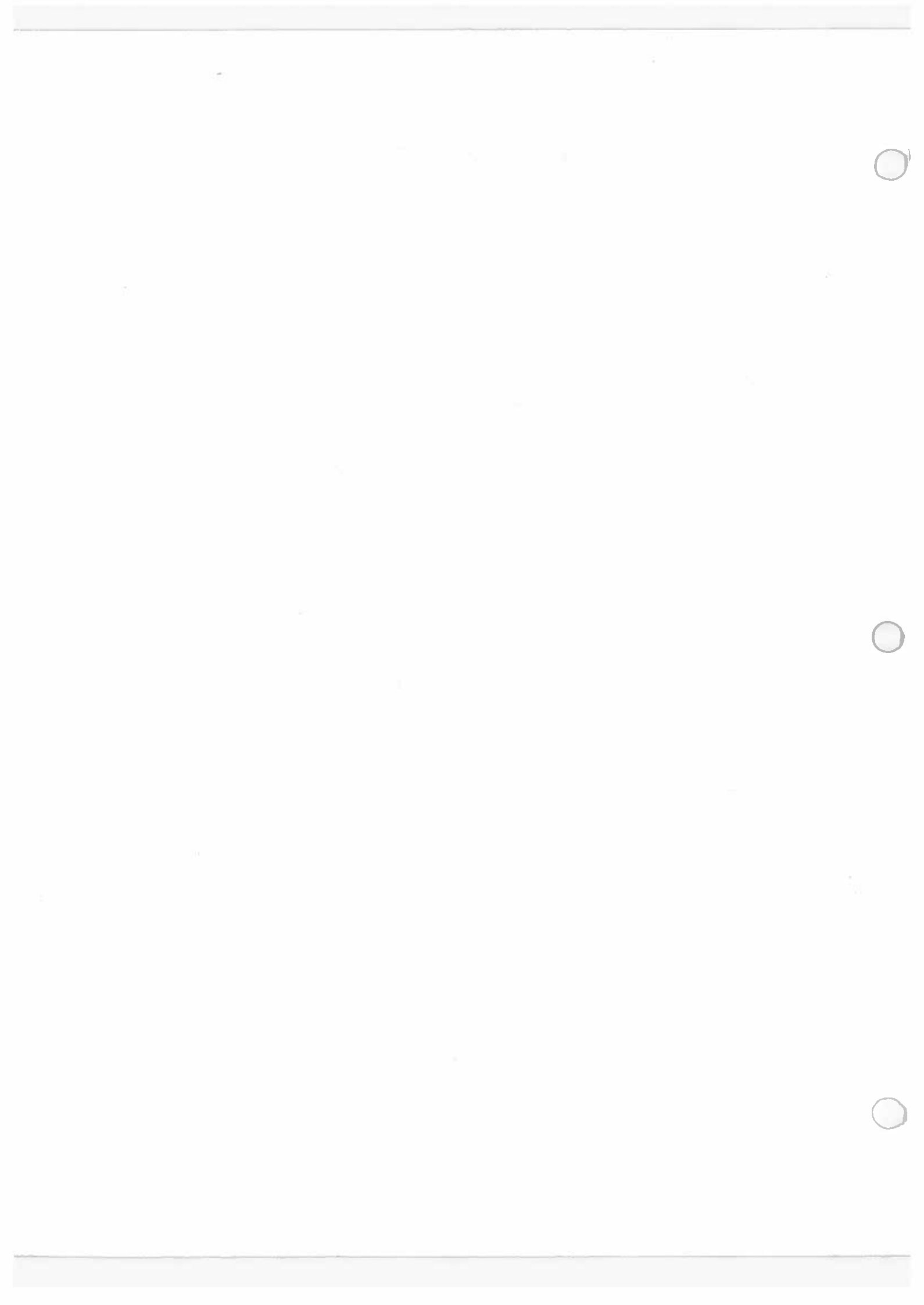


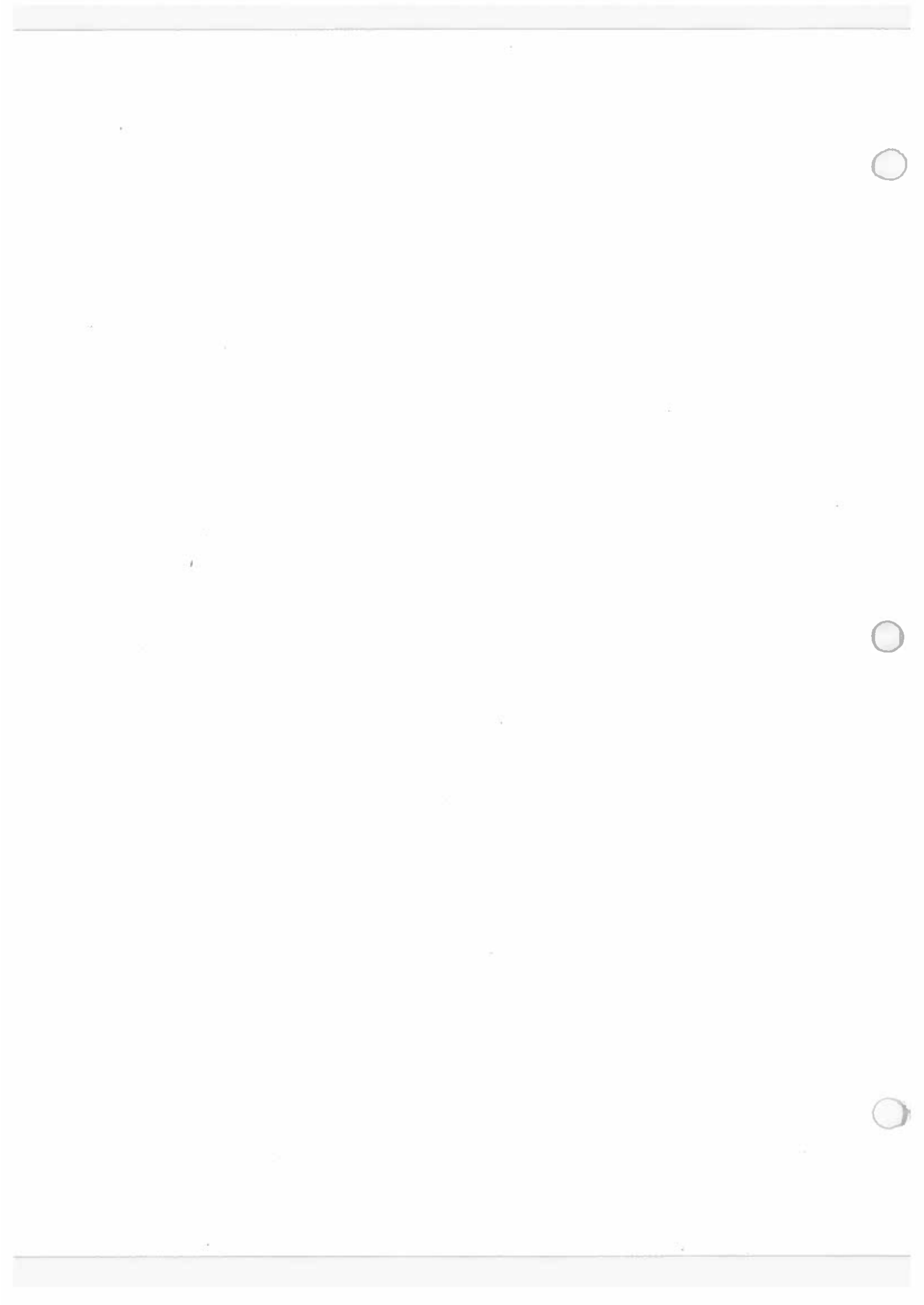
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

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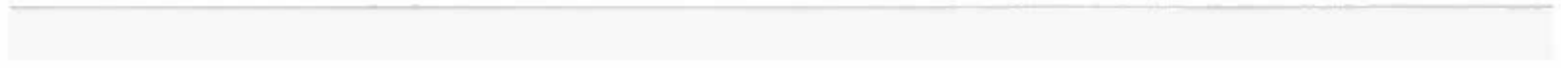
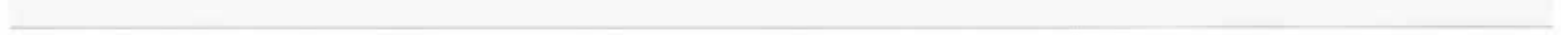
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DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

W I T N E S S E T H :

WHEREAS, Jay Builders, Inc. is the owner of the real property described in Exhibit "A" attached hereto and made a part hereof, and intends: to create a residential subdivision by filing one or more subdivision maps of such property in the Monroe County Clerk's Office showing residential lots; to construct and sell Dwelling Units on such lots; and to convey portions thereof, known as the Common Areas (hereinafter defined), to the Association (hereinafter defined) suitable for social, recreational and cultural purposes for the use and benefit of the Owners (hereinafter defined) and their guests; and

