

OFFERING PLAN
FOR THE SALE OF MEMBERSHIP INTERESTS IN
THE ASSOCIATION KNOWN AS
THE STRAND HOMEOWNERS' ASSOCIATION, INC.
Located on Gravel and Old Ridge Roads
In the Town of Webster
Monroe County, New York

Total Offering - \$244,000

This Plan Covers A First Phase Of This Project Known
As The Strand, Section I. Another Phase, The Strand, Section II,
Is Contemplated With The Following Estimated Value Of Common Property:

Subsequent Phase - \$53,500

Sponsor:

C. VIOLA DEVELOPMENT CORP.
2950 Clover Street
Pittsford, New York 14534

Selling Agent:

DANIEL N. MUSTILLO
17 Kitty Hawk Drive
Pittsford, New York 14534

A total of 64 homes is being offered under this plan.

It is anticipated that a total of 42 additional homes will be offered in a subsequent phase of this development.

Cost of membership in the Homeowners' Association is included in the purchase price of the individual homes.

Date of the offering plan: March 5, 1988.

The offering plan may not be used after March 5, 1989 unless extended by amendment.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

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

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PART I

SPECIAL RISKS

1. Sponsor contemplates the construction of 64 units in the completed first stage of development (The Strand, Section I) (see p. 2). Sponsor contemplates the completion of 42 units in a subsequent phase known as The Strand, Section II (see p. 2). Sponsor has no obligation to complete this subsequent stage. Sponsor will complete all improvements to homeowners' association property including driveways, landscaped areas, recreation areas, and ponds (see pp. 2-3, 23). Sponsor will also complete roads, sewer and water main improvements in the development, which will be dedicated to the Town of Webster (see p. 2-3, 23). There are no bonds or other security established to guarantee the completion by Sponsor of any of the improvements or of any units (see p. 24). Thus, the completion of the project is dependent upon the continued financial ability of the Sponsor.

2. In this first stage, there are three (3) ponds to be constructed (see p. 23, Sponsor's Engineer's description at pp. I-6-I-7, and the State Department of Environmental Conservation (the "DEC") Article 24 Permit at p. K-1). The homeowners' association will maintain these. Sponsor is constructing the ponds according to guidelines furnished by the DEC (see p. 23 and the DEC permit at p. K-1). The ponds and areas immediately surrounding them must be maintained in a natural state and cannot be developed (see p. K-1). Sponsor makes no representation that the ponds will continue to hold water.

3. Sponsor will control the homeowners' association for up to five (5) years after the sale of the first unit in that it retains the right to designate the directors until all units are transferred or for five (5) years, whichever first occurs (see pp. 20, 22, C-3).

4. The homeowners' association will enter into a contract with D.J.V. Management Corp. to provide management services to the homeowners' association as detailed herein (see pp. 25-26 and the Management Agreement at p. D-1). D.J.V. Management Corp. is owned and operated by Daniel J. Viola who is a director and the secretary/treasurer of the homeowners' association (see p. 21). This management company is newly-formed and Daniel J. Viola has no prior experience in managing similar properties.

5. The units will be clustered and connected in blocks of four (4) to seven (7) units. If construction of a block is not complete Sponsor may not commence construction of an individual unit in that block until three fourths (3/4) of the block's units are under contract with written mortgage commitments accepted by their respective purchasers (see paragraph 7(c) of Purchase Agreement at p. G-3).

INTRODUCTION

This offering is being made by C. VIOLA DEVELOPMENT CORP. (hereafter "Sponsor" or "Declarant"). Sponsor acquired the property for the development in fee in 1982.

The development is located on the west side of Gravel Road, at the corner of Gravel Road and Empire Boulevard, and on the south side of Old Ridge Road, in the Town of Webster, Monroe County, New York and is situated on approximately 24 acres.

All of the land within the development will be owned in fee by either The Strand Homeowners' Association, Inc. (hereafter the "Association"), the individual unit owners or by the Town of Webster. The owner of each residential unit will acquire title to the fee interest in the land on which his unit is built. The lot lines of a unit owner's parcel will coincide with the exterior of his unit. All roadways, sewers and water mains will be dedicated to the Town of Webster.

Sponsor intends to develop the project as The Strand, Section I. This subdivision was originally planned in three phases. The units offered pursuant to this plan are those units developed in the first and second phases and consist of sixty-four (64) clustered single family residential units. Sponsor contemplates proceeding with the third phase which shall consist of forty-two (42) clustered single family residential units and, if completed, will be offered as The Strand, Section II.

All owners of units in The Strand, Section I will automatically become members of the Association. The Association is a corporation formed under the Not-For-Profit Corporation Law of the State of New York for purposes of owning and maintaining the common property. Upon the sale of any unit the membership of the former unit owner is automatically terminated and the new owner automatically becomes a member of the Association.

There are no fees or dues for membership in the Association. The prices for units include the cost of membership in the Association. Upon an initial purchase of a unit, however, a purchaser will be required to pay a one-time fee of \$250 to provide working capital to the Association. All unit prices are set by Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

The Town of Webster will provide for road maintenance and snow removal on the common roadways. Police protection will be provided by the Town of Webster Police Department. Fire protection will be provided by the West Webster Volunteer Fire Department. Water will be supplied by the Village of Webster Water Department. The mains will be constructed according to Water Department

standards. The mains will be dedicated to the Water Department which will maintain all water mains and hydrants in easements granted to the Department in the Empire Road Water District. Sanitary and storm sewers will be connected to the main line sewer of the Town of Webster Consolidated Sewer District located in Gravel Road. All internal sewers and manholes and easements will be dedicated to the Town of Webster Consolidated Sewer District for ownership and maintenance. All sewerage will be piped to the Town of Webster Water Pollution Control Plant which is owned and operated by the Town of Webster. Lighting along the common roadways will be owned, maintained, and operated by the Association. The Association will contract with a private disposal agency for the collection and removal of refuse from the development as set forth more fully in the footnote to the budget on p. 8.

The property which is subject to this Offering Plan has access to Old Ridge Road on the north and to Gravel Road on the east. It is bounded by privately owned property to the west, south and northeast. The adjacent property is zoned residential in all areas with the exception of the property to the northeast, which is zoned commercial.

Sponsor owns property to the south of the property on which The Strand, Section I is located, and it is Sponsor's intention to use that property for The Strand, Section II. Sponsor also owns property to the east of the Association property which Sponsor will use for commercial purposes. The commercial property will have access to public roadways and will not affect costs to be borne by Association members.

The purpose of this offering plan is to set forth all of the terms of the offer concerning the Association. This plan may be altered from time to time by proper amendments filed with the Department of Law. All amendments will be served on purchasers and members of the Association.

The plan as presented to prospective purchasers contains all of the detailed terms of the transaction as it relates to the Association. Certain exhibits designated Parts A, B and C have been delivered to the Department of Law. These exhibits contain all of the documents referred to in the plan. Copies of the plan and Parts A, B and C of the exhibits will be available for inspection without charge to prospective purchasers and their attorneys at Sponsor's office.

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

There is no minimum number of contracts which must be signed before Sponsor subjects the development to the covenants, easements and restrictions as set forth in this plan, and records the declaration and establishes the Association.

PROPOSED OPERATING BUDGET

The following Schedule A is the Statement of Projected Income and Expenses for the first year of operation of the Association. This statement relates to the 64 units and related common areas which will constitute The Strand, Section I. Following as Schedule A-1 is the projected Statement of Income and Expenses for the first year of operation of the Association after the completion of a subsequent phase constituting an additional 42 units for a total of 106 homes. Each projected budget is based upon a specific twelve month period in accordance with Sponsor's proposed development schedule of The Strand, Section I taking two years and the subsequent phase beginning in 1990. If the subsequent phase is developed (The Strand, Section II), it will be offered pursuant to a subsequent amendment to this offering plan. That amendment will include a then-current projected budget.

SCHEDULE A

PROJECTED SCHEDULE OF RECEIPTS
AND EXPENSES FOR FIRST YEAR OF
OPERATION COMMENCING JULY 1, 1988
(Assumes 64 units completed)

Projected Income

Maintenance Charges (\$810.00 per home per year payable monthly at \$67.50 per month based on 64 homes.)	\$51,840
Estimated receipts from other sources	- 0 -

TOTAL

\$51,840

Projected Expenses

1. Utilities (electricity for common property)	\$ 1,100
2. Water	- 0 -
3. Management	5,000
4. Repairs and Maintenance	2,480
5. Supplies, Stationery, Postage	200
6. Snow Removal (no handwork)	6,400
7. Refuse Removal	4,940
8. Insurance	11,000
9. Accounting (audit fee)	1,250
10. Legal	500
11. Taxes	
Real Estate Taxes	650
Franchise Tax	260
Federal Income Tax	440
12. Landscape Maintenance	9,600

13. Reserves for Capital Improvements	7,220	
14. Contingency Reserve	1,000	
	TOTAL	51,840

For detailed discussion of each item see Footnotes to Schedule A.

FOOTNOTES TO SCHEDULE A

1. Utilities (electricity and gas). Electricity and gas will be separately metered to each unit which will pay for electricity and gas consumption directly to Rochester Gas and Electric Corporation. The Association will pay for lighting the common areas in the estimated amount of \$1,096, computed as follows: twenty (20) 100-watt high-pressure sodium lighting fixtures = 2,000 watts x 4,200 hours usage/year = 8,400 watt hours x 1,000 = 8,400 kilowatt hours x .13/kilowatt hour = \$1,096/year.
2. Water. The domestic water needs for each dwelling unit will be separately metered to each unit and each unit owner will pay for water consumption directly to the Town of Webster.
3. Management. The management agent shall be D.J.V. Management Corporation, 2950 Clover Street, Pittsford, N.Y. 14534. The management fee has been established by Sponsor. The fee includes supervision of all maintenance work and services, negotiation and placement of service contracts, assistance in the preparation of the annual budget, maintenance of the books, records and amounts necessary for the collection and disbursement of common charges, and other activities normally related to professional fee management of a homeowners' association. A contract for these services will be in effect for the period of one year from July 1, 1988 to June 30, 1989. Although D.J.V. Management Corporation is operated by Daniel J. Viola, a director and secretary/treasurer of the Association, the contract amount is consistent with charges by other professional real estate management companies in the Rochester, New York area. Thus, it is unlikely the Association will experience any significant increase should it need or want to contract with another management company.
4. Repairs and Maintenance:
 - a. Buildings. Projected costs to the Association for maintenance of the building exteriors should be minimal in the first year of operation as all buildings will be newly constructed. An amount of \$1,280 is estimated. The majority of any repairs and maintenance that may be necessary will be covered by warranty for one year following the closing date of the individual dwelling unit. In future years, maintenance beyond the \$1,280 limit will be budgeted in accordance with the then-current needs. See footnote 13 regarding reserves for capital improvements.
 - b. Driveways. All driveway areas will be asphalt and constructed according to standard specifications, which will call for gravel base, asphalt binder and asphalt top coat. The driveways will be maintained by resealing all driveways

at some point after the first year and every year thereafter by sealing where and when needed. See footnote 13 regarding reserves for capital improvements. A nominal amount of \$500 has been set aside during the first year to sweep the driveways, inspect them for damage and make minor repairs as needed.

c. Recreation Areas. An amount of \$500 has been budgeted to provide routine cleaning of the recreation areas, inspection of the picnic tables and benches for damage and to make minor repairs as needed. The tables and benches will be constructed of heat-treated, pressurized wood and will be fully covered for forty years by the manufacturer. See footnote 13 regarding reserves. The recreation areas and paths will be maintained every year by top-dressing with shredded bark at a per year cost of \$200 according to an estimate by Arbor Heights Nursery, Inc., 394 Phillips Road, Webster, New York 14580 dated January 21, 1988.

5. Supplies, Stationery, Postage. A nominal amount has been budgeted to provide necessary office and bookkeeping supplies, postage, stationery and communications to homeowners.
6. Snow Removal. The projected expense for snow plowing as needed for the driveway areas of the property is based upon an estimate from Central Landscape & Tree Service, Inc., 520 Jefferson Avenue, Fairport, New York 14450, dated January 8, 1988. No hand shoveling of individual unit sidewalks is budgeted.
7. Refuse Removal. The projected expense for refuse removal is based upon an estimate from A. G. Disposal Service Inc., 3 LePere Drive, Pittsford, New York 14534, dated November 2, 1987. Refuse will be picked up at the front of each unit's garage doors on a weekly basis.
8. Insurance. The Association will carry a master insurance policy providing fire and extended coverage on an all risk basis on all of the units and liability insurance protecting the Association. As currently quoted, the total blanket policy on the 64 units is in the amount of a \$5,760,000 all risk policy with a \$1,000 deductible. The amount of insurance recommended will cover Replacement Cost in the event of a loss. The policy includes an Agreed Amount Endorsement and comprehensive general public liability in the amount of \$1,000,000. There is coverage for the Board of Directors in the amount of \$1,000,000 with a premium of \$300. The budget amount is based on projections prepared January 13, 1988 by the Tyler Agency Inc., 2846 West Ridge Road, Rochester, New York 14626.
9. Accounting. This item is an estimate of the cost for routine accounting services including a certified annual

report and required tax reports by a professional accountant including the cost of duplicating and distributing copies of same to individual unit owners. The price is based upon an estimate provided by Bonadio Insero & Company, 1850 South Winton Road, Rochester, New York 14618.

10. Legal. This amount is based on a proposal for the costs of legal services as submitted by Leon T. Sawyko, Esq., Harris, Beach, Wilcox, Rubin and Levey, 130 East Main Street, Rochester, New York 14604, dated January 25, 1988.
11. Real Estate Taxes. All ad valorem real estate taxes for the individual units will be billed directly to each unit owner based upon the assessed value of his unit. The Sponsor has been advised by Rynne, Murphy & Associates, Inc. Suite 690, Executive Office Building, 36 West Main Street, Rochester, New York, 14614, that the Association property should be valued at approximately \$244,000 (January 18, 1988 appraisal). According to the appraisal, the project site of 24 acres consists of two parcels of assessed property which have a total assessed value of \$22,800. This amount divided by 24 acres results in an assessed value of \$950 per acre. Multiplied by the number of acres in the common area (15), there results an assessed value of common area property of \$14,250. Divided by the proportion of common area acres in Section I (12.3), the assessed value of Section I common areas is approximately \$11,685. Based on full assessment and a tax rate of \$24.67 per thousand, plus flat yearly rates of \$260 for sewer service and \$100 for special districts (water), there would be an approximate annual tax of \$650.

Franchise Tax. It is projected that the Association will be liable for a franchise tax computed at a rate of 9% of its income derived from assessments for contingency reserves and reserves for replacement and/or improvement of non-capital items under the tax law (painting and resealing driveways).

Federal Income Tax. It is projected that the Association will be liable for federal income tax computed at a rate of 15% of its income derived from assessments for contingency reserves and reserves for replacement and/or improvement of non-capital items under the tax law (painting and resealing driveways).

12. Landscape Maintenance. This estimate is based upon an estimate for grass mowing received from Central Landscape & Tree Service, Inc., 520 Jefferson Avenue, Fairport, New York 14450, dated January 22, 1988. As provided in the New York State Department of Environmental Conservation Article 24 permit for the wetlands areas (the ponds) and the required

buffer zones, no maintenance will be required must be maintained in a natural state.

13. Reserves For Capital Improvements. The fol are based on 1988 construction and replaceme

<u>Item</u>	<u>Est. Life</u>	<u>Est. Cost</u>
<u>UNITS:</u>		
Roofs (avg./home)	20 yrs.	\$1,450,
Painting doors and window trim	5	100,
<u>DRIVEWAYS: (24,202 sq.')</u>		
Resealing:	5	.06/sc
Resurfacing:	15	.40/sc
<u>RECREATION AREAS:</u>		
Replace picnic tables and benches (6 sets)	40	200/s
TOTAL EST. RESERVES:		

14. Reserve for Contingencies. Sponsor has estir unanticipated contingency. This amount may discretion of the Board of Directors for cas loss deductible and/or to make up deficits in the budget and, therefore, it may not be a end of the year or be sufficient to pay fo repairs or replacement items (see footnote 1:

SCHEDULE A-1

PROJECTED SCHEDULE OF RECEIPTS
AND EXPENSES FOR FIRST YEAR OF
OPERATION COMMENCING NOVEMBER 1, 1991
(Assumes 106 units completed)

Projected Income

Maintenance Charges (\$745.38 per home per year payable monthly at \$62.11 per month based on 106 homes.)	\$ 79,010
Estimated receipts from other sources	- 0 -

TOTAL

\$79,010

Projected Expenses

1. Utilities (electricity for common property)	\$ 1,100
2. Water	- 0 -
3. Management	6,800
4. Repairs and Maintenance	2,480
5. Supplies, Stationery, Postage	330
6. Snow Removal (no handwork)	10,600
7. Refuse Removal	8,170
8. Insurance	18,000
9. Accounting (audit fee)	2,000
10. Legal	500
11. Taxes	
Real Estate Taxes	780
Franchise Tax	470
Federal Income Tax	780
12. Landscape Maintenance	12,840
13. Reserves for Capital Improvements	12,160
14. Contingency Reserve	2,000
TOTAL	\$79,010

For detailed discussion of each item see Footnotes to Schedule A-1.

FOOTNOTES TO SCHEDULE A-1

Schedule A-1 is an estimate of the projected budget for The Strand Homeowners' Association, Inc. should The Strand, Section II be completed as planned. In such event, an additional 42 units on 4.25 acres of land would be included in the Association making a total of 106 units at that time.

Reference should be made to the Footnotes to Schedule A for a detailed discussion of each item.

1. Utilities (electricity and gas). Electricity and gas will continue to be separately metered to each unit which will pay for electricity and gas consumption directly to Rochester Gas and Electric Corporation. The Association will continue to pay the cost of the 20 lights along the common roadways.
2. Water. The domestic water needs for each dwelling unit will continue to be separately metered to each home and each unit owner will pay for water consumption directly to the Town of Webster.
3. Management. This estimate is based upon a renewal of the 1988 management agreement with D.J.V. Management Corporation and provides for the same level of service over an additional one-year period.
4. Repairs and Maintenance:
 - a. Buildings. Funds allocated for building maintenance will be directed predominantly towards homes and The Strand, Section I since homes in The Strand, Section II will remain under warranty. For repairs to homes in The Strand, Section I not covered under warranty, an amount of \$3,200 is estimated by Sponsor to cover necessary work. See footnote 13 regarding reserves for capital improvements and replacements.
 - b. Driveways. It is anticipated that driveways in this phase will be constructed according to the same specifications as The Strand, Section I and that both areas will require sealing where needed. A portion of the cost for resealing the driveways will be defrayed by the reserve amount collected for completely resealing all driveways for the 64 units in Section I. See footnote 13 regarding additional reserves for capital improvements. An amount of \$1,000 has been budgeted for the first year of Section II operation to sweep all 106 driveways, inspect them for damage and make minor repairs as needed.
 - c. Recreation Areas. The same amount of \$500 for cleaning and minor repairs is budgeted during this year as the recreation areas will not change. See footnote 13 regarding

reserves. The amount of \$200 is budgeted for top-dressing the areas and paths with shredded bark.

5. Supplies, Stationery, Postage. The estimated expense represents an increase of the 1988 budget by approximately 66%.
6. Snow Removal. The estimated cost for snow removal represents the additional cost for 42 units at \$100 per unit.
7. Refuse Removal. This estimate is based upon the quotation received from A.G. Disposal Service, Inc. at \$6.00 per unit.
8. Insurance. This estimated expense reflects the quotation by the Tyler Agency, Inc., dated January 13, 1988.
9. Accounting. This item is based upon the estimate of the cost for routine accounting services including a certified annual report and required tax reports as set forth in the estimate of Bonadio Insero and Company and is increased to allow for estimated additional costs associated with the additional 42 units.
10. Legal. It is anticipated that the fee for legal expenses in the first year of operation with Section II will not change.
11. Real Estate Taxes. All ad valorem real estate taxes for the individual units will be billed directly to each unit owner based upon the assessed value of his unit. The Sponsor has been advised by Rynne, Murphy & Associates, Inc. that the Association property in Section II will be valued at approximately \$53,500 (January 18, 1988 appraisal). Based on the same calculation procedure used in footnote 11 to Schedule A and an acreage of 2.7 acres for Section II common area, the assessed value of Section II common property is approximately \$2,565. Based on full assessment and a tax rate of \$24.67 per thousand, there would be an approximate annual tax for the added section of \$63.29, which added to the tax for Section I would constitute a total tax to the Association of \$780.

Franchise Tax. It is projected that the Association will be liable for a franchise tax computed at a rate of 9% of its income derived from assessments for contingency reserves and reserves for replacement and/or improvement of non-capital items under the tax law (painting and resealing driveways).

Federal Income Tax. It is projected that the Association will be liable for federal income tax computed at a rate of 15% of its income derived from assessments for contingency reserves and reserves for replacement and/or improvement of non-capital items under the tax law (painting and resealing driveways).

12. Landscape Maintenance. This estimate is based upon a bid for grass mowing received from Central Landscape and Tree Service, Inc. dated January 22, 1988. The price is increased to contemplate additional grass areas around the 42 units to be completed.
13. Reserves for Capital Improvements. The following reserves are based on 1988 construction and replacement costs.

<u>Item</u>	<u>Est. Life</u>	<u>Est. Cost</u>	<u>Reserves</u>
<u>UNITS:</u>			
Roofs (avg./home):	20 yrs.	\$1,450/unit	\$7,690/yr.
Painting door and window trim	4	100/unit	2,650/yr.
<u>DRIVEWAYS: (46,010 sq.')</u>			
Resealing:	5	.06/sq.'	560/yr.
Resurfacing:	15	.40/sq.'	1,230/yr.
<u>RECREATION AREAS:</u>			
Replace picnic tables and benches (6 sets)	40	200/set	30/yr.
TOTAL EST. RESERVES:			\$12,160/yr.

14. Reserve for Contingencies. Sponsor has estimated \$2,000 for unanticipated contingency. This amount may be used at the discretion of the Board of Directors for casualty insurance loss deductible and/or to make of deficits in other items of the budget and, therefore, it may not be available at the end of the year or be sufficient to pay for major capital repairs or replacement items (see footnote 13).

HARRIS, BEACH, WILCOX, RUBIN AND LEVEY
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DIRECT DIAL NUMBER
716) 955-

March 5, 1988

C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Re: The Strand Homeowners' Association, Inc.

Gentlemen:

You have requested us to render an opinion as to the various legal matters described below for inclusion in an Offering Plan for The Strand Homeowners' Association, Inc. (the "Association") which will be filed with the New York Attorney General pursuant to Part 22 of Volume 13 of the New York Codes, Rules and Regulations.

As the basis for our opinion, we have examined the Offering Plan for the Association dated March 5, 1988 and the Exhibits referred to therein and attached thereto, including the Association's Certificate of Incorporation and By-Laws and the Declaration of Covenants, Conditions and Restrictions governing the Association's property. We have also examined the applicable federal and New York State tax laws, regulations, rulings and judicial decisions relevant to our opinion.

Under present law, regulations, rulings and judicial decisions and based on the terms of the Offering Plan, it is our opinion that:

1. The Declaration of Covenants, Conditions and Restrictions, when recorded in the Office of the Clerk of the County of Monroe, will be legal and valid.

2. The members of the Association will not be entitled to deduct any portion of Association membership dues, fees or assessments for federal or New York State income tax purposes.

3. The Association's eligibility to qualify as a tax-exempt homeowners association described in section 528 of the Internal Revenue Code of 1986 will depend upon its ability to meet various tests which can be definitively applied only after the close of each taxable year.

For example, 60% or more of the gross income of an exempt homeowners association must consist solely of amounts received as membership dues, fees or assessments, and 90% or more of its expenditures must be for the acquisition, construction, management, maintenance and care of association property. In the present case, it appears from the budget projections for the first year of operation of the Association that it will fail to meet the 90% expenditure requirement, but if in fact it meets that test and the other applicable standards under section 528 during a particular year, it may elect exempt status by filing a Form 1120-H Income Tax Return with the appropriate office of the Internal Revenue Service on or before the fifteenth day of the third month after the end of that taxable year. However, even a section 528 organization is exempt only to the extent of its exempt function income, defined by section 528(d)(3) to mean any amounts received as membership dues, fees, or assessments from owners of real property within the Association. Net income of other types, as described in section 528(d)(1) and subject to the modifications set forth in section 528(d)(2), will be taxable at a flat rate of 30% pursuant to section 528(b).

