

CLOVER ESTATES
HOMEOWNERS ASSOCIATION, INC.

Attorney General approval letter dated April 0, 2001

Sponsor Affidavit

Site Plan

Declaration of Covenants, Easements, Conditions and Restrictions

Proposed Budget

By-Laws

Commitment For Title Insurance

Deed to HOA from Sponsor

Sponsor Certification

Escrow Agreement and Dispute Resolution

State of New York Broker/Dealer Statement

Purchase Agreement



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
Direct Telephone 212-416-6384

ELIOT SPITZER
Attorney General

DIVISION OF PUBLIC ADVOCACY
REAL ESTATE FINANCING BUREAU

April 9, 2001

William N. La Forte, Esq.
Harter, Secrest & Emery, LLP
700 Midtown Tower
Rochester, NY 14604

Re: Clover Estates HOA
File No. HO-00-0084

Dear Mr. La Forte:

The Department of Law has reviewed your application for CPS-7 treatment submitted on December 29, 2000, and supplemented on April 9, 2001, for the above-captioned homeowner's association.

Based upon the affidavit and supporting documentation submitted by you in connection with the application, such CPS-7 treatment is granted as of the original submission date of December 29, 2000. Accordingly, no enforcement action will be taken against you for failure to file an offering plan in compliance with General Business Law Section 352-e, provided that you are in full compliance with your representations made in the CPS-7 application.

The granting of CPS-7 treatment is on such terms and conditions as the Department of Law may impose, in its discretion, in order to protect the public interest. It is based solely on the information provided in the application. Any material misstatement or omission of a material fact in the application may render the CPS-7 treatment void ab initio and may subject you to enforcement action.

The granting of this CPS-7 treatment shall not be construed to be a waiver of, or limitation on, the Attorney General's authority to take enforcement action for violations of Article 23-A of the General Business Law and other applicable provisions of law.

Sincerely,

A handwritten signature in cursive script that reads "Lisa C. Wallace".

Lisa C. Wallace
Assistant Attorney General

SPONSOR'S AFFIDAVIT

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

Re: CLOVER ESTATES HOMEOWNERS ASSOCIATION, INC.
Name of Development

CLOVER STREET, TOWN OF PITTSFORD
Full Address of Development

MONROE COUNTY, NEW YORK

CHARLES F. RYAN, II, being duly sworn deposes and says:

1. I am the President of
(Office of Deponent)

RYAN homes, inc., a New York corporation with an office at
(Name of Corporation) (Jurisdiction)

26 State Street, Pittsford, NY 14534 (the "Sponsor").
(Address)

2. The names of the other officers/directors or principals of the sponsoring corporation (if other entity, so state) who join in this application are:

None

3. The Sponsor is the owner of the above captioned property. Attached hereto is a current copy of the title report indicating Sponsor as the present owner of the property.

4. The property which is to be cooperatively owned or maintained by the homeowners association ("HOA") to be established consists of:

The HOA will own the roads which serve the project (private roads) and will
maintain the roads and yards of the Lots.

5. This development and the amenities contained in the property to be cooperatively owned or maintained by the HOA complies with the Attorney General's requirements for CPS-7 treatment.

6. The number of homes or lots being offered in conjunction with membership in the HOA is twenty-nine (29) and the assessment per lot will be approximately \$ 600.00

7. The Sponsor will comply with the escrow and trust fund provisions of GBL Section 352-e(2-b) and Section 352-h and of the regulations adopted by the Attorney General in Part 22, and will hold down payments for the purchase of the property in trust for the benefit of the purchasers. Such funds will not be commingled with the moneys of the offeror(s) until actually employed in connection with the consummation of the transaction.

8. The Sponsor will provide to each offeree the following information:

- (a) a statement that the purchase price of the home(s) or lot(s) includes the cost of membership, if any, in the HOA;
- (b) if applicable, a copy of any mortgage or ground lease that will remain on HOA property after transfer to the Association;
- (c) if applicable, a copy of any contract between the Sponsor and the HOA;
- (d) if applicable, a copy of the proposed deed of HOA property from the Sponsor to the HOA;
- (e) if applicable, a copy of the recorded deed to the HOA property by which the Sponsor derived title or a copy of the contract of sale between the owner and the Sponsor if the Sponsor is the contract vendee;
- (f) if applicable, the estimated monthly or annual assessment and the proposed budget prepared in compliance with the requirements set forth in 13 NYCRR Section 22.3(g) including back-up documentation for all budget items associated with maintenance of the common amenities. If the project is built in phases, both a budget for the initial phase and a budget for all phases should be submitted. As an alternative to including back-up documentation, a certification of the adequacy of the budget in conformity with the requirements set forth in 13 NYCRR Section 22.4(d), may be provided.
- (g) disclosure of the escrow account as required by Section 22.3(k)(2) including the form for dispute resolution provided by the Attorney General; and
- (h) such other information as the Department of Law may require to be presented to each offeree.