WHEREAS, the Sponsor (hereinafter defined) desires to provide for the preservation of the architecture and appearance of and values and amenities in the Development (hereinafter defined) and for the maintenance and care of the Common Areas and the exteriors of the Dwelling Units and, to this end, desires to subject the real property described in Exhibit "A" to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth (hereinafter collectively referred to as the "covenants and restrictions"), each and all of which are for the benefit of said real property and each Owner (hereinafter defined); and

WHEREAS, the Sponsor has deemed it desirable, for the efficient preservation of the architecture and appearance of and values and amenities in the Development, that there be an agency to which will be delegated and assigned the powers of maintaining and administering the Common Areas and exteriors of the Dwelling Units, administering and enforcing the covenants and restrictions, and levying, collecting and disbursing the assessments and charges hereinafter described; and

WHEREAS, there has been incorporated under the laws of the State of New York, as a Not-For-Profit corporation, Webster Knolls Homeowners' Association, Inc., for the purpose of exercising the aforesaid functions;

NOW, THEREFORE, the Sponsor declares that the real property described in Exhibit "A" (as well as any additional property annexed and made subject to this Declaration) is and shall be held, transferred, sold, conveyed and occupied subject to the covenants and restrictions hereinafter set forth in this Declaration, which shall be deemed covenants and restrictions running with the land.

ARTICLE I
Definitions

The following words when used in this Declaration or any supplemental Declaration (unless the context shall otherwise require) shall have the following meanings:

a. The "Association" shall mean Webster Knolls Homeowners' Association, Inc., its successors and assigns.

b. The "Board" shall mean the Board of Directors of the Association.

c. The "Common Areas" shall mean the real property within the Development which is conveyed to and owned by the Association for the common use and enjoyment of the Owners, including all improvements therein and thereon such as road pavement, driveways, Dwelling Units sidewalk, grass, shrubs, and landscaping. There is no provision in this Declaration permitting the further improvement of the Common Areas with recreational or other structures. The Common Areas within the Development will include only the real property outside of the Lots and the public highways as the same are shown on any filed subdivision or resubdivision map of the Development.

d. The "Development" shall mean the real property described in Exhibit "A" which is to be subdivided into a residential subdivision entitled "Summit Knolls Subdivision, Phase V" by the filing of a subdivision map thereof in said Clerk's Office, together with all buildings and improvements thereon, plus any additional land which Sponsor, or the Association, may annex and make subject to the Declaration under the provisions of Article II following.

e. "Lot" shall mean (as the context requires) any unimproved and numbered proposed residential lot within a Block shown on a filed subdivision map of the Development, or any resubdivided lot improved by a Dwelling Unit as shown on any filed resubdivision map of the Development.

f. "Block" shall mean a numbered and designated parcel of land shown on a filed subdivision map of any part of the Development. A filed subdivision map of any part of the Development will show thereon one or more of such Blocks. Each Block will enumerate and identify the proposed residential Lots which are to be located within such Block. After the construction of the Dwelling Units, or their foundations, within a Block, a resubdivision map of such Block will be filed in said Clerk's Office to show the specific boundary lines of the Lots within such Block.

g. "Dwelling Unit" shall mean any single family residential dwelling constructed on a Lot in the Development. A Dwelling Unit will be attached to at least one adjacent Dwelling Unit by a party or common wall. The size, shape, design, and location of any Dwelling Unit within the Development shall rest within Sponsor's sole discretion, subject only to applicable local and State building codes, and zoning laws, rules, ordinances and regulations, and Sponsor's contractual obligations to the purchaser of any Dwelling Unit.

h. "Members" shall mean all those Owners who are members of the Association as provided in Article III, hereof, including the Sponsor, its successors and assigns.

i. "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot (whether improved by a Dwelling Unit or not) in the Development, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

j. "Sponsor" shall mean Jay Builders, Inc., a New York corporation, its successors and assigns.

ARTICLE II

Additions to Property Subject to This Declaration

Section 1. Additions to the Development by the Sponsor. Sponsor shall have the continuing right, from time to time, to annex and make additional real property subject to this Declaration and the covenants and restrictions herein contained. Such additional property shall be limited to all or portions of the premises described in Exhibit "B" attached hereto. Sponsor shall effect such annexation and subjection by recording an instrument amending this Declaration in said Clerk's Office. Such amending instrument shall refer to this Declaration, shall describe the real property to be annexed and made subject to the Declaration and its covenants and restrictions, and may incorporate any additions or modifications to this Declaration which are necessary to reflect the different character of the annexed property, but which are not inconsistent with the purpose and scheme of this Declaration. Such amending instrument shall become effective upon the date of its recording in said Clerk's Office. Sponsor may exercise its continuing right hereunder at its discretion and without the approval or consent of the Association, the Members, or any of the Owners. Such right may be exercised by Sponsor whether or not it is a Member. All such annexed lands may be subdivided.

Section 2. Additions to the Development by the Association. After the termination of the Class B Membership, annexation of additional property by the Association shall require the consent of two-thirds (2/3) of the Class A Members entitled to vote thereon, at a special meeting called for this purpose. There shall be no such annexation while there is a Class B Membership. Nothing contained in this Section 2 shall be deemed a limitation on Sponsor's continuing right as described in the previous Section 1 of this Article II. Sponsor shall have no obligation to develop or subdivide any lands annexed by the Association.

Section 3. Mergers. Upon a merger or consolidation of the Association, with another association, the properties, rights and obligations of the Association may, by operation of law, be transferred to the surviving or consolidated association, or, alternatively, the properties, rights and obligations of the other association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Development, together with covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants and restrictions established by this Declaration within the Development except as hereinafter provided.

ARTICLE III Membership and Voting Rights in the Association

Section 1. Membership. Membership in the Association shall include Sponsor and every person or entity who is an Owner of a Lot which is, or shall become, subject by the Declaration to assessment by the Association. Membership shall automatically attach and be appurtenant to, and inseparable from Lot Ownership. The membership shall consist of two (2) classes, Class A Members and Class B Members.

a. The Class A Members shall be all Lot Owners, including the Sponsor. Each Class A Member shall have only one vote regardless of the number of Lots owned.

b. The Class B Member shall be the Sponsor, its successors and assigns.

c. Until the termination of the Class B Membership, the Class B Membership shall be the only Class entitled to vote. After the termination of the Class B Membership, the Class A Membership shall be the only Class entitled to vote.

d. After Sponsor transfers the fee title to a Lot improved by a Dwelling Unit to another party or entity, Sponsor's Class A membership with respect to such Lot and Dwelling Unit shall terminate and the other party or entity shall thereupon become the Class A member with respect to such Lot and Dwelling Unit.

e. If any Lot is owned or held by more than one person or entity, in joint or common ownership, or in such a fashion that the fee simple ownership of such Lot shall be divided legally or equitably among one or more persons or entities, such multiple Owners shall collectively be entitled to only one vote in respect of such Lot, and the manner of casting such single vote shall be determined by such multiple Owners of such Lot. In the event a Lot is owned by a corporation, the vote in respect of such Lot shall be cast by an appropriate officer of the corporate Owner.

f. Any person or entity which holds an interest in a Lot only as a security for the performance of an obligation, including a mortgagee, shall not be a Member.

g. Any Member, including the Sponsor, shall be entitled to assign his right to vote by power of attorney, proxy or otherwise, provided that such assignment is made pursuant to the Certificate of Incorporation or the By-Laws of the Association.

Section 2. Termination of Class B Membership. The Sponsor's Class B Membership shall be terminated and be converted to Class A Membership (as to each Lot then owned by Sponsor) immediately upon the expiration of ten (10) years, after Sponsor transfers the first Lot improved by a Dwelling Unit in the Development or when Sponsor has transferred eighty percent (80%) of the total number of Lots in the Development (including those Lots in the land initially subject to this Declaration plus the total number of additional Lots in annexed land made subject to this Declaration), whichever event first occurs.

Section 3. Non-Suspension of Membership. The rights of membership are subject to the payment of annual and special assessments levied by the Association. The obligation for payment of assessments is imposed upon each Owner and becomes a lien upon the Lot against which such assessments are made as

provided by the Declaration. If a Member fails to make payment of any annual or special assessment levied by the Association, such failure to pay shall not result in the suspension of such Member's membership in the Association or in the loss of the Member's right to use the Common Areas.

ARTICLE IV
Association's Property Rights

Section 1. Association Property. The Association's property shall consist only of the Common Areas, the improvements therein, and the several easements in the Development hereinafter described. The Common Areas may not be improved by recreational structures.