4. Section 277 of the Internal Revenue Code applies only to organizations which are not exempt from taxation and will not apply to the Association if it qualifies under section 528, as described above. If the Association does not so qualify for exemption, under section 277 its deductions for each particular taxable year attributable to furnishing services, insurance, goods, or other items of value to its members will be allowed only to the extent of the income it derives during such year from its members or transactions with them. If for any taxable year such deductions exceed such income, the excess will be treated as a deduction attributable to furnishing services, insurance, goods or other items of value to its members paid or incurred in the succeeding taxable year. In addition, the deductions provided by sections 243, 244 and 245 of the Internal Revenue Code (relating to dividends received by corporations) will not be allowed to the Association if it is subject to section 277.

5. The Association's property and the lots sold in conjunction with the Association and the homes to be constructed thereon, if built in accordance with the plans and specifications, will conform to applicable zoning ordinances and statutes.

6. Even if the Association qualifies for tax-exempt status under section 528 of the Internal Revenue Code, it will not be exempt from New York State and local sales taxes.

7. Even if the Association qualifies for tax-exempt status under section 528 of the Internal Revenue Code, it will be liable for

New York State franchise taxes. The Association's franchise tax liability will be determined by making several alternative calculations, with the one producing the highest tax controlling. If the Association qualifies for tax-exempt status under section 528 of the Internal Revenue Code, federal taxable income as determined under section 528(d) will be used in making the alternative franchise tax calculations based on the net income of the Association. Thus, those computations will exclude from franchise taxation the exempt function income the Association derives from membership dues, fees and assessments.

We express no opinion with respect to any matters not expressly set forth herein, and our opinion is based solely on the facts and documents referred to above. Although we have assisted in the preparation of the Offering Plan and the Exhibits referred to therein and attached thereto, we have not independently verified the accuracy, completeness and fairness of the factual information contained therein, and, accordingly, we express no opinion as to whether the Association has made any untrue statements of any material fact necessary in order to make any statements made, in light of the circumstances under which they are made, not misleading.

No warranties are made that the laws, regulations, rulings or judicial decisions upon which we have based our opinion will not change. In no event will the sponsor, the sponsor's counsel, the Association, the Association's counsel, the selling agent or any other person be liable if, by reason of future changes in fact or applicable law, regulations, rulings, or judicial decisions, the status of, or the rules governing, the Association shall cease to be as opined above.

Very truly yours,

HARRIS, BEACH, WILCOX,
RUBIN AND LEVEY

By: Robert C. Scutt
Robert C. Scutt

RCS:cam

DESCRIPTION OF COMMON AREAS AND FACILITIES
TO BE OWNED OR MAINTAINED BY
THE ASSOCIATION

A complete description of the common areas is included with the engineer's certification which is included as Exhibit I.

THE ASSOCIATION

Prior to the conveyance of the first unit in this subdivision (the "Subdivision") the Sponsor will record the Declaration of Covenants, Conditions and Restrictions ("Declaration") which will affect the land in the Subdivision. Each lot in the Subdivision will be conveyed subject to the Declaration and each purchaser will become a member of the Association. By its terms ownership of a lot mandates membership in the Association. In addition to the regular assessments for Association charges, initial purchasers of units will be required to pay an up-front fee of \$250 to provide working capital to the Association. These funds shall be maintained in the Association's working capital account and upon the end of the year shall be placed in the Association's contingency reserve. The only members of the Association will be unit owners and all unit owners will automatically become members.

All units are subjected to the Declaration to guarantee maintenance of a uniform standard of care for all units and to provide unit owners with assurance that certain services and amenities are provided for all owners in the project. There will be a total of 64 units whose owners are members of the Association if only the first phase being offered under this plan is developed. If Sponsor completes the project as contemplated there will ultimately be 106 lots subject to the Declaration. Although the Sponsor contemplates completion of the entire development within five (5) years after commencement of construction there is no time limit placed on the Sponsor for completion.

The Declaration shall run with the land and be effective for a thirty (30) year period following the recording of the Declaration. The Declaration will automatically be extended for additional successive ten (10) year periods unless the owners of at least eighty percent (80%) of the lots elect to terminate the covenants.

There are no restrictions on who may purchase a unit initially and become a member of the Association except that occupancy is limited to single family use. The Declaration does, however, contain numerous restrictions related to the use of the premises. No alterations may be made to the exterior of the units without prior consent of the Board of the Association or

its duly appointed architectural committee. In addition, the unit owner may not plant any trees, hedges, shrubs, flowers or plantings of any kind except in areas which are for the exclusive use of an individual unit. No motor vehicles, trailers, boats, campers, firewood, etc., may be stored at the premises except within the garages. No animals shall be kept at the premises except for dogs, cats or other domesticated household pets. In any event, no more than two (2) pets may be kept at any unit.

Each unit shall be conveyed subject to certain easements as more particularly set forth in the Declaration. An easement is reserved to all public authorities and utility companies over any part of the property.

Additional easements have been created for any encroachments caused by construction, settling and overhangs for all buildings constructed by Sponsor as well as any buildings which may be rebuilt due to fire loss or other destruction.

Finally, a blanket easement is established over all the property subject to the Declaration for installation, maintenance and repair of all utilities and for the entry by the Association or its agent to maintain and repair the improvements as needed.

Window air conditioning units, exterior antennas, clothes poles and other type of exterior additions or accouterments are prohibited. There shall be no commercial activity at the premises and no advertising or political signs may be posted on the premises. There is no prohibition on sale or mortgage of the individual units except for the right of first refusal. Leasing is allowed only if the lease term is one (1) year or longer.

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

Fire and casualty insurance will be maintained by the Association and the cost of said insurance will be included in the common charges. The individual unit owner is advised to carry his own contents and public liability insurance. Sponsor recommends that any contents policy be written with the same company (not necessarily the same agent) as the master insurance policy.

The Declaration authorizes the Sponsor to annex a subsequent phase of the development and include unit owners in the subsequent phase in the Association. The maximum number of units which will be included in the Association is 106.

Any purchaser of property in the development will take title subject to the Declaration. Any mortgagee who acquires title through foreclosure or by Deed in Lieu of Foreclosure will take title free and clear of the lien for delinquent common charges. It will be liable, however, for common charges which accrue after it takes title.

The Association has been incorporated under the New York State Not-For-Profit Corporation Law. The Association is governed by the Declaration and by By-Laws which set forth the rules for the operation of the Association.

The Association will be run by a Board of Directors consisting of at least three (3) but not more than five (5) directors. These directors need not be members of the Association. The initial directors will be selected by Sponsor which will have the power to designate the directors until all one hundred six (106) of the units in this phase and a subsequent phase are sold and transferred or five (5) years after the first unit is sold and transferred, whichever first occurs, at which time Sponsor will have a vote for as long as it owns at least one unit which vote will be similar to the vote of any other member. After Sponsor's right to select the directors has terminated, directors will serve a three (3) year term and they may be removed by majority vote of the Association members. The directors shall meet on a monthly basis at a time and place as set by resolution of the Board. The first meeting of the Board of Directors will be held within ninety (90) days after the transfer of title to the first unit.

The Board of Directors shall elect a president, a vice president, a secretary and a treasurer. The offices of secretary and treasurer may be held by one person. The term of office for an officer shall be one (1) year. Officers may be removed by the Board of Directors with or without cause.

The activities of the Association shall be governed by a majority vote of the directors. Special assessments, however, may be made only with the concurrence of seventy-five percent (75%) of the votes of the members. The Declaration may be amended only by favorable vote of not less than ninety percent (90%) of the members. The initial Board of Directors shall consist of:

Cosmo Viola, Director and President
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Maria Viola, Director and Vice President
c/o C. Viola Development Corp.

2950 Clover Street
Pittsford, New York 14534

Daniel J. Viola, Director and Secretary/Treasurer
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Cosmo Viola is a principal of Sponsor as explained further below.

Each lot will be subject to an annual assessment for common area maintenance, real property taxes, insurance, water charges and related expenses as well as special assessments for capital improvements, as needed. The assessments will be levied on an annual basis as set by the Association's Board of Directors. The assessments will be calculated by the Board no later than December 1st of each year for the succeeding year. The annual assessment shall be paid by each owner in monthly installments on the first day of each month. Assessments will be pro-rated for each purchaser based on the date of closing.

Special assessments for the purpose of paying for capital improvements may be imposed by the Board with the assent of at least two-thirds of the members.

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

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

The obligation to pay assessments is personal to the unit owner and will not pass to subsequent owners unless specifically assumed. The lien for the assessment will, however, continue even after transfer of title except in the event of foreclosure of a first mortgage lien or transfer of title to a first mortgagee by deed in lieu of foreclosure.

Owners who are delinquent may be prohibited by the Association from using any common facilities while they are

delinquent. A unit owner's voting rights will not be suspended even though he is delinquent in the payment of assessments.

As shown on the proposed budget a reserve for capital improvements and replacements will be collected at the rate of \$9.40 per unit per month. In addition, a reserve for contingencies will be collected at the rate of \$1.30 per unit per month. There will be no initial contribution from Sponsor, although Sponsor will contribute on an ongoing basis for those unsold completed units owned by it. (A unit will be deemed to be completed when the certificate of occupancy has been issued by the Town of Webster.) It is estimated that sufficient funds will be available as needed to cover foreseeable capital expenditures. If additional funds are needed the Association's Board of Directors is empowered to propose special assessments. While Sponsor is in control of the Board of Directors, the working capital fund shall not be used to reduce projected Association charges. Neither the Department of Law nor any other government agency has passed on the adequacy of the capital reserve fund.

Sponsor will retain control of the Board of Directors for a period of up to five (5) years after the transfer of the first unit. This control is retained through the power to designate the Directors of the Association. At such time as all one hundred six (106) of the units in this phase and a subsequent phase have been sold and transferred, or five (5) years after the closing on the first unit, all unit owners shall have an equal vote in the election of the Directors. If five (5) years have passed since the closing of the first unit and one hundred six (106) units have not yet been sold and transferred, Sponsor shall be entitled to elect one Director and the remaining unit owners shall be empowered to elect the remaining Directors. Sponsor may not exercise its control of the Board to reduce the level of services described in the Offering Plan or prevent capital repairs or prevent expenditure required to comply with applicable laws and regulations.

During the period that Sponsor is empowered to elect the Directors, no mortgage liens will be placed on the Association property without the consent of at least fifty-one percent (51%) of the unit owners excluding Sponsor or Sponsor's nominees. Certified financial statements for Association activities will be provided to members each year while Sponsor remains in control of the Board of Directors.

Sponsor agrees that its obligation for Association charges for unsold units cannot be less than an amount equal to the difference between the actual Association expenses, including reserves attributable to completed units, and the Association charges levied on unit owners who have closed title to their units as projected in Schedule A of the Offering Plan.

As long as Sponsor has unsold units which are offered for sale pursuant to this plan Sponsor shall amend the plan whenever there is a change in the budget or when one (1) year has passed since the last budget was updated. The amendment shall include the prior year's certified financial statements.

LOCAL GOVERNMENT APPROVAL

The parcel being developed pursuant to this offering and the adjacent property totalling approximately 24 acres of land is zoned PRA residential. Final subdivision site plan approval for twenty-three (23) units offered pursuant to this plan was granted on November 6, 1987 and the final approval was redated on January 8, 1988 for the sixty-four (64) units offered pursuant to this plan. A subdivision map has been prepared and a copy of that subdivision map is included in Exhibit E at page E-1. The final subdivision map will be filed in the Monroe County Clerk's Office prior to the transfer of the first unit. A landscaping plan showing the ponds, the buffer areas, and the recreation areas is included in Exhibit E at page E-2.

OBLIGATIONS OF THE SPONSOR

1. This Offering Plan is for 64 residential units. Sponsor is obligated to complete those units and to complete the Association property which consists of three (3) ponds with natural marsh areas as a buffer zones (see the DEC permit at p. K-1), a recreation area with six (6) picnic tables and benches on a wood chip area, and lawn areas surrounding the units and lining the roadways. Sponsor must complete the buffer zones, or mitigation areas as referred to in the DEC permit, within one year of construction commencement. (See p. K-3, Special Condition 26). Sponsor contemplates completion of the 64 units offered under this plan by July 1, 1991. A second section would be started in the summer of 1990 and completed approximately in the fall of 1993. A total of 106 units is planned. All landscaping, with the exception of the areas surrounding the units to be completed in the second section, will be completed in the development of this first section.

2. Sponsor will complete all Association property in accordance with the plans and specifications identified in the plan. Sponsor reserves the right to substitute equipment and materials and make modifications in design provided it does not substitute equipment or materials of lesser quality or design.

3. Sponsor will pay for all improvements in the development and for the installation of all Association property that Sponsor is obligated to complete under the plan and will cause all mechanic's liens with respect to such construction to be promptly discharged or bonded.

4. Sponsor will file the Declaration and will convey the Association property to the Association prior to closing

title to the first unit. Sponsor will complete all streets and driveways serving the unit or which the unit is located and any other facilities to the health and safety of the owners prior to the first unit. If uncompleted items are not vital to the health and safety of the owners and if the Town of occupancy prior to completion Sponsor will complete completion of uncompleted items. Typically, large individual units may or may not be completed at the

5. Sponsor will defend any suits arising out of Sponsor's acts or omissions and Board of Directors in any of said suits or proceedings

6. Upon completion of the development Sponsor will deliver a set of "as built" plans of common property to the Board of Directors including specific plans for sewers and/or water lines and a representation that specifications are in substantial compliance with the Offering Plan. If the plans or specifications are not in substantial compliance with the terms of the plan the plan will be amended and rescission will be required to protect the interests of purchasers and members.

7. Sponsor does not intend to furnish other security to secure its obligations to the Association property.

8. Sponsor is a corporation which has been in its present form or in predecessor form in residential housing and office building construction for more than seven (7) years. Although Sponsor could be held liable for time Sponsor's obligations under this plan would be

9. Sponsor will retain the right of access to the property being offered under this plan to construct an additional phase of the project of this section. Sponsor will also retain the right of access to construct an additional phase of the project of this section. Sponsor will remain liable for any damage caused to the access road during the period of construction and no time will Sponsor obstruct the Association members from using their units over the common roadway that will be located in the Town of Webster or other parts of the Association

10. Title will be insured at the time of the Association by Monroe Abstract and Title Company authorized to do business in the State of New Jersey. Title insurance policy will be written in the amount of One Hundred Forty-four Thousand Dollars (\$244,000).

11. If any mortgage or liens remain covered by this plan following the conveyance of the property the lien or mortgage will be subordinate to the Deed

12. Sponsor shall pay, as its share of the common area charges, an amount equal to the difference between the assessments charged to individual unit owners as estimated in the projected budget and actual expenses of operating the Association until such time as all units have been sold. Sponsor will pay into the capital and reserve accounts for each completed unit owned by Sponsor.

TRUST FUNDS

All deposits received in conjunction with the purchase of units in the development will be placed promptly in a segregated non-interest-bearing special escrow account at Manufacturers Hanover Trust Company. Purchasers will be given 72 hours to read this plan before a contract for sale is executed. These funds will be released at closing or prior to closing if the purchaser rescinds or defaults under the terms of the purchase contract upon the signature of Thomas P. Moonan, Esq. or Charles E. Littlefield, Esq., 130 East Main Street, Rochester, New York 14604.

These trust funds will be held by Sponsor in compliance with the escrow and trust fund provisions of the General Business Law, §352-e(2)(b) and §352-h.

The account will be designated "The Strand Special Account". The account will be opened at Manufacturers Hanover Trust Company, 183 East Main Street, Rochester, New York 14604.

MANAGEMENT AGREEMENT

The Board of Directors of the Association will execute an agreement with D.J.V. Management Corporation, 2950 Clover Street, Pittsford, N.Y. 14534, providing for the management of the Association. The management agreement is included in this offering as Exhibit D.

The agreement will be for a one year term with a provision for automatic continuation after the end of the initial term until cancellation by either party on thirty (30) days' written notice. The Association will have no right to cancel the agreement during the first year of operation.

The total compensation under the agreement will be \$5,000. The duties of the managing agent will include the supervision of all maintenance work and services, negotiation and placement of service contracts, and other activities normally related to professional fee management of a homeowners' association. The managing agent is charged with carrying out all of the responsibilities of the Association as enumerated in the Declaration.

In addition, the managing agent will assist in the preparation of the annual budget, and will maintain the books, records, and accounts necessary for the collection and disbursement of common charges.

The management fee under this agreement is average for amounts charged for similar projects in the Rochester, New York area by professional management companies.

The Association will be liable for reimbursement of any expenses incurred by the agent and will indemnify the agent against liability for any acts properly performed by it under the agreement.

The management agreement is not assignable by the managing agent to any other party.

IDENTITY OF PARTIES

The Sponsor, C. Viola Development Corp., is a New York corporation with principal offices at 2950 Clover Street, Pittsford, New York. Cosmo Viola is its sole director and President. Cosmo Viola has been active in the construction of residential real estate, and in other aspects of the developing, building, and real estate industries in the Rochester area since 1959. Among his more recent projects, developed by C. Viola Development Corp., individually, or in partnership with other builders, are: Pinebrook Heights subdivision, Pinebrook Circle, Penfield, New York (1981); Stillmeadows subdivision, corner of Ayrault and Turk Hill Roads, Fairport, New York (1975); Landmark Estates subdivision, Marsh Road, Pittsford, New York (1964); and Crystal Spring Valley subdivision, Jefferson Avenue, Fairport, New York (1959). Neither Sponsor nor Cosmo Viola have ever been involved in offerings of cooperatives, condominiums or homeowners' associations.

Cosmo Viola, the sole principal of the Sponsor, is the sole director, President, Secretary, Treasurer and its sole shareholder, and has been since the corporation, formally VICO Builders, Inc., was formed in 1982. His business address is 2950 Clover Street, Pittsford, New York 14534.

The general counsel of Sponsor is the law firm of Harris, Beach, Wilcox, Rubin and Levey. This firm will represent Sponsor in the sale and closing of the individual homes.

This Offering Plan has been prepared by the law firm of Harris, Beach, Wilcox, Rubin and Levey, 130 East Main Street, Rochester, New York, Leon T. Sawyko, Robert C. Scutt and Gregory W. Lane, of counsel.

The Association will initially be managed by D.J.V. Management Corp., c/o 2950 Clover Street, Pittsford, New York 14534. D.J.V. Management Corp. has had no prior experience in managing developments of this type. Daniel J. Viola is the

president, secretary/treasurer, and sole director of D.J.V. Management Corp. and is the son of Cosmo Viola.

Daniel N. Mustillo, 17 Kitty Hawk Drive, Pittsford, New York 14534, a real estate broker and agent licensed with the State of New York, is Sponsor's selling agent.

The Sponsor has retained the engineering firm of Passero Associates, P.C., 100 Liberty Pole Way, Rochester, New York, in the preparation of the subdivision plan and related materials. Gary W. Passero, P.E., the President of Passero Associates, licensed by the State of New York since 1972, has practiced in the field of site engineering for 20 years and is the Project Manager for Passero Associates.

REPORTS TO MEMBERS

The Association through its Board of Directors will deliver a financial statement prepared by a certified public accountant or a public accountant to all members on an annual basis. In addition, all members will have notice at least thirty (30) days prior to the annual members' meeting.

DOCUMENTS ON FILE

Sponsor shall retain copies of the Offering Plan and parts A, B and C of the Exhibits and documents referred to in the plan on file at 2950 Clover Street, Pittsford, New York for at least six (6) years after the closing of the first unit. These documents will be available for inspection and copying at a minimal charge during normal business hours.

GENERAL

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

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

Sponsor and its agents will not discriminate against any person based on race, creed, color, sex, national origin or any other basis prohibited by state or federal civil rights laws.

Dated: March 5, 1988

C. VIOLA DEVELOPMENT CORP., SPONSOR
By: Cosmo Viola
Cosmo Viola, President

PART II
EXHIBITS

EXHIBIT A

Declaration
of
Covenants, Conditions and Restrictions

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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made the ____ day of _____, 198__, by C. Viola Development Corp., hereinafter called "Declarant".

WHEREAS, Declarant is the owner of certain real property in the Town of Webster, 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, THE STRAND 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 or any part thereof, Declarant and all subsequent owners, 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 THE STRAND 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. "Restricted Common Area" shall mean and refer to that part of the Common Area which is set aside for the exclusive use of a particular Owner.

Section 4. "Declarant" shall mean and refer to C. Viola Development Corp., its successors and assigns if such successors or assigns shall acquire more than one undeveloped lot from Declarant for the purpose of development.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map or resubdivision map of the Properties, with the exception of the Common Area.

Section 6. "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, excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Properties" shall mean and refer to that certain real property described in Schedule A attached hereto and made a part hereof, and certain real property which hereafter may be brought within the jurisdiction of the Association as described in Schedule B attached hereto and made a part hereof.

Section 8. "Unit" shall mean and refer to the structure built on any given Lot.

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, excluding any Restricted 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 any facilities on 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.

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon by the members approving such transfer. No such dedication or transfer shall be effective unless an instrument signed by seventy-five percent (75%) of each class of members, and their mortgagees, agreeing to such dedication or transfer has been recorded.

(d) the right of invitees and business visitors of any Owner to ingress and egress over those portions of the Common Areas that lie within private roadways.

(e) the right of the Association to designate certain portions of the Common Area as Restricted Common Area and as parking lots for vehicles of Owners, their invitees and business guests.

(f) the right of the Association to designate certain portions of the Common Area as sidewalks for the use of Owners, their invitees and business guests.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the by-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside on his Lot.

ARTICLE III EASEMENTS

Section 1. Easements for Utilities. Declarant reserves the right to grant easements, both temporary and permanent, to all public authorities and utility companies over any part of the Properties.

Section 2. Easements for Encroachments. Each Lot, and the property included in the Common Area, shall be subject to an easement for encroachments created by Declarant. A valid easement for said encroachments, and for the maintenance of same, so long as such encroachments stand shall and does exist.

Section 3. Other Easements. There is hereby created a blanket easement upon, across, over and under all of the

Properties, for ingress, egress, installation, replacement, repair and maintenance of all utilities, including but not limited to water, sewers, gas, telephones and electricity, and a master cable television system. By virtue of this easement it is expressly permissible to erect and maintain the necessary transformers or other equipment on the Properties, and to affix and maintain underground electrical or telephone wires and conduits, sewer and water lines on or below any residence or land owned by any Owner. An easement is hereby granted to the Association, its officers, agents, employees, and including employees of any management company, having a contract with the Association over all of the Common Areas, to perform the duties of maintenance and repair of the 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 Areas during the period of construction and sale of the Properties, or any additions to the Properties, and to maintain such facilities and perform such operations as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the construction and sale of residences, including, without limitation, a business office, sales office, storage area, construction yards, signs and model units, provided that this does not unreasonably obstruct access by members of the Association.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section 1. 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 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 _____ or at such time as title to 106 Lots has been conveyed by Declarant, whichever first occurs. Prior to _____, or such time as title to 106 Lots has

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 of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot, by acceptance of a deed therefor, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The covenant in this Section shall not constitute a guarantee, or promise of any kind by Declarant to pay any assessment, or any other obligation of any Owner, other than Declarant. The annual and special assessments, together with interest, costs, and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall be the personal obligation of the person who is the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent 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 completed units (which amount will not exceed the budgeted amount per completed unit) and the actual cost of operation for the Association. In addition, the Declarant shall pay the capital improvement charges only for completed units.

Section 2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively (i) 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; (ii) to maintain, repair, reconstruct, replace and preserve, on a non-profit basis the Lots, driveways, walks and parking areas, trees, shrubs and grasses and other exterior improvements, (excluding patio areas, courtyards, atriums and/or decks, the maintenance of which is the sole responsibility of the individual owner who has exclusive use of these restricted common areas); and (iii) to pay real property taxes on the Common Area owned by the Association. The above obligation shall not include any maintenance, repairs or replacements caused by fire or other casualty to a 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 all Lots on the first day of the month following the recording of this Declaration, and shall be prorated on the basis of the Estimated Budget for the first year, published in the Offering Plan, according to the number of months remaining in the fiscal year. The Board of Directors shall fix the amount of subsequent assessments from time to time, but at least annually, for each Lot at least 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 month from the Owner of each Lot one-twelfth (1/12) of the annual assessment for such Lot. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer, or the Managing Agent, if any, of the Association setting forth whether the assessments on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

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

Section 5. Notice and Quorum for Any Action Authorized Under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 of this Article V shall be sent to all members not less than 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 of the votes of the membership shall constitute a quorum. *Copy*

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

Section 7. Effect of 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 foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its right to such liens as may be necessary or expedient to an insurance company continuing to give total coverage notwithstanding nonpayment of such defaulting Owner's portion of the premium for fire and other hazard insurance. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, 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, saving and loan association, pension fund, or other institutional lender or 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 become due prior to the foreclosure sale and transfer. No foreclosure sale or transfer shall relieve such Lot owner from liability for any assessments thereafter becoming due or relieve the Lot from the lien thereof.