9. The Sponsor agrees to furnish to each offeree a complete copy of the application for CPS-7 treatment and a copy of the letter granting such treatment prior to accepting any down payment. If the letter granting such treatment has not yet issued, the Sponsor agrees to furnish a copy of such letter to all purchasers within ten (10) days of its issuance.

10. The use for which the unit(s) and property are being offered will comply with the property's certificate of occupancy, zoning, building and housing laws, rules and regulations.

11. (a) The roads are not subject to an offer of dedication, as the HOA will own the roads. The HOA will service and maintain the roads and the Sponsor will construct the roads in compliance with all Town requirements for private roads.

11. (b) The roads do not qualify for dedication, but the roads will be built to Town standards for private roads.

Attached hereto are:

- (a) A copy of an updated title report or contract of sale or option contract;
- (b) Certification by Sponsor and Sponsor's principals;
- (c) A copy of the Declaration of covenants, restrictions, easements and liens, a road maintenance agreement, or restrictions contained in deeds or other documents which establish the obligations of the home or lot owners with respect to commonly owned or maintained property, if applicable.
- (d) A check in the amount required by GBL Section 352-e(7)(a) made payable to the New York State Department of Law.
- (e) A Broker-Dealer Statement (Form M-10) for the offerors accompanied by a check in the amount required by GBL Section 359-e(5).
- (f) A statistical information card available from the Department of Law.
- (g) Copy of the title report or the issued title policy for any lands to be conveyed to the HOA or the title policy for lands previously conveyed to the HOA.

RYAN HOMES, INC.

Sworn to before me this
13th day of December, 2000.

William N. La Forte

Notary Public

WILLIAM N. La FORTE
Notary Public, State of New York
Commission Expires 12/31/2003

By: Charles F. Ryan, II, President
CHARLES F. RYAN, II, PRESIDENT

Sworn to before me this
13th day of December, 2000

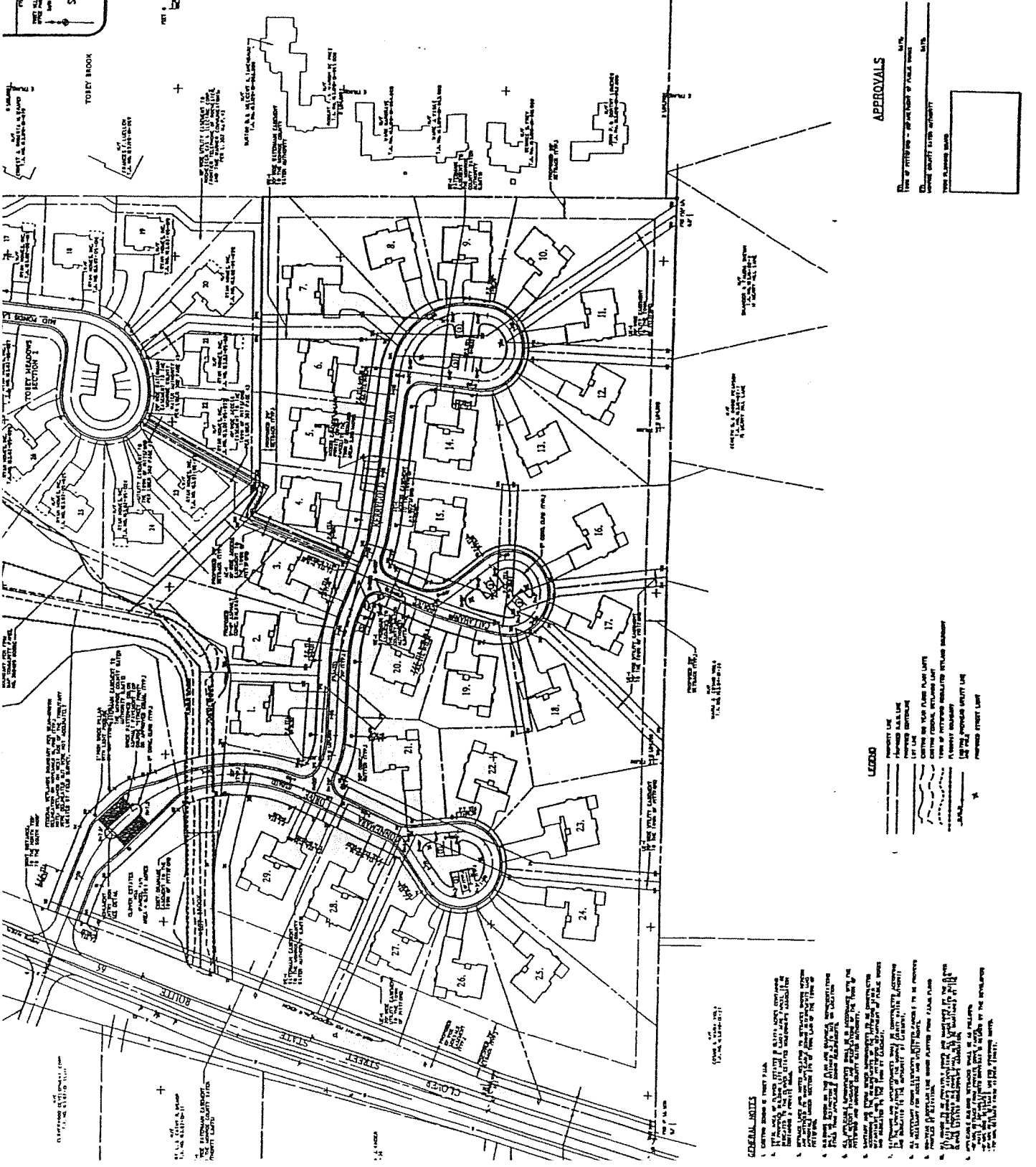
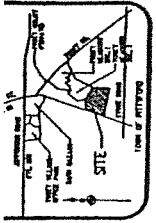
William N. La Forte