Section 2. General Permanent Easement; Right to Enter Dwelling Units. The Association shall have, and hereby is granted, a permanent easement to enter and go upon each of the Lots in the Development with machinery, tools, equipment and personnel necessary for the purpose of providing the services required of the Association under the provisions of Article IX, Section 2b of this Declaration (exterior maintenance of Dwelling Units)), for the purpose of repairing, replacing or restoring any Dwelling Unit within the Development which has been damaged or destroyed by fire or other casualty in accord with the provisions of Article XIII, Section 5 of this Declaration and for performing such other obligations of Association under this Declaration. The Association shall have the right to enter the interior of any Dwelling Unit within the Development solely to perform those services, if any, which the Association is required to perform by the terms of this Declaration. However, such Dwelling Unit entry shall occur only during reasonable hours and only with the advance consent of the Dwelling Unit's Owner, which consent shall not be unreasonably withheld. In the event it shall be necessary for the Association to enter a Dwelling Unit under emergency circumstances, for the purpose of preserving life or property, no such consent shall be required.

Section 3. Grant Of Common Areas and Easements. Sponsor covenants for itself, its successors and assigns, that before the conveyance of the first Lot improved by a Dwelling Unit from the first resubdivision of a Block shown on a filed subdivision map of the Development, it will convey to the Association the Common Areas shown on that filed subdivision map by warranty deed free and clear of all covenants, conditions, restrictions, easements, encumbrances and liens, except:

a. Any covenants, conditions, restrictions, easements, encumbrances and liens created by or pursuant to this Declaration;

b. Any state of facts an accurate survey may show;

c. Any covenants, conditions, restrictions, easements, encumbrances and liens set forth on such filed map;

d. Any resubdivision of Lots which results in an exchange of property as hereinafter described.

e. If any part of the Common Areas previously conveyed to the Association under the provisions of Section 3, of this Article, are thereafter included within the boundaries of any Lot or Lots resubdivided under the provisions of Section 4, Article VII following, then, such included parts of the Common Areas shall be deemed to have been excepted by Sponsor from the previous conveyance, and the Association, for itself, its successors and assigns, covenants to reconvey to Sponsor on demand such included part of the Common Areas. Further, Sponsor reserves, and shall have, the continuing right on behalf of and as agent for the Association, to execute such further deeds or instruments as may be reasonably required to effect such reconveyance.

Section 4. Limitation on Association. The Association shall not make use of any of the easements granted to it in such a fashion as to impose an undue burden or annoyance upon any Dwelling Unit Owner.

ARTICLE V

Additional Rights of Association and Association Property

Section 1. Additional Rights of Association in the Common Areas and Dwelling Units. Subject to the reconveyance of portions of the Common Areas included in resubdivided Lots, the Association shall have the right to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility, or such other transferee as the Association may determine including private utilities such as cablevision companies providing services beneficial to the Development as a whole, for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication, transfer or determination as to the purposes or as to the conditions thereof shall be effective unless an instrument, signed by Class A Members entitled to cast two-thirds (2/3) of the votes of Class A Membership has been recorded, agreeing to

such dedication, transfer, purpose or condition, and unless written notice of the action is sent to every such Class A Member not less than ten (10) or more than fifteen (15) days in advance of any action taken.

a. The Association shall have the right to promulgate rules and regulations relating to the use, operation and maintenance of the Common Areas for the safety and convenience of the users thereof, including, but not limited to by reason of enumeration, rules and regulations limiting and controlling the parking of vehicles, the placement of other obstructions, the planting of shrubs, trees, or other growth, or any other improvement of the Common Areas, and the extent of recreational or other uses of the Common Areas.

b. The Association shall have the right to use water and electricity from outdoor bibs and sockets on any Dwelling Unit to water the lawns and other landscaping, if any, within the Common Areas and to facilitate the performance of the services Association is required to render under this Declaration. The Association shall reimburse the Owner of the Dwelling Unit or Units from which water is drawn or electricity is consumed. Such reimbursement shall be an amount of money equal to the difference between such Owner's average water bill (as billed by the utility furnishing water to such Owner) for the months of October through May, both inclusive, of the calendar year in which water is drawn, and the actual water bill for the month in which water is drawn. Reimbursement for electricity consumed shall be an amount of money equal to the difference between the electricity bill (as billed by the furnishing utility) for the month of such consumption and the average of such bills for the three (3) preceding months.

ARTICLE VI Members Property Rights

Section 1. Common Areas. Each Lot Owner within the Development shall have, and hereby is granted, a non-exclusive permanent easement, to be enjoyed in common with all other such Owners in the Development, in and to the use of the Common Areas, including but not limited to the use of the roads and driveways for all vehicular and pedestrian ingress, egress, and access to and from such Owner's Dwelling Unit and to the use of the open space within the Common Areas for recreational purposes plus any other reasonable uses permitted by the Association pursuant to rules and regulations it adopts, except that a driveway and sidewalk shall be used only by the Owner of the Dwelling Unit served by the driveway and sidewalk.

Section 2. Easement Enjoyment By Others. The easements and rights granted herein to an Owner may be used and enjoyed by such Owner's guests, invitees, tenants, licensees or contract purchasers who reside in such Owner's Dwelling Unit. It shall be such Owner's responsibility to advise the Association of the name of any tenant or contract purchaser occupying the Dwelling Unit.

Section 3. Repair Easements. Each Owner shall have a temporary easement over immediately adjacent Lots and the Common Areas solely for the purpose of performing such routine maintenance of an Owner's Dwelling Unit which is not required to be performed by the Association. The exercise of such temporary easement right shall not impair the enjoyment of the adjacent Lot and shall be limited to an area reasonably necessary to effect such maintenance. In the event an Owner, while exercising such temporary easement right, shall damage the property or Dwelling Unit of an adjacent Owner, such Owner shall be responsible for all costs for the repair of any damage to such adjacent Owner's Dwelling Unit or property.

Section 4. Grant of Owners' Easements. The easements herein provided for the benefit of each Owner in the Development shall be granted to each such Owner by appropriate language in such Owner's deed of conveyance referring to the easements and rights provided for in this Declaration.

Section 5. Reservations Affecting Owner's Lot Fee Title, Easements, and Common Areas Rights. Owner's Lot fee title, easements, and Common Areas rights as provided for in this Declaration shall be subject nevertheless to the following:

a. Covenants, conditions, restrictions, easements, encumbrances and liens created by or pursuant to this Declaration, including but not limited to by enumeration, the Association's right to grant easements in and to the Common Areas, the Association's right to adopt reasonable regulations to govern the use of the Common Areas, the Sponsor's right to reserve and dedicate certain easements and to reconvey portions of the Common Areas included in resubdivided Lots, all as specifically provide for in this Declaration.;

b. Any state of fact an accurate survey may show;

c. Covenants, conditions, restrictions, easements, encumbrances, and liens set forth on the filed maps or resubdivision maps of any portion of the Development.

Section 6. Lot or Easement Encroachment. If any part of a Dwelling Unit constructed by Sponsor (including but not limited

to eaves, roof overhangs, foundation walls, siding material, gutters, fences, fireplaces, downspouts, drain pipes, window sills, chimney flues, utility lines, wires, pipes, conduits, and any facilities, construction, or appurtenances within a party wall) encroaches onto or into an adjacent Dwelling Unit or Lot, the Common Areas, or any easement granted or reserved pursuant to the provisions of this Declaration, or if any pipes, drains, wires or other appurtenances originally installed or subsequently replaced within such granted or reserved easements shall encroach onto or into any Lot, the Common Areas, or any other easement granted or reserved pursuant to this Declaration, then Sponsor hereby grants to each Owner, the Association, and to the owner or permitted user of such granted or reserved easement, a permanent and valid easement for any such encroachment and the maintenance thereof so long as such encroachment, and the replacement thereof, shall continue and does exist. In the event any Dwelling Unit shall be partially or totally destroyed as a result of fire or other casualty, and then rebuilt, repaired, or restored, encroachments similar in nature, location, and extent to those above described shall be permitted, and Sponsor grants each Owner a valid easement for such encroachments and the maintenance thereof.

ARTICLE VII

Easements and Lot Resubdivision Rights Reserved to Sponsor

Section 1. Construction Easement. During the period of time during which Sponsor is still constructing Dwelling Units in the Development, Sponsor shall have a temporary easement in the Development for the purpose of constructing the Dwelling Units, maintaining a sales office, and completing and improving the Common Areas. The right to maintain a sales office shall include Sponsor's right to post sales signs, erect and maintain at least one model Dwelling Unit, and to have Sponsor's customers, vendors, laborers, subcontractors, and suppliers use the roads and Common Areas. The easement herein shall terminate when Sponsor has sold the last Dwelling Unit it intends to construct in the Development. When the easement terminates, Sponsor shall clean up any area used by it, and shall restore the premises used to a neat and orderly fashion.

Section 2. Temporary Blanket Easement. Sponsor reserves a temporary but continuing blanket easement throughout the Development for the purpose of maintaining, repairing, replacing or restoring the Common Areas shown on a subdivision map of the Development and the improvements therein and for making repairs to the Dwelling Units pending the Association's

take-over of such duties, and for the purpose of fulfilling the express warranties or agreements to repair contained in purchase contracts between the Sponsor and the individual Dwelling Unit Owners.