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

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

Section 11. In spite of any provision to the contrary in this Article V, Declarant shall not be liable for the payment of common charges for any unsold Lots owned by it, unless and until said Lots are improved by completed Units. For purposes of this section a "Completed Unit" shall be a Unit for which a certificate of occupancy has been issued by the Town of Webster. 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, Declarant shall not be obligated to make any capital contribution except for the units which have been completed and are retained by Declarant.

ARTICLE VI

EXTERIOR MAINTENANCE

In addition to maintenance of the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder as follows: Paint, repair, replace and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, and other exterior improvements including snow plowing of the common driveways for the units only. Such exterior maintenance shall not include glass surfaces or doors, screens, screen doors, nor shall it include the maintenance or snow shoveling of individual sidewalks. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance and repairs shall be added to and become part of the assessment to which such Lot is subject. The above obligation does not include any maintenance or repairs caused by fire or other casualty to the premises owned individually by members of the Association.

ARTICLE VII

PARTY WALLS

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

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

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

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

Section 5. Right of Contribution Runs with the Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall or under the provisions of this Article, except for disputes involving the Declarant, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator and the decision shall be by a majority of all of the arbitrators and be binding upon the party. Judgment upon the award of the arbitrators may be taken in any court of law with jurisdiction thereof.

ARTICLE VIII USE OF PROPERTY

The use of the Properties shall be restricted to and in accordance with the following provisions:

A. Type of Dwellings. No building shall be erected, altered, placed or permitted to remain on any Lot other than a one single-family dwelling.

B. Use of Common Elements. The Common Area shall be used for the furnishing of benefits and activities for which the same are reasonably intended, for the enjoyment of the Units.

C. Occupancy. No Unit shall be occupied by any persons taking possession in violation of the provisions of Article IX below.

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

E. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Properties or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The respective responsibilities of the Owner and the Board of Directors of the Association of complying with the requirements of governmental bodies which require maintenance, modification or repair of the Properties shall be the same as hereinabove provided for the maintenance and repair of that portion of the Properties subject to such requirement.

F. Interpretation. In interpreting deeds, mortgages, and plans, the original existing physical boundaries of a Unit, (or in the event the Unit is reconstructed in substantial accordance with the original plan, its existing physical boundaries as reconstructed), shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed, mortgage or plans, regardless of minor variance between boundaries shown on the plans or in the deed and those of the building.

G. Regulations. Regulations concerning use of the Properties may be promulgated by the Board of Directors as hereinabove set forth; provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time that the same become effective. The initial regulations, which shall be deemed effective until amended by the Board of Directors are annexed to and made a part of the Association By-Laws. Such regulations shall not impair or limit the rights of mortgages as elsewhere recited.

H. Application To Declarant. These restrictions shall not apply to the business activities of Declarant or its successors during construction or any additions thereto, so long as there are not undue delays.

ARTICLE IX ARCHITECTURAL CONTROL

No building, fence, wall, storm or screen doors, mail box, trees, shrubs, plantings or any other exterior change, no matter how minute, 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 therein be made including paint or stain until the plans and specifications

showing 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, 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 plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE X INSURANCE AND CASUALTY DAMAGES

The Board of Directors shall obtain and maintain, to the extent obtainable, insurance coverage insuring the structures and all other insurable improvements upon the Properties, including all Association property and all individual Units, and improvements and betterments, and all personal property as may be owned by the Association in an amount equal to the maximum insurable replacement value thereof as determined annually by the insurance company affording such coverage. Such coverage shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement and such other risks as from time to time customarily shall be covered with respect to improvements similar in construction, location and use as the Association structures, including but not limited to, vandalism, malicious mischief, windstorm and additional perils. The property insurance will be on a blanket basis so that the total policy limit is available for any one loss.

Insurance covering public liability and property damage shall be provided in such amounts 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 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 workmens compensation insurance is required by law for the Association, a workmens compensation policy meeting those requirements shall be procured.

All liability insurance will contain cross-liability endorsements to cover liabilities of the Unit Owners as a group to a Unit Owner.

Each Owner should obtain insurance, at his own expense, affording coverage upon his Lot and his personal property for loss incurred by virtue of fire or other casualty and for his personal liability and additional insurance required by law, if any.

Premiums upon insurance policies purchased by the Board of Directors shall be paid by the Board of Directors and charged as common expenses.

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

ARTICLE XI
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 ninety-five (95) of the Lots has been recorded, agreeing to change said covenants and restrictions, in whole or in part. This Declaration may be amended by an Instrument, signed by not less than the owners of twenty (20) of the Lots. 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 effect 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 not 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 ____ day of _____, 198_.

C. VIOLA DEVELOPMENT CORP.

By: _____

STATE OF NEW YORK)
COUNTY OF MONROE) ss.:
CITY OF ROCHESTER)

On this ____ day of _____, 198_, before me personally came COSMO VIOLA, to me personally known, who, being by me duly sworn, did depose and say that he resides in the Town of Pittsford; that he is the President of C. Viola Development Corp., the corporation described herein, and which executed the within Instrument; that he knows the seal of said corporation; that the seal affixed hereto is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; that he signed his name thereto by like order.

Notary Public

CERTIFICATE OF INCORPORATION

OF

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

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

The undersigned, for the purpose of forming a corporation pursuant to Section 402 of the New York Not-For-Profit Corporation Law, hereby certifies:

1. The name of the corporation is THE STRAND HOMEOWNERS' ASSOCIATION, INC.

2. The corporation is a corporation as defined in subparagraph (a) (5) of Section 102 of the New York Not-For-Profit Corporation Law.

3. The purpose or purposes for which the corporation is formed are:

to promote and protect the interests of the owners of the property in the Strand Property Subdivision;

to provide for the acquisition, development, construction, management, maintenance and preservation of corporation property;

to enforce all covenants, easements, restrictions and agreements within the subdivision, and;

to do any act or thing incidental to or

connected with the foregoing purposes or in advancement thereof;

but not for the pecuniary profit or financial gain of its members, directors or officers except as permitted under the New York Not-For-Profit Corporation Law.

4. The corporation shall be a Type A corporation under Section 201 of the New York Not-For-Profit Corporation Law.

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

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

Cosmo Viola	2950 Clover Street Pittsford, New York 14534
Maria Viola	2950 Clover Street Pittsford, New York 14534
Daniel Viola	2950 Clover Street Pittsford, New York 14534

7. The Secretary of State of the State of New York is hereby designated as the agent of the corporation upon whom process in any action or proceeding against it may be served and the address to which the Secretary of State shall mail a copy of process in any action or proceeding against the corporation which may be served upon him is 2950 Clover Street, Pittsford, New York 14534.

IN WITNESS WHEREOF, I have signed this Certificate this 7th day of December, 1987 and hereby affirm the truth of the statements contained herein under penalties of perjury.

/s/ William J. Kelley
William J. Kelley, Incorporator
The Granite Building
130 East Main Street
Rochester, New York 14604

EXHIBIT C
BY-LAWS
OF
THE STRAND HOMEOWNERS' ASSOCIATION, INC.

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BY-LAWS OF
THE STRAND HOMEOWNERS ASSOCIATION, INC.
ARTICLE I - IDENTITY

These are the By-Laws of The Strand Homeowners' Association, Inc.

These By-Laws provide the method by which The Strand Homeowners' Association, Inc., (herein the "Association"), a homeowners' association in the Town of Webster, Monroe County, New York, organized under the Not-For-Profit Corporation law, shall be governed.

The office of the Association shall be at the Unit of the then current President, or at the office of C. Viola Development Corp. (herein the "Declarant") at 2950 Clover Street, Pittsford, New York, 14534.

The fiscal year of the Association shall be the calendar year.

ARTICLE II - DEFINITIONS

A. "Association" shall mean and refer to The Strand Homeowners' Association, Inc., its successors and assigns.

B. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions.

C. "Common Area" shall mean all real property owned by the Association with a common use and enjoyment of the owners.

D. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common area. "Unit" shall mean and refer to the improvements constructed upon a Lot. At certain times in these By-Laws Lot and Unit shall be used interchangeably.

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

F. "Declarant" shall mean and refer to C. Viola Development Corp., its successors and assigns.

G. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded in the Office of the Clerk of the County of Monroe.

H. "Member(s)" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III - BOARD OF DIRECTORS

A. Membership and Initial Selection. The Association shall be governed by a Board of Directors consisting of not less than three (3) directors nor more than five (5) directors, who need not be Members of the Association. The initial Board of Directors shall be designated by Declarant who is authorized to choose the directors until all one hundred six (106) Lots have been transferred or until five (5) years after the transfer of the first Lot, whichever first occurs.

B. Term and Election. At such time as the Members become empowered to elect the Board of Directors they shall elect five (5) directors, the two (2) persons receiving the highest number of votes serving three (3) years, the next two (2) persons receiving the next highest number of votes serving two (2) years, and the remaining person serving one (1) year. Thereafter at each annual meeting the Members shall elect two (2) or one (1) directors, depending on the number of vacancies in a given year, each such elected directors to serve three (3) year terms.

C. Removal. Any director may be removed from the Board with or without cause by a majority vote of the Members. In the event of death, resignation or removal of a director his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

D. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

E. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining approval of all the directors. Any actions so approved shall have the same effect as though taken at a meeting of the directors.

F. Powers and Duties. The Board of Directors shall exercise all the powers and duties permitted the governing body of the Association, including those existing under the Not-For-Profit Corporation law of New York State. Such powers and duties shall be exercised in accordance with the provisions of the Declaration of Covenants, Conditions and Restrictions applicable to the property recorded in the Monroe County Clerk's Office (herein the "Declaration") which govern the use of the land, and

shall include but shall not be limited to the following powers and duties:

1. To make and collect assessments, including special assessments, against members to defray the costs of the Association.

2. To use the proceeds of assessments in the exercise of its powers and duties.

3. To assure the maintenance, repair, replacement and operation of all Association property for the common use and enjoyment of the Unit Owners.

4. To assure the reconstruction of improvements after casualty and the further improvement of the Association's property.

5. To make and amend regulations respecting the use of the common areas. (The initial Rules and Regulations are attached hereto as Schedule A).

6. To enforce by legal means the provisions of the Declaration, By-Laws and Regulations for the use of the property in the Subdivision.

7. To purchase insurance for the protection of members and the common areas of the Association against casualty and liability as provided in the Declaration.

8. To pay the cost of all snow plowing, electric, water, sewer, and other utility services rendered to the Association and not billed to members' individual Units.

9. To employ personnel for reasonable compensation to perform, or to retain and/or contract for, the services required for proper administration of the purposes of the Association.

10. To contract for management of the Association and to delegate to such contractor the powers and duties of the Board of Directors except such as are specifically required by the Association Documents to have approval of the Board of Directors.

11. To receive, consider, and act upon any application which pertains to the alteration of a unit in accordance with Article X of the Declaration.

12. To suspend the voting rights and right to use the recreation facility of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after a notice and hearing for a period not to exceed sixty (60) days for infraction of published Rules and Regulations.

13. 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 regular meetings of the Board of Directors.

14. To annex real estate in subsequent phases of the development to the Association and subject it to Board control.

G. Method of Calling Meetings.

1. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board. Notice of regular meetings shall be given to each director personally or by mail, telephone or telegram at least three (3) days prior to the day named for the meeting unless such notice is waived. The first regular meeting held in each calendar year shall be the annual meeting of the Board.

2. Special meetings of the Board of Directors may be called by the President and must be called by the Secretary at the written request of any one director. No less than three (3) days' notice of the meeting shall be given personally, or by mail, telephone, or telegram, which notice shall state the time, place, and purpose of the meeting.

3. Any director may waive notice of a meeting before, at or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

H. Quorum. A quorum at the Board of Directors meeting shall consist of a director or directors present in person holding at least a simple majority of the eligible votes. The acts of the Board approved by a majority of the directors present in person or by proxy at a meeting at which a quorum is present shall constitute the acts of the Board of Directors except as specifically otherwise provided in the Declaration. If at any meeting of the Board of Directors there be fewer than a quorum present, the directors present shall adjourn the meeting from time to time until a quorum is present. At an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

I. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all the members of the Board of

Directors consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the Board of Directors.

J. Officers. The officers of the Association shall be a President, Secretary, and Treasurer. They shall be elected at the annual meeting by the Board of Directors from among the members of the Board and shall hold office for a term of one (1) year or until the next annual meeting. Officers may be preemptorily removed and replaced by vote of the directors at any meeting. Any person may hold two (2) offices except that the President shall not be the Secretary. The Board of Directors may from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

1. The President shall be the chief executive officer of the Association and shall preside over the meetings of the Board of Directors and of the members. He shall have all the powers and duties which are usually vested in the office of the president, including but not limited to the power to appoint committees from among the directors, members and residents of the subdivision from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association.

2. The Secretary shall keep the minutes of all proceedings of the Board of Directors and of members. He shall attend to the giving and serving of all notices to the directors and other notices required by law. He shall have custody of the seal of the Association and affix the same to an instrument requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary, and as may be required by the directors or the President. In the absence or disability of the President, he shall exercise the powers and perform the duties of the President.

3. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the assessment rolls and accounts of the members; he shall keep the books of accounts of the Association in accordance with good accounting practices; and he shall perform all other duties of the office of treasurer.

4. The compensation, if any, of all officers and employees of the Association shall be fixed by the Board of Directors; however, a member of the Board of Directors shall not be entitled to compensation for his services as such, but he may be reimbursed for any out-of-pocket expenses incurred in behalf of the Association. This provision shall not preclude the Board of Directors from employing a director as an officer or employee

of the Association or preclude the contracting with a director for the management of the Association other than in his capacity as a member of the Board of Directors.

ARTICLE IV - FISCAL MANAGEMENT

The provisions for fiscal management of the Association as set forth in the Declaration shall be supplemented by the provisions which follow.

A. Assessment Roll. The assessment roll shall be maintained in a set of books of account in which there shall be an account for each lot in the subdivision. Such an account shall designate the name and address of the Owner or Owners, the amount of each assessment against the Owners, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due upon assessments.

B. Budget. The Board of Directors shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Association in the manner provided for in the Declaration.

C. Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall only be by checks signed by such persons as are authorized by the Board of Directors.

D. Audit. An audit of the accounts of the Association including a summarization of receipts and expenditures, shall be made annually at the end of each fiscal year by a certified public accountant, selected by the Board of Directors, and a copy of the report, including the summarization of receipts and expenditures for the year, shall be furnished to each member.

E. Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors for all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the Board of Directors, but shall be at least the amount of the total annual assessments against members. The premium on such bonds shall be a common expense and be paid by the Board of Directors.

ARTICLE V - ARCHITECTURAL CONTROL

No building, fence, wall, mail box, trees, shrubs, plantings or any exterior change, no matter how minute, or other structure shall be commenced, erected, or maintained upon the

properties, nor shall any exterior addition to or change or alteration be made to the units including paint or stain until the plans and specifications showing nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association. In the event said Board fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI - LIABILITY OF BOARD OF DIRECTORS

In order to limit the liability of the Unit Owners, any contract agreement, or commitment made by the Board of Directors shall state that it is made by the Board of Directors as agent for the unit owners as a group only and that no member of the Board of Directors nor individual unit owner shall be liable for such contract, agreement, or commitment, except that every Unit Owner shall be liable to the extent that his proportionate interest in the common areas bears to the total liability under such commitment. The Board of Directors shall have no liability to the Unit Owners in the management of the Association except for willful misconduct or bad faith and the Unit Owners shall severally indemnify all members of the Board of Directors in accordance with their duties as such members except for acts of willful misconduct or acts made in bad faith. Such several liability of the Unit Owners shall, however, be limited to the extent that his proportionate interest in the common area bears to the total liability of the members of the Board of Directors.

ARTICLE VII - AMENDMENTS

A. These By-Laws may be amended at a regular or special meeting of the Board of Directors by a vote of three-fourths (3/4) of a quorum of directors present in person or by proxy.

B. In the case of any conflict between the Articles of Incorporation and these By-Laws the Articles shall control and in the case of any conflict between the Declaration and these By-Laws the Declaration shall control.

Secretary

SCHEDULE A

RULES AND REGULATIONS

In addition to the other provisions of these By-Laws, the following rules and regulations, together with such additional rules and regulations as may hereafter be adopted by the Board of Directors, shall govern the use of the units and the conduct of all residents thereof.

1. The sidewalks, entrances, and driveways must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises.

2. No sign, advertisements, notice, or other lettering including political endorsements or signs shall be exhibited, inscribed, painted, or affixed by any Unit Owner on any part of the outside or windows of the unit or buildings without prior written consent of the Board of Directors.

3. No awnings or other projections shall be attached to the outside walls of the buildings without prior written consent of the Board of Directors.

4. No baby carriages, velocipedes, bicycles or shall be allowed to stand on the sidewalks, entrances, driveways, or other common areas. No automobiles or trucks shall be parked on the driveways except in marked parking spaces or temporarily when making deliveries to units immediately adjacent thereto.

5. No Unit Owner shall allow anything whatever to fall from the windows or doors of the premises, nor sweep or throw from the premises any dirt or other substances into any of the common areas or upon the grounds.

6. No garbage cans, equipment, supplies of any kind including firewood, milk bottles, or other articles shall be placed on the common elements, nor shall anything be hung from the windows, or placed on the window sills, or so hung or placed in such manner that they are visible. Neither shall any linens, cloths, clothing, curtains, rugs or mops be shaken or hung from any windows or doors or clothes lines.

7. No Owner shall make or permit any disturbing noises in the unit by himself, his family, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts, or conveniences of other Owners. No Owner shall play upon, or permit to be played upon, any musical instrument or operate or permit to be operated a tape recorder, phonograph, hi-fi set, stereo, FM set, radio, or

other type of equipment for producing sound in the Unit between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if the same shall disturb or annoy any occupants of other buildings. No Owner shall conduct or permit to be conducted, vocal or instrumental practice, nor give nor permit to be given vocal or instrumental instruction at any time if the same shall disturb or annoy any occupants of other buildings. Owners of Units shall not use or permit the use of the premises in any manner which would be disturbing or a nuisance to other said owners, or in such a way as to be injurious to the reputation of the association.

8. No installation of a radio or television antenna or other antenna shall be made without the written consent of the Board of Directors. Any antenna erected on the roof or exterior walls of the building without consent of the Board of Directors, in writing, is liable to removal without notice.

9. No Owner shall keep or maintain any animals or birds except a single animal or bird commonly known as a household pet, unless prior written consent is obtained from the Board of Directors.

10. No Owner shall allow any pet to run free on the common areas. Pets on the common areas shall be on leash and accompanied by an adult. Owners shall be responsible for picking up after pets.

11. No garbage, trash, or cuttings shall be placed, stored or collected in any area other than that designated for such purpose and shall not be allowed to accumulate.

12. No change of exterior line, color or grade without written permission of the Board of Directors is permitted.

13. No boats, trailers, housecars, motorcycles, bicycles, or motor vehicles of any kind shall be parked on the premises except in the Unit garages, except that automobiles of visitors may be parked in the area so designated.

14. All Units shall be used for single family residence purposes only.

15. Garage doors shall be kept closed unless entry or exit is being made from the garage.

16. No change in landscaping without the written permission of the Board of Directors is permitted.

17. No change in the style, size, color, lettering, or location of the mailbox or mail receptacle without the written permission of the Board of Directors is permitted.

18. Except in the individual patio, atrium, deck and porch areas adjacent to a Unit, no permanent planting or gardening shall be done, and such planting as is done within the said restricted common areas shall be kept trimmed at Owner's expense so as not to encroach on neighboring property. The Association has no responsibility for maintenance of planting or gardening installed by individual Unit Owners as provided in these rules and regulations.

19. No fences, hedges or walls shall be erected or maintained upon the properties except those erected at the time of the original construction of the buildings located thereon.

EXHIBIT D
MANAGEMENT AGREEMENT

This Agreement made in the Town of Webster, State of New York, on the day of , 198 , by and between THE STRAND HOMEOWNERS' ASSOCIATION, INC., (hereinafter referred to as the "Association"), and D.J.V. MANAGEMENT CORPORATION, 2950 Clover Street, Pittsford, N.Y. 14534, (hereinafter referred to as the "Managing Agent").

W I T N E S S E T H:

WHEREAS, the parties hereto desire to enter into an agreement for the management, operation and supervision of the Properties, hereinafter defined, and for certain other management functions by the Managing Agent with regard to the activities of the Association, as set forth herein.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, mutually agree as follows:

ARTICLE I
DEFINITIONS

Section 1. "Association shall mean and refer to The Strand Homeowners' Association, Inc., a New York not-for-profit corporation, its successors and assigns.

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

Section 3. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 4. "Properties" shall mean and refer to that certain real property known as The Strand, a development of townhouses, as shown on a map of said Subdivision filed in the Monroe County Clerk's Office in Liber of Maps, at Page .

Section 5. "Board of Directors" shall mean and refer to the Board of Directors of the Association as provided in the By-Laws of the Association.

Section 6. "Member" shall mean and refer to those persons entitled to membership in the "Association" as provided in the Declaration of Covenants, Conditions and Restrictions.

ARTICLE II
MANAGING AGENT

Section 1. The Managing Agent shall be the exclusive agent of the Association for the management, supervision and operation of the Properties as set forth in this Agreement.

Section 2. From time to time in its absolute discretion, the Managing Agent shall designate an individual to be known as the Manager of The Strand Homeowners' Association, Inc. who shall be charged with the primary obligations of the Managing Agent under this Agreement.

ARTICLE III
MANAGING AGENT'S DUTIES

The duties of the Managing Agent, to be performed by the Manager under this Agreement, shall be as follows:

Section 1.

(a) Grass Cutting. The Managing Agent shall provide for the regular cutting of the grass at The Strand, and for the trimming, fertilizing and planting of grass, trees, shrubs and flowers as necessary to maintain the appearance at The Strand in accordance with the landscaping plan for The Strand as it exists at the time of this Agreement.

(b) Snow Removal. The Managing Agent shall provide snow removal on the common driveway and all private driveways where required by direction of the Board of Directors.

(c) Maintenance of Building Exteriors. The Managing Agent shall be responsible for the proper maintenance, repair and operation of the exterior elements of all buildings and structures at The Strand as provided in the Declaration.

(d) List of Owners. The Managing Agent shall at all times maintain an up-to-date list of the names and addresses of Owners of Lots within the Properties.

(e) Publication of Rules and Regulations. The Managing Agent shall, as directed by the Board of Directors, provide for the publishing and distribution of rules and regulations of the Association.

(f) Notice of Meetings. The Managing Agent shall, from time to time as directed by the Board of Directors, prepare and distribute notices of meetings of Members of the Association or of meetings of the Board of Directors of the Association.

(g) Bookkeeping. The Managing Agent shall maintain a system of bookkeeping showing receipts of funds by the Managing Agent and disbursements by the Managing Agent under this Agreement.

(h) Preparation of Annual Budget. The Managing Agent shall assist the Board of Directors in preparing the annual budget.

(i) Miscellaneous. The Managing Agent shall perform such other tasks as may reasonably be requested, from time to time, by the Board of Directors.

Section 2. The payment of funds necessary for the performance of the duties specified in this Article III and elsewhere in this Agreement shall be the sole responsibility and obligation of the Managing Agent, except as otherwise provided herein. The Managing Agent agrees to perform all of the duties under this Agreement and to make payments required therefor without any compensation or reimbursement therefor, other than the compensation provided for under Article X of this Agreement.

Section 3. The Managing Agent shall enforce all rules and regulations promulgated by the Association and relating to the Common Areas and the Properties, which are certified and submitted to the Managing Agent under Article VIII of this

Agreement. The actions to be taken by the Managing Agent in the enforcement of the said rules and regulations shall be specified in and governed by the said rules and regulations.

ARTICLE IV
COLLECTION OF ASSESSMENTS

Section 1. The Board of Directors shall prepare a list of the Owners of Lots which are liable for annual or special assessment under the provisions of the By-Laws and the Declaration of the Association at the execution of this Agreement, and shall supply said list to the Managing Agent not less than thirty (30) days prior to the due date of the assessment thereunder. This list shall show the persons liable for assessment, the amount of the assessment and the due date thereof. The Board of Directors shall, from time to time, make additions to or deletions from this list when new Lots become liable for assessment or when changes in ownership of Lots shall occur.

Section 2. The Managing Agent shall prepare a list of any and all assessments which have not been paid within thirty (30) days from the due date thereof, and shall forward such list to the Board of Directors for action by the Board of Directors. The Managing Agent shall take such steps for the collection of delinquent assessments as the Board of Directors, from time to time, shall direct and authorize it to do.