Notary Public

Commission Expires 12/31/2003
By: Charles F. Ryan, II, Individually
CHARLES F. RYAN, II, INDIVIDUALLY

SEAR-BROWN
SITE PLAN

Table with columns: NO., DATE, DESCRIPTION, and other project details.



APPROVALS

Approval stamp area with fields for 'DATE', 'NAME OF OFFICIAL', and 'OFFICE'.

LEGEND

- List of symbols and line styles used in the plan, such as 'PROPERTY LINE', 'PROPOSED ALLIANCE', 'EXISTING DRIVEWAY', etc.

GENERAL NOTES

- 1. CENTER DRIVE IS STREET PAVEMENT...
2. THE AREA OF CENTER DRIVE...
3. ALL UTILITIES SHOWN...
4. THE PROPOSED DRIVEWAY...
5. THE PROPOSED DRIVEWAY...
6. THE PROPOSED DRIVEWAY...
7. THE PROPOSED DRIVEWAY...
8. THE PROPOSED DRIVEWAY...
9. THE PROPOSED DRIVEWAY...
10. THE PROPOSED DRIVEWAY...

Record and Return to:
Box 80 - WNL

DECLARATION
OF
COVENANTS, EASEMENTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made the 20th day of December, 2000, by **RYAN homes, inc.**, hereinafter called "Declarant".

WHEREAS, Declarant is the Owner of certain real property in the Town of Pittsford, County of Monroe and State of New York, more particularly described in Schedule A attached hereto and made a part hereof, said land in its entirety being hereinafter referred to as the "Properties"; and

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

WHEREAS, **CLOVER ESTATES HOMEOWNERS ASSOCIATION, INC.**, is a New York Not-for-Profit Corporation formed for the purpose described in its Certificate of Incorporation herein;

NOW, THEREFORE, Declarant hereby declares that all of the Properties, together with any and all improvements thereon and appurtenances thereunto, shall be held, sold and conveyed subject to the following covenants, easements, restrictions and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, burden and bind the Properties for and during the period of time specified hereafter and all parties having any right, title or interest in the Properties or any part thereof, their heirs, executors, administrators, successors, and assigns forever, and shall inure to the benefit of each Owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to **CLOVER ESTATES HOMEOWNERS ASSOCIATION, INC.**, its successors and assigns.

Section 2. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 3. "Declarant" shall mean and refer to RYAN homes, inc., its successors and assigns if such successors or assigns shall acquire more than one undeveloped lot from Declarant for the purpose of development.

Section 4. "Lot" shall mean and refer to any plot of lands shown upon any recorded subdivision map or resubdivision map of the Properties, with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 7. "Unit" shall mean and refer to the structure built on any given Lot. A "Completed Unit" shall mean and refer to a Unit for which a Certificate of Occupancy has been issued by the Town of Pittsford.

ARTICLE II PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, including any necessary rights of ingress and egress to Owner's property over the Common Area, which easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association, pursuant to its by-laws, to adopt rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

(b) the right of the Association to suspend the right to the use of the Common Area by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed 60 days for any infraction of its published rules and regulations.

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

Section 3. Temporary Construction Easement. Declarant shall retain a temporary easement for construction purposes over, on, under and through the Properties. This temporary construction easement shall be for the purposes of the Declarant having ingress and egress with people and machinery for the purposes of constructing units on Lots. The temporary easement shall terminate and shall be of no further force and effect with regard to each Lot upon the record transfer of title from the Declarant to purchasers of the Lots immediately adjacent to the Lot purchased by a Purchaser. The Declarant agrees to restore the Lots to a condition which existed prior to any entry by the Declarant, including planting grass and other vegetation where necessary. The Declarant agrees to indemnify and hold harmless each Lot purchaser, their successors and assigns, from and against all liability, loss, damage or expense in the event of personal injury or personal property damage suffered by a purchaser as a result of the Declarant's use of the rights retained by Declarant hereunder, except such loss, damage or expense caused by the intentional acts or negligence of the purchaser, their agents, servants, employees and contractors.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subjected by this Declaration to assessment by the Association shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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

Class A members shall be all Owners with the exception of Declarant. Each Class A member shall be entitled to one vote. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot, nor shall any member be entitled to more than one vote regardless of the number of Lots he owns.

