canalside Homeowners Association,
Inc.,

Corn Hill Commons Homeowners
Association, Inc.,

Edgewood Estates Homeowners Association,
Inc.,

Hillsboro Cove Homeowners Association,
Inc.,

Huntington Park Homeowners Association,
Inc.,

Riverview Homeowners Association, Inc.,

Village Walk Homeowners Association,
Inc.

Offering plans for these Homeowners
Associations are on file with the New York
State Department of Law, and are available for
public inspection.

9. The Sponsor is current in its financial
obligations with respect to the homeowners associations listed in
Item 8 above.

10. The Sponsor has relinquished control of the
Board of Directors of the Association.

11. A copy of the certified Financial Statement of
the Association, dated December 31, 1989 is attached as Exhibit
A.

As of the date of the Amendment, the Sponsor knows of no
further changes to the documentation provided in the Offering
Plan.

Dated: August 1, 1990

MARK IV CONSTRUCTION CO.,
INC.

By: 

Anthony M. DiMarzo,
President

Exhibit A

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BROOKVIEW HOMEOWNERS ASSOCIATION, INC.

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ROCHESTER, NEW YORK

FINANCIAL STATEMENT
DECEMBER 31, 1989

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CLB
&CO

Cortland L. Brovitz & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

CORTLAND L. BROVITZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1135 MIDTOWN TOWER
ROCHESTER, NEW YORK 14604
716-454-0996
FAX 716-454-4024

PRINCIPALS

CORTLAND L. BROVITZ
MELVYN I. POPLOCK
DAVID H. ZUGEHOER
STEVEN C. SCHWARTZ
RICHARD M. KASPERSKI
JEFFREY D. WILLIAMS
RICHARD N. GRAY
MIRIAM KACHIOFF

MANAGERS

BLISS E. OWEN
MICHAEL C. SMITH
MICHAEL F. PRAGEL
PAMELA L. MERRICK
DAVID A. GRAMZA

January 29, 1990

To the Members of
Brookview Homeowners Association, Inc.:

We have audited the accompanying balance sheet of Brookview Homeowners Association, Inc. as of December 31, 1989 and 1988, and the related statements of revenues, expenditures and changes in fund balances, and revenues, expenditures and changes in operating fund balance for the years then ended. These financial statements are the responsibility of the Association management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brookview Homeowners Association, Inc. as of December 31, 1989 and 1988, and the results of its operations and changes in fund balances for the years then ended in conformity with generally accepted accounting principles.

Respectfully Submitted,

Cortland L. Brovitz & Co., P.C.

Cortland L. Brovitz & Co., P.C.
Certified Public Accountants

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.
ROCHESTER, NEW YORK

BALANCE SHEET
DECEMBER 31, 1989 AND 1988

Assets

	<u>1989</u>	<u>1988</u>
<u>Current Assets</u>		
Cash - Operating Fund	\$ 7,969	\$ 5,402
Cash - Restricted Fund	13,343	9,388
Accounts Receivable	607	179
Prepaid Expenses	<u>6,276</u>	<u>5,515</u>
 Total Assets	 <u>\$ 28,195</u>	 <u>\$ 20,484</u>

Liabilities and Fund Balances

<u>Current Liabilities</u>		
Accounts Payable	\$ 7,308	\$ 8,037
Assessments Received in Advance	2,667	1,933
Accrued Income Taxes	<u>561</u>	<u>311</u>
 Total Liabilities	 <u>10,536</u>	 <u>10,281</u>
 <u>Fund Balances</u>		
Restricted Fund	13,343	9,388
Operating Fund	<u>4,316</u>	<u>915</u>
 Total Fund Balances	 <u>17,659</u>	 <u>10,203</u>
 Total Liabilities and Fund Balances	 <u>\$ 28,195</u>	 <u>\$ 20,484</u>

See Notes to Financial Statements.