Section 3. The Managing Agent shall maintain records and accounts showing all assessments made by the Association and of the collection of such assessments made by the Managing Agent.

ARTICLE V
MAINTENANCE OF ACCOUNTS

Section 1. The Managing Agent shall maintain a special account for all receipts or assessments collected for the Association in a bank account separate from the accounts of the Managing Agent.

Section 2. The funds maintained in this account shall be used by the Managing Agent exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvements and maintenance of the Common Areas, as provided in this Agreement.

Section 3. The Managing Agent shall prepare a report, from time to time, as directed by the Board of Directors, but not less frequently than at monthly intervals, which shall show the collections of assessments and the purpose and amount of all payments made by the Managing Agent.

ARTICLE VI
POWERS OF THE MANAGING AGENT

For the purpose of carrying out the duties enumerated in Article III of this Agreement, the Managing Agent shall have the following powers:

Section 1. The Managing Agent's powers with regard to the maintenance and repair of the grounds and all buildings at The Strand shall be limited to the following:

- (a) To hire, discharge and supervise all labor and employees required for the operation and maintenance of the Properties;

provided that all employees shall be deemed to be employees of the Association and not employees of the Managing Agent, and the Managing Agent shall not be responsible for the acts, defaults or negligence of such employees if reasonable care has been exercised in their appointment and retention.

(b) To make contracts for the proper maintenance of lawns, trees, shrubbery and flowers on the Properties.

(c) To make contracts for the maintenance and repair of any recreational equipment or other personal property of the Association which is located on the Properties for the use, benefit and enjoyment of Members of the Association.

(d) To make contracts for the maintenance and repair of any structures or fixtures located on the Properties.

(e) To make contracts for improvements to the Common Areas, from time to time, upon specific authorization by the Board of Directors.

(f) In making any contracts authorized under this Article VI or otherwise under this Agreement, the Managing Agent may not contract for a period which would extend beyond the period of this Agreement, without the prior approval of the Board of Directors.

Section 2. The Managing Agent shall require all contractors or subcontractors working on the Properties to carry public liability insurance and workmen's compensation insurance and to submit certificates therefor to the Board of Directors.

ARTICLE VII
INSURANCE AND INDEMNITY

Section 1. The Board of Directors shall maintain such insurance on the Properties as it deems advisable, and shall transmit to the Managing Agent a report including the insurance obtained or to be obtained on behalf of the Association. The Managing Agent shall maintain records of the insurance so carried and shall make premium payments or notify the Board of premium dates and such other information as the Board shall direct.

Section 2. The Association agrees to save the Managing Agent harmless from all damage suits and costs incurred therefrom in connection with the management of the Properties and from liability from injuries suffered by an employee or other person on the Common Areas.

ARTICLE VIII
ENFORCEMENT OF ASSOCIATION
RULES AND REGULATIONS

Section 1. The Board of Directors shall submit to the Managing Agent a certified copy of all rules and regulations promulgated by the Association with regard to the Properties.

Section 2. The Board of Directors shall submit to the Managing Agent a certified copy of all rules and regulations promulgated by the Board of Directors which pertain to the Properties, and which the Board of Directors shall have determined shall be the responsibility of the Managing Agent to enforce.

ARTICLE IX
VIOLATIONS OF USE RESTRICTIONS

Section 1. The Managing Agent shall be provided with copies of the By-Laws of the Association and of the Declaration, and shall make a written report to the Board of Directors in the event that any violation of the use restrictions in Article VIII of the Declaration shall come to its attention during the performance of its duties as Managing Agent.

ARTICLE X
COMPENSATION OF MANAGING AGENT AND
PERIOD OF AGREEMENT

Section 1. The term of this Agreement shall be for the period from the 1st day of July, 1988, to the 30th day of June, 1989, and shall be automatically renewed thereafter from month to month, provided that either party hereto may terminate this Agreement by thirty (30) days' notification to the other in writing of its intention to terminate the Agreement. The Association will have no right to cancel the Agreement during the first year of operation.

Section 2. The compensation of the Managing Agent for the term of this Agreement shall be \$5,000.00. All expenses incurred by the Managing Agent in performance of its duties under this Agreement shall be paid by the Managing Agent from the funds collected from regular annual assessments and maintained in the accounts established under Article V of this Agreement insofar as such funds are sufficient for that purpose. Any expenditures required in excess of such funds collected from regular annual assessments shall be the responsibility of and shall be paid by the Association through additional assessments as needed.

ARTICLE XI
ADDITIONS TO COMMON AREAS

Section 1. In the event that any property is added to the Properties presently designated in Exhibit "A" hereto, such additional property shall be managed, operated and supervised under the terms of this Agreement by the Managing Agent; provided, however, that the Managing Agent shall not be obligated to manage, operate or supervise such additional property under this Agreement unless and until a supplementary agreement in writing is made between the Association and the Managing Agent providing for additional compensation for the Managing Agent on account of such additional property.

This Agreement entered into by and between the Association and the Managing Agent shall be binding upon them and upon their successors and assigns; provided, however, that the Managing Agent shall not, without the prior written consent of the Association, make an assignment of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under their hands and seals the day and year first above written.

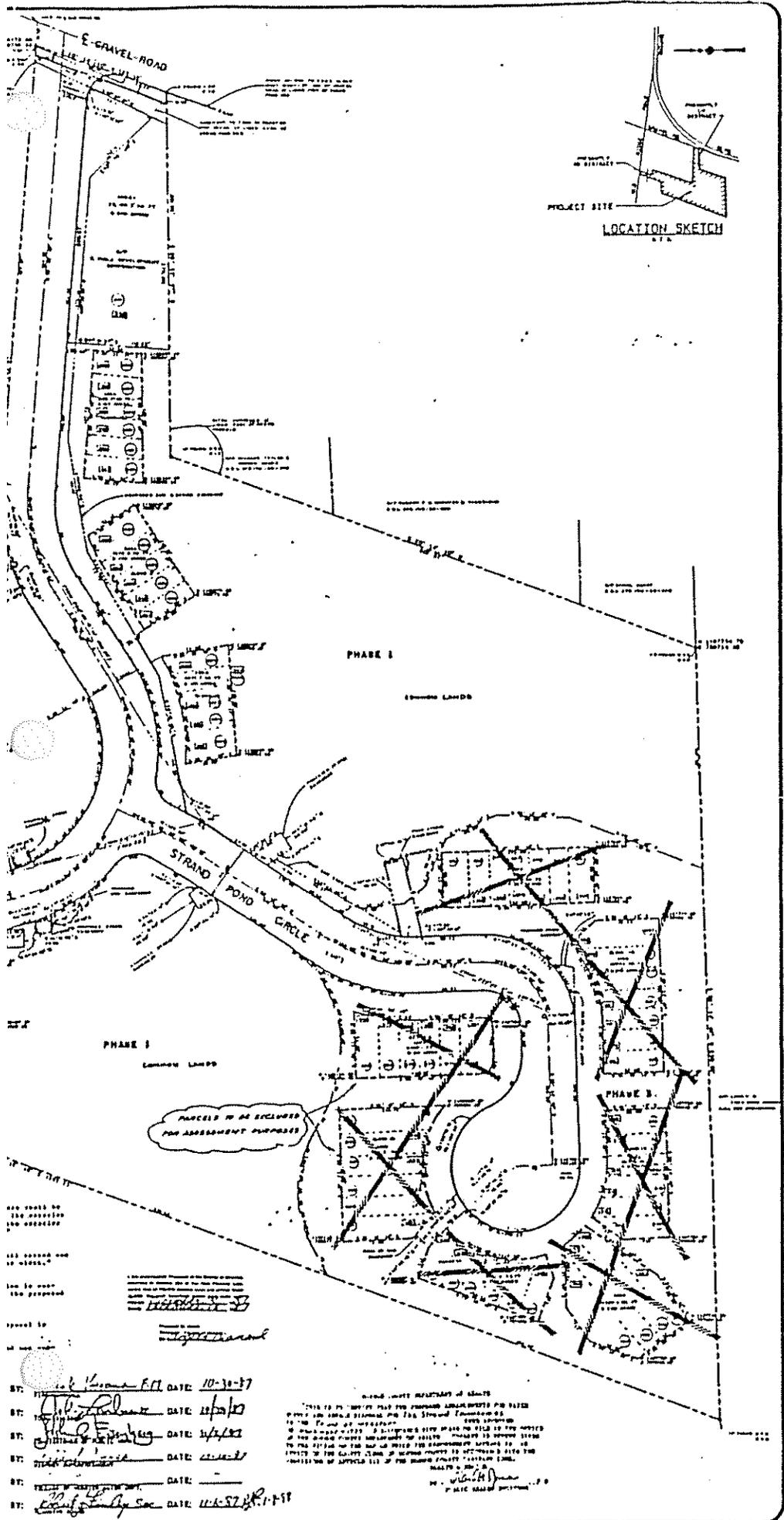
ATTEST: THE STRAND HOMEOWNERS' ASSOCIATION, INC.

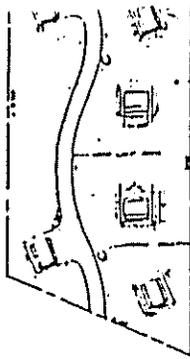
Secretary BY: _____ (SEAL)

ATTEST: D.J.V. MANAGEMENT CORPORATION

Secretary BY: _____ (SEAL)

EXHIBIT E

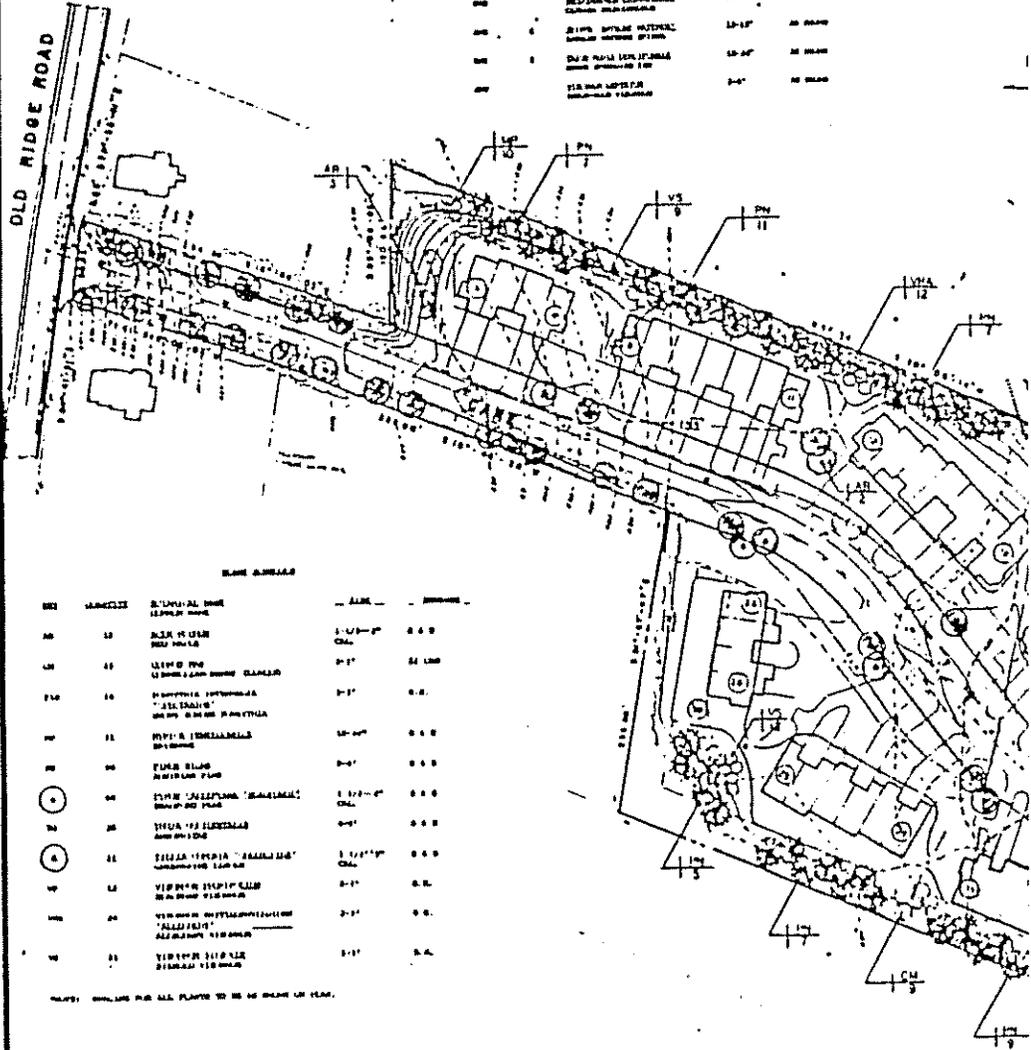




NO.	AMOUNT	PLANT SPECIES	PLANT SIZE	PLANT TYPE
1	10	ALICE WOOD	1-1/2" - 2"	SHRUB
2	10	ALICE WOOD	1-1/2" - 2"	SHRUB
3	10	ALICE WOOD	1-1/2" - 2"	SHRUB
4	10	ALICE WOOD	1-1/2" - 2"	SHRUB
5	10	ALICE WOOD	1-1/2" - 2"	SHRUB
6	10	ALICE WOOD	1-1/2" - 2"	SHRUB
7	10	ALICE WOOD	1-1/2" - 2"	SHRUB
8	10	ALICE WOOD	1-1/2" - 2"	SHRUB
9	10	ALICE WOOD	1-1/2" - 2"	SHRUB
10	10	ALICE WOOD	1-1/2" - 2"	SHRUB
11	10	ALICE WOOD	1-1/2" - 2"	SHRUB
12	10	ALICE WOOD	1-1/2" - 2"	SHRUB
13	10	ALICE WOOD	1-1/2" - 2"	SHRUB
14	10	ALICE WOOD	1-1/2" - 2"	SHRUB
15	10	ALICE WOOD	1-1/2" - 2"	SHRUB
16	10	ALICE WOOD	1-1/2" - 2"	SHRUB
17	10	ALICE WOOD	1-1/2" - 2"	SHRUB
18	10	ALICE WOOD	1-1/2" - 2"	SHRUB
19	10	ALICE WOOD	1-1/2" - 2"	SHRUB
20	10	ALICE WOOD	1-1/2" - 2"	SHRUB

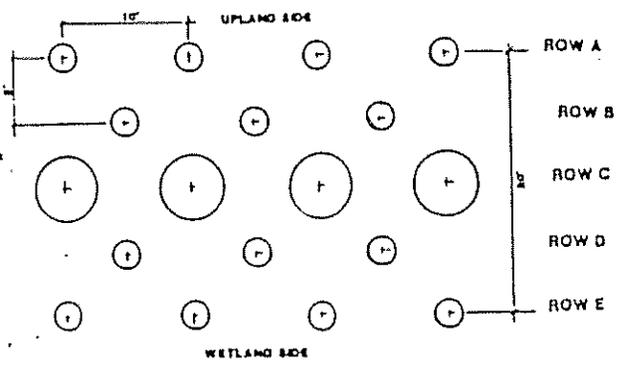
REGULATION AREA PERMIT

OLD RIDGE ROAD



NO.	AMOUNT	PLANT SPECIES	PLANT SIZE	PLANT TYPE
1	10	ALICE WOOD	1-1/2" - 2"	SHRUB
2	10	ALICE WOOD	1-1/2" - 2"	SHRUB
3	10	ALICE WOOD	1-1/2" - 2"	SHRUB
4	10	ALICE WOOD	1-1/2" - 2"	SHRUB
5	10	ALICE WOOD	1-1/2" - 2"	SHRUB
6	10	ALICE WOOD	1-1/2" - 2"	SHRUB
7	10	ALICE WOOD	1-1/2" - 2"	SHRUB
8	10	ALICE WOOD	1-1/2" - 2"	SHRUB
9	10	ALICE WOOD	1-1/2" - 2"	SHRUB
10	10	ALICE WOOD	1-1/2" - 2"	SHRUB
11	10	ALICE WOOD	1-1/2" - 2"	SHRUB
12	10	ALICE WOOD	1-1/2" - 2"	SHRUB
13	10	ALICE WOOD	1-1/2" - 2"	SHRUB
14	10	ALICE WOOD	1-1/2" - 2"	SHRUB
15	10	ALICE WOOD	1-1/2" - 2"	SHRUB
16	10	ALICE WOOD	1-1/2" - 2"	SHRUB
17	10	ALICE WOOD	1-1/2" - 2"	SHRUB
18	10	ALICE WOOD	1-1/2" - 2"	SHRUB
19	10	ALICE WOOD	1-1/2" - 2"	SHRUB
20	10	ALICE WOOD	1-1/2" - 2"	SHRUB

NOTE: INSTALL PER ALL PLANTS TO BE IN PLACE BY YEAR.



WETLAND BUFFER PLANTING

DATE: 10/15/01
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 SCALE: AS SHOWN

Area Map

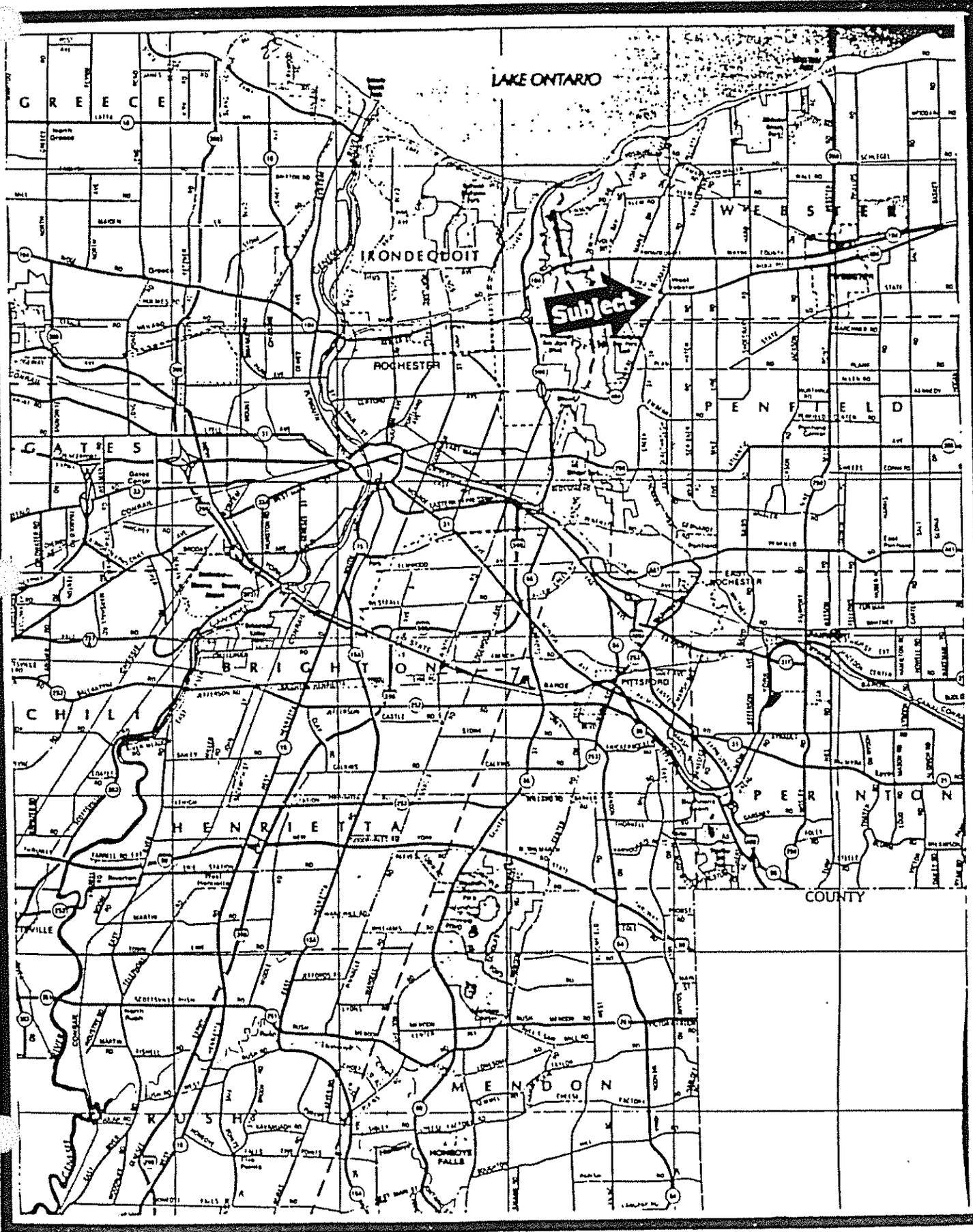


EXHIBIT G

PURCHASE AGREEMENT

Agreement made and dated _____, 19____, between C. VIOLA DEVELOPMENT CORP., a New York Corporation having its principal office at 2950 Clover Street, Pittsford, New York 14534, hereinafter called the "Seller" and _____, residing at _____, hereinafter called the "Purchaser".

WHEREAS, the Seller desires to offer for sale single family residences to be situated on the land owned by it located in the Town of Webster, Monroe County, New York, together with mandatory memberships in The Strand Homeowners' Association, Inc., hereinafter called the "Homeowners' Association", and the Purchaser is desirous of purchasing a single family residence therein and obtaining membership in the Homeowners' Association.

NOW, THEREFORE, in consideration of the mutual promises and undertakings hereinafter set forth, the parties hereto mutually agree as follows:

1. Sale of Home. Seller agrees to sell and convey and Purchaser agrees to purchase that certain parcel of land situate in the Town of Webster, Monroe County, New York, known as Unit No. _____ of Block _____ of The Strand, as shown on a map of the subdivision, filed in the Monroe County Clerk's Office on _____, in Liber _____ of Maps, at page _____, together with a membership in the Homeowners' Association, to be improved by a single family dwelling thereon in accordance with the basic plans and specifications for the model known as _____ on file with Seller at its office which plans and specifications are made a part of this Agreement as if they were set forth in full herein, the "Premises". These plans and specifications are amended only by the changes made on Schedule "A" attached hereto and made a part of this Agreement.

2. Homeowners' Association. Seller has exhibited and delivered to Purchaser and Purchaser has read and agrees to be bound by the proposed Declaration of Covenants, Conditions and Restrictions, and the By-Laws and Offering Plan of the Homeowners' Association (and the Exhibits attached thereto), as the same may from time to time be amended, all of which are incorporated by reference and made a part of this Agreement with the same force and effect as if set forth in full herein. With the purchase of the Premises, Purchaser acknowledges that Purchaser will automatically thereby become a member of the Homeowners' Association, subject to its rules and regulations and liable for its assessments. This Agreement is being executed more than 72 hours after the receipt by Purchaser of a copy of the Offering Plan.

3. Purchase Price. The purchase price for the construction of the residence on the property described above as

per basic plans and specifications including the cost of the optional items, if any, set forth in Schedule "A" is \$_____.

4. Additions to the Price stated in Paragraph 3 above are to be charged as follows: All charges for modifications, extras, or other items in addition to those listed on Schedule "A" attached hereto, shall be mutually agreed to in writing between Purchaser and Seller and shall be paid for in cash upon the signing of such agreement, or at Seller's option, at closing.

5. Payment of the Purchase Price: The Purchase Price in the amount of \$_____, is payable by Purchaser as follows:

Upon Signing this Agreement	\$_____
Upon Purchaser's Receipt of a Mortgage Commitment	_____
Upon _____	_____
Cash or Certified Check at Time of Closing	_____
TOTAL	_____

6. Deposits: Purchaser is advised that to assure the return of Purchaser's payments ("deposits") before delivery of the deed in the event this Agreement is terminated for reasons other than Purchaser's default, Seller will hold Purchaser's deposit in escrow at Manufactures Hanover Trust Company, 183 East Main Street, Rochester, New York 14604, in a special account entitled "The Strand Account", until closing, and released upon the signature of either Thomas P. Moonan, Esq. or Charles E. Littlefield, Esq., attorneys for Seller.

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 Sections 325-h and 352-e(2)(b) of the New York General Business Law.

7. Contingencies (Check appropriate Contingency):

(_____) (a) This Agreement is subject to Purchaser obtaining a mortgage loan secured by a first mortgage on the Premises in the amount of \$_____. Purchaser agrees to immediately apply for such loan and to furnish, delivery and/or execute all other instruments in connection with the application for such loan. If the mortgage application is refused because of the failure to comply with the foregoing, that is a default under this Agreement. If after compliance with the foregoing Purchaser does not obtain a written mortgage commitment from the lender within sixty (60) days from the date of this Agreement, then this Agreement shall become null and void and the deposit shall be refunded to the Purchaser, whereupon the parties hereto shall be released from any further liability hereunder. Any conditions of such mortgage commitment shall be the sole responsibility of Purchaser.