Class B members shall be the Declarant or its successors or assigns, and shall be entitled to one vote for so long as a Lot is owned. Class B membership shall cease and be converted to Class A membership on December 31, 2005 or at such time as title to all twenty-nine (29) Lots have been conveyed by Declarant, whichever first occurs. Prior to December 31, 2005, or such time as title to all twenty-nine (29) Lots have been conveyed by Declarant, Class A members shall not be entitled to vote for members of the Board of Directors.

ARTICLE V

COVENANT FOR ANNUAL OR SPECIAL ASSESSMENT

Section 1. Creation of the Lien and Personal Obligation for Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The covenant in this Section shall not constitute a guarantee, or promise of any kind by Declarant to pay any assessment, or any other obligation of any Owner, other than Declarant. The annual and special assessments, together with interest, costs, and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall be the personal obligation of the person who is the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Notwithstanding the provisions of this Article V, the Declarant shall be obligated to pay only the difference between the amount collected on the Completed Units (which amount will not exceed the budgeted amount per Completed Unit) and the actual cost of operation for the

Association. In addition, the Declarant shall pay assessments and capital improvement charges only for Completed Units.

Section 2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively to operate, maintain, repair, improve, construct, reconstruct and preserve, on a non-profit basis, the Common Area owned by the Association, exclusively for the benefit of its members, their guests, tenants and invitees. There shall be no obligation on the part of the Association to maintain, repair, reconstruct, replace or preserve any part of the exterior or interior of any Unit.

Section 3. Date of Commencement of Annual Assessments and Due Dates. The assessments provided for herein shall be fixed from time to time, but at least annually, and shall commence as to each Completed Unit on the day legal title is transferred to the Owner, and shall be prorated on the basis of the Estimated Budget for the first year, published in the Offering Plan, according to the number of months remaining in the fiscal year. The Board of Directors shall fix the amount of subsequent assessments from time to time, but at least annually, for each Lot at least thirty (30) days in advance of the annual assessment period. Written notice of the assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors, and, unless otherwise provided, the Association shall collect each quarter from the Owner of each Lot one-fourth (1/4) of the annual assessment for such Lot. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer, or the Managing Agent, if any, of the Association setting forth whether the assessments on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

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

Section 5. Notice and Quorum for Any Action Authorized Under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 of this Article V shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance

of the meeting. The presence of Members, in person or by proxy, entitled to cast two-thirds (2/3) of all the votes of the membership shall constitute a quorum.

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

Section 7. Effect of Nonpayment of Assessments and Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum prevailing legal rate per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of liens against real property, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage foreclosure on real property and such Owner hereby expressly grants to the Association a power of sale in connection with the foreclosure of said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Lot Owners. The Association, acting on behalf of the Lot Owners, shall have the power to bid for the interest foreclosed at a foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its right and to such liens as may be necessary or expedient to an insurance company continuing to give total coverage notwithstanding nonpayment of such defaulting Owner's portion of the premium for fire and other hazard insurance. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, or abandonment of his Lot, or by renunciation of membership in the Association. An Owner may give to the Association, nevertheless, subject to acceptance thereof by the Association, a deed in lieu of foreclosure.

Section 8. Subordination of the Association Lien to First Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage given to any bank, savings bank, savings and loan association, pension fund, or other institutional lender of Declarant. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of any first mortgage, or by deed in lieu of foreclosure,

given as above provided, shall extinguish the lien of such assessments as to payments which became due prior to the foreclosure sale and transfer. No foreclosure sale or transfer shall relieve such Lot Owner from liability for any assessments thereafter becoming due or relieve the Lot from the lien thereof.

Section 9. Reserves and Surplus. The Association's Board may establish, from time to time, reserves for such lawful purposes as in its sole discretion it may determine necessary to be desirable for the greater financial security of the Association and the effectuation of its purposes. The Association shall not be obligated to spend in any fiscal year all the sums collected in such year, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply any such surplus to the reduction of the amount of the annual assessment in the succeeding year, but may carry forward the same from year to year.

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

Section 11. Declarant's Obligation for Assessments. In spite of any provision to the contrary in this Article V, the Declarant shall not be liable for the payment of common charges for any unsold Lots owned by it, unless and until said Lots are improved with Completed Units. The Declarant shall, however, contribute to the Association that amount equal to the difference between the cost of operating the Association and the assessments collected from Owners as set forth in the projected budget. Similarly the Declarant shall not be obligated to make any capital contribution except for Completed Units which are retained by Declarant.

ARTICLE VI

ALTERATION OF UNITS AND USE OF PROPERTY

Section 1. Alteration to Improvements. Once initially constructed improvements have been completed on a Lot, no exterior alteration, addition or modification to these improvements, including landscaping, may be made by an owner or his successor without first obtaining the prior written approval of the Board of Directors which, in its discretion, may require such reasonable plans and specifications before reviewing any such request for alteration.