Section 3. Utility, Emergency, and Mailbox Easements. To implement municipal and other services in the Development, Sponsor reserves the right to grant the following easements throughout the Development:

a. Utility Easements. Sponsor reserves the right to grant and create easements, whether or not the same are shown on any filed subdivision map of the Development, to the Town of Webster, the Village of Webster Shoecraft Road Water District, any municipal special improvement district, any public or private utility, any public or municipal authority, or other entity for the installation, repair, maintenance, and replacement of sidewalks, public highways, sanitary and storm sewers, detention ponds, drainage swales and ditches, water lines, hydrants, electricity lines, telephone lines, cable television lines, and all related pipes, cables, wires, conduits, grates, manholes, pavement and other appurtenances; provided that any such easements not shown on the filed maps referred to shall not be located under, across, or touch any portion of a resubdivided Lot covered by the Dwelling Unit.

b. Mailbox Easements. Sponsor reserves the right to create and grant common easements on the Lots or Common Areas to Owners for the maintenance of mailboxes.

c. Emergency Easements. It shall be deemed that Sponsor has granted an irrevocable and permanent easement over all Common Areas, roads and driveways in the Development for ingress and egress to the Dwelling Units for the vehicles and personnel of all private and public emergency services such as ambulances, police, fire, and the maintenance crews and personnel of any municipality or improvement district thereof.

Section 4. Lot and Block Resubdivision and Resubdivided Lot Conveyance to and by Association. Each filed subdivision map of any part of the Development will show numbered Blocks thereon. Each such Block will identify and enumerate the proposed Lots within such Block but the specific boundaries of such Lots will not be shown. After the construction of Dwelling Units or foundations on the proposed Lots in a particular Block, Sponsor will (and reserves the right to) file a resubdivision map for such Block in said Clerk's Office showing the actual boundaries, location, and identifying numbers of the resubdivided Lots therein. Sponsor will convey to the Association, as Common Areas, any lands which are not included as

part of the resubdivided Lots within a resubdivided Block. Sponsor reserves the further right to file additional resubdivision maps for any previously resubdivided Lot for the purpose of correcting a boundary line: to correspond with the center line of the common or party wall between Dwelling Units; to insure that a Dwelling Unit as constructed is within the boundary lines of a resubdivided Lot; or to eliminate any encroachments of Dwelling Units onto adjacent Lots or the Common Areas. The foregoing reserved rights of resubdivision shall be limited, and apply only, to Lots which are owned of record by Sponsor.

ARTICLE VIII
Sponsor's Obligations

Section 1. Completion of Association Property by the Sponsor.

a. The Sponsor shall complete the following work in the Development at its sole cost and expense:

(i) The construction of all roads, Dwelling Unit driveways and sidewalks, and the installation of lawn, grass, trees, shrubs and other landscaping, if any, within the Common Areas in the Development;

(ii) The installation of all public sanitary and storm sewers, roads, water lines and hydrants, detention ponds, storm water drainage swales, pipes, conduits, facilities, appurtenances, and other utilities (which are not installed by the Town of Webster, the Village of Webster Shoecraft Road Water District, any municipal special improvement district, any municipal authority or any private utility company or other entity) which may be required under the provisions of all applicable, local, state, and federal zoning, building and land subdivision laws, rules, and regulations, to permit and qualify a subdivision map or maps of the Development to be filed in said Clerk's Office.

b. The Sponsor's obligation to complete such work shall survive and continue until the same is fully completed.

c. Except for the existing purchase money, Dwelling Unit construction or land development mortgages now or about to become liens on the Development, Sponsor will place no mortgages on the Common Areas. The purchase money, construction and land development mortgages will be subordinated to the Declaration and will not be a lien against the Common Areas.

Section 2. Sponsor's Operation and Maintenance of Common Areas and Exteriors of Dwelling Units.

a. After Sponsor files a subdivision map for a part of the Development, Sponsor shall be responsible to render and perform the services required of the Association under this Declaration for the care, maintenance, operation, and repair of the Common Areas, and Lots, (including the exteriors of Dwelling Units) contained within the bounds of that filed subdivision map, until the transfer of the first resubdivided Lot contained within such bounds to an Owner other than Sponsor, at which time the Association shall become responsible to render and perform such services for the Common Areas, and Dwelling Units contained within the bounds of that filed subdivision map.

b. While Sponsor controls the Board, it will provide an annual certified financial statement to the Association.

ARTICLE IX

Covenant For Assessments; Purpose of Assessments; Services Performed by Association; Obligations on Sponsor's Lots; Collection of Assessments; Working Capital Fund

Section 1. Imposition of Assessments, Lien, and Personal Obligation. Each Owner, by becoming an Owner by the acceptance of a deed or otherwise, whether or not such deed or other instrument pursuant to which title was obtained so provides shall be deemed to covenant and agree to pay to the Association: (i) annual assessments (maintenance charges), and (ii) special assessments for capital improvements. Such assessments shall be fixed, established and collected from time to time as hereinafter provided. Each assessment, together with any interest or collection costs thereon as hereinafter permitted, shall be a charge and continuing lien upon the Lot or Lots against which the assessment is made and shall also be the personal obligation of the Owner of such Lot at the time the Assessment is made.

Section 2. Services to be Rendered by the Association and Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Development in connection with their use and enjoyment of the Common Areas and the Dwelling Units, including, but not limited to:

a. Association Common Areas. The payment of taxes, if any, insurance premiums, the cost of any repair, replacement, maintenance, restoration or additions to the Common Areas (including but not limited to the snow plowing, repaving, repair and replacement of the roads, driveways, and Dwelling Unit sidewalks, the repair or replacement of Development identification and street signs, and the care, watering, fertilization and replacement of any grass or landscaping) as well as the cost of labor, equipment, materials, administrative and management services required for the performance of the services required of the Association under this Declaration, or for creating reserves for such purposes; and

b. Exterior of Dwelling Units. The painting, staining, repair, replacement and care for roofs, gutters, leaders, exterior building surfaces, the exposed portion of any party wall, exterior fireplace chimneys or flues (whether or not installed by Sponsor), permitted privacy fences, (whether installed by Sponsor or not but subject to the provisions of this Declaration relieving Association of such obligation) and other exterior improvements installed on any Dwelling Unit by Sponsor, or the comparable replacements thereof; the repair, maintenance, replacement and care for any sanitary sewer laterals and storm sewers or water and drainage lines from the exterior wall of a Dwelling Unit to a dedicated pipe or sewer; the repair, maintenance, replacement, and care of facilities, pipes, conduits or appurtenances which are not within a Dwelling Unit and which are not owned or maintained by the Town of Webster, the Village of Webster Shoecraft Road Water District, any municipal special improvement district, or any municipal authority or private utility company or other entity; the removal of snow from the driveway or sidewalk serving each Dwelling Unit; and the collection and removal of waste, rubbish, and garbage from the Dwelling Units. In the event that the need for any such maintenance, replacement, or repair is caused by the willful or negligent act or omission of the Owner, his family, guests or invitees, the cost of such maintenance, replacement, or repairs shall be added to and become a part of the assessment to which such Dwelling Unit is subject for the month immediately succeeding the month in which the Association effects such repairs, replacement, or maintenance. The exterior maintenance required of the Association shall not include: repair, replacement or care of glass surfaces or windows, storm doors, screen doors, storm windows, screen windows, exterior lighting fixtures or light bulbs, or other exterior improvements of a similar nature installed by the Owner or by Sponsor; trimming, cutting, replacing, maintaining, repairing or caring for trees, shrubs, grass or other plantings, or any patio or deck within any area enclosed by permitted fences on any resubdivided Lot.

c. Independent Manager. The employment of a professional manager to supervise and arrange for all the work, services, and materials required in the operation, care, and maintenance of the Common Areas, the exterior of the Dwelling Units, and in performing all other functions and services required of the Association under this Declaration, including the administrative service of billing for and collecting the assessments levied by the Association. Such professional manager shall be paid a fee by the Association which is comparable to the customary fees received by persons or entities performing similar services within the community. The Board may enter into a renewable management agreement with such manager for an initial period not to exceed three (3) years. Such manager must be unaffiliated with Sponsor.