() (b) This Agreement is further contingent upon Purchaser entering into a firm sale agreement with all contingencies removed, for the sale of Purchaser's property located at _____ within ninety (90) days from the date of this Agreement. If such agreement is not entered into, and all contingencies removed therefrom, and Seller is not so notified in writing within the ninety (90) day period then, at Seller's option, this Agreement may be terminated by written notice to Purchaser, and the deposit shall be refunded to Purchaser, whereupon the parties hereto shall be released from any further liability hereunder.

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

If Seller receives an offer from a third party to purchase Unit No. _____, acceptable to the Seller, Seller shall so notify Purchaser in writing and upon receipt of such notice, Purchaser shall, have seventy-two (72) hours, within which to remove the contingency set forth in this paragraph (b) in writing, or this Agreement shall become null and void, whereupon Purchaser shall have no further claim to or interest in said Unit No. _____ and the deposit shall be refunded to Purchaser, whereupon the parties hereto shall be released from any further liability hereunder.

() (c) Purchaser acknowledges that Unit No. _____ is part of a 4/7 unit cluster. Seller will not commence construction of Unit No. _____ until three fourths of all units in the Block are under contract with written mortgage commitments accepted by contract vendees and no other contingencies.

8. Closing Date and Completion of Home. Construction of the residence shall be completed and title transferred on or about the _____ day of _____, 19____, or one hundred twenty (120) days after Purchaser notifies Seller in writing of the removal of all Agreement contingencies, whichever is later.

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

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

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

9. Deed. At the time of closing of title, Seller shall deliver to Purchaser a Warranty Deed, with lien covenant, conveying good and marketable title in fee simple to the Premises, free and clear of all liens and encumbrances, except as herein stated. Purchaser agrees to accept title to the Premises subject to the Declaration of Covenants, Conditions and Restrictions and the By-Laws of the Homeowners' Association, which Seller will record or has recorded in the Monroe County Clerk's Office, both of which are included in the Offering Plan; public utility easements granted or to be granted; covenants and restrictions of record common to the tract or subdivision, provided that the same do not restrict the use and enjoyment of the Premises as a single family residential dwelling; easements and rights of way shown on the subdivision map filed in the Monroe County Clerk's Office; zoning and building codes applicable to the Premises.

10. Title Documents. Seller shall furnish and pay the cost thereof and deliver to the attorneys for Purchaser at least ten (10) days prior to date of closing, fully guaranteed tax, title, United States District Court searches, all dated or redated subsequent hereto. Seller shall pay for the continuation of said tax, title, United States District Court search, to and including the day of transfer. Seller shall also furnish to the attorneys for Purchaser at least ten (10) days prior to date of closing an instrument survey map of the Premises certified to Purchaser, Purchaser's lender and title insurer, if any, dated or redated subsequent hereto, the cost of which Purchaser shall pay at closing.

11. Certificate of Occupancy. At the time of closing, Seller shall deliver to Purchaser a Certificate of Occupancy, issued by the Town of Webster.

12. Marketability of Title. In the event that Purchaser raises written objection to Seller's title which, if valid, would render title unmarketable, Seller shall have the right to cancel this Agreement by giving written notice of such cancellation to Purchaser and the deposit shall be refunded to Purchaser, whereupon the parties hereto shall be released from any further liability hereunder. However, if Seller shall be able to cure the objection prior to the date set for closing or if Seller is able to obtain a commitment for title insurance locally at standard rates, in face amount equal to the purchase price, to insure against the objection raised, Seller shall pay for the cost thereof, and this Agreement shall continue in full force and effect. However, it shall be Purchaser's obligation to pay for the cost of insuring against such objection for Purchaser's mortgage lender, if any.

13. Recording Costs, Mortgage Tax, Transfer Tax, and Other Closing Costs. At the time of closing Purchaser will pay the real property transfer tax and the fee for recording the deed to the Premises. If Purchaser is obtaining a mortgage loan, Purchaser shall also pay at time of closing all costs related to the mortgage, which may include the following, mortgage origination and discount fees of the lender, legal fees of the lender, fees for credit reports, cost of appraisal and inspection fee, premium for mortgage title insurance for lender, governmental or private mortgage insurance initial premiums, if applicable, mortgage tax, fee for recording the mortgage, and any escrow deposits required by lender for future payments of real estate taxes and insurance premiums.

14. Closing Costs. Water charges, pure water charges, sewer charges, and current taxes computed on a fiscal year basis will be pro rated and adjusted between Seller and Purchaser as of the date of closing. Purchaser agrees to pay to the Homeowners' Association at the closing the sum of \$250.00 to be used as initial working capital and in addition thereto the amount of the monthly Homeowners' Association assessment during the month that title closes adjusted between the Purchaser and the Homeowners' Association as of the date of closing. Purchaser will pay the cost for preparing or redating the instrument survey, Purchaser's attorneys fees and for fee title insurance if Purchaser desires such coverage. Purchaser also agrees to reimburse Seller for the cost of the Town of Webster recreation fee paid by Seller in connection with the Premises and for the water meter fee, if any.

15. Subordination of Purchase Agreement 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 heretofore or hereafter made and any advances heretofore or hereafter made thereon, and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, to the full extent thereof without the execution of any further

legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule or payments or accelerated thereunder by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments. Seller shall satisfy all such mortgages or obtain a release of the Unit from the lien of such mortgage at or prior to the closing date.

16. Risk of Loss. Risk of loss or damage to the Premises until transfer of title shall be assumed by Seller. If any substantial damage to the Premises occurs prior to transfer, either Purchaser or Seller shall have the option of cancelling this Agreement by written notice without any further liability to the other, whereupon the deposit shall be refunded to Purchaser, and the parties hereto shall be released from any further liability hereunder.

17. Breach of Purchase Agreement by Purchaser. Should Purchaser violate, repudiate, or fail to perform any of the terms of this Agreement, which default remains uncured for thirty (30) days after written notice of such default from Seller, Seller may, at its option, retain all or any part of the monies paid on account hereunder including any charges for modifications or extras and the price of any custom work ordered, as liquidated damages, in which event the parties shall be discharged of all further liability hereunder. The provisions shall apply whether or not construction has commenced and regardless of any sale of the Premises subsequent to Purchaser's default.

18. Lack of Labor/Materials; Seller's Right to Cancel. The parties hereto do hereby agree that Seller may cancel this Agreement by forwarding its check in the full amount paid by Purchaser, together with a notice in writing, addressed to Purchaser at the address hereinabove set forth in the event of the occurrence of either of the following:

(a) that any governmental bureau, department of subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials from Seller's regular suppliers or from using same in the construction and/or completion of the residence; or

(b) that Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements or national emergencies, or the installation of public utilities is restricted or curtailed.

19. Possession by Purchaser Prior to Closing. It is expressly understood and agreed that Purchaser shall in no event take possession of the Premises prior to the time of the delivery of the deed and full compliance by Purchaser with the terms of

nt, and should Purchaser violate this provision, presents that Seller shall have the right to remove from the Premises by summary proceedings. Purchaser's possession shall be a default under this Agreement. Sing, Purchaser and Purchaser's mortgage lender, if have the right to inspect the Premises, upon reasonable ler.

Seller's Failure to Convey. Seller's liability agreement for failure to complete and/or deliver title reasons other than Seller's willful default, shall be the refund of the deposit returned hereunder, and upon said deposit, this Agreement shall be null and void ties hereto released from any and all liability In any event, Seller shall not be required to bring or proceeding or otherwise incur any unreasonable under the title to the Premises marketable or to cure to title.

Acceptance of Deed - Full Compliance by Seller. the contrary herein contained notwithstanding, it is understood and agreed by the parties hereto that the the delivery of the deed at the time of the closing hereunder shall constitute full compliance by Seller terms of this Agreement and none of the terms hereof, otherwise herein expressly provided, shall survive the acceptance of the deed. All representations contained ing Plan shall survive delivery of the deed.

Waiver of Jury Trial. The parties hereto do that trial by jury in any action, proceeding or arising out of or from this Agreement is hereby

Construction of Residence by Seller. Seller its own cost and expense to erect and complete the ed residence in accordance with the requirements as to d workmanship of the Town of Webster and the mortgage n set forth, and further agrees that when completed, in substantial accordance with the plans and specific- modified by the parties hereto.

Assignability: Notice. The parties agree that ent shall be binding upon their restrictive heirs, administrators, successors and assigns. Purchaser to record or assign this Agreement or any of his under without the written consent of Seller. Any given hereunder shall be in writing and sent by mail es at the address above given or at such address as may hereafter designate to the other in writing.

25. Warranty. 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 closing, or if Purchaser misuses, abuses or otherwise interferes with or changes Seller's original construction or installations. This Warranty is specifically in lieu of any other guaranty or warranty, express or implied, including any warranty of merchantability. This warranty is personal to Purchaser and shall not be extended to any subsequent purchaser or mortgage lender who takes possession of the Premises. Seller will also deliver manufacturers' appliance warranties to Purchaser. Seller does not guaranty the health or continued life of any grass, trees or shrubs on the Premises. The provisions of this paragraph shall survive the closing and delivery and acceptance of the deed.

26. No Broker. The parties agree that no broker brought about this sale and Purchaser agrees to indemnify Seller against any claim brought by anyone for brokerage fees based upon Purchaser's act. The provisions of this paragraph shall survive the closing and delivery and acceptance of the deed.

27. Purchasers-Agents for Each Other. If two or more persons are named as the Purchaser herein, any one of them is hereby made agent for the other in all matters of any and every kind or nature affecting the Premises herein or this Agreement.

28. Entire Agreement. This Agreement states the entire understanding of the parties and the parties hereto shall not be bound by any oral representations and/or agreements.

29. Representations and Warranties. Except for the representations and warranties in the Offering Plan, Declaration of Covenants, Conditions and Restrictions, and the By-Laws of the Homeowners' Association and this Agreement, Seller has made no representations and/or warranties to Purchaser.

30. Joint and Several Liability and Gender. If more than one (1) person joins in the execution of this Agreement as Purchaser, the covenants and agreements hereto shall be joint and several obligations, and if other than the masculine sex, the relative words herein shall read as if written and the plural and/or such other gender accordingly as the case may be.

31. Governing Law. This Agreement and all of its terms and provisions shall be construed in accordance with the laws of the State of New York.

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

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

C. VIOLA DEVELOPMENT CORP.

Witness

By: _____

Witness

Purchaser

Witness

Purchaser

SPONSOR'S CERTIFICATION
RE: THE STRAND SUBDIVISION, WEBSTER, NEW YORK
THE STRAND HOMEOWNERS' ASSOCIATION, INC.

I am the president and sole principal of the sponsor of the homeowners' association offering plan for the captioned property (the "Offering Plan").

I understand that the sponsor, and I as a principal, have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in 13 N.Y.C.R.R. Part 22 and such other laws and regulations as may be applicable.

I have read the entire Offering Plan. I have investigated the facts set forth in the Offering Plan and the underlying facts. I have exercised due diligence to form a basis for this certification. The sponsor, and I as a principal, jointly and severally certify that the Offering Plan for the homeowners' association does, and that documents submitted hereafter by sponsor and I which amend or supplement the Offering Plan for the homeowners' association 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) 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.

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: January 26, 1988

C. VIOLA DEVELOPMENT CORP.

BY: Cosmo Viola Pres.
COSMO VIOLA
President

PRINCIPAL:

Sworn to before me this 26th
day of January, 1988.

Gregory W. Lane
Notary Public

Cosmo Viola
COSMO VIOLA

GREGORY W. LANE
Notary Public in the State of New York
MONROE COUNTY
Commission Expires April 20, 19 89

EXHIBIT I

ENGINEER'S DESCRIPTION AND CERTIFICATION OF COMMON AREAS FOR
THE STRAND TOWNHOUSES

PREPARED FOR:

C. VIOLA DEVELOPMENT
2950 CLOVER STREET
PITTSFORD, NEW YORK 14534

PREPARED BY:

PASSERO ASSOCIATES, P.C.
100 LIBERTY POLE WAY
ROCHESTER, NEW YORK 14604

DECEMBER 1987

P.N. 41800-2

1. LOCATION OF PROPERTY AND GENERAL SITE FEATURES

The Strand Townhouses is a proposed-for-sale townhouse development located in the Town of Webster, Monroe County, New York. The site features areas shown on Passero Associates, P.C., drawing Nos. 4810.02-101 through 4180.02-112. The total project area is 24.15 acres, containing 106 attached townhouse units and an exception parcel to be retained by C. Viola Development Corp. The exception parcel is adjacent to Gravel Road and is separated from the townhouses. The exception parcel consists of 0.65 acres. Access to the site will be from Gravel Road, County Route 14, and Old Ridge Road, County Route 7. The attached townhouse units' layout is served by a dedicated road network with access to the units via driveways off the dedicated roads. Site topography is gently sloping in a direction from the two access roads to a low area located within the project, as marked by the existing NYSDEC wetland limits. The site is located within the Shipbuilders Creek Drainage System. Existing site conditions would be considered undeveloped open meadow areas. Approximately 45% of the total site area is currently designated as New York State Department of Environmental Conservation classified wetland. Upon completion of this project, areas designated as wetlands will encompass approximately 25% of the total site area. The NYSDEC has granted an Article 24 permit to allow construction within the existing designated Wetland WT-8.

2. DESCRIPTION OF COMMON AREA LANDS

All common areas will be owned and maintained by the homeowners association. The common area, totaling approximately 14.0 acres, will be determined according to the following: Initially upon filing the subdivision plan, the common area will be comprised of all the Strand Townhouses property lands not included in a block lot or rights-of-way as shown on said subdivision plan, Passero Associates, P.C., Drawing No. 4180.02-112. Blocks shown on the referenced drawing represent proposed building locations and the number of lots (units encompassed by said block). Upon construction of each unit, the actual building's exterior walls will be located by an Instrument Survey. A resubdivision

map will then be prepared defining lots for sale according to the actual building wall locations. Block and lot ownership will be retained by the developer (sponsor) until the resubdivision map has been filed, after which the lots will be available for sale to individual homeowners. With the filing of the resubdivision map, additional lands will be transferred from the developer to the homeowners association. Lands located between the exterior walls as built and shown on the resubdivision plan and the original block line will be transferred from the developer to the homeowners association when the resubdivision map is filed. Upon completion of all resubdivision plans and the subsequent sale of all lots to individual homeowners, the homeowners association will own all lands not included within the building and garage area proper and rights-of-way.

3. DESCRIPTION OF COMMON AREA FEATURES

3.1 Pavements and Drainage

The homeowners association will own and maintain the individual unit driveways. The individual unit driveways will be constructed on a stone or gravel base and paved. The pavement section to be constructed will be as shown on the approved plans. A minimum driveway section will be a 1" pavement top constructed on a 4" thick gravel or stone base. Pavement drainage will be conveyed to the proposed dedicated roads and to storm sewer inlets connecting with the proposed storm sewer network. Each unit shall have roof runoff leaders and via sump pumps discharge to individual 6" storm sewer laterals.

3.2 Soil Conditions

According to the 1973 Monroe County Soil Survey, Appendix N, soils in the area being developed are primarily Madalin silty clay loam.

Two test pits were conducted in March 1984. The tests confirmed the presence of a perched water table and showed evidence of a seasonably high groundwater table. The test pits were made adjacent to an area of the wetland.

Depth to bedrock was greater than 10 feet. The soil strata was found to be 0 to 3 feet Madalin silty clay loam and 3 to 10 feet a sandy clay material. Soil conditions, adequately drained, are suitable to support the proposed buildings.

3.3 Utilities

All utilities have been approved by the appropriate District, Town, or Authority having jurisdiction, and are to be constructed according to the applicable specifications.

3.3.1 Gas Service

Gas service will be provided by Rochester Gas & Electric Corporation. Gas utilities will be maintained on easement by RG&E and installed via underground conduits.

3.3.2 Electric Service

Electric service will be provided by the Rochester Gas and Electric Corporation. Electric conduits will be maintained on easement by RGE and installed via underground conduits.

3.3.3 Telephone Service

Telephone service will be provided by the Rochester Telephone Corporation. Telephone service will be maintained by on easement RTC and installed via underground conduit.

3.3.4 Water Mains

Water mains and appurtenances are to be constructed in accordance with the Village of Webster Water Department standards and specifications. Water will be supplied from an existing 8" main on Gravel Road and a 12" main on Old Ridge Road. The proposed system will be an 8" looped water main system. All water mains and appurtenances located within the dedicated right-of-way and/or easement lines are to be owned and maintained by the Town of Webster. All water bills will be paid by individual homeowners. This project is currently located within The Empire Boulevard Water District.

3.3.5 Sanitary Sewers

Sewage disposal will be conveyed by providing an 8" sanitary sewer in front of each group of buildings. Each townhouse will be connected to the main sewer by means of 4" sanitary lateral. The sanitary sewage network will be gravity flow and tapped to the existing 8" ACP sanitary sewer that runs along the west side of Gravel Road. The receiving sewage treatment plant, located at 226 Phillips Road, is presently adequate to handle the additional flows generated from this project. All sanitary sewers and appurtenances located within the dedicated right-of-way and/or easement lines are to be owned and maintained by the Town of Webster.

This project is currently located within The Webster Town-wide Sanitary Sewer District.

3.3.6 Storm Sewers

Storm runoff will be conveyed by a storm sewer network. The storm sewer network will include receiving basins and storm

sewer main lines and appurtenances. Each townhouse unit will be connected to the storm sewer main with a 6" storm lateral. The storm sewer network will be gravity flow and tapped to the existing 18" RCP storm sewer located on the west side of gravel road. All storm sewer mains and appurtenances located within the dedicated right-of-way and/or easement lines are to be owned and maintained by the Town of Webster.

This project is currently located within The Strand Drainage District.

3.3.7 Utility Laterals

Water, storm, and sanitary laterals are to be provided to each unit. Laterals contained within the sanitary, storm or water easements or dedicated right-of-way will be maintained by the applicable agency. Laterals outside of the easement area or dedicated right-of-way will be owned and maintained by the homeowners association. Each unit will be provided with a 3/4" Type K copper water service, a 4" PVC SDR-21 sanitary lateral and a 6" PVC SDR-35 storm sewer lateral.

3.4 Ponds and Designated Wetland

The open space area includes three (3) ponds designated as Strand Pond No. 1, Strand Pond No. 2 and Strand Pond No. 3. These ponds are a portion of the N.Y.D.E.C. designated Wetland-WT-8. The ponds will retain storm water and act as a wetland habitat. The ponds will function as a storm water retention facility and assist the storm drainage system for this project. The homeowners association will own and maintain the pond areas.

A total of 6.5± acres of the open space is designated as N.Y.D.E.C. Wetland WT-8. This acreage is planned to be developed as a Class I wetland. There will be four distinct classifications of wetland

environment. These environments will consist of open water (ponds), cattail, upland meadow and planted wetland buffer. The wetlands will be owned and maintained by the homeowners association, in accordance with the terms set forth in the article 24 permit. This permit was granted by N.Y.D.E.C. to allow elimination of 4.5± acres of wetland for use as development land.

3.5 Landscaping

Landscaping is proposed under five categories: street tree plantings; buffer plantings adjacent to external property lines, buffer plantings adjacent to designated N.Y.D.E.C. Wetland-WT-8; individual unit foundation plantings, and cattail wetland plantings.

Plant materials were selected within the various categories based on the ultimate environment of the growing conditions, degree of maintenance required and hardiness of the plant material. All planted categories, except the cattail areas, will be mulched in accordance with standard horticultural practices.

All areas of open space, which are not landscaped or located within the designated N.Y.D.E.C. Wetland WT-8, will be lawn areas. These areas will be maintained in a healthy, vigorous condition in accordance with standard horticultural practices.

The homeowners association will own and maintain all landscaped and lawn areas.

3.6 Recreation Area

The open space areas include two areas designated as Recreation Area No. 1 and Recreation Area No. 2. These areas will serve as passive recreation areas.

A portion of Recreation Area No. 1 will be developed as a picnic area with six (6) tables, two trash receptacles, a wood chip path and wood chip pad under each table.

The remainder of Recreation Area No. 1 and Recreation Area No. 2 will remain as an open meadow wetland environment, in accordance with the N.Y.D.E.C. article 24 permit.

The homeowners association will own and maintain both recreation areas and be responsible for the associated refuse collection within Recreation Area No. 1.

3.7 Collection and Refuse Disposal - Individual Units

Individual unit refuse collection and disposal will be by private contractor. Each homeowner will be responsible for refuse collection agreements and fees.

The sponsor of the captioned offering plan for a homeowners association retained our firm (Passero Associates, P.C., of Rochester, New York) to prepare a report describing the property when constructed (the "Report"). We examined the site plans that were prepared by Passero Associates, P.C., dated April 1987 and prepared the report entitled "Engineer's Description of Common Areas for the Strand Townhouses" 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 Part 22 in so far 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:

- A. 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.
- B. In our opinion, this report will 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.
- C. Not omit any material fact.
- D. Not contain any untrue statements of a material fact.
- E. Not contain any fraud, deception, concealment, or suppression.

- F. Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances.
- G. 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 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.

By: *Gary Passero*
 Gary W. Passero, P.E. No. 047268

Date: *1/22/88*

Sworn to before me this 22 day of
 January 1988.

Dawn M. Passero
 Notary Public

DAWN M. PASSERO
 Notary Public, State of New York
 Qualified in Wayne County
 Commission Expires August 18, 1988

THE CABOT GROUP

January 28, 1988

New York State Department of Law
Two World Trade Center
New York, NY 10047

RE: The Strand Homeowners' Association, Inc.
Webster, New York

Gentlemen:

The sponsor of the homeowners association offering plan for the captioned property retained our firm to review Schedule A containing projections of income and expenses for the first year of homeowner association operation. Our experience in this field includes 17 years in the management of over 2,000 condominiums, 5,000 rental apartments, 500,000 square feet of commercial space in the Western New York area.

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 it is applicable to Schedule A.

I have reviewed Schedule A 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.

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 first year of operation as a homeowners association.

I certify that the Schedule does:

- (1) set forth in detail the terms of the transaction as it relates to the Schedule and is complete, current and accurate;
- (2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (3) not omit any material fact;
- (4) not contain any untrue statement of a material fact;

(5) not contain any fraud, deception, concealment or suppression;

(6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(7) 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 I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Certification is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. I understand that a copy of this Certification is intended to be incorporated into the offering plan so that prospective purchasers may rely on it.

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.

Very truly yours,

L. R. Brattain

Lawrence R. Brattain
Vice President

LRB/mmj

Sworn to before me this
28 day of January, 1988

Eva M. Dolphin

Notary Public

EVA M. DOLPHIN
Notary Public, State of New York
Qualified in Monroe County
Commission Expires March 30, 1989

- Jan 28

EXHIBIT K

NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

95-206 (9/85)

DEC PERMIT NUMBER 80-85-1014
FACILITY/PROGRAM NUMBER(s)



PERMIT
Under the Environmental Conservation Law

EFFECTIVE DATE See "Special Note"
EXPIRATION DATE(s) 10/31/88

- | | | |
|---|---|--|
| <input type="checkbox"/> Article 15, Title 5:
Protection of Water _____ | <input type="checkbox"/> Article 17, Titles 7, 8: SPDES _____ | <input type="checkbox"/> Article 27, Title 7:
Solid Waste Management _____ |
| <input type="checkbox"/> Article 15, Title 15:
Water Supply _____ | <input type="checkbox"/> Article 19:
Air Pollution Control _____ | <input type="checkbox"/> Article 27, Title 9:
Hazardous
Waste Management _____ |
| <input type="checkbox"/> Article 15, Title 15:
Water Transport _____ | <input type="checkbox"/> Article 23, Title 27:
Mined Land
Reclamation _____ | <input type="checkbox"/> Article 34:
Coastal
Erosion Management _____ |
| <input type="checkbox"/> Article 15, Title 15:
Long Island Wells _____ | <input checked="" type="checkbox"/> Article 24:
Freshwater Wetlands _____ | <input type="checkbox"/> Article 36:
Floodplain Management _____ |
| <input type="checkbox"/> Article 15, Title 27:
Wild, Scenic
and Recreational Rivers _____ | <input type="checkbox"/> Article 25:
Tidal Wetlands _____ | <input type="checkbox"/> Articles 1, 3, 37; 6NYCRR 380:
Radiation Control _____ |
| <input type="checkbox"/> 6NYCRR 608:
Water Quality Certification _____ | N—New, R—Renewal, M—Modification
C—Construction, O—Operation, (If Applicable) | |

PERMIT ISSUED TO C. Viola Development or designated Contractor	
ADDRESS OF PERMITEE 2950 Clover Street, Pittsford, NY 14534	
AGENT FOR PERMITEE/CONTACT PERSON	TELEPHONE NUMBER
NAME AND ADDRESS OF FACILITY (If different from Permittee)	
LOCATION OF PROJECT Wetland WT-8	COUNTY Monroe
TOWN/CITY/VILLAGE Webster	UTM COORDINATES
DESCRIPTION OF PROJECT/FACILITY Construction of subdivision as shown on plans submitted with application (Plans #4180.02, Drawings 101-111). Permittee must submit final approved plans prior to start of construction.	