Section 2. Advertising and Signs. Except for signs erected by or with the permission of the Declarant in connection with the initial development, lease, or sale of Lots, no signs, including "For Sale" signs, or other advertising device of any nature shall be placed for display to the public on any Lot or other portion of the Property.

Section 3. Plantings, Screening and Fences. Any plantings, fence enclosures, or walls initially developed on a Lot or other portion of the Property shall not be removed or replaced with other than a similar type of planting, fence, or wall except with the permission of the Board of Directors or the Architectural Committee if one has been appointed. Except for the foregoing, no fence, wall, or planting, outside of the foundation of the home, of any kind shall be planted, installed, or erected upon a lot or other portion of the Property unless approved by the Board of Directors or the Architectural Committee if one has been appointed. Notwithstanding the foregoing, no fence, wall, or planting shall be maintained so as to obstruct sight lines for vehicular traffic or adjacent Unit Owners.

Section 4. Garbage and Refuse Disposal. Except for building materials during the course of construction or repair of any approved improvements, no lumber, metals, bulk materials, wood piles, rubbish, refuse, garbage, trash or other waste material (all of which are referred to hereinafter as "Trash") shall be kept, stored, or allowed to accumulate outdoors. All such trash shall be kept within the garage or the owner's home. Trash containers may be placed in the open within 12 hours of a scheduled pick-up, at such place designated by the Board of Directors or the Architectural Committee so as to provide access to persons making such pick-up. The Board of Directors or the Architectural Committee may, in its discretion, adopt and promulgate reasonable rules and regulations relating to size, shape, color and type of containers permitted and the manner of storage of the same on any portion of the Property.

Section 5. No Above Surface Utilities Without Approval. Except for electric transformers and connecting terminals, no facilities, including without limitation, poles and wires for the transmission of electricity 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 Board of Directors or the Architectural Committee.

Section 6. 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 in 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 (i) be detrimental to or endanger the public health, safety, comfort, or welfare, (ii) be injurious to property, vegetation, or animals, (iii) adversely affect property values or otherwise produce a public nuisance or hazard, or (iv) violate any applicable zoning regulation or other governmental law, ordinance, or code.

Section 7. Pets. No animals, birds or fowl shall be kept or maintained on any part of the Property other than dogs, cats, and pet birds (except parrots) in reasonable numbers as pets for pleasure and use of the Owner only (not for renters or guests) and not for any commercial use or purpose. All animals shall be kept on a leash and must not become a nuisance to other residents by barking or other acts. All animals shall be vaccinated and licensed in accordance with current County ordinances. Any animal causing or creating a nuisance or unreasonable disturbance, or that habitually is without being on a leash, shall be permanently removed from the Property upon three (3) days written notice from the Board of Directors. It shall be the responsibility of each and every Owner of an animal which is kept and maintained on any part of the Property to promptly pick up and properly dispose of that Owner's animal's feces.

Section 8. Pet Containment Systems. No Owner of a Lot in the Property shall be permitted to install any type of pet containment system, invisible pet containment device or any other electronic animal containment system without first receiving the prior written approval of the Board of Directors of the Association. In the event of such approval, the provisions of Section 7 hereof shall remain in effect, except for animals being kept on a leash.

Section 9. Dwelling in Other Than Residential Units. 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 Board of Directors.

Section 10. Television and Radio Antennas. No outside television or radio antennas, nor any satellite dish or disc, shall be erected on any Lot or other portion of the Property except with the consent of the Board of Directors or the Architectural Committee.

Section 11. Residential Use Only. Except as provided in Section 12 below, the Property shall be used only for residential purposes and purposes incidental and accessory thereto except that so long as the Declarant holds for sale any Lot or dwelling on the Property, the Declarant may use one or more Lots or other portions of the Property for model homes and/or a real estate office.

Section 12. Commercial and Professional Activity on Property. No wholesale or retail business, including any salon, studio, laboratory, home industry, or medical or dental office, shall be conducted in or on any Lot or other portion of the Property, except (i) by the Declarant in conjunction with the initial construction, development, lease and sale of Lots and (ii) the conducting of business by telephone. This restriction is not intended to preclude the operation of an in-home office for purposes other than those set forth above.

Section 13. Outside Storage. Outside storage or parking of all motor vehicles, including cars, trucks, camper bodies, boats, and trailers, shall be prohibited except as may be otherwise permitted by the Association's Board of Directors, (unless prohibited altogether by the applicable zoning requirements). With the exception of motor vehicles owned by visitors or guests temporarily parked in driveways or designated parking areas for visits, all motor vehicles shall be parked in the garages. The Board of Directors shall have the right to tow vehicles at the Owner's expense.

Section 14. Outdoor Repair Work. With respect to a Lot or other portion of the Property to which title has been transferred by the Declarant, no work on any motor vehicles, boats, or machines of any kind shall be permitted outdoors on the Property, except with the consent of the Board of Directors.