Section 3. Payment of Annual Assessment. The annual assessments provided for herein for the Lots which are contained within the bounds of a filed subdivision map of the Development shall commence on the day the first resubdivided Lot within the bounds of that particular filed subdivision map is transferred to an Owner other than Sponsor. The Association shall from time to time fix the amount of the annual assessment at a sum sufficient to pay the anticipated costs of maintaining and operating the Common Areas, maintaining and repairing the exteriors of the Dwelling Units, and in performing those services required and permitted of the Association under the provisions of this Article IX, as well as providing and paying for the various insurances and Dwelling Unit reconstruction required and provided for under Article XIII of this Declaration during the ensuing fiscal year of the Association, and any operating deficits previously sustained. The annual assessments fixed by the Association shall include such amounts as the Association shall deem proper to provide reserves for the replacement or repair of the Common Areas and the improvements therein owned by the Association as well as those portions of the exteriors of the Dwelling Units which are the responsibility of the Association to maintain and repair, and such other items or materials for which the Association is responsible under the terms of the Declaration; provided, however that such reserves for the repair or replacement of the exterior of a Dwelling Unit shall not accrue or commence to be assessed until a Certificate of Occupancy for such unit has been issued by the appropriate municipal authority. An Owner's obligation for annual assessments shall be payable in equal monthly installments, or such other less frequent periods as shall be fixed by the Board, in advance. An Owner's obligation to pay such annual assessments shall commence upon the transfer of his resubdivided Lot to him by Sponsor. The portion of the annual assessment due for the month of the transfer shall be adjusted from the date of the transfer to the close of such month and

shall be paid to the Association at transfer. Thereafter, the full amount of the monthly, or other periodic, installment shall be paid directly to the Association. Any change in the commencement date and the amount of assessment against each resubdivided Lot or Dwelling Unit for each assessment period shall be fixed by the Association at least thirty (30) days in advance of such date, and, the Association shall, at that time, prepare a roster of the Dwelling Units and the applicable assessments which shall be kept available for inspection at the Association's office by any Owner. Written notice of the assessments shall thereupon be sent to every Owner subject thereto; but the failure to send such notice shall not relieve an Owner of the obligation and responsibility to pay such assessments.

Section 4. Special Assessments for Capital Improvements.
In addition to the annual assessments authorized by Section 3 of this Article, the Association may levy, in any assessment year, special assessments (which shall be fixed in accordance with the provisions set forth in Section 5 of this Article) for all Lots applicable to that year only for the purpose of defraying, in whole or in part, the cost of any replacement or restoration of the Common Areas or any improvements therein or for the purpose of providing those repairs, replacements, or restorations which the Association is required to make to the exteriors of Dwelling Units and for which the contingency funds or reserves maintained by the Association are inadequate; provided that any such special assessment shall have the assent of two-thirds of the votes of any Class of members who are entitled to vote thereon at a special meeting duly called for this purpose. The due date of any special assessment shall be fixed in the resolution authorizing such assessment.

Section 5. Uniformity of Assessments. Each Lot or resubdivided Lot Owner (including Sponsor) in the Development shall be responsible to pay a fraction of the total annual or special assessments levied by the Association after such Lot becomes subject to the payment thereof in accordance with the foregoing provisions hereof. Subject to Sponsor's right to pay the difference between the Association's actual operating expenses and the annual assessments collected from Lot Owners as set forth in Section 6 below, each Lot Owner in the Development (including Sponsor) shall be responsible to pay a fraction of such assessments, the numerator of such fraction being one (1) and the denominator being the number of Lots in the Development subject to the Declaration. The first phase of the Development (proposed Summit Knolls Subdivision, Phase V) will have 62 Lots improved with Dwelling Units when fully developed. The Lot Owners (including Sponsor) in that phase will each be responsible for one sixty-second (1/62) of the annual and

special assessments. If Sponsor exercises its right to annex and make additional land subject to the Declaration, the denominator of the fraction used to determine the share of the annual and special assessments each Lot Owner in the Development must pay will be increased by the number of Lots which are added to the Development (and made subject to the Declaration) when such Lots added to the Development are required to commence assessment payments under Section 3 of this Article IX.

Section 6. Assessments on Lots, Resubdivided Lots, or Dwelling Units owned by Sponsor. No Lot (whether improved by a Dwelling Unit or not) owned by Sponsor shall be subject to the payment of any annual assessments until Sponsor notifies the Association in writing which remaining and unsold Lots it then owns in the Development shall become subject to the payment of such annual assessments. Thereupon, Sponsor immediately shall commence to pay the required monthly assessment installment for each Lot designated in such notice. The annual assessment installments which are due for the month in which such notice is given shall be adjusted and prorated from the date of such notice to the close of such month. While any Lots owned by Sponsor in the Development are exempt from the payment of the annual assessments by virtue of the foregoing provisions of this section 6, Sponsor shall pay to the Association each month, a sum of money equal to the Association's actual monthly expenses, reduced by the total assessments charged by the Association for that month upon all other Lots in the Development then subject to assessment, including those of Sponsor which are not exempt from assessment. Sponsor shall have the right, but not the obligation, to be reimbursed by the purchaser of a Lot improved by a Dwelling Unit for those portions of Sponsor's payments for such Lot which represent reserves for completed improvements, including roads. Such reimbursement to Sponsor may be collected upon the transfer of such Lot to its new Owner.

Section 7. Certificates of Payment. The Association shall, upon demand at any time, furnish to any Owner liable for said assessment, a certificate in writing, signed by an officer of the Association, or an officer or employee of any independent manager properly retained by the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. The Association shall be entitled to levy an administrative charge for any such certificate requested by any such Owner in excess of one (1) per annual assessment period.

Section 8. Nonpayment of Assessment.

a. Lien and Personal Obligation. Every assessment, together with the interest thereon and cost of collection hereof, as are hereinafter provided, from the time made and until it is paid, shall constitute and continue as a lien on each Lot, and also shall be a personal obligation of the Owner of such Lot on the date which such assessment is due and payable. But the personal obligations for assessments made but unpaid shall not thereafter pass to the Lot Owner's successors in title unless responsibility therefor shall be assumed by them, in writing. If any such assessment is not paid within thirty (30) days after the date upon which it is due and payable, such assessment shall bear interest from the date on which it was due and payable at the legal maximum rate permitted in the State of New York.

b. Remedies of the Association. The Association may bring a legal action against any Owner personally obligated to pay any assessment and/or may enforce or foreclose the Association's lien against the Lot in respect of which any assessment, or interest thereon, has not been paid. In the event a judgment is obtained by the Association, such judgment shall include interest on the assessment as above provided and a sum, to be fixed by the court, to reimburse the Association for all costs, disbursements and expenses (including without limitation reasonable attorney's fees) incurred by the Association in connection with said action.

Section 9. Subordination of the Association's Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any purchase money or collateral first mortgage of record now or hereafter placed upon any improved resubdivided Lot subject to such assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such improved resubdivided Lot pursuant to a Decree of Foreclosure, or any other proceeding in lieu of foreclosure, including a deed given in lieu of foreclosure. Such foreclosure sale or transfer shall not relieve an improved resubdivided Lot from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessments.

Section 10. Conveyance to Subsequent Grantees. Any deed conveying titled to any improved resubdivided Lot shall contain the following covenant:

Grantee covenants that, as long as the grantee owns the premises herein, grantee will perform each and every obligation required to be performed by grantee under the Declaration of Covenants, Conditions and Restrictions made by Jay Builders, Inc., dated _____, 19__ and recorded in the Monroe County Clerk's Office in Liber _____ of Deeds, at page _____, as it may be amended from time to time, and as a member of the Webster Knolls Homeowners' Association, Inc., and grantee covenants and agrees to include this covenant in any deed conveying title to the premises described herein to any subsequent grantee.

Section 11. Reserves Reduction. While Sponsor controls the Board of the Association, no reserves collected for replacement shall be used to reduce projected annual assessments.

Section 12. Working Capital. The purchase agreement will require the initial purchaser of any Dwelling Unit to contribute \$159.00 to the Association as working capital. Such payment will be made at the closing of the Dwelling Unit by the original purchaser. This advance will be used by the Association solely to fund its initial cash needs, as determined by the Board of Directors, such as the prepayment of insurance premiums and real estate taxes. Sponsor may advance funds to working capital to make such prepayments. Sponsor shall be entitled to be reimbursed by the Association for such advances made. In no event will working capital be used to defray any Owner's (including the Sponsor's) obligation for assessments nor will Sponsor be entitled to reimbursement for money spent to maintain any Common Areas or exteriors of Dwelling Units prior to the Association's obligation to take over such responsibilities.

ARTICLE X Party Walls

Section 1. Definition. The term "Party Wall" as used herein shall mean and refer to the entire wall, from front to rear, all or a portion of which is used for support or fire wall protection between each adjoining Dwelling Unit situated or intended to be situated in the boundary line between adjoining or adjacent Dwelling Units. "Party Wall" as herein used shall also include any fence erected by Sponsor, or any permitted erection or extension of a fence by a Dwelling Unit

Owner, extending from the rear of a Dwelling Unit and situated, or intended to be situated, on the boundary line between adjacent Dwelling Units.