GENERAL CONDITIONS

By acceptance of this permit, the permittee agrees that the permit is contingent upon strict compliance with the ECL, all applicable regulations and the conditions specified herein or attached hereto.

- The permittee shall file in the office of the appropriate regional permit administrator, or other office designated in the special conditions, a notice of intention to commence work at least 48 hours in advance of the time of commencement and shall also notify him/her promptly in writing of the completion of the work.
- The permitted work shall be subject to inspection by an authorized representative of the Department of Environmental Conservation which may order the work suspended if the public interest so requires.
- The permittee has accepted expressly, by the execution of the application, the full legal responsibility for all damages, direct or indirect, of whatever nature, and by whomsoever suffered, arising out of the project described herein and has agreed to indemnify and save harmless the State from suits, actions, damages and costs of every name and description resulting from the said project.
- The Department reserves the right to modify, suspend or revoke this permit at any time after due notice, and, if requested, hold a hearing when:
 - the scope of the project is exceeded or a violation of any condition of the permit or provisions of the ECL and pertinent regulations are found; or
 - the permit was obtained by misrepresentation or failure to disclose relevant facts; or
 - newly discovered information or significant physical changes are discovered since the permit was issued.
- The permittee is responsible for keeping the permit active by submitting a renewal application, including any forms, fees or supplemental information which may be required by the Department, no later than 30 days (180 days for SPDES or Solid or Hazardous Waste Management permits) prior to the expiration date.
- This permit shall not be construed as conveying to the applicant any right to trespass upon the lands or interfere with the riparian rights of others in order to perform the permitted work or as authorizing the impairment of any rights, title or interest in real or personal property held or vested in a person not a party to the permit.
- The permittee is responsible for obtaining any other permits, approvals, lands, easements and rights-of way which may be required for this project.
- The issuance of this permit by the Department does not, unless expressly provided for, modify, supersede or rescind an order on consent or determination by the Commissioner issued heretofore by the Department or any of the terms, conditions, or requirements contained in such order or determination.
- Any modification of this permit granted by the Department must be in writing and attached hereto.

PERMIT ISSUANCE DATE Sept 16, 1987	PERMIT ADMINISTRATOR M. K. Scott	ADDRESS 6274 EAST AUBURN ROAD AVON, NEW YORK 14014
AUTHORIZED SIGNATURE X	M. K. Scott	Page 1 of 5

At if future operations by the State of New York require an alteration in the position of the structure or work herein authorized, or if, in the opinion of the Department of Environmental Conservation shall cause unreasonable obstruction to the free navigation of said waters or flood flows or endanger the health, safety or welfare of the people of the State, or cause loss or destruction of the natural resources of the State, the owner may be ordered by the Department to remove or alter the structural work, obstructions, or hazards caused hereby without expense to the State, and if, upon the expiration or revocation of this permit, the structure, fill, excavation, or other modification of the watercourse hereby authorized shall not be completed, the owners, shall, without expense to the State, and to such extent and in such time and manner as the Department of Environmental Conservation may require, remove all or any portion of the uncompleted structure or fill and restore to its former condition the navigable and flood capacity of the watercourse. No claim shall be made against the State of New York on account of any such removal or alteration. That the State of New York shall in no case be liable for any damage or injury to the structure or work herein authorized which may be caused by or result from future operations undertaken by the State for the preservation or improvement of navigation, or for other purposes, and no claim or right to compensation shall accrue from any such damage. That if the display of lights and signals on any work hereby authorized not otherwise provided for by law, such lights and signals as may be prescribed by the United States Coast Guard shall be installed and maintained. That necessary precautions shall be taken to preclude contamination of any wetland or waterway by suspended solids, sediments, fuels, solvents, lubricants, epoxy coatings, paints, concrete, leachate or any other environmentally deleterious materials associated with the project.

- 14 Any material dredged in the prosecution of the work herein permitted shall be removed evenly, without leaving large refuse piles, ridges across the bed of a waterway or floodplain or deep holes that may have a tendency to cause damage to navigable channels or to the banks of a waterway.
- 15 If any material is to be deposited or dumped under this permit, either in the waterway or on shore above high-water mark, it shall be deposited or dumped at the locality shown on the drawing hereto attached, and, if so prescribed thereon, within or behind a good and substantial bulkhead or bulkheads, such as will prevent escape of the material into the waterway
- 16 There shall be no unreasonable interference with navigation by the work herein authorized.
- 17 If granted under Articles 24 or 25, and if upon the expiration or revocation of this permit, modification of the wetland hereby authorized has not been completed, the applicant shall, without expense to the State, and to such extent and in such time and manner as the Department of Environmental Conservation may require, remove all or any portion of the uncompleted structure or fill and restore the site to its former condition. No claim shall be made against the State of New York on account of any such removal or alteration
- 18 If granted under Article 36, this permit does not signify in any way that the project will be free from flooding
- 19 All activities authorized by this permit must be in strict conformance with the approved plans submitted by the applicant or his agent as part of the permit application

Such approved plans were prepared by _____ on _____

SPECIAL CONDITIONS

- 0. Enclosed is a permit poster which must be displayed at a conspicuous location on the work site and adequately protected from the weather.
- 1. The NOTICE OF INTENT TO COMMENCE WORK that has been provided with this permit must be completed and returned to the Department at least 48 hours before work on the project is begun.

See Page 3 for additional SPECIAL CONDITIONS

FILE NUMBER 80-85-1014	
APPLICABILITY NUMBER	Page <u>2</u> of <u>5</u>

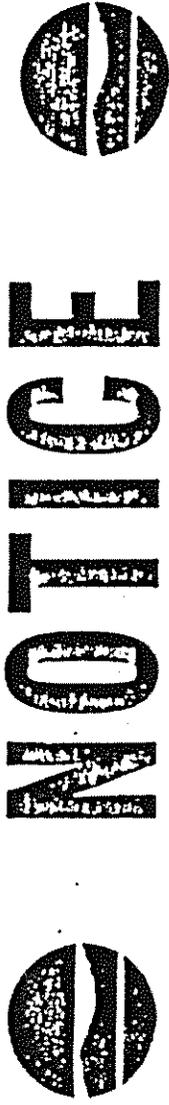
- 22. Special Note: This permit is not effective until the Regional/ Permit Administrator receives the "final plans" and a pre- / construction meeting has been held with the DEC.
- 23. On-site preconstruction meeting shall be held with DEC, permit- tee, and contractor.
- 24. Permittee shall submit a final set of plans which have been approved by the town prior to the preconstruction meeting, all work must conform to final plans and permit conditions.
- 25. The permittee shall employ an environmental inspector to insure compliance with all the provisions of the permit; monthly reports shall be submitted to the Regional Permit Administrator.
- 26. The development of the mitigation features must be completed within one year of beginning construction (as indicated by the "Notice of Intent to Commence Work"). This will include final grading, seeding, and planting (as shown on landscape, mitiga- tion, and lighting plan #4180.02(106)).

This work must be complete prior to construction on phase 2 or phase 3.
- 27. Straw bale berm should be maintained over life of construction and revegetation phase (as shown on erosion control plan #4180.02(107)).
- 28. All exposed soils on the project area shall be temporarily seeded (annual rye) within 30 days of disturbance and every 30 days thereafter if additionally disturbed.
- 29. Any substantial deviation from the approved construction plans must be approved by the Department prior to implementation. Minor deviations from the approved plans should be indicated in the "as-built" drawings.
- 30. If archeological artifacts of any kind are discovered, then all work must cease and immediate contact made with the DEC Permit Administrator.
- 31. All plantings must be successful. If plantings die, they must be replaced. All nursery stock used must be healthy and in good vigor.

cc: Regulatory Affairs
 Law Enforcement
 Monore County EMC
 Webster Planning Board
 Webster Zoning Board

PERMIT NUMBER 80-85-1014	PROJECT/FACILITY NUMBER	Page <u>3</u> of <u>5</u>
-----------------------------	-------------------------	---------------------------

New York State
Department of Environmental Conservation



The Department of Environmental Conservation (DEC) has issued permit(s) pursuant to the Environmental Conservation Law for work being conducted on this site. For further information regarding the nature and extent of work approved and any Departmental conditions on it, contact the Regional Permit Administrator listed below. Please refer to the permit number shown when contacting the DEC.

Deputy Regional Permit Administrator

Permit No. _____ 80-85-1014

Expiration Date _____ OCTOBER 31, 1988

95-20-1 (11/82)

NOTE: This notice is not a permit

SCHEDULE A

RULES AND REGULATIONS

In addition to the other provisions of these By-Laws, the following rules and regulations, together with such additional rules and regulations as may hereafter be adopted by the Board of Directors, shall govern the use of the units and the conduct of all residents thereof.

1. The sidewalks, entrances, and driveways must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises.

2. No sign, advertisements, notice, or other lettering including political endorsements or signs shall be exhibited, inscribed, painted, or affixed by any Unit Owner on any part of the outside or windows of the unit or buildings without prior written consent of the Board of Directors.

3. No awnings or other projections shall be attached to the outside walls of the buildings without prior written consent of the Board of Directors.

4. No baby carriages, velocipedes, bicycles or shall be allowed to stand on the sidewalks, entrances, driveways, or other common areas. No automobiles or trucks shall be parked on the driveways except in marked parking spaces or temporarily when making deliveries to units immediately adjacent thereto.

5. No Unit Owner shall allow anything whatever to fall from the windows or doors of the premises, nor sweep or throw from the premises any dirt or other substances into any of the common areas or upon the grounds.

6. No garbage cans, equipment, supplies of any kind including firewood, milk bottles, or other articles shall be placed on the common elements, nor shall anything be hung from the windows, or placed on the window sills, or so hung or placed in such manner that they are visible. Neither shall any linens, cloths, clothing, curtains, rugs or mops be shaken or hung from any windows or doors or clothes lines.

7. No Owner shall make or permit any disturbing noises in the unit by himself, his family, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts, or conveniences of other Owners. No Owner shall play upon, or permit to be played upon, any musical instrument or operate or permit to be operated a tape recorder, phonograph, hi-fi set, stereo, FM set, radio, or

other type of equipment for producing sound in the Unit between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if the same shall disturb or annoy any occupants of other buildings. No Owner shall conduct or permit to be conducted, vocal or instrumental practice, nor give nor permit to be given vocal or instrumental instruction at any time if the same shall disturb or annoy any occupants of other buildings. Owners of Units shall not use or permit the use of the premises in any manner which would be disturbing or a nuisance to other said owners, or in such a way as to be injurious to the reputation of the association.

8. No installation of a radio or television antenna or other antenna shall be made without the written consent of the Board of Directors. Any antenna erected on the roof or exterior walls of the building without consent of the Board of Directors, in writing, is liable to removal without notice.

9. No Owner shall keep or maintain any animals or birds except a single animal or bird commonly known as a household pet, unless prior written consent is obtained from the Board of Directors.

10. No Owner shall allow any pet to run free on the common areas. Pets on the common areas shall be on leash and accompanied by an adult. Owners shall be responsible for picking up after pets.

11. No garbage, trash, or cuttings shall be placed, stored or collected in any area other than that designated for such purpose and shall not be allowed to accumulate.

12. No change of exterior line, color or grade without written permission of the Board of Directors is permitted.

13. No boats, trailers, housecars, motorcycles, bicycles, or motor vehicles of any kind shall be parked on the premises except in the Unit garages, except that automobiles of visitors may be parked in the area so designated.

14. All Units shall be used for single family residence purposes only.

15. Garage doors shall be kept closed unless entry or exit is being made from the garage.

16. No change in landscaping without the written permission of the Board of Directors is permitted.

17. No change in the style, size, color, lettering, or location of the mailbox or mail receptacle without the written permission of the Board of Directors is permitted.

18. Except in the individual patio, atrium, deck and porch areas adjacent to a Unit, no permanent planting or gardening shall be done, and such planting as is done within the said restricted common areas shall be kept trimmed at Owner's expense so as not to encroach on neighboring property. The Association has no responsibility for maintenance of planting or gardening installed by individual Unit Owners as provided in these rules and regulations.

19. No fences, hedges or walls shall be erected or maintained upon the properties except those erected at the time of the original construction of the buildings located thereon.



REC'D MAR 3 1989

STATE OF NEW YORK
DEPARTMENT OF LAW
120 BROADWAY
NEW YORK, NY 10271

ROBERT ABRAMS
Attorney General

FREDERICK K. MEHLMAN
Assistant Attorney General in Charge
Real Estate Financing Bureau

(212) 341-2148

C Viola Development Corp.
c/o Harris, Beach & Wilcox
Attn: Gregory Lane
130 East Main Street
Rochester, NY 14604

RE: The Strand

File Number: H880014

Date Amendment Filed: 03/13/89

Receipt Number: 686613449

Amendment No: 1

Filing Fee: \$ 75.00

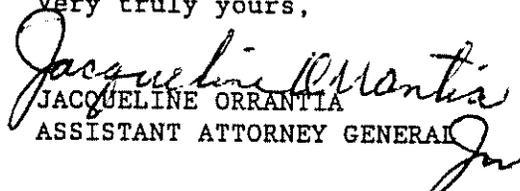
Dear Sponsor:

The referenced amendment to the offering plan for the subject premises is hereby accepted and filed. This filing is effective for the greater of six months from the date of filing this amendment or twelve months from the acceptance of the original offering literature. However, any material change of fact or circumstance affecting the property or offering requires an immediate amendment.

Any misstatement or concealment of material fact in the material submitted as part of this amendment renders this filing void ab initio. This office has relied on the truth of the certifications of sponsor, sponsor's principals, and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

Filing this amendment shall not be construed as approval of the contents or terms thereof by the Attorney General of the State of New York, or any waiver of or limitation on the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable law. The issuance of this letter is conditioned upon the collection of all fees imposed by law. This letter is your receipt for the filing fee.

Very truly yours,


JACQUELINE ORRANTIA
ASSISTANT ATTORNEY GENERAL

No financial statement is being submitted. The Homeowners' Association has been in operation for less than one year.

The Sponsor is amending the Purchase Contract in the Offering Plan by inserting a new Paragraph 25. That new paragraph will read as follows:

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

A copy of the new Contract is attached hereto.

As of the date of this Amendment, there are no further changes known to the Sponsor in or to the documentation provided in the Offering Plan and there are no material changes or facts or circumstances affecting the property or the offering except as stated herein.

Dated: February 9, 1989

C. VIOLA DEVELOPMENT CORP.

By: Cosmo Viola
Cosmo Viola, President

AMENDMENT NO. 1

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

TOWN OF WEBSTER

MONROE COUNTY, NEW YORK

This Amendment is being made for the purpose of extending the term of the Offering Plan for an additional six months and to amend certain portions of the Plan.

One of the lots in The Strand Subdivision, Phase I, has been conveyed. Sixty-three lots remain to be sold. Prior to the conveyance of the first lot, the Declaration was recorded in the Monroe County Clerk's Office in Liber 7521 of Deeds, page 293, and the common areas were conveyed by the Sponsor to the Homeowners' Association.

The current Directors of The Strand Homeowners' Association, Inc. are:

Cosmo Viola
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Maria Viola
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Daniel J. Viola
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

No new budget is being submitted. The Sponsor does not foresee any changes in the budget at this time.

AMENDMENT FILING FORM
(Cooperatives, Condominiums, H.O.A.'s, Timeshares, etc.)

Re: THE STRAND HOMEOWNERS' ASSOCIATION, INC.
(Address of Premises &/or Name of Project)

File No: H 88-0014 Filing Date: March 5, 1988
Sponsor: C. Viola Development Corp.
c/o Attorney's Name: Gregory W. Lane, Esq.
Law Firm: Harris Beach & Wilcox
Address: The Granite Building, 130 East Main St., Rochester, NY 14604

Check whichever are applicable:

- | | | |
|--|---|--|
| <input type="checkbox"/> Cooperative | <input type="checkbox"/> Loft | <input type="checkbox"/> Conversion |
| <input type="checkbox"/> Condominium | <input type="checkbox"/> Commercial | <input type="checkbox"/> Eviction |
| <input checked="" type="checkbox"/> H.O.A. | <input type="checkbox"/> Timeshare | <input type="checkbox"/> Non-Eviction, since Filing Date |
| | <input checked="" type="checkbox"/> New Const/Rehab | <input type="checkbox"/> Non-Eviction, since Am. No. _____ |
| | <input type="checkbox"/> Vacant | <input type="checkbox"/> Non-Eviction, by <u>this</u> Am. |

The primary purposes of this amendment are as follows:

1. Extend the term of the Offering.
2. Substitute new form of Purchase and Sale Agreement for individual units.

I (We) hereby certify under penalty of perjury that the offering plan for the subject premises as amended by the proposed amendment complies with Article 23-A of the General Business Law and the applicable regulations promulgated by the Department of Law.

DATED: February 9, 1989 SPONSOR C. Viola Development Corp.
Rochester, NEW YORK by: Cosmo Viola Pres
PRINT NAME & TITLE: Cosmo Viola, President

OTHER SIGNATORIES: Cosmo Viola Pres
IN CAPACITY OF
 principal(s) of sponsor
 Holder(s) of Unsold Shares
or Unsold Units

SWORN TO BEFORE ME
THIS 9th DAY OF February, 1989.
Gregory W. Lane
Notary Public

GREGORY W. LANE
Notary Public in the State of New York
MONROE COUNTY
Commission Expires April 20, 1989

SCHEDULE A

PROJECTED SCHEDULE OF RECEIPTS
AND EXPENSES FOR FIRST YEAR OF
OPERATION COMMENCING JANUARY 1, 1990
(Assumes 64 units completed)

Projected Income

Maintenance Charges (\$810.00 per home per year payable monthly at \$67.50 per month based on 64 homes.)	\$51,840
Estimated receipts from other sources	- 0 -

TOTAL

\$51,840

Projected Expenses

1. Utilities (electricity for common property)	\$ 1,100
2. Water	- 0 -
3. Management	5,000
4. Repairs and Maintenance	2,480
5. Supplies, Stationery, Postage	200
6. Snow Removal (no handwork)	6,400
7. Refuse Removal	4,940
8. Insurance	11,000
9. Accounting (audit fee)	1,250
10. Legal	500
11. Taxes	
Real Estate Taxes	650
Franchise Tax	260
Federal Income Tax	440
12. Landscape Maintenance	9,600

13. Reserves for Capital Improvements	7,220	
14. Contingency Reserve	1,000	
	TOTAL	51,840

For detailed discussion of each item see Footnotes to Schedule A.

SCHEDULE B

THE STRAND HOMEOWNERS' ASSOCIATION, INC.
2950 Clover Street
Pittsford, New York 14534

INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 1989

(UNAUDITED AND WITHOUT OPINION)

BEGINNING CASH, January 1, 1989		\$ -0-
GROSS REVENUE:	\$11,716.09	
Less: Allowable Refund	(250.00)	
Total Revenue	<u>11,466.09</u>	
OPERATING EXPENSES:		
Insurance	\$ 2,374.25	
Professional Fees	200.00	
Lawn Care	1,975.30	
Snow Removal	300.00	
Refuse Removal	280.61	
Utilities	184.57	
Management Fees	445.63	
Bank Charges	54.55	
New York State Franchise Tax	250.00	
Total Operating Expenses	<u>6,064.91</u>	
NET REVENUE		<u>5,401.18</u>
ENDING CASH, December 31, 1989		<u>\$5,401.18</u>



NOV 03 1990 GWE

STATE OF NEW YORK
DEPARTMENT OF LAW

120 BROADWAY
NEW YORK, NY 10271

(212) 341-2148

ROBERT ABRAMS
Attorney General

FREDERICK K. MEHLMAN
Assistant Attorney General in Charge
Real Estate Financing Bureau

C Viola Development Corp.
c/o Harris, Beach & Wilcox
Attn: Gregory Lane
130 East Main Street
Rochester, NY 14604

RE: The Strand

File Number: H880014

Date Amendment Filed: 10/25/90

Receipt Number: 370321290

Amendment No: 2

Filing Fee: \$ 150.00

Dear Sponsor:

The referenced amendment to the offering plan for the subject premises is hereby accepted and filed. Since this amendment is submitted after the post closing amendment has been filed, this filing is effective for twelve months from the date of filing of this amendment. However, any material change of fact or circumstance affecting the property or offering requires an immediate amendment, including amending the plan to disclose the most recent certified financial statement and budget, which should be done as soon as either of these documents is available.

Any misstatement or concealment of material fact in the material submitted as part of this amendment renders this filing void ab initio. This office has relied on the truth of the certifications of sponsor, sponsor's principals, and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

Filing this amendment shall not be construed as approval of the contents or terms thereof by the Attorney General of the State of New York, or any waiver of or limitation on the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable law. The issuance of this letter is conditioned upon the collection of all fees imposed by law. This letter is your receipt for the filing fee.

Very truly yours,
Jacqueline Orrantia
JACQUELINE ORRANTIA
ASSISTANT ATTORNEY GENERAL J.H.

AMENDMENT NO. 2

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

TOWN OF WEBSTER

MONROE COUNTY, NEW YORK

This Amendment is being made for the purpose of extending the term of the Offering Plan for one (1) year, to designate a new Selling Agent for the offering of interests in the Association, and to make the required disclosure regarding the Sponsor pursuant to the Department of Law's Real Estate Financing Bureau's March 21, 1990 notice regarding Financial Disclosure Amendments.

Twelve (12) of the lots in The Strand Subdivision, Phase I, have been conveyed, three (3) lots are under contract to sell and forty-nine (49) lots remain to be sold.

The current Directors of the Association are:

Cosmo Viola
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Maria Viola
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Daniel J. Viola
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Attached hereto as Schedule A is the current budget for the Association. Attached hereto as Schedule B is the most recent financial statement for the Association.

The Sponsor has replaced the Selling Agent. The new Selling Agent is John T. Nothnagle, Inc., 1485 Monroe Avenue, Rochester, New York 14618.

With respect to the disclosure regarding the Sponsor's financial condition:

1. Sponsor currently owns the following units: Unit 3 (996 Cane Patch); Unit 43 (1049 Cane Patch); Unit 99 (1083 Cane Patch); Unit 100 (1085 Cane Patch); Unit 105 (1095 Cane Patch); and Unit 106 (1097 Cane Patch).

2. The aggregate total monthly common charges paid by the Sponsor for the Sponsor's units is \$402.00 (\$67/unit).

3. The aggregate total of monthly rents received from tenants of units owned by the Sponsor is approximately \$4,200.00.

4. In the upcoming twelve months from the date of this Amendment the Sponsor will continue to be responsible for reserves to be paid for those units owned by Sponsor. Those reserves are set forth as line items in the budget at Schedule A of the Offering Plan, and are included in and paid by Sponsor at \$67.00/month for each unit.

5. There are no unsold units subject to mortgages or financing commitments.

6. Sponsor is funding its obligations for the reserves set forth in paragraph 4 above from Sponsor's working capital.

7. Sponsor is current on all financial obligations under the Offering Plan. There are no underlying mortgages on the project. Sponsor has been current on all obligations with respect to its financial obligations in the twelve months prior to the date of this Amendment.

8. Sponsor or Sponsor's principals are not affiliated with any other projects related to homeowners' associations, condominiums or cooperatives.

9. Sponsor intends to relinquish control to the Board of Directors as set forth in the Offering Plan.

As of the date of this Amendment, there are no further changes known to the Sponsor in or to the documentation provided in the Offering Plan and there are no material changes or facts or circumstances affecting the property or the offering except as stated herein.

Dated: October 25, 1990

C. VIOLA DEVELOPMENT CORP.

By: s/Cosmo Viola
Cosmo Viola
President

gw1.080

AMENDMENT NO. 2

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

TOWN OF WEBSTER

MONROE COUNTY, NEW YORK

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2950 Clover Street
Pittsford, New York 14534

Daniel J. Viola
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Attached hereto as Schedule A is the current budget for the Association. Attached hereto as Schedule B is the most recent financial statement for the Association.

The Sponsor has replaced the Selling Agent. The new Selling Agent is John T. Notnagle, Inc., 1485 Monroe Avenue, Rochester, New York 14618.

With respect to the disclosure regarding the Sponsor's financial condition:

1. Sponsor currently owns the following units: Unit 3 (996 Cane Patch); Unit 43 (1049 Cane Patch); Unit 99 (1083 Cane Patch); Unit 100 (1085 Cane Patch); Unit 105 (1095 Cane Patch); and Unit 106 (1097 Cane Patch).