Section 15. Oversized, Commercial, of Unlicensed Vehicles. Unless used in connection with the construction or sale of Units by the Declarant, or maintenance of the Property, or unless otherwise consented to by the Board of Directors, the following shall not be permitted to remain overnight on the Property:

- (a) commercial vehicles of a weight of one and a half (1-1/2) tons or more
- (b) unlicensed motor vehicles of any type.

Section 16. Clotheslines. No outdoor drying or airing of any clothing or bedding shall be permitted within the Property unless authorized by the Board of Directors or the Architectural Committee.

Section 17. Swimming Pools. No inground or above ground swimming pool shall be permitted anywhere on the Property. Hot tubs or similar type structures are not permitted on the Property without the prior approval of the Board of Directors.

Section 18. Mailboxes. Mailboxes shall be replaced or repaired only at the direction of and under the supervision of the Board of Directors of the Association. A Unit Owner may make a request for a repair or a replacement to his mailbox and such repair or replacement shall be promptly undertaken by the Board of Directors of the Association and the charge for such repair or replacement shall be submitted to and be the responsibility of the Unit Owner. If not paid, such charge shall become a lien against an individual Unit Owner's lot.

Section 19. Garage Doors. Except when entering or exiting a garage, a Unit Owner shall keep the garage door closed at all times.

Section 20. Underground Irrigation Systems. No owner of a Lot in the Property shall be permitted to install any type of underground irrigation system without first receiving the prior written approval of the Board of Directors of the Association.

Section 21. Window Grilles. No owner of a Lot in the Property shall replace, remove or otherwise modify the originally installed window grilles in a Unit.

ARTICLE VII ARCHITECTURAL CONTROL

No building, fence, wall, storm or screen doors, mail box, or other structure of any type shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration to a Unit be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design, exterior color and location in relation to surrounding structures and topography by the Board of Directors of the Association. In the event said Board fails to approve or disapprove such design and location within thirty (30) days after said plan and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VIII
INSURANCE AND CASUALTY DAMAGES

The Board of Directors shall obtain and maintain, to the extent obtainable, public liability insurance coverage upon all Association property in an amount and in such forms as shall be required by the Board of Directors, but in no event less than \$500,000.00 for bodily injury to one person per occurrence; \$1,000,000.00 for aggregate bodily injury to all persons per one occurrence and \$250,000.00 property damage per occurrence; including, but not limited to, hired automobile, non-owned automobile and off-premises employee coverage (if there are any employees).

In the event workmen's compensation insurance is required by law for the Association, a workmen's compensation policy meeting those requirements shall be procured.

Each Unit Owner should obtain insurance coverage insuring the structure and all other insurable improvements, at his own expense, and for coverage upon his personal property and for his personal liability and any additional insurance required by law.

Premiums for insurance policies purchased by the Board of Directors shall be paid by the Board of Directors and then charged as a common expense to Unit Owners.

The Association may secure such other forms of insurance coverage as its Board of Directors may from time to time direct, and shall be deemed a common expense.

ARTICLE IX
GENERAL PROVISIONS

Section 1. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this Declaration, their respective heirs, successors and assigns for a period of thirty (30) years from the date this Declaration is recorded, after which time the covenants and restrictions shall be automatically extended for successive periods of ten (10) years each, unless an Instrument signed by the then Owners of seventy-five percent (75%) of the Owners has been recorded, agreeing to change said covenants and restrictions, in whole or in part. This Declaration may be amended during the first 30-year period by an Instrument, signed by not less than ninety percent (90%) of the Owners, and thereafter by an

Instrument signed by not less than seventy-five percent (75%) of the Owners. Any amendment must be recorded in the Monroe County Clerk's Office to be effective.

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

Section 3. Enforcement. The Association, or any Owner, shall have the right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.


IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 20th day of December, 2000.

RYAN homes, inc.

By: Charles F. Ryan, II, President
CHARLES F. RYAN, II, PRESIDENT

STATE OF NEW YORK)
COUNTY OF MONROE) ss:

On this 20th day of December, in the year 2000, before me, the undersigned, a Notary Public in and for said State, personally appeared **CHARLES F. RYAN, II**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

WILLIAM N. La FORTE
Notary Public, State of New York
MONROE COUNTY
Commission Expires Sept. 30, 2001

SCHEDULE "A"

ALL THAT TRACT OR PARCEL OF LAND containing 13.747 acres, more or less, situate in part of Town Lot 57, Township 12, Range 5, in the Town of Pittsford, County of Monroe, State of New York as shown on a map entitled "Clover Estates Subdivision Plan," prepared by The Sear-Brown Group, having drawing number 15695 SU 1 and being more particularly bounded and described as follows:

Beginning at a point on the easterly right-of-way line of Clover Street – Rt. 65 (width varies) at the intersection with the northerly easement line of Connemara Drive; said point being 1,273.28 feet southerly, as measured along said easterly right-of-way line, from the southerly right-of-way line of Tobey Road (49.5' wide); thence