Section 2. General Rules of Law to Apply.

a. To the extent not inconsistent with the provisions of this Article, the general rules of law regarding Party Walls and liability for damage due to negligence or willful acts or omissions, shall apply to each Party Wall which is built as part of the original construction of the Dwelling Units located in the Development and any replacement thereof.

b. In the event that any portion of any structure, originally constructed by the Sponsor, including any Party Wall, shall protrude over an adjoining Lot or Dwelling Unit, such structure or Party Wall shall not be deemed to be an encroachment upon the adjoining resubdivided Lot or Dwelling Unit. Owners shall neither maintain any actions for the removal of a Party Wall or projection nor any action for damages. In the event there is a protrusion as described in the immediately preceding sentence, it shall be deemed that said Owners are granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the projection or Party Wall. The foregoing shall also apply to any replacements, any structures, or Party Walls, if the same are constructed in conformance with the original structure or Party Wall constructed by the Sponsor, or if such Party Wall constitutes a permitted extension by the Owner of a Dwelling Unit.

Section 3. Sharing of Repair and Maintenance. The cost of repair and maintenance of the unexposed portion of a Party Wall not covered by insurance maintained by the Association shall be shared equally by the Owners making use of the Wall. The cost of repair and maintenance of the exposed portion of a party wall and a fence constituting a Party Wall shall be an expense of the Association, unless the necessity for such repairs or maintenance results from the negligence of the Dwelling Unit Owner using such fence, or the Association is relieved of such obligation under the Declaration. If a Dwelling Unit Owner, as hereinafter permitted, uses a portion of the Party Wall fence to enclose any portion of such Dwelling Unit Owner's rear yard, the Association shall no longer be responsible for the repair or maintenance of any portion of such Party Wall fence constituting a part of such enclosure.

Section 4. Destruction by Fire or Other Casualty. If a Party Wall or Party Fence is destroyed by damage or fire or other casualty, and such damage or destruction is not otherwise

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covered by insurance as set forth in Article XIII hereof, any Owner who has used the Wall may restore it, and if the other Dwelling Unit Owners sharing such Party Wall thereafter make use, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 5. Damage and Repair. Notwithstanding any other provisions of this Article, an Owner, who by his negligent or willful act or omission causes the Party Wall to be exposed to the elements shall bear the whole cost of repairing such damage.

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

Section 7. Repair or Restoration. Any Party Wall which shall be repaired or restored pursuant to this Article shall be erected on the same spot where originally constructed by Sponsor, or subsequently replaced, and shall be of the same size, an the same or similar materials and like quality and construction.

Section 8. Arbitration. In the event of any dispute arising concerning a Party Wall, or under the provisions of this Article, each party shall chose one arbitrator, and such arbitrators shall chose one additional arbitrator, and their decision in respect of any dispute under this Article shall be by a majority of all of the arbitrators and shall be binding upon the parties to such dispute.

ARTICLE XI

Restrictions Upon Owner's Use of the Property

Section 1. Exteriors of Dwelling Units.

a. Prohibited Maintenance. Except as hereinafter specifically set forth or provided, no Owner may maintain, alter or repair the exterior of a Dwelling Unit. Such prohibited maintenance and repair includes, but is not limited to, those services to be rendered by the Association as specified in Section 2b of Article IX.

b. Required Repairs. Owners shall be solely responsible for Dwelling Unit exterior maintenance not rendered by the Association, as specified in Section 2b of Article IX.

c. Permitted Alterations. While the Sponsor shall still be the Owner of at least twenty-five percent (25%) of the Lots which are then in the Development and are subject to the Declaration, but not for a period of more than three (3) years after the transfer of the first resubdivided Lot in the Development, no Dwelling Unit Owner shall structurally, architecturally, or decoratively, alter or change the exterior of his Dwelling Unit without the advance written consent of Sponsor. In applying for such consent, the Dwelling Unit Owner shall submit plans and specifications of the changes proposed to Sponsor at its main office or place of business. Such consent will be deemed to have been granted by Sponsor if Sponsor has neither approved nor disapproved such application in a writing, delivered to the applicant by certified mail, return receipt requested, within sixty (60) days after such written application and the plans and specifications have been delivered to Sponsor. After Sponsor owns less than twenty-five percent (25%) of such Lots in the Development, or upon the expiration of three (3) years after the said first resubdivision Lot transfer, whichever first occurs, no Dwelling Unit Owner shall make such alterations or changes to the exterior of his Dwelling Unit without first securing the written approval of the Association, or a specifically designated Architectural Review Committee established by the Association for such purpose. The method of obtaining such approval from the Association, or its designated Committee, shall be in accord with rules and regulations promulgated by the Association at a regular or special meeting of the Association's Board. Copies of such rules and regulations shall be distributed to all Dwelling Unit Owners by the Association at least ten (10) days prior to their effective date.

Section 2. Fences. No Dwelling Unit Owner shall be permitted to construct any fence except in accordance with the following provisions.

a. Any Party Wall fence originally installed or constructed by Sponsor may be extended only along the common boundary line between adjacent Lots to their rear boundary line.

b. A Dwelling Unit Owner shall be permitted to enclose his rear yard (privacy area) with a fence. Any Party Wall fence may be utilized as a part of the fence enclosing such privacy area. The Association shall not be responsible for any maintenance within the privacy area, nor for the repair or maintenance of the fence enclosing the privacy area. The cost of such repair and maintenance shall be the sole respons-

ibility of the Dwelling Unit Owner. Should such Owner fail to make such repairs, the Association may perform them and assess the defaulting owner the cost thereof.

c. All fences extended or erected by a Dwelling Unit Owner as hereinbefore permitted shall be constructed in accordance with applicable Town of Webster zoning and building ordinances, shall be made of pressure treated wood, and the color, height, and design of the fence shall be approved in advance by the Association through a procedure it shall adopt.

Section 3. Patios. Any Dwelling Unit Owner shall be permitted to construct a patio or deck in his rear yard and within the bounds of his resubdivided Lot, provided the same is connected to the rear wall of his Dwelling Unit and, further provided, that such deck or patio shall be constructed and located in such a fashion that it will comply with Town of Webster applicable building and zoning laws including those which regulate the distance of open space between structures and buildings. Additionally, the Owner must obtain the prior approval of the Association in accord with such procedures as it shall adopt. Responsibility for the maintenance, care, replacement and restoration for such patio or deck shall be that solely of the Dwelling Unit Owner except that if such Owner fails to properly care for such patio or deck the Association, after reasonable notice to the Dwelling Unit Owner, may undertake to make such repairs or maintenance and charge the same to the Dwelling Unit Owner as part of his annual assessment.

Section 3. Prohibited Landscaping. No Dwelling Unit Owner, other than the Sponsor, or the Association after Sponsor no longer controls its Board, shall plant or install any trees, bushes, shrubs, gardens, or other plantings, or authorize the same to be done in the Common Areas, except with the prior consent of the Association given under such procedures as it shall adopt.

ARTICLE XII

Restricted Use of Dwelling Units and Lots

Section 1. Use Limitations. The use of a Dwelling Unit and a resubdivided Lot by an Owner or other occupant shall be subject to the provisions of this Declaration, the By-Laws and the reasonable rules and regulations of the Association promulgated as permitted herein. For the purpose of protecting the use of the Common Areas and the Development, the following specific covenants and restrictions shall apply to the Development:

a. No exterior radio or television antenna or window or wall air conditioning unit may be installed, attached, or erected on a Dwelling Unit. The provisions of this subsection shall not limit or prohibit the installation of an exterior central air conditioning or heat pump unit servicing a Dwelling Unit.

b. No boat, trailer, mobile home, camper truck, motor home, recreational vehicle, or other similar vehicle, shall be parked in the Development for more than 72 hours, and no shed, shack, outbuilding, or utility building may be placed or erected on any resubdivided Lot or the Common Areas.

c. No Owner shall post any sign, advertisement or poster of any kind on the exterior of a Dwelling Unit, or in any window of the Dwelling Unit, or in the Common Areas without the prior written consent of the Board, except for signs advertising such unit for sale.

d. Any Owner who mortgages his Dwelling Unit shall notify the Board providing the name and address of his mortgagee.

e. The Board shall, at the request of the mortgagee of the Dwelling Unit, report any delinquent assessments due from the Owner of such Dwelling Unit without such Owner's consent.

f. No nuisances shall be allowed in the Development, nor shall any use or practice be allowed which is the source of annoyance to residents of the Development or interferes with the peaceful possession and proper use of the Development by the residents.

g. No immoral, improper, noxious, commercial, industrial, offensive or unlawful use shall be made of the Development or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

h. Reasonable rules or regulations may be promulgated by the Board concerning the use of the property within the Development, and such rules or regulations shall be observed by the Owners and residents, provided, however, that copies of such regulations are furnished to each member or occupant at least ten (10) days prior to the time that such rules or regulations are to become effective.

i. All assessments shall be paid when due.

j. No pets shall be maintained in any Dwelling Unit or in the Development, except dogs, cats, caged birds, and other similar and usual domestic pets. No dog, cat, or other permitted domestic pet shall be permitted to run loose on any portion of the Development.