2. The aggregate total monthly common charges paid by the Sponsor for the Sponsor's units is \$402.00 (\$67/unit).

3. The aggregate total of monthly rents received from tenants of units owned by the Sponsor is approximately \$4,200.00.

4. In the upcoming twelve months from the date of this Amendment the Sponsor will continue to be responsible for reserves to be paid for those units owned by Sponsor. Those reserves are set forth as line items in the budget at Schedule A of the Offering Plan, and are included in and paid by Sponsor at \$67.00/month for each unit.

5. There are no unsold units subject to mortgages or financing commitments.

6. Sponsor is funding its obligations for the reserves set forth in paragraph 4 above from Sponsor's working capital.

7. Sponsor is current on all financial obligations under the Offering Plan. There are no underlying mortgages on the project. Sponsor has been current on all obligations with respect to its financial obligations in the twelve months prior to the date of this Amendment.

8. Sponsor or Sponsor's principals are not affiliated with any other projects related to homeowners' associations, condominiums or cooperatives.

9. Sponsor intends to relinquish control to the Board of Directors as set forth in the Offering Plan.

As of the date of this Amendment, there are no further changes known to the Sponsor in or to the documentation provided in the Offering Plan and there are no material changes or facts or circumstances affecting the property or the offering except as stated herein.

Dated: October 25, 1990

C. VIOLA DEVELOPMENT CORP.

By:

Cosmo Viola
Cosmo Viola
-President

991.080

SCHEDULE A

PROJECTED SCHEDULE OF RECEIPTS
AND EXPENSES FOR FIRST YEAR OF
OPERATION COMMENCING JANUARY 1, 1990
(Assumes 64 units completed)

Projected Income

Maintenance Charges (\$810.00 per home per year payable monthly at \$67.50 per month based on 64 homes.)	\$51,840
Estimated receipts from other sources	- 0 -

TOTAL

\$51,840

Projected Expenses

1. Utilities (electricity for common property)	\$ 1,100
2. Water	- 0 -
3. Management	5,000
4. Repairs and Maintenance	2,480
5. Supplies, Stationery, Postage	200
6. Snow Removal (no handwork)	6,400
7. Refuse Removal	4,940
8. Insurance	11,000
9. Accounting (audit fee)	1,250
10. Legal	500
11. Taxes	
Real Estate Taxes	650
Franchise Tax	260
Federal Income Tax	440
12. Landscape Maintenance	9,600

13. Reserves for Capital Improvements	7,220	
14. Contingency Reserve	1,000	
	TOTAL	51,840

For detailed discussion of each item see Footnotes to Schedule A.

THE CABOT GROUP

May 18, 1990

Harris Beach & Wilcox
The Granite Building
130 East Main Street
Rochester, New York 14604

Re: The Strand Homeowners' Association, Inc.

Gentlemen:

The sponsor of the homeowners association offering plan for the captioned property retained our firm to review Schedule A containing projections of income and expenses for the first year of homeowner association operation. Our experience in this field includes 17 years in the management of over 2,000 condominiums, 5,000 rental apartments, 500,000 square feet of commercial space in the Western New York area.

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 it is applicable to Schedule A.

I have reviewed Schedule A 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.

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 first year of operation as a homeowners association.

I certify that the Schedule does:

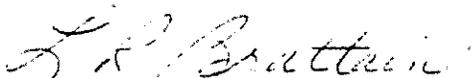
- (1) set forth in detail the terms of the transaction as it relates to the Schedule and is complete, current and accurate;
- (2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (3) not omit any material facts;

- (4) not contain any untrue statement of a material fact;
- (5) not contain any fraud, deception, concealment or suppression;
- (6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (7) 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 I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Certification is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. I understand that a copy of this Certification is intended to be incorporated into the offering plan so that prospective purchasers may rely on it.

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.

Very truly yours,



Lawrence R. Brattain
Vice President

LRB/pa

Sworn to before me this _____ day of _____, 19__

Notary Public

GABRIELE GREINER
Notary Public in the State of New York
MONROE COUNTY
Commission Expires April 4, 19__

SCHEDULE B

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1989

TOGETHER WITH

INDEPENDENT AUDITORS' REPORT

BONADIO,
INSERO  CO.

CERTIFIED PUBLIC
ACCOUNTANTS  MORE

INDEPENDENT AUDITORS' REPORT

August 15, 1990

To the Owners of

The Strand Homeowners' Association, Inc.:

We have audited the accompanying balance sheet of The Strand Homeowners' Association, Inc. as of December 31, 1989, and the related statements of revenue and expenses, changes in unit owners' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides 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 The Strand Homeowners' Association, Inc. as of December 31, 1989, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Bonadio, Inverso & Co

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

BALANCE SHEET

DECEMBER 31, 1989

ASSETS

CURRENT ASSETS:

Cash	\$ 5,401
Prepaid expenses	837

Total current assets	\$ 6,238
	=====

LIABILITIES AND UNIT OWNERS' EQUITY

CURRENT LIABILITIES:

Accounts payable	\$ 1,372
Due to C. Viola Development Corp.	3,264
Accrued income taxes (Note 2)	325

Total current liabilities	\$ 4,961

UNIT OWNERS' EQUITY

1,277

\$ 6,238
=====

The accompanying notes to financial statements
are an integral part of this balance sheet.

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

STATEMENT OF REVENUES AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1989

REVENUES:

Monthly assessments (Note 3)	\$ 4,281
Initial contributions (Note 3)	3,250

	\$ 7,531

OPERATING EXPENSES:

Lawn care	\$ 1,975
Snow removal	1,600
Insurance	1,537
New York State franchise taxes	575
Management fees	446
Refuse removal	353
Professional fees	200
Utilities	185
Miscellaneous	54

	\$ 6,925

OPERATING NET INCOME \$ 606

MAINTENANCE RESERVE ASSESSMENTS (Note 3) 671

TOTAL INCREASE IN UNIT OWNERS' EQUITY \$ 1,277

The accompanying notes to financial statements
are an integral part of this statement.

THE STRAND HOMEOWNERS' ASSOCIATION, INC.
STATEMENTS OF CHANGES IN UNIT OWNERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 1989

	<u>Maintenance Reserve</u>	<u>Operating</u>	<u>Total</u>
UNIT OWNERS' EQUITY - beginning balance	\$ -	\$ -	\$ -
Operating income	-	606	606
Maintenance reserve income	671 -----	-	671 -----
UNIT OWNERS' EQUITY - end of year	\$ 671 =====	\$ 606 =====	\$ 1,277 =====

The accompanying notes to financial statements
are an integral part of this statement.

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 1989

CASH FLOW FROM OPERATING ACTIVITIES:

Net income	\$ 606
Adjustments to reconcile net income to net cash flow from operating activities:	
Increase in prepaid expenses	(837)
Increase in accounts payable and accrued expenses	1,697

Net cash flow from operating activities	\$ 1,466

CASH FLOW FROM FINANCING ACTIVITIES:

Increase in due to sponsor	\$ 3,264
Maintenance reserve assessments	671

Net cash flow from financing activities	\$ 3,935

NET INCREASE IN CASH \$ 5,401

CASH - beginning of year -----

CASH - end of year \$ 5,401
=====

The accompanying notes to financial statements are an integral part of this statement.

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

(1) Description of the Association

The Strand Homeowners' Association, Inc., (the Association) was established for the purpose of maintaining, preserving and controlling the architectural structure of the residents' lots and common areas. It was also established to promote the health, safety and welfare of the residents.

(2) Income Taxes

The Association is incorporated under the Not-for-Profit Corporation Law of the State of New York. Pursuant to the Tax Reform Act of 1976, condominium management and like associations are permitted to make an annual election for federal purposes to be treated as a regular corporation or as a not-for-profit organization whereby only interest earnings are taxed. Each year, the Association will file its tax return under the election which is most beneficial.

For the year ended December 31, 1989, the state tax provision was based on the minimum tax amount.

(3) Unit Owners' Assessments and Initial Contributions

Assessments are recognized as income when they become due. The following is a summary of the monthly assessments per unit as of December 31, 1989:

Monthly Assessment

Portion designated for operating expenses	\$ 58.10
Portion designated for maintenance reserve	9.40

Total monthly assessment	\$ 67.50
	=====

An initial contribution of \$250 is made by each homeowner as the units are occupied. For the year ended December 31, 1989, 13 units were occupied.

There were no special assessments approved in 1989.

(4) Management Agreement

The Association is managed by DJV Management Co., Inc. Management services include billing and collecting maintenance charges, supervision of repairs and alterations, purchasing supplies and materials, maintaining the Association's accounting records and engaging contractors for maintenance and repairs. Certain transactions may not be consummated by the management company without authorization from the Board of Directors. The fee charged for these services was \$6.52 per month per occupied unit, and aggregated \$446 for the year ended December 31, 1989.

DJV Management Co., Inc. will continue to act as managing agent for a minimum fee of \$6.52 per month per occupied unit.



STATE OF NEW YORK
DEPARTMENT OF LAW
120 BROADWAY
NEW YORK, NY 10271

ROBERT ABRAMS
Attorney General

FREDERICK K. MEHLMAN
Assistant Attorney General in Charge
Real Estate Financing Bureau

(212) 341-2148

C Viola Development Corp.
c/o Harris, Beach & Wilcox
Attn: Gregory Lane
130 East Main Street
Rochester, NY 14604

RE: The Strand

File Number: H880014

Date Amendment Filed: 11/19/91

Receipt Number: 967421561

Amendment No: 3

Filing Fee: \$ 150.00

Dear Sponsor:

The referenced amendment to the offering plan for the subject premises is hereby accepted and filed. Since this amendment is submitted after the post closing amendment has been filed, this filing is effective for twelve months from the date of filing of this amendment. However, any material change of fact or circumstance affecting the property or offering requires an immediate amendment, including amending the plan to disclose the most recent certified financial statement and budget, which should be done as soon as either of these documents is available.

Any misstatement or concealment of material fact in the material submitted as part of this amendment renders this filing void ab initio. This office has relied on the truth of the certifications of sponsor, sponsor's principals, and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

Filing this amendment shall not be construed as approval of the contents or terms thereof by the Attorney General of the State of New York, or any waiver of or limitation on the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable law. The issuance of this letter is conditioned upon the collection of all fees imposed by law. This letter is your receipt for the filing fee.

Very truly yours,

Jacqueline Orrantia

JACQUELINE ORRANTIA

ASSISTANT ATTORNEY GENERAL *lls*

AMENDMENT NO. 3

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

TOWN OF WEBSTER

MONROE COUNTY, NEW YORK

This Amendment is being made for the purpose of extending the term of the Offering Plan for one (1) year, to disclose an amendment to the By-Laws of the Association, to designate a new Selling Agent for the offering of interests in the Association, and to make the required disclosure regarding the Sponsor pursuant to the Department of Law's Real Estate Financing Bureau's March 21, 1990 notice regarding Financial Disclosure Amendments.

Twenty-five (25) of the lots in The Strand Subdivision, Phase I, have been conveyed, four (4) lots are under contract to sell and thirty-five (35) lots remain to be sold.

The current Directors of the Association are:

Cosmo Viola
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Maria Viola
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Daniel J. Viola
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Attached hereto as Schedule A is the current budget for the Association. Attached hereto as Schedule B is the most recent financial statement for the Association.

Article VII, Section A of the By-Laws has been amended. That section now reads as follows:

A. These By-Laws may be amended at a regular special meeting of the Board of Directors by a vote of three-fourths (3/4) of a quorum of

directors present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership [underline supplied to indicate new text].

The Sponsor has replaced the Selling Agent. The new Selling Agent is Beacon Properties, 1681 Empire Boulevard, Webster, New York 14580.

With respect to the disclosure regarding the Sponsor's financial condition:

1. Sponsor currently owns the following units: Unit 2 (994 Cane Patch); Unit 3 (996 Cane Patch); Unit 7 (1004 Cane Patch); Unit 10 (1010 Cane Patch); Unit 99 (1083 Cane Patch); Unit 105 (1095 Cane Patch); and Unit 106 (1097 Cane Patch).
2. The aggregate total monthly common charges paid by the Sponsor for the Sponsor's units is \$472.50 (\$67.50/unit).
3. The aggregate total of monthly rents received from tenants of units owned by the Sponsor is approximately \$5,205.00.
4. In the upcoming twelve months from the date of this Amendment the Sponsor will continue to be responsible for reserves to be paid for those units owned by Sponsor. Those reserves are set forth as line items in the budget at Schedule A of the Offering Plan, and are included in and paid by Sponsor at \$10.70/month for each unit.
5. There are no unsold units subject to mortgages or financing commitments.
6. Sponsor is funding its obligations for the reserves set forth in paragraph 4 above from Sponsor's working capital.
7. Sponsor is current on all financial obligations under the Offering Plan. There are no underlying mortgages on the project. Sponsor has been current on all obligations with respect to its financial obligations in the twelve months prior to the date of this Amendment.
8. Sponsor or Sponsor's principals are not affiliated with any other projects related to homeowners' associations, condominiums or cooperatives.
9. Sponsor intends to relinquish control to the Board of Directors as set forth in the Offering Plan.

As of the date of this Amendment, there are no further changes known to the Sponsor in or to the documentation provided in the Offering Plan and there are no material changes or facts or

circumstances affecting the property or the offering except as stated herein.

Dated: November 19, 1991

C. VIOLA DEVELOPMENT CORP.

By:

Cosmo Viola
President

Viola\Strand\Amend.3

SCHEDULE A

PROJECTED SCHEDULE OF RECEIPTS
AND EXPENSES FOR FIRST YEAR OR
OPERATION COMMENCING JANUARY 1, 1991
(Assumes 64 units completed)

Projected Income

Maintenance Charges (\$810.00 per home per year payable monthly at \$67.50 per month based on 64 homes.)	\$51,840
Estimated receipts from other sources	-0-
TOTAL	\$51,840

Projected Expenses

1. Utilities (electricity for common property)	\$ 1,100
2. Water	-0-
3. Management	5,000
4. Repairs and Maintenance	2,480
5. Supplies, Stationery, Postage	200
6. Snow Removal (no handwork)	6,400
7. Refuse Removal	4,940
8. Insurance	11,000
9. Accounting (audit fee)	1,250
10. Legal	500
11. Taxes	
Real Estate Taxes	650
Franchise Tax	260
Federal Income Tax	440
12. Landscape Maintenance	9,600

13. Reserves for Capital Improvements	7,220	
14. Contingency Reserve	1,000	
	TOTAL	\$51,840

SchedA

THE CABOT GROUP

October 21, 1991

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

Re: The Strand Homeowners Association, Inc.

Gentlemen:

The sponsor of the owners association offering plan for the captioned property retained our firm to review schedule A containing projections of income and expenses for the homeowner association operation from January 1, 1991 to December 31, 1991. Our experience includes 20 years in the management field including a current portfolio of 670 condominiums, 340 rental apartments and 700,000 square feet of commercial space in the Western New York area.

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 this part insofar as it is applicable to this schedule.

We 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.

We certify that the projections in the schedule appear reasonable and adequate based on present prices (adjusted to reflect continued inflation and present levels of consumption for comparable units similarly situated).

We certify that this certification and all documents prepared by us hereafter that concern the schedule do:

(I) set forth in detail the terms of the transaction as it relates to the schedule to 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 or suppression;

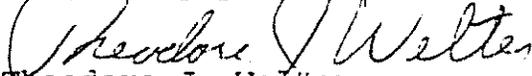
(VI) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances and;

(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 representations 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 certification is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. We understand that a copy of this Certification is intended to be incorporated into the offering plan so that prospective purchasers may rely on it.

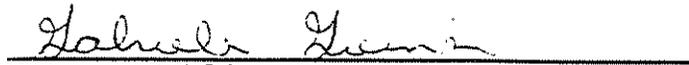
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,


Theodore J. Weiter
Senior Property Manager

TJW/mmj

Sworn to before me this
21 day of October, 1991


Notary Public

STEPHEN GREYER
Notary Public, State of New York
JAMES G. GREYER
1092

SCHEDULE B

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

FINANCIAL STATEMENTS

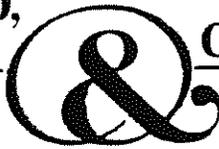
AS OF DECEMBER 31, 1990

TOGETHER WITH

INDEPENDENT AUDITORS' REPORT

**BONADIO,
INSERO**  **CO.**

**CERTIFIED PUBLIC
ACCOUNTANTS**  **MORE**



INDEPENDENT AUDITORS' REPORT

March 31, 1991

To the Owners of

The Strand Homeowners' Association, Inc.:

We have audited the accompanying balance sheet of The Strand Homeowners' Association, Inc. as of December 31, 1990, and the related statements of revenue and expenses and changes in unit owners' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides 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 The Strand Homeowners' Association, Inc. as of December 31, 1990, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Bonadio, Insero & Co.



THE STRAND HOMEOWNERS' ASSOCIATION, INC.

BALANCE SHEET

DECEMBER 31, 1990

CURRENT ASSETS:

Cash	\$ 4,230
Accounts receivable	68
Prepaid expenses	396

Total current assets	\$ 4,694
	=====

LIABILITIES AND UNIT OWNERS' EQUITY

CURRENT LIABILITIES:

Accounts payable	\$ 921
Accrued income taxes (Note 2)	325

Total current liabilities	\$ 1,246

UNIT OWNERS' EQUITY

3,448

\$ 4,694
=====

The accompanying notes to financial statements
are an integral part of this balance sheet.

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1990

REVENUE:

Monthly assessments (Note 3)	\$ 16,332
Initial contributions (Note 3)	1,750

	\$ 18,082

OPERATING EXPENSES:

Lawn care	\$ 4,390
Professional fees	3,392
Utilities	1,849
Insurance	1,631
Refuse removal	1,546
Management fees	1,536
Driveway sealcoating	685
New York State franchise taxes	682
Snow removal	200

	\$ 15,911

REVENUE COLLECTED OVER EXPENSES DISBURSED	\$ 2,171
	=====

The accompanying notes to financial statements
are an integral part of this statement.

THE STRAND HOMEOWNERS' ASSOCIATION, INC.
STATEMENT OF CHANGES IN UNIT OWNERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 1990

	<u>Maintenance Reserve</u>	<u>Operating</u>	<u>Total</u>
UNIT OWNERS' EQUITY - beginning of year	\$ 671	\$ 606	\$ 1,277
Operating income	-	202	202
Maintenance reserve income (Note 3)	1,969	-	1,969
	-----	-----	-----
UNIT OWNERS' EQUITY - end of year	\$ 2,640	\$ 808	\$ 3,448
	=====	=====	=====

The accompanying notes to financial statements
are an integral part of this statement.

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 1990

CASH FLOW FROM OPERATING ACTIVITIES:

Revenue collected over expenses disbursed	\$ 2,171
Adjustments to reconcile net income to net cash flow from operating activities:	
Increase in accounts receivable	(68)
Decrease in prepaid expenses	441
Decrease in accounts payable	(451)

Net cash flow from operating activities	\$ 2,093

CASH FLOW FROM FINANCING ACTIVITIES:

Decrease in due to sponsor	\$ (3,264)

Net cash flow from financing activities	\$ (3,264)

NET DECREASE IN CASH	\$ (1,171)
----------------------	------------

CASH - beginning of year	5,401

CASH - end of year	\$ 4,230
	=====

The accompanying notes to financial statements
are an integral part of this statement.

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1990

(1) Description of the Association

The Strand Homeowners' Association, Inc. (the Association) is a New York not-for-profit corporation. The Association was established to promote and protect the interests of the owners of the property of the Strand Property Subdivision, to provide for the acquisition, development, construction, management, maintenance and preservation of corporate property and to enforce all covenants, easements, restrictions and agreements within the subdivision.

(2) Income Taxes

Pursuant to the Tax Reform Act of 1976, condominium management and like associations are permitted to make an annual election for Federal purposes to be treated as a regular corporation or as a not-for-profit organization whereby only interest earnings are taxed. Each year, the Association will file its tax return under the election which is most beneficial.

For the year ended December 31, 1990, the state tax provision was based on the minimum tax amount.

(3) Unit Owners' Assessments and Initial Contributions

Assessments are recognized as income when they become due. The following is a summary of the monthly assessments per unit as of December 31, 1990:

Monthly Assessment -

Portion designated for operating expenses	\$ 58.10
Portion designated for maintenance reserve	9.40

	\$ 67.50
	=====

An initial contribution of \$250 is made by each homeowner as the units are sold. As of December 31, 1990, eighteen total units had been sold. Total contributions received in 1990 amounted to \$1,750.

There were no special assessments approved in 1990.

(4) Management Agreement

The Association is managed by DJV Management Co., Inc. Management services include billing and collecting maintenance charges, supervision of repairs and alterations, purchasing supplies and materials, maintaining the Association's accounting records and engaging contractors for maintenance and repairs. Certain transactions may not be consummated by the management company without authorization from the Board of Directors. The fee charged for these services was \$6.52 per month per occupied unit and aggregated \$1,536 for the year ended December 31, 1990.

AMENDMENT NO. 3

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

TOWN OF WEBSTER

MONROE COUNTY, NEW YORK

This Amendment is being made for the purpose of extending the term of the Offering Plan for one (1) year, to disclose an amendment to the By-Laws of the Association, to designate a new Selling Agent for the offering of interests in the Association, and to make the required disclosure regarding the Sponsor pursuant to the Department of Law's Real Estate Financing Bureau's March 21, 1990 notice regarding Financial Disclosure Amendments.

Twenty-five (25) of the lots in The Strand Subdivision, Phase I, have been conveyed, four (4) lots are under contract to sell and thirty-five (35) lots remain to be sold.

The current Directors of the Association are:

Cosmo Viola
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Maria Viola
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Daniel J. Viola
c/o C. Viola Development Corp.
2950 Clover Street
Pittsford, New York 14534

Attached hereto as Schedule A is the current budget for the Association. Attached hereto as Schedule B is the most recent financial statement for the Association.

Article VII, Section A of the By-Laws has been amended. That section now reads as follows:

A. These By-Laws may be amended at a regular special meeting of the Board of Directors by a vote of three-fourths (3/4) of a quorum of

directors present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership [underline supplied to indicate new text].

The Sponsor has replaced the Selling Agent. The new Selling Agent is Beacon Properties, 1681 Empire Boulevard, Webster, New York 14580.

With respect to the disclosure regarding the Sponsor's financial condition:

1. Sponsor currently owns the following units: Unit 2 (994 Cane Patch); Unit 3 (996 Cane Patch); Unit 7 (1004 Cane Patch); Unit 10 (1010 Cane Patch); Unit 99 (1083 Cane Patch); Unit 105 (1095 Cane Patch); and Unit 106 (1097 Cane Patch).
2. The aggregate total monthly common charges paid by the Sponsor for the Sponsor's units is \$472.50 (\$67.50/unit).
3. The aggregate total of monthly rents received from tenants of units owned by the Sponsor is approximately \$5,205.00.
4. In the upcoming twelve months from the date of this Amendment the Sponsor will continue to be responsible for reserves to be paid for those units owned by Sponsor. Those reserves are set forth as line items in the budget at Schedule A of the Offering Plan, and are included in and paid by Sponsor at \$10.70/month for each unit.
5. There are no unsold units subject to mortgages or financing commitments.
6. Sponsor is funding its obligations for the reserves set forth in paragraph 4 above from Sponsor's working capital.
7. Sponsor is current on all financial obligations under the Offering Plan. There are no underlying mortgages on the project. Sponsor has been current on all obligations with respect to its financial obligations in the twelve months prior to the date of this Amendment.
8. Sponsor or Sponsor's principals are not affiliated with any other projects related to homeowners' associations, condominiums or cooperatives.
9. Sponsor intends to relinquish control to the Board of Directors as set forth in the Offering Plan.

As of the date of this Amendment, there are no further changes known to the Sponsor in or to the documentation provided in the Offering Plan and there are no material changes or facts or

circumstances affecting the property or the offering except as stated herein.

Dated: November 19, 1991

C. VIOLA DEVELOPMENT CORP.

By: Cosmo Viola
Cosmo Viola
President

Viola\Strand\Amend.3

SCHEDULE A

PROJECTED SCHEDULE OF RECEIPTS
AND EXPENSES FOR FIRST YEAR OR
OPERATION COMMENCING JANUARY 1, 1991
(Assumes 64 units completed)

Projected Income

Maintenance Charges (\$810.00 per home per year payable monthly at \$67.50 per month based on 64 homes.)	\$51,840
Estimated receipts from other sources	-0-

TOTAL

\$51,840

Projected Expenses

1. Utilities (electricity for common property)	\$ 1,100
2. Water	-0-
3. Management	5,000
4. Repairs and Maintenance	2,480
5. Supplies, Stationery, Postage	200
6. Snow Removal (no handwork)	6,400
7. Refuse Removal	4,940
8. Insurance	11,000
9. Accounting (audit fee)	1,250
10. Legal	500
11. Taxes	
Real Estate Taxes	650
Franchise Tax	260
Federal Income Tax	440
12. Landscape Maintenance	9,600

13. Reserves for Capital Improvements 7,220

14. Contingency Reserve 1,000

TOTAL

\$51,840

SchedA

THE CABOT GROUP

October 21, 1991

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

Re: The Strand Homeowners Association, Inc.