- 1) S 69°31'00"E, a distance of 105.65 feet to a point of curvature; thence
- 2) Southeasterly, along a curve to the right, having a radius of 50.00 feet, through a central angle of 25°00'00", a distance of 21.82 feet to a point of tangency; thence
- 3) S 44°31'00"E, a distance of 39.38 feet to a point of curvature; thence
- 4) Southeasterly and Southerly, along a curve to the right, having a radius of 50.00 feet, through a central angle of 30°00'00", a distance of 26.18 feet to a point of tangency; thence
- 5) S 14°31'00"E, a distance of 16.82 feet to a point of curvature; thence
- 6) Southeasterly, along a curve to the left, having a radius of 50.00 feet, through a central angle of 11°50'10", a distance of 10.33 feet to a point of reverse curvature; thence
- 7) Southerly, along a curve to the right, having a radius of 220.00 feet, through a central angle of 14°34'05", a distance of 55.94 feet to a point; thence
- 8) N 88°58'00"E, a distance of 107.02 feet to a point; thence
- 9) N 48°04'00"E, a distance of 74.70 feet to a point; thence
- 10) N 11°41'00"E, a distance of 39.42 feet to a point; thence along the southerly line of lands of "Tobey Meadows Section 2" (Liber 302 of Maps; Page 43) for the next (2) two courses.
- 11) S 45°00'01"E, a distance of 220.00 feet to a point; thence
- 12) N 89°37'18"E, a distance of 348.00 feet to a point; thence
- 13) S 00°22'42"E, along the westerly line of Lands of "Tobey Brook Condominium Phase II", a distance of 510.09 feet to a point; thence
- 14) N 89°47'02"W, along the northerly line of lands now or formerly of Sheikh; Pearson; Viola; and Viola, a distance of 1122.22 feet to a point on the aforementioned easterly right-of-way line of Clover Street; thence along the said right-of-way line the following (2) Two courses
- 15) N 15°56'26"E, a distance of 209.53 feet to a point; thence
- 16) N 20°29'00"E, a distance of 582.00 feet to the Point or Place of Beginning.

Subject to any easements or encumbrances of record.

CLOVER ESTATES HOMEOWNERS ASSOCIATION, INC.

Schedule "A"

PROJECTED SCHEDULE OF RECEIPTS
AND EXPENSES FOR FIRST YEAR OF
OPERATION COMMENCING OCTOBER 1, 2001

(Assumes 12 units completed)

Projected Income

Maintenance Charges (\$2,400 per home per year) (payable \$600.00 quarterly)	\$28,800.00
Income from other sources	<u>0.00</u>
TOTAL PROJECTED INCOME	<u>\$28,800.00</u>

Projected Expenses

Utilities ¹	\$ 700.00
Management ²	2,400.00
Repairs and Maintenance ³	500.00
Supplies, Stationery, Postage ⁴	300.00
Snow Removal ⁵	6,000.00
Refuse Removal ⁶	1,200.00
Insurance ⁷	1,100.00
Accounting ⁸	1,000.00
Legal ⁹	300.00
Taxes ¹⁰	375.00
Landscape Maintenance ¹¹	12,000.00
Reserve ¹²	1,950.00
Contingencies ¹³	<u>975.00</u>
TOTAL PROJECTED EXPENSES	<u>\$ 28,800.00</u>

CLOVER ESTATES HOMEOWNERS ASSOCIATION, INC.

Schedule "A-1"

PROJECTED SCHEDULE OF RECEIPTS
AND EXPENSES

(Assumes completion of the project
and transfer of all 29 units within three (3) years)

Projected Income

Maintenance Charges (\$2,400 per home per year) (payable \$600.00 quarterly for 29 homes)	\$ 69,600.00
Income from other sources	<u>0.00</u>
TOTAL PROJECTED INCOME	<u>\$ 69,600.00</u>

Projected Expenses

Utilities (electricity for street lighting) ¹	\$ 1,700.00
Management ²	5,800.00
Repairs and Maintenance ³	1,200.00
Supplies, Stationery, Postage ⁴	500.00
Snow Removal ⁵	16,600.00
Refuse Removal ⁶	2,900.00
Insurance ⁷	1,100.00
Accounting ⁸	1,000.00
Legal ⁹	1,000.00
Taxes ¹⁰	500.00
Landscape Maintenance ¹¹	30,000.00
Reserve ¹²	4,700.00
Contingencies ¹³	<u>2,600.00</u>
TOTAL PROJECTED EXPENSES	<u>\$ 69,600.00</u>