k. No part of the Development shall be used or maintained for the dumping of any Owner's rubbish, trash, garbage or other solid or liquid waste. All such materials shall be stored in a clean and sanitary condition in an appropriate container or receptacle in the Dwelling Unit pending collection. Not sooner than eight p.m. of the evening immediately preceding the collection day of such materials, each Dwelling Unit Owner shall place such materials wrapped in a plastic trash bag or other suitable container outside the Dwelling Unit in an accessible place for pick-up by the refuse collection service.

l. During the course of construction or reconstruction of the Development, the Sponsor shall be permitted to maintain such construction facilities as the Sponsor deems, in its sole discretion, to be necessary, including but not limited to, model units, sales offices, storage areas and signs.

m. No Dwelling Unit Owner shall paint the exterior surfaces of windows, walls or doors opening out of his Dwelling Unit.

m. No person shall park a vehicle or otherwise obstruct any other Dwelling Unit Owner's ingress or egress to any garage, driveway, or parking space, nor may any vehicle be parked on the private road in the Common Areas when such parking would obstruct access by emergency or service vehicles, or obstruct the general use of the private road by other Dwelling Unit Owners in the Development.

n. No Dwelling Unit Owner shall make any interior alterations or repairs to a Dwelling Unit which would impair the structural soundness of any Party Walls, reduce the levels of fire safety in adjacent Dwelling Units, or diminish the heat and sound insulation between adjacent Dwelling Units.

o. There shall be no exterior clothes lines for the purpose of hanging garments, rugs, or clothing, on any of the Lots in the Development.

ARTICLE XIII
Insurance and Reconstruction

Section 1. Insurance to be Carried. The Association, through the Board, shall obtain and maintain, to the extent obtainable and to the extent the Board determines to be appropriate or relevant: (i) fire and casualty insurance on the Common Areas and Dwelling Units; (ii) liability insurance on the Common Areas; (iii) such other insurance as the Board of Directors shall deem necessary from time to time to protect its interests and the interest of the Dwelling Unit Owners.

Section 2. Fire and Casualty Insurance. The Board shall be required to obtain and maintain, to the extent obtainable and to the amount determined by the Board to be reasonably necessary, the following insurance: fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring all of the Dwelling Units in the Development (but not insuring furniture, furnishings, or other personal property or fixtures supplied or installed by Dwelling Unit Owners), together with all wall to wall carpeting and wall covers installed by the Sponsor, all built-in fixtures, and all heating, air conditioning and other service machinery, contained therein, covering the interest of the Association, the Board of Directors and all Dwelling Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Dwelling Units and the protected contents, less a \$250.00 deductible feature. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Dwelling Unit which shall provide that the loss, if any, thereunder, shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provision in favor of the Board of Directors and the Insurance Trustee as hereinafter set forth. All such policies shall provide that the adjustment of loss shall be made by the Board of Directors with the approval of the Insurance Trustee, and that the net proceeds thereof, if \$50,000.00 or less, shall be payable to the Association, and if more than \$50,000.00 shall be payable to the Insurance Trustee.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Dwelling Unit Owners or of the invalidity arising from any act of the insureds or any Dwelling Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days written notice to all of the insureds, including all mortgagees of Dwelling Units. Duplicate originals of all policies of physical damage

insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Dwelling Units, if required by such mortgagees, at least ten (10) days prior to the expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Directors shall obtain an appraisal from the fire insurance company or otherwise of the full replacement value of the Dwelling Units and the insured contents thereof for the purpose of determining the amount of fire insurance to be effected pursuant to this section, and to prevent any insured from becoming a "co-insurer" under the terms of such policy.

Section 3. Director's Insurance. The Board may, but shall not be required, to obtain and maintain directors' and officers' liability insurance which shall cover their wrongful or negligent acts while performing their duties on behalf of the Association in such amount as the Board shall determine.

Section 4. Liability Insurance. The Board shall be required to obtain and maintain, to the extent available, public liability and property damage insurance protecting the Association, and the Lot Owners, for personal injury or property damage resulting from any accident or other cause occurring on or in the Common Areas. Such insurance shall provide coverage in the amount of \$1,000,000.00 in the aggregate for all bodily injury or personal property damage claims. Such limit shall apply until the first meeting of the Board elected by the Class A Members. Thereafter, the Association shall be entitled to maintain such limits of coverage as it deems advisable. Such liability insurance shall include coverage for cross liability claims of one insured against another.

Section 5. Dwelling Unit Owners' Insurance. Dwelling Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Dwelling Unit Owner. In all events, it shall be the responsibility of the Dwelling Unit Owner to provide such fire or other casualty insurance as he may determine to protect his personal property within the Dwelling Unit and such other property therein as is not covered by the insurance provided by the Association.

Section 6. Insurance Trustee. The Insurance trustee shall be a bank or trust company located in the County of Monroe in the State of New York, designated by the Board. All fees and disbursements for the Insurance Trustee shall be paid by the

Board and shall constitute a common expense of the Association included in the annual assessment. In the event the Insurance Trustee resigns or fails to qualify, the Board shall designate a new Insurance Trustee which shall be a bank or trust company located in Monroe County in the State of New York. The fees charged by the Insurance Trustee shall be deemed a common charge payable by the Association from the assessments levied.

Section 7. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Dwelling Unit, as a result of fire or other casualty, the Board shall arrange for the prompt repair and restoration of such Dwelling Unit, including any of the covered property therein, and the Board or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds received shall constitute a common expense and the Board may assess all Dwelling Unit Owners for such deficit as part of the special assessments.

ARTICLE XIV General Provisions

Section 1. Duration, Renewal and Amendment of Declaration. The covenants and restriction of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association Owner, their respective heirs, successors, distributees and assigns, and all persons or parties claiming under them for a period of twenty (20) years from the date this Instrument is recorded, after which time said covenants and restrictions shall be automatically extended and renewed for successive periods of ten (10) years each unless an instrument signed by the then Owners of not less than sixty-six and two thirds percent (66 2/3%) of the Lots in the Development, has been recorded agreeing to terminate said covenants and restrictions; provided, however, that all easements created, granted, or reserved under the provisions of this Declaration, including but not limited to the easements and rights granted to Lot and Owners under the provisions of Article VI, shall be perpetual, shall run with the land, and shall survive such termination of the covenants and restrictions or the destruction, reconstruction and relocation of the physical structures within the Development unless such easements, covenants, restrictions, and this Declaration are specifically abrogated by the unanimous consent of all the then Owners in a written and recorded instrument. For a period of three (3) years after the recording of this Declaration, or so

long as Sponsor owns not less than twenty-five percent (25%) of the Lots which are within the Development, there may be no amendment of the Declaration or of the Association's by-laws which would adversely affect Sponsor's interests. Except as above provided, the Declaration may be amended by an instrument signed by Members holding not less than sixty-six and two-thirds percent (66 2/3%) of the votes of the Class A membership. Any amendment must be properly recorded to be effective. No such amendment shall terminate or modify the said easements granted to the Dwelling Unit Owners, the Town of Webster, any special improvement district thereof, any municipal authority or public or private utility company, or the Association, except with the written consent of the beneficial holder of such easement.

Section 2. Dissolution of Association and Disposition of Its Assets.

a. The Association may be dissolved only by the vote of two-thirds (2/3) of the members of the Association entitled to vote thereon, in accordance with the applicable provisions of the Not-For-Profit Corporation Law of the State of New York. Upon the dissolution of the Association, the Association Property and Facilities shall be dedicated to an appropriate governmental body or agency to be devoted to purposes as nearly as practicable the same to which they were required to be devoted by the Association.

b. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any Not-For-Profit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as to which they were required to be devoted by the Association. No such disposition of the Association's Property shall be effective to divest or diminish any right or title of any member or Dwelling Unit Owner vested in or among this Declaration in deed applicable to his property, including particularly the said easements granted to each Dwelling Unit Owner, unless made in accordance with the provisions of this Declaration and deed. In the event of dissolution, the covenants and restrictions contained in this Declaration, other than those applying to assessments, shall remain in full force and effect. There shall be a requirement of the Association, prior to its dissolution, to establish an appropriate authority or corporation for enforcing such covenants and restrictions.

Section 3. Conflict. In the case of any conflict between this Declaration, as the same may be amended from time to time,

and the Certificate of Incorporation and the By-Laws of the Association, as they may be amended from time to time, the provisions of this Declaration shall be controlling.

Section 4. Notices. Any notice required to be sent to any Member or Dwelling Unit Owner or the Association under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Dwelling Unit Owner on the records of the Association, and as to the Association, to any officer of the Association at its then address, at the time of such mailing.

Section 5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect the validity of any other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned, being the Sponsor herein, has caused its seal to be hereunto affixed, and these presents to be signed by its duly authorized office on this _____ day of _____, 1986.

JAY BUILDERS, INC.