Gentlemen:

The sponsor of the owners association offering plan for the captioned property retained our firm to review schedule A containing projections of income and expenses for the homeowner association operation from January 1, 1991 to December 31, 1991. Our experience includes 20 years in the management field including a current portfolio of 670 condominiums, 340 rental apartments and 700,000 square feet of commercial space in the Western New York area.

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 this part insofar as it is applicable to this schedule.

We 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.

We certify that the projections in the schedule appear reasonable and adequate based on present prices (adjusted to reflect continued inflation and present levels of consumption for comparable units similarly situated).

We certify that this certification and all documents prepared by us hereafter that concern the schedule do:

(I) set forth in detail the terms of the transaction as it relates to the schedule to 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 or suppression;

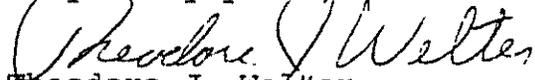
(VI) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances and;

(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 representations 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 certification is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. We understand that a copy of this Certification is intended to be incorporated into the offering plan so that prospective purchasers may rely on it.

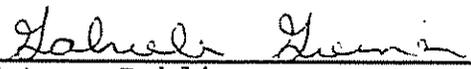
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,


Theodore J. Weiter
Senior Property Manager

TJW/mmF

Sworn to before me this
21 day of October, 1991


Notary Public

GABRIEL GREINER
Notary Public in the State of New York
SUNNYVALE COUNTY
Commission Expires June 30, 1992

SCHEDULE B

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1990

TOGETHER WITH

INDEPENDENT AUDITORS' REPORT

**BONADIO,
INSERO**  **CO.**

**CERTIFIED PUBLIC
ACCOUNTANTS**  **MORE**

INDEPENDENT AUDITORS' REPORT

March 31, 1991

To the Owners of

The Strand Homeowners' Association, Inc.:

We have audited the accompanying balance sheet of The Strand Homeowners' Association, Inc. as of December 31, 1990, and the related statements of revenue and expenses and changes in unit owners' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides 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 The Strand Homeowners' Association, Inc. as of December 31, 1990, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Bonadio, Inverso & Co.

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

BALANCE SHEET

DECEMBER 31, 1990

CURRENT ASSETS:

Cash	\$ 4,230
Accounts receivable	68
Prepaid expenses	396

Total current assets	\$ 4,694
	=====

LIABILITIES AND UNIT OWNERS' EQUITY

CURRENT LIABILITIES:

Accounts payable	\$ 921
Accrued income taxes (Note 2)	325

Total current liabilities	\$ 1,246

UNIT OWNERS' EQUITY

3,448

\$ 4,694
=====

The accompanying notes to financial statements
are an integral part of this balance sheet.

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1990

REVENUE:

Monthly assessments (Note 3)	\$ 16,332
Initial contributions (Note 3)	1,750

	\$ 18,082

OPERATING EXPENSES:

Lawn care	\$ 4,390
Professional fees	3,392
Utilities	1,849
Insurance	1,631
Refuse removal	1,546
Management fees	1,536
Driveway sealcoating	685
New York State franchise taxes	682
Snow removal	200

	\$ 15,911

REVENUE COLLECTED OVER EXPENSES DISBURSED	\$ 2,171
	=====

The accompanying notes to financial statements
are an integral part of this statement.

THE STRAND HOMEOWNERS' ASSOCIATION, INC.
STATEMENT OF CHANGES IN UNIT OWNERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 1990

	<u>Maintenance Reserve</u>	<u>Operating</u>	<u>Total</u>
UNIT OWNERS' EQUITY - beginning of year	\$ 671	\$ 606	\$ 1,277
Operating income	-	202	202
Maintenance reserve income (Note 3)	1,969	-	1,969
	-----	-----	-----
UNIT OWNERS' EQUITY - end of year	<u>\$ 2,640</u>	<u>\$ 808</u>	<u>\$ 3,448</u>

The accompanying notes to financial statements
are an integral part of this statement.

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 1990

CASH FLOW FROM OPERATING ACTIVITIES:

Revenue collected over expenses disbursed	\$ 2,171
Adjustments to reconcile net income to net cash flow from operating activities:	
Increase in accounts receivable	(68)
Decrease in prepaid expenses	441
Decrease in accounts payable	(451)

Net cash flow from operating activities	\$ 2,093

CASH FLOW FROM FINANCING ACTIVITIES:

Decrease in due to sponsor	\$ (3,264)

Net cash flow from financing activities	\$ (3,264)

NET DECREASE IN CASH	\$ (1,171)
----------------------	------------

CASH - beginning of year	5,401

CASH - end of year	\$ 4,230
	=====

The accompanying notes to financial statements are an integral part of this statement.

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1990

(1) Description of the Association

The Strand Homeowners' Association, Inc. (the Association) is a New York not-for-profit corporation. The Association was established to promote and protect the interests of the owners of the property of the Strand Property Subdivision, to provide for the acquisition, development, construction, management, maintenance and preservation of corporate property and to enforce all covenants, easements, restrictions and agreements within the subdivision.

(2) Income Taxes

Pursuant to the Tax Reform Act of 1976, condominium management and like associations are permitted to make an annual election for Federal purposes to be treated as a regular corporation or as a not-for-profit organization whereby only interest earnings are taxed. Each year, the Association will file its tax return under the election which is most beneficial.

For the year ended December 31, 1990, the state tax provision was based on the minimum tax amount.

(3) Unit Owners' Assessments and Initial Contributions

Assessments are recognized as income when they become due. The following is a summary of the monthly assessments per unit as of December 31, 1990:

Monthly Assessment -

Portion designated for operating expenses	\$ 58.10
Portion designated for maintenance reserve	9.40

	\$ 67.50
	=====

An initial contribution of \$250 is made by each homeowner as the units are sold. As of December 31, 1990, eighteen total units had been sold. Total contributions received in 1990 amounted to \$1,750.

There were no special assessments approved in 1990.

(4) Management Agreement

The Association is managed by DJV Management Co., Inc. Management services include billing and collecting maintenance charges, supervision of repairs and alterations, purchasing supplies and materials, maintaining the Association's accounting records and engaging contractors for maintenance and repairs. Certain transactions may not be consummated by the management company without authorization from the Board of Directors. The fee charged for these services was \$6.52 per month per occupied unit and aggregated \$1,536 for the year ended December 31, 1990.

AMENDMENT NO. 5

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

TOWN OF WEBSTER

MONROE COUNTY, NEW YORK

This Amendment is being made for the purpose of extending the term of the Offering Plan for one (1) year. Capitalized terms used herein shall have the same meanings ascribed to them in the Offering Plan.

1. The current budget for the Association is attached hereto as Exhibit A.
2. The most recent financial statement for the Association is attached hereto as Exhibit B.
3. The current Directors of the Association are:

Cosmo Viola, President
2950 Clover Street
Pittsford, New York 14534

Daniel Viola, Vice-President
2950 Clover Street
Pittsford, New York 14534

Arlene Fournigault, Treasurer
623 Strand Pond Way
Webster, New York 14580

Linda Shea, Secretary
1075 Cane Patch
Webster, New York 14580

Alice Anselm, Member
1018 Cane Patch
Webster, New York 14580

4. There are no lawsuits, administrative proceedings or other proceedings the outcome of which may materially affect the offering, the Properties, the rights of unit or lot owners, Sponsor's capacity to perform all its obligations under the Offering Plan, the Association or the operation of the Association.

5. The Sponsor or its principals own ten units: Units 2, 3, 5, 7, 31, 37, 47, 100, 105 and 106. Units 2, 3, 5, 7, 37, 47, 100, 105 and 106 are currently rented. Unit 31 is for sale.
6. The Sponsor is not in control of the Board of Directors.
7. The aggregate monthly association charges for all homes or lots held by the Sponsor or its principals is Seven Hundred Eighty and 00/100 Dollars (\$780.00).
8. The aggregate monthly county taxes payable for units held by the Sponsor or its principals is One Thousand Fifteen and 92/100 Dollars (\$1,015.92).
9. The aggregate monthly school taxes payable for units held by the Sponsor or its principals is One Thousand Three Hundred Ninety and 86/100 Dollars (\$1,390.86).
10. The aggregate of the monthly rents currently payable from tenants of units owned by the Sponsor or its principals is approximately Eight Thousand One Hundred and 00/100 Dollars (\$8,100.00).
11. In the upcoming twelve (12) months from the date of this Amendment the Sponsor or its principals will continue to be responsible for the payment of monthly homeowners' association fees for those units owned by the Sponsor or its principals identified in paragraph 5 above.
12. There are no unsold units or lots which are subject to mortgages or otherwise represent security for financing arrangements.
13. The Sponsor is funding its obligations for the monthly homeowners' association fees and its real estate tax obligations for each unit held by Sponsor from Sponsor's working capital.
14. The Sponsor and its principals are current on all financial obligations relating to the homeowners' association.
15. There are no other cooperatives, condominiums or homeowners' associations in which Sponsor, or any principals of Sponsor, or holder(s) of unsold shares, as individuals or principal of Sponsor or holder, owns more than ten percent (10%) of the shares or units.
16. As of the date of this Amendment, there are no further changes known to the Sponsor in or to the documentation provided in the Offering Plan and there are no material changes of facts or circumstances affecting the property or the offering except as stated herein.

IN WITNESS WHEREOF, the Sponsor has caused this Amendment to be executed as of this 17th day of May, 2000.

C. VIOLA DEVELOPMENT CORP.

By: Mary Viola Inc.
Mary Viola, President



OT SPITZER
Attorney General

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

DIETRICH L. SNELL
Deputy Attorney General
Division of Public Advocacy

Real Estate Financing Bureau

(212) 416-8144

C. Viola Development Corp.
c/o Harris Beach LLP
Attention: Timothy Fitzgerald
130 East Main Street
Rochester, NY 14604

RE: Strand (The)
File Number: H 880014 Amendment No: 6
Date Amendment Filed: 11/07/2001 Filing Fee: \$150.00
Receipt Number: 56471

Dear Sponsor:

The referenced amendment to the offering plan for the subject premises is hereby accepted and filed. Since this amendment is submitted after the post closing amendment has been filed, this filing is effective for twelve months from the date of filing of this amendment. However, any material change of fact or circumstance affecting the property or offering requires an immediate amendment.

Any misstatement or concealment of material fact in the material submitted as part of this amendment renders this filing void ab initio. This office has relied on the truth of the certifications of sponsor, sponsor's principals, and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

Filing this amendment shall not be construed as approval of the contents or terms thereof by the Attorney General of the State of New York, or any waiver of or limitation on the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable law. The issuance of this letter is conditioned upon the collection of all fees imposed by law. This letter is your receipt for the filing fee.

Very truly yours,

Oliver Rosengart
Assistant Attorney General

J.H.

AMENDMENT NO. 6

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

TOWN OF WEBSTER

MONROE COUNTY, NEW YORK

This Amendment is being made for the purpose of extending the term of the Offering Plan for one (1) year. Capitalized terms used herein shall have the same meanings ascribed to them in the Offering Plan.

1. The current budget for the Association is attached hereto as Exhibit A.
2. The most recent financial statement for the Association is attached hereto as Exhibit B.
3. The current Directors of the Association are:

Cosmo Viola, President
2950 Clover Street
Pittsford, New York 14534

Daniel Viola, Vice-President
65 Armetale Luster
Webster, New York 14580

Arlene Fournigault, Treasurer
623 Strand Pond Way
Webster, New York 14580

Linda Shea, Secretary
1075 Cane Patch
Webster, New York 14580

Alice Anselm, Member
1018 Cane Patch
Webster, New York 14580

4. There are no lawsuits, administrative proceedings or other proceedings the outcome of which may materially affect the offering, the Properties, the rights of unit or lot owners, Sponsor's capacity to perform all its obligations under the Offering Plan, the Association or the operation of the Association.

5. The Sponsor does not own any units within the Association. Cosmo Viola owns Units 3, 5, 7, 47, 105 and 106. Units 3, 5, 7, 47, 105 and 106 are currently rented.
6. Neither the Sponsor nor Cosmo Viola is in control of the Board of Directors.
7. The aggregate monthly association charges for all units owned by Cosmo Viola is Four Hundred Ninety-Eight and 00/100 Dollars (\$498.00).
8. The aggregate monthly county taxes payable for units owned by Cosmo Viola is Five Hundred Ninety-Eight and 08/100 Dollars (\$598.08).
9. The aggregate monthly school taxes payable for units owned by Cosmo Viola is Eight Hundred Fourteen and 85/100 Dollars (\$814.85).
10. The aggregate of the monthly rents currently payable from tenants of units owned by Cosmo Viola is approximately Five Thousand One Hundred Sixty-Five and 00/100 Dollars (\$5,165.00).
11. In the upcoming twelve (12) months from the date of this Amendment, Cosmo Viola will continue to be responsible for the payment of monthly homeowners' association fees for those units owned by Cosmo Viola identified in paragraph 5 above.
12. There are no unsold units or lots which are subject to mortgages or otherwise represent security for financing arrangements.
13. Cosmo Viola is funding his obligations for the monthly homeowners' association fees and his real estate tax obligations for each unit he owns by his own assets and financial means.
14. Cosmo Viola is current on all his financial obligations relating to the homeowners' association.
15. There are no other cooperatives, condominiums or homeowners' associations in which Cosmo Viola owns more than ten percent (10%) of the shares or units.
16. As of the date hereof, the currently monthly homeowner's association fee is \$83.00.
17. As of the date of this Amendment, there are no further changes known to Cosmo Viola in or to the documentation provided in the Offering Plan and there are no material changes of facts or circumstances affecting the property or the offering except as stated herein.

IN WITNESS WHEREOF, the Sponsor and Cosmo Viola have caused this Amendment to be executed as of this 1st day of July 1, 2001.

C. VIOLA DEVELOPMENT CORP.

By: Mary Viola
Mary Viola, President

Cosmo Viola
Cosmo Viola



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL


ELIOT SPITZER
Attorney General

DIETRICH L. SNELL
Deputy Attorney General
Division of Public Advocacy

ERIC R. DINALLO
Bureau Chief
Investment Protection Bureau

(212) 416-6384

C. Viola Development Corp.
c/o Harris Beach L L P
Attention: Timothy Fitzgerald
99 Garnsey Road
Pittsford, NY 14534

RE: Strand (The)
File Number: H 880014 Amendment No: 7
Date Amendment Filed: 02/25/2003 Filing Fee: \$150.00
Receipt Number: 61259

Dear Sponsor:

The referenced amendment to the offering plan for the subject premises is hereby accepted and filed. Since this amendment is submitted after the post closing amendment has been filed, this filing is effective for twelve months from the date of filing of this amendment. However, any material change of fact or circumstance affecting the property or offering requires an immediate amendment.

Any misstatement or concealment of material fact in the material submitted as part of this amendment renders this filing void ab initio. This office has relied on the truth of the certifications of sponsor, sponsor's principals, and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

Filing this amendment shall not be construed as approval of the contents or terms thereof by the Attorney General of the State of New York, or any waiver of or limitation on the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable law. The issuance of this letter is conditioned upon the collection of all fees imposed by law. This letter is your receipt for the filing fee.

Very truly yours,

Lisa Wallace
Assistant Attorney General y.H.

AMENDMENT NO. 7

THE STRAND HOMEOWNERS' ASSOCIATION, INC.

TOWN OF WEBSTER

MONROE COUNTY, NEW YORK

This Amendment is being made for the purpose of extending the term of the Offering Plan for one (1) year. Capitalized terms used herein shall have the same meanings ascribed to them in the Offering Plan.

1. The current budget for the Association is attached hereto as Exhibit A.
2. The most recent financial statement for the Association is attached hereto as Exhibit B.
3. The current Directors of the Association are:

Cosmo Viola, President
2950 Clover Street
Pittsford, New York 14534

Daniel Viola, Vice-President
65 Armetale Luster
Webster, New York 14580

Arlene Fournigault, Treasurer
623 Strand Pond Circle
Webster, New York 14580

Linda Shea, Secretary
1075 Cane Patch
Webster, New York 14580

Alice Anselm, Member
1018 Cane Patch
Webster, New York 14580

4. There are no lawsuits, administrative proceedings or other proceedings the outcome of which may materially affect the offering, the Properties, the rights of unit or lot owners, Sponsor's capacity to perform all its obligations under the Offering Plan, the Association or the operation of the Association.

5. The Sponsor does not own any units within the Association. Cosmo Viola owns Units 7, 47, 105 and 106. Units 7, 47, 105 and 106 are currently rented.
6. Neither the Sponsor nor Cosmo Viola is in control of the Board of Directors.
7. The aggregate monthly association charges for all units owned by Cosmo Viola is Three Hundred Sixty and 00/100 Dollars (\$360.00).
8. The aggregate annual county taxes payable for units owned by Cosmo Viola is Four Thousand Eight Hundred Fifty-Seven and 66/100 Dollars (\$4,857.66).
9. The aggregate annual school taxes payable for units owned by Cosmo Viola is Seven Thousand Five Hundred Thirty Nine and 76/100 Dollars (\$7,539.76).
10. The aggregate of the monthly rents currently payable from tenants of units owned by Cosmo Viola is approximately Three Thousand Four Hundred Fifty and 00/100 Dollars (\$3,450.00).
11. In the upcoming twelve (12) months from the date of this Amendment, Cosmo Viola will continue to be responsible for the payment of monthly homeowners' association fees for those units owned by Cosmo Viola identified in paragraph 5 above.
12. There are no unsold units or lots which are subject to mortgages or otherwise represent security for financing arrangements.
13. Cosmo Viola is funding his obligations for the monthly homeowners' association fees and his real estate tax obligations for each unit he owns by his own assets and financial means.
14. Cosmo Viola is current on all his financial obligations relating to the homeowners' association.
15. There are no other cooperatives, condominiums or homeowners' associations in which Cosmo Viola owns more than ten percent (10%) of the shares or units.
16. As of the date hereof, the currently monthly homeowner's association fee is \$90.00. The monthly fee budgeting for year 2003 is \$92.00.
17. As of the date of this Amendment, there are no further changes known to Cosmo Viola in or to the documentation provided in the Offering Plan and there are no material changes of facts or circumstances affecting the property or the offering except as stated herein.

IN WITNESS WHEREOF, the Sponsor and Cosmo Viola have caused this Amendment to be executed as of this 7th day of November, 2002.

C. VIOLA DEVELOPMENT CORP.

By: Maria Viola Pres.
Maria Viola, President

Cosmo Viola
Cosmo Viola

THE STRAND HOMEOWNERS ASSOCIATION
NOTES TO 2002 BUDGET
1/1/2002-12/31/2002

INCOME			
Homeowner fees	\$90.00/unit/month		114,480.00
EXPENSES			
Lawn Contract	Based on a 2001-2002 quote from Thomas Landscaping		
	Mowing		
	Spring cleanup		
	Fall cleanup		
	Trimming June & Sept.		
	Weeding weekly		
	Edging		
	5 Lawn applications		
	2 Shrub & tree applications	25,990.00	
	Tax	<u>2,079.20</u>	28,069.20
Snowplowing	1 year contract with G & G Seal Coating		11,000.00
Landscaping	Shrub replacement, miscellaneous work	500.00	
	Trimming ornamental trees on Cane Patch	319.00	
	Trimming & shaping front yard trees as needed	690.00	
	Goose repellent 2 trips	500.00	
	Grass Carp to eat milfoil	400.00	
	Tax	<u>192.72</u>	2,601.72
Common Area Maintenance	Asphalt Driveways - yr. 1 of 3 yr. Contract	2,675.00	
	Painting-Year 1 of 3 yr. Contract	4,500.00	
	Contracted repairs-roof, fountains, lights, etc.	6,155.00	
	Supplies	<u>1,000.00</u>	14,330.00
Rubbish	Yr. 3 of a 3 yr. \$5.50/unit/mo.		7,655.00
Management	Year 3 of a 3 year contract at \$13.84/unit		17,601.00
Insurance	Erie Insurance quote plus umbrella	11,759.00	
	Casualty Escrow	1,000.00	
	Service Charge for installment billing	<u>27.00</u>	12,786.00
Miscellaneous	Legal	240.00	
	Audit - 2001 J. R. Geib & Co. quote .	875.00	
	Administration	1,300.00	
	Property & Income Tax-	1,600.00	
	Utilities	<u>3,700.00</u>	7,715.00
TOTAL OPERATING			101,757.92
Reserve	\$10.00/unit/month		<u>12,720.00</u>
TOTAL BUDGET			<u><u>114,477.92</u></u>

THE STRAND HOMEOWNERS ASSOCIATION
NOTES TO 2003 BUDGET
1/1/2003-12/31/2003

INCOME

Homeowner fees \$92.00/unit/month 1 17,024.00

EXPENSES

Lawn Contract Based on a 2003-2004 quote from Thomas Landscaping
Mowing
Spring cleanup
Fall cleanup
Trimming June & Sept.
Weeding weekly
Edging
5 Lawn applications
2 Shrub & tree applications 27,420.00
Tax 2,193.60 29,613.60

Landscaping Shrub replacement, miscellaneous work 500.00
Trimming ornamental trees, shade trees, etc. 486.00
Goose repellent 2 trips 843.00
Tax 1,829.00 1,975.32
146.32

Ponds Fountain installation, storage, & repair 2,400.00

Snowplowing 1 year contract with G & G Seal Coating 10,500.00

Common Area Maintenance

Asphalt Driveways - yr. 2 of 3 yr. Contract 1,701.00
Painting-Year 2 of 3 yr. Contract 2,696.00
Contracted repairs-roof, fountains, lights, etc. 5,456.00
Supplies 1,765.00 11,618.00

Rubbish Waste Management year 1 of a 2 yr.contract @ 4.85/unit/mo.+ tax 6,663.00

Management 1 year contract at \$14.22/unit (CPI 2.8%) 18,088.00

Insurance Erie Insurance quote plus umbrella 13,756.00
Casualty Escrow 1,000.00
Service Charge for installment billing 60.00 14,816.00

Miscellaneous Legal 240.00
Audit - 2002 J. R. Gelb & Co. quote 900.00
Administration 1,300.00
Property & Income Tax- 1,600.00
Utilities 3,700.00 7,740.00

TOTAL OPERATING 103,413.92

Reserve \$10.70/unit/month 13,610.00

TOTAL BUDGET 117,023.92

CROFTON ASSOCIATES, INC.
THE STRAND HOMEOWNERS ASSOCIATION
2003 BUDGET

<u>EXPENSES</u>	BUDGET 2002	BUDGET 2003	BUDGET 2003 unit cost/month
GROUNDS MAINTENANCE			
LAWN CARE	28,070.00	29,614.00	23.28
LANDSCAPING-shrub, ponds, ducks, etc.	2,603.00	1,975.00	1.55
PONDS	0.00	2,400.00	1.89
SNOWPLOWING	11,000.00	10,500.00	8.25
COMMON AREA MAINTENANCE			
BLACKTOP (SEALING)	2,675.00	1,701.00	1.34
PAINTING	4,500.00	2,696.00	2.12
REPAIRS	6,155.00	5,456.00	4.29
SUPPLIES	1,000.00	1,765.00	1.39
RUBBISH REMOVAL	7,655.00	6,663.00	5.24
MANAGEMENT COMPANY	17,601.00	18,088.00	14.22
INSURANCE	12,786.00	14,816.00	11.65
MISCELLANEOUS			
LEGAL	240.00	240.00	0.19
AUDIT	875.00	900.00	0.71
ADMINISTRATION (mailings, supplis	1,300.00	1,300.00	1.02
PROPERTY/INCOME TAX	1,600.00	1,600.00	1.26
UTILITIES	3,700.00	3,700.00	2.91
TOTAL OPERATING EXPENSES	101,760.00	103,414.00	81.30
<u>RESERVE</u>	<u>12,720.00</u>	<u>13,610.00</u>	<u>10.70</u>
TOTAL EXPENCES	\$114,480.00	\$117,024.00	92.00
<u>INCOME</u>			
2002 HO FEES @ \$90/month	114,480.00		90.00
2003 HO FEES @ \$92/month		117,024.00	92.00