CLOVER ESTATES HOMEOWNERS ASSOCIATION

NOTES TO SCHEDULE A AND A-1

- ¹**Utilities.** Electricity will be purchased by the Association to light the entrance sign and to provide street lighting. Reimbursement of \$50/year per lamp will be made to those homeowners whose electric service feeds the street and entrance lighting.
- ²**Management.** The management fee is a quote from Crofton Associates, Inc., a local firm in the business of managing community associations. The fee includes the supervision of contracted maintenance work and services, maintaining financial books and records needed for the collection and disbursement of Association funds, negotiation of service contracts, preparation of the annual budget and other activities normally related to professional fee management. A contract for services will be in effect from the sale of the first Unit for the following year. The contract may be canceled with or without cause by either party upon giving sixty (60) days written notice.
- ³**Repairs and Maintenance.** Projected costs to the association for maintenance to common area, particularly the roads, entrance sign and street lighting, should be minimal. Most maintenance should be covered by builder's warranty. In future years maintenance will be budgeted for current needs.
- ⁴**Supplies, Stationery and Postage.** A nominal amount has been budgeted to provide necessary office supplies for communication with homeowners.
- ⁵**Snow Removal.** The projected expense for plowing of roads and drives, shoveling of walks and application of salt to roads during icy conditions is based on similar size properties. The estimate is based on plowing at 3 inches of snowfall. It has been estimated that walks will require shoveling 12 times during the course of the winter and 12 applications of salt will be needed.
- ⁶**Refuse Removal.** This estimated expense is based on once a week collection service, including the pick up of recycling materials.
- ⁷**Insurance.** Coverage provided is for \$2,000,000 liability insurance and \$2,000,000 directors and officers insurance. There is no coverage for loss of property because homeowners will provide coverage for their individual homes.
- ⁸**Accounting.** The service provided is for an annual audit and preparation of State and Federal tax returns.
- ⁹**Legal.** This cost is considered as a contingency fund for routine advice or letters from counsel on matters pertaining to interpretation of the declarations or by-laws. The amount budgeted will cover only a minimal amount of legal advice.
- ¹⁰**Taxes.** This is to pay for the minimum New York State franchise tax (\$325), no federal income tax, and a very small amount for ad valorem based school, and state, county and town taxes. The Pittsford assessor has taken the position that common area associated with a homeowners association has minimal value.

¹¹**Landscape Maintenance.** The budget includes weekly lawn mowing, Spring and Fall clean-up of the grounds and fertilization of the lawn including weed and grub control as is appropriate. It also includes maintenance of the individual foundation shrub beds including two prunings, fertilization, monthly bed weeding, and integrated pest management.

¹²**Reserve.** This amount is being set aside to provide for the long-term maintenance of the road and driveways, e.g. sealing of blacktop surfaces approximately every 5 years, and resurfacing of these surfaces approximately every 20 years.

¹³**Contingencies.** This amount may be used at the discretion of the Board to make up deficits in other items of the budget, or pay for unanticipated or unrecognized expenses. While the budget was prepared in good faith and attempts to address all known expenses related to the operation of the Homeowners Association, this contingency category is designed to meet unanticipated costs or changes in prices.



111 Marsh Road
Pittsford, New York 14534

October 6, 2000

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

RE: Certification by Expert on Adequacy of Budget
Clover Estates Homeowners Association

Gentlemen:

The sponsor of the homeowners association offering plan for the above captioned property retained my firm to review the Schedule of Income & Expenses containing projections of income and expenses for the next year of operation as a homeowners association. My experience in this field includes:

Over twenty (20) years in the management of townhouse associations and condominiums.

At present, I am a CERTIFIED PROPERTY MANAGER® of a firm engaged primarily in the management of townhouse associations and condominiums. We are currently the managing agent for twenty-nine such organizations totaling over 2000 living units.

I am a member of the Institute of Real Estate Management® and have received its designation of CERTIFIED PROPERTY MANAGER®. My firm has received the designation of ACCREDITED MANAGEMENT ORGANIZATION®.

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

Certification of Budget
Clover Estates Homeowners Association
October 6, 2000
Page 2

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

I certify that the Schedules:

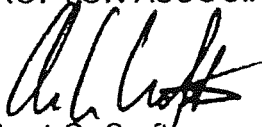
- (i) set forth in detail the terms of the transaction as it relates to the Schedule and is complete, current and accurate.
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of operation as a homeowner association.
- (iii) do not omit any material fact.
- (iv) do not contain any untrue statement of a material fact.
- (v) do not contain any fraud, deception, concealment, or suppression.
- (vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances.
- (vii) do 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 representations or statement made.

I further certify that we are not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan.

Certification of Budget
Clover Estates Homeowners Association
October 6, 2000
Page 3

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.

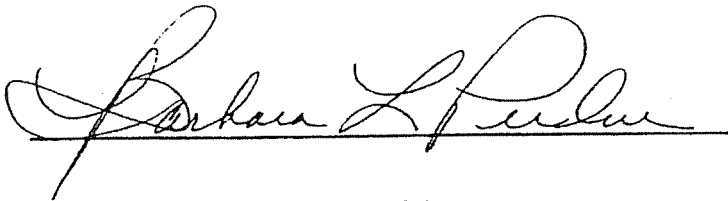
CROFTON ASSOCIATES, INC.



Albert C. Crofton
CERTIFIED PROPERTY MANAGER®

Sworn to before me

this 6TH day of OCTOBER, 2000.



Barbara L. Perdue
Notary Public in the State of New York
Wayne County
Commission Expires 7/11/02