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.
ROCHESTER, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1989 AND 1988

	<u>Restricted Fund</u>	<u>Operating Fund</u>	<u>Total Restricted and Operating Funds</u>
Fund Balances - January 1, 1988	\$ 2,657	\$ 720	\$ 3,377
Revenues From Assessments For The Year Ended December 31, 1988	6,450	23,897	30,347
Revenues From Interest For The Year Ended December 31, 1988	281	24	305
Expenditures For The Year Ended December 31, 1988	<u>-</u>	<u>(23,826)</u>	<u>(23,826)</u>
Fund Balances - December 31, 1988	9,388	825	10,203
Revenues From Assessments For The Year Ended December 31, 1989	12,486	42,451	64,937
Revenues From Interest For The Year Ended December 31, 1989	586	301	887
Expenditures For The Year Ended December 31, 1989	<u>(19,127)</u>	<u>(39,251)</u>	<u>(58,368)</u>
Fund Balances - December 31, 1989	\$ <u>12,343</u>	\$ <u>4,316</u>	\$ <u>17,659</u>

See Notes to Financial Statements.

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.
ROCHESTER, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN OPERATING FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 1989 AND 1988

	<u>1989</u>	<u>1988</u>
Revenues		
Assessments	\$ 42,451	\$ 23,897
Interest	<u>301</u>	<u>24</u>
Total Revenues	<u>42,752</u>	<u>23,921</u>
Expenditures		
Grounds Maintenance:		
Lawn	18,256	8,600
Snowplowing	4,618	3,000
Water	15	22
Building Maintenance:		
Siding	111	-
Operating Expenses:		
Insurance - Fire and Casualty	1,431	3,834
Trash Removal	1,744	1,784
Administrative Expenses:		
Legal and Accounting	1,214	739
Management Fee	7,460	5,428
Miscellaneous	194	108
Office Supplies	747	-
Income Taxes (Note 2)	<u>561</u>	<u>311</u>
Total Expenditures	<u>39,251</u>	<u>23,826</u>
Excess of Revenues Over Expenditures	3,501	95
Fund Balance - Beginning	<u>315</u>	<u>720</u>
Fund Balance - Ending	\$ <u>4,216</u>	\$ <u>815</u>

See Notes to Financial Statements.

BROOKVIEW HOMEOWNERS ASSOCIATION, INC.
ROCHESTER, NEW YORK

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1989 AND 1988

Note 1

Summary of Significant Accounting Policies

Basis of Reporting

The Association's financial statements are prepared on the accrual basis. Revenues from assessments are recognized as income when they become due. Prepaid assessments (advance payments) are deferred until the month due. Expenses are recognized as incurred, not when paid.

Restricted Fund

A portion of the revenue from homeowner assessments is designated by the Association for specific purposes and is credited to a restricted fund. All charges against the restricted fund are recorded as incurred. Any interest earned on the restricted fund is included in restricted fund revenues for the period.

Tax Status

The Association has been incorporated under the New York State Not-For-Profit Corporation Law. As such the corporation qualifies under Section 528 of the Internal Revenue Code. Federal tax and state tax will not be payable on profit due to assessment fees charged members. Tax will be payable on non-exempt function income, including interest.

Note 2

Income Taxes

Income Taxes consisted of the following at December 31, 1989 and 1988:

	<u>1989</u>	<u>1988</u>
Taxes Currently Payable:		
Federal	\$ 236	\$ 61
State	<u>325</u>	<u>250</u>
	\$ <u>561</u>	\$ <u>311</u>

Note 3

Transactions with Sponsor

An affiliate of the sponsor is paid a management fee by the Association. The sponsor is paid for snowplowing services and grounds maintenance services.

Note 4

Restricted Fund

Revenues in 1989 include a special assessment of \$11,200 to the homeowners and a \$2,000 contribution by the sponsor. Expenditures include \$13,600 for painting and \$5,517 for sealing parking areas, etc.

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**FIRST AMENDMENT OF THE BY-LAWS OF
BROOKVIEW HOMEOWNERS' ASSOCIATION, INC.**

The by-laws of the Corporation duly adopted by the Board of Directors on or about March 12, 1986 are hereby amended as follows:

Section 6.10 which provides that:

"No executive officers of the Association shall receive any stated salary for their services, provided that nothing contained herein shall preclude any executive officer from serving the Association in any other capacity and receiving compensation therefore."

is repealed in its entirety.

Dated: January 18, 1994.