By: _____
John J. Zukoski, President

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

On this _____ day of _____, 1986, before me personally came JOHN J. ZUKOSKI to me personally known, who, being by me duly sworn, did depose and say that he resides in Penfield, New York; that he is the President of Jay Builders, Inc., the corporation described in, and which executed, the within Instrument; that he knows the seal of said corporation; that the seal affixed to said Instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Notary Public

SCHEDULE A

ALL THAT TRACT OR PARCEL OF LAND, situate in the Town of Webster, County of Monroe, and State of New York, being part of Town Lot 47, Township 13, Range 4, and more particularly described as follows:

Commencing at a point formed by the intersection of the east line of South Estate Drive and the north line of the premises now or formerly owned by Sibley Corp. entitled Summit Knolls Recreation Center as shown on a resubdivision map thereof filed in the Monroe County Clerk's Office in Liber 230 of Maps, at page 21; thence (1) north $84^{\circ} 46' 24''$ east, and along the north line of Summit Knolls Recreation Center shown on the aforesaid resubdivision map, a distance of 434.28 feet to a point; thence (2) continuing along the same course a distance of 29.30 feet to a point; thence (3) north $00^{\circ} 29' 21''$ west, a distance of 331.17 feet to a point; thence (4) south $89^{\circ} 30' 39''$ west, a distance of 29.85 feet to a point; thence (5) north $00^{\circ} 29' 21''$ west, a distance of 199.0 feet to a point; thence (6) north $89^{\circ} 30' 39''$ east, a distance of 259.50 feet to a point; thence (7) north $00^{\circ} 29' 21''$ west a distance of 127.96 feet to a point in the south line of Deerhurst Lane; thence (8) northwesterly on the south line of Deerhurst Lane, along a curve to the left having a radius of 270.0 feet, a distance of 46.77 feet to a point of curvature in the south line of Deerhurst Lane; thence (9) south $89^{\circ} 30' 39''$ west and along the south line of Deerhurst Lane a distance of 550.96 feet to a point of curvature; thence (10) southwesterly along a curve to the left, having a radius of 30.0 feet a distance of 47.12 feet to a point of curvature in the east line of South Estate Drive; thence (11) south $00^{\circ} 29' 21''$ east and along the east line of South Estate Drive a distance of 106.67 feet to a point of curvature; thence (12) southerly along the east line of South Estate Drive on a curve to the right, having a radius of 180 feet, a distance of 62.87 feet; thence (13) south $19^{\circ} 31' 24''$ west and along the east line of South Estate Drive, a distance of 134.31 feet to a point of curvature; thence (14) southerly along the east line of South Estate Drive on a curve to the left, having a radius of 120 feet, a distance of 41.89 feet to a point; thence (15) south $00^{\circ} 28' 36''$ east along the east line of South Estate Drive a distance of 334.94 feet to the point and place of beginning.

Being a part of the premises conveyed to Jay Builders, Inc. by deed of Sibley Real Estate Services Inc. dated December 30, 1985, and recorded in said Clerk's Office on the same day in Liber 6835 of Deeds, at page 275.

Intending herewith to describe the proposed Summit Knolls
Subdivision, Phase V as shown on a map thereof made by
Sear-Brown Associates, P. C.

SCHEDULE B

ALL THAT TRACT OR PARCEL OF LAND, situate in the Town of Webster, County of Monroe, and State of New York, being part of Town Lot 47, Township 13, Range 4, and more particularly described as follows:

Commencing at a point which is the northeast corner of premises known as the Summit Knolls Recreation Center as shown on a resubdivision map thereof filed in the Monroe County Clerk's Office in Liber 230 of Maps, at page 21; thence (1) north $84^{\circ} 46' 24''$ east, a distance of 29.30 feet to a point; thence (2) north $00^{\circ} 29' 21''$ east, a distance of 331.17 feet to a point; thence (3) south $89^{\circ} 30' 39''$ west, a distance of 29.85 feet to a point; thence (4) north $00^{\circ} 29' 21''$ west, a distance of 199.00 feet to a point; thence (5) north $89^{\circ} 30' 34''$ east, a distance of 259.5 feet to a point; thence (6) north $00^{\circ} 29' 21''$ west, a distance of 127.96 feet to a point in the south line of Deerhurst Lane; thence (7) southeasterly along the south line of Deerhurst Lane, a distance of approximately 75.01 feet to a point of curvature; thence (8) continuing along the south line of Deerhurst Lane, southeasterly on a curve to the left having a radius of 270 feet, a distance of 148.84 feet to a point; thence (9) north $89^{\circ} 30' 39''$ east, and along the south line of Deerhurst Lane, a distance of 605.68 feet to a point; thence (10) north $00^{\circ} 11' 39''$ west, a distance of 60 feet to a point; thence (11) north $89^{\circ} 30' 39''$ east, a distance of 409.36 feet, more or less, to the northeast corner of the premises conveyed to Jay Builders, Inc. by deed recorded in said Clerk's Office in Liber _____ of Deeds, at page _____; thence (12) south $00^{\circ} 28' 18''$ west, a distance of 1,958.06 feet to a point; thence (13) south $89^{\circ} 31' 16''$ west (and along the boundary line between the Town of Webster and the Town of Penfield) a distance of 781.52 feet to a point; thence (14) north $00^{\circ} 28' 36''$ west (and along the east line of Summit Knolls Subdivision, Phase IV, as shown on a map thereof filed in said Clerk's Office in Liber 213 of Maps, at page 31) a distance of 141.93 feet to a point; thence (15) north $89^{\circ} 31' 24''$ east and along a south line of Summit Knolls Subdivision, Phase IV, a distance of 49.98 feet to a point; thence (16) north $00^{\circ} 28' 36''$ west and along an east line of Summit Knolls Subdivision, Phase IV, a distance of 160.0 feet to a point; thence (17) north $89^{\circ} 31' 24''$ east, and along a south line of Summit Knolls Subdivision, Phase IV, a distance of 55.0 feet to a point; thence (18) north $00^{\circ} 28' 31''$ east and along an east line of Summit Knolls Subdivision, Phase IV, a distance of 220.0 feet to a point; thence (19) south $89^{\circ} 31' 24''$ west, a distance of 197.0 feet to a point; thence north $00^{\circ} 28' 36''$ west, a distance of 60.0 feet to a point; thence (20) south

89° 31' 24" west, a distance of 242.0 feet to a point; thence (21) south 00° 28' 36" east, a distance of 60.0 feet to a point; thence (22) south 89° 31' 24" west, a distance of 291.0 feet to a point; thence (23) north 00° 28' 36" west, a distance of 278.66 feet to a point; thence (24) south 89° 31' 24" west, a distance of 92.02 feet to a point; thence (25) north 71° 29' 06" west, a distance of 73.73 feet to a point which is the southeast corner of Summit Knolls Recreation Center as shown on the aforesaid resubdivision map; thence (26) north 19° 53' 45" east, a distance of 240.79 feet to a point; thence (27) north 11° 30' 20" west, a distance of 247.14 feet to the point and place of beginning.

ALSO ALL THAT TRACT OR PARCEL OF LAND, situate in the Town of Webster, County of Monroe, and State of New York, being part of Town Lot 47, Township 13, Range 4, and more particularly described as follows:

Commencing at a point formed by the intersection of the southwest corner of Summit Knolls Subdivision, Phase I, as shown on a map thereof filed in said Clerk's Office in Liber 187 of Maps, at page 3, with the east line of Shoecraft Road; thence (1) north 89° 31' 24" east, a distance of 250.0 feet to a point; thence (2) south 00° 28' 36" east, a distance of 158.0 feet to a point; thence (3) north 89° 31' 24" east, a distance of 204.0 feet to a point; thence (4) south 00° 28' 36" east, a distance of 82.0 feet to a point; thence (5) south 89° 31' 24" west, a distance of 62.0 feet to a point; thence (6) south 00° 28' 36" east, a distance of 167.98 feet to a point; thence (7) south 89° 31' 16" west a distance of 392.0 feet to a point in the east line of Shoecraft Road; thence (8) north 00° 28' 36" west and along the east line of Shoecraft Road a distance of 165.0 feet to a point; thence (9) north 89° 31' 24" east a distance of 200.0 feet to a point; thence (10) north 00° 28' 36" west, a distance of 150.0 feet to a point; thence (11) south 89° 31' 24" west, a distance of 200.0 feet to a point in the east line of Shoecraft Road; thence (12) north 00° 28' 36" west and along the east line of Shoecraft Road a distance of 93.0 feet to the point and place of beginning.

Being a part of the premises conveyed to Jay Builders, Inc. by deed of Sibley Real Estate Services Inc. dated December 30, 1985, and recorded in said Clerk's Office on the same day in Liber 6835 of Deeds, at page 275.

Subject to the rights of the public in and to Deerhurst Lane.

There will be excepted from the foregoing premises a parcel of land containing approximately 8 acres in the northeast corner and a parcel of land along the east boundary of the aforesaid premises containing approximately 7.4 acres